

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) November 11, 2021

**Digital Turbine, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation)

**001-35958**  
(Commission File Number)

**22-2267658**  
(IRS Employer Identification No.)

**110 San Antonio Street, Suite 160, Austin, TX 78701**  
(Address of Principal Executive Offices)

**78701**  
(Zip Code)

**(512) 387-7717**  
(Registrant's Telephone Number, Including Area Code)  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below)

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	APPS	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 7.01 Regulation FD Disclosure**

On November 11, 2021, Digital Turbine, Inc. (the "Company") presented investor information at its Virtual Analyst Day. The investor presentation slides are attached hereto as Exhibit 99.1. These slides are posted on the "Investor Relations" area of the Company's website at [www.digitalturbine.com](http://www.digitalturbine.com). From time to time, the Company may also use this presentation in conversations with investors and analysts.

The attached presentation contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, and projections about the Company's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors and risks discussed from time to time in the Company's SEC filings and reports. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions. Such forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the presentation.

The attached presentation includes non-GAAP financial measures relating to the Company's operations and forecasted outlook. In addition, the attached presentation includes reconciliations of these GAAP to non-GAAP financial measures, as well as an explanation of how management uses these non-GAAP financial measures and the reasons why management views these measures as providing useful information for investors. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from the Company's results should be carefully evaluated.

The information being reported in under Item 7.01 in this Current Report on Form 8-K (including Exhibit 99.1 attached hereto) is being "furnished" and shall not be deemed "filed" for any purpose, including the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01 Financial Statements and Exhibits**

[99.1](#) [Investor Presentation](#)

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 12, 2021

Digital Turbine, Inc.

By: /s/ Barrett Garrison

Barrett Garrison

Executive Vice President, Chief Financial Officer

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# Investor Day

Nov. 11. 2021



# Safe Harbor Statement

This presentation includes "forward-looking statements" within the meaning of the U.S. federal securities laws. Statements in this presentation that are not statements of historical fact and that concern future results from operations, financial position, economic conditions, product releases and any other statement that may be construed as a prediction of future performance or events, including financial projections and growth in various products, are forward-looking statements that speak only as of the date made and which involve known and unknown risks, uncertainties and other factors which may, should one or more of these risks, uncertainties or other factors materialize, cause actual results to differ materially from those expressed or implied by such statements. These factors and risks include risks associated with adoption of the Company's platform among existing customers (including the impact of possible delays with major carrier and OEM partners in the roll out for mobile phones deploying the Company's platform); actual mobile device sales and sell-through where the Company's platform is deployed is out of the Company's control; new customer adoption and time to revenue with new carrier and OEM partners is subject to delays and factors out of the Company's control; risks associated with fluctuations in the number of the Company's platform slots across US carrier partners; the challenges, given the Company's comparatively small size, to expand the combined Company's global reach, accelerate growth and create a scalable, low-capex business model that drives EBITDA (as well as Adjusted EBITDA); varying and often unpredictable levels of orders; the challenges inherent in technology development necessary to maintain the Company's competitive advantage such as adherence to release schedules and the costs and time required for finalization and gaining market acceptance of new products; changes in economic conditions and market demand; rapid and complex changes occurring in the mobile marketplace; pricing and other activities by competitors; technology management risk as the Company needs to adapt to complex specifications of different carriers and the management of a

complex technology platform given the Company's relatively limited resources; a decline in general economic conditions nationally and internationally; market acceptance and brand awareness of the Company's products; risks associated with indebtedness and the ability to comply with financial covenants on outstanding indebtedness; the ability to protect the Company's intellectual property rights; the impact of COVID-19 on the Company's results of operations; risks associated with new privacy laws, such as the European Union's GDPR and similar laws which may require changes to the Company's development and user interface for certain functionality of the Company's mobile platform; risks associated with the activities of advertisers; customer adoption that either the Company or the market may expect; ability as a smaller company to manage international operations; system security and cyberattacks; risks and uncertainties associated with the integration of AdColony, including the Company's ability to realize the anticipated benefits of the acquisition; risks and uncertainties associated with the integration of the acquisition of Fyber, including the Company's ability to realize the anticipated benefits of the acquisition and the satisfaction of related earn-out provisions; risks associated with the failure or inability to pay the future consideration due in the AdColony and Fyber acquisitions; challenges and risks associated with the Company's rapid growth by acquisitions and resulting significant demands on the Company's management and infrastructure; challenges and risks associated with the Company's global operations and related business, political, regulatory, operational, financial, and economic risks as a result of the Company's global operations; and other risks including those described from time to time in Digital Turbine's filings on Forms 10-K and 10-Q with the Securities and Exchange Commission (SEC), press releases and other communications. You should not place undue reliance on these forward-looking statements. The Company does not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

# Agenda

01

**Company Update** (Bill Stone)  
Mission/Vision/Why We Are Here

05

**Partner Round Table** (Matt  
Tubergen)

02

**Business Operations  
and Revenue Synergies**  
(Mike Ng)

06

**Numbers, Modeling, and  
Looking into the Future**  
(Barrett Garrison)

03

**Q&A Part 1**

07

**Q&A Part 2**

04

**Product Demos**





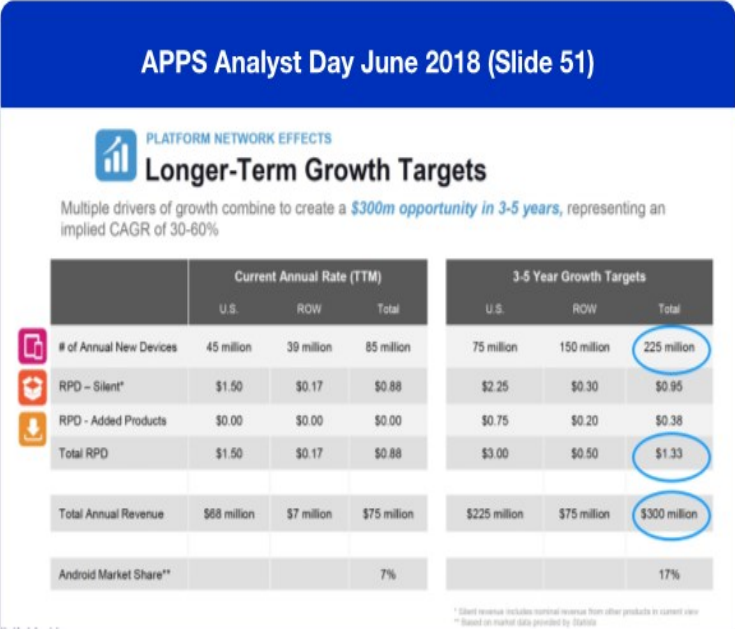
Bill Stone

# The Company



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# A lot has changed since we last met



# Operating at global scale with strong results

Key Stats

<b>\$1B</b>	<b>40<sup>+</sup></b>	<b>750M</b>	<b>45K</b>	<b>750<sup>+</sup></b>	<b>1.5B</b>
Revenue	Operator/OEM Partnerships	Ignite On-Device Footprint	Publisher Partnerships	Advertiser Relationships	Monthly Reach

Rapid & Efficient Growth

Revenue



EBITDA



Non-GAAP EPS





# The largest independent mobile growth platform

Powered by on-device technology

- Access to exclusive **carrier & OEM inventory**
- High-impact **On-Device experiences**
- **Full suite** of UA and monetization Solutions
- Immense **scale and reach**
- **Diverse demand** from top brand and performance advertisers



# Market trends & opportunities support our independent growth platform vision

## MARKET TRENDS



### Apps are Ingrained in our Lives

2.7 M apps in Google Play Store while average user has 30 apps on device using 10 per day



### Content Discovery is Increasing

50% of the time consumers unlock their phone, they're simply looking for something interesting.



### The Mobile Ad Market Continues to Grow

Global mobile advertising market is estimated to grow from \$340B in 2021 to > [\\$600B in 2025](#)

## MARKET OPPORTUNITIES



### Advertisers are Seeking Simplicity

Advertising complexity is impacting efficiency – The Duopoly saturation is impacting effectiveness and fostering marketing spend on other platforms for faster incremental growth.



### Advertisers are Seeking Diversity

Over-complication of mobile marketing within fragmented and siloed ecosystem has resulted in economic loss for both Marketers, Publishers, and their ROI measurements.



### Favorable Regulatory Tailwinds

Expected regulatory changes likely to expand market opportunities for third parties like Digital Turbine

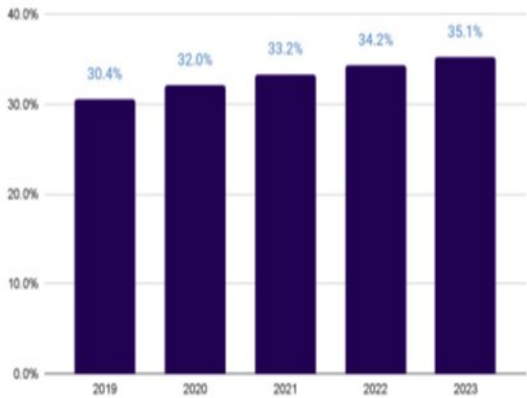
# Consumers are spending more time in mobile ...

Mobile Internet: average daily time spent in the US, app vs. browser, 2018-2022

Hrs: mins per day among population



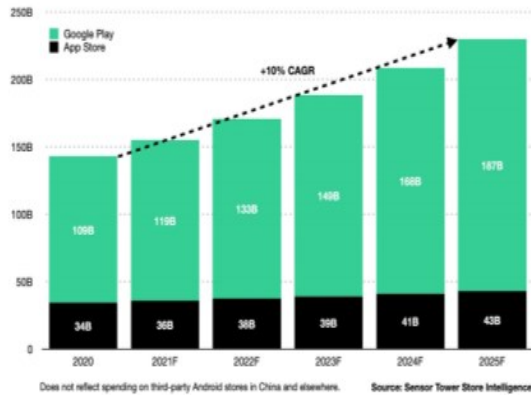
Share of all media time spent in mobile (U.S.)



# ... More time in mobile has led to more installs & ad spend

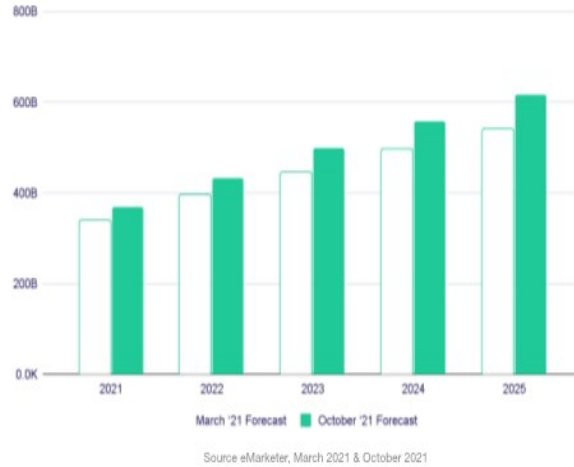
## App Growth Continues to be Strong . . .

Global App Store and Google Play Installs 2020-2025



## . . . Leading to Upward Revisions in Advertising Spend

Global Mobile Ad Spend, Billions of Dollars



## . . . And, mobile ad spend has shifted towards Android

Year over year growth in Facebook US mobile ad spend, by OS

% change vs. same period of prior year



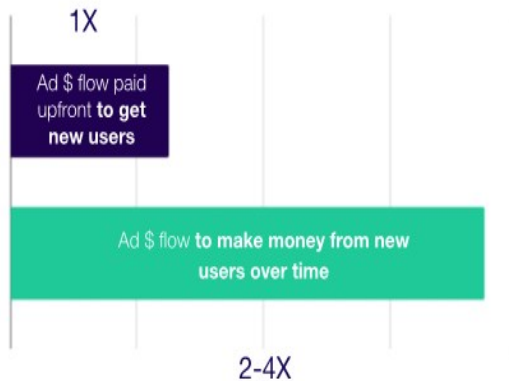
Source eMarketer, Aug. 2021

# ... We've only just begun to tap these growing markets.

## In-App Monetization is Today's Big Opportunity

For every dollar of ad money paid to get new users

2 to 4 dollars of ads flow through ad-tech to make money from new users

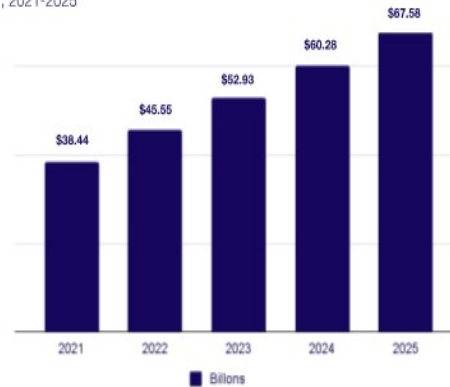


## In-App Purchasing is Tomorrow's Opportunity

Legislation points to opportunities to leverage our direct carrier billing

### Smartphone in-app purchase spending

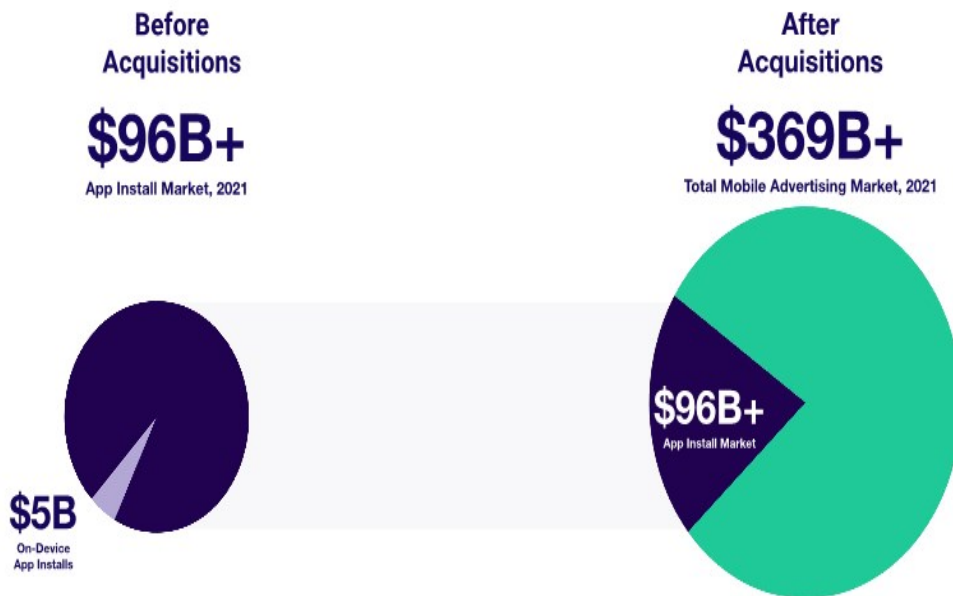
U.S., 2021-2025



Source eMarketer, March 2021 & October 2021

# Digital Turbine now has a significantly larger TAM . . .

Acquisitions have increased our 2021 TAM from a share of \$96B to over \$369B



Source: Statista

Source: eMarketer, March 2021 & October 2021

# We service this TAM with much more supply & product

## Before Acquisitions



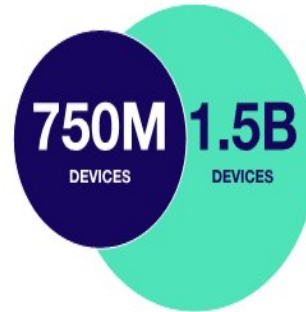
### 1st Day

- Dynamic Installs
- Wizard

### Every Day

- SingleTap
- Notifications

## After Acquisitions



### 1st Day

- Dynamic Installs
- Wizard

### Every Day

- SingleTap
- Notifications
- In-App Monetization
- Brand Video
- Multiple apps/device



# Significant tailwinds throughout the news cycle



REUTERS

Facebook ad revenue seen feeling brunt of Apple privacy changes



FT FINANCIAL TIMES

Snap, Facebook, Twitter and YouTube lose nearly \$10bn after iPhone privacy changes



TC TechCrunch

A new Senate bill would totally upend Apple and Google's app store dominance



CNBC

Google is slashing the amount it keeps from sales on its cloud marketplace as pressure mounts on app stores



AMERICAN BANKER

Across four continents, Apple's control of payments is under attack



TC TechCrunch

Google Play to support alternative billing systems in South Korea, following new law

# Tailwinds support significant future opportunities

Our platform is well situated to expand to take advantage of market tailwinds:



Carrier/OEM App Stores



In-App Payments



iOS & Other OSs



Connected Television  
(Demo)



Cross Device Advertising  
(Demo)

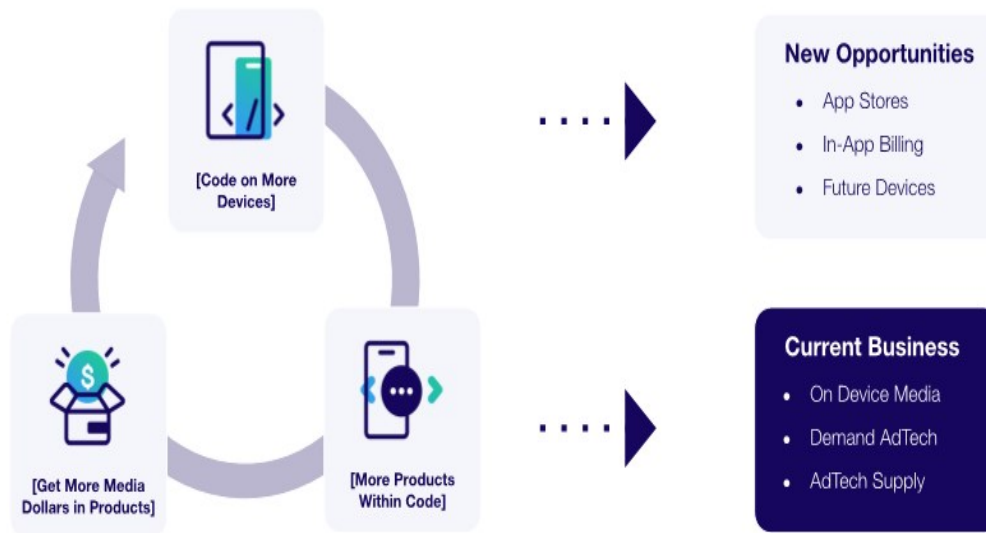


Connected Devices

# Extending Opportunity with Our Telcos



# The Same Drivers Support New & Current Business





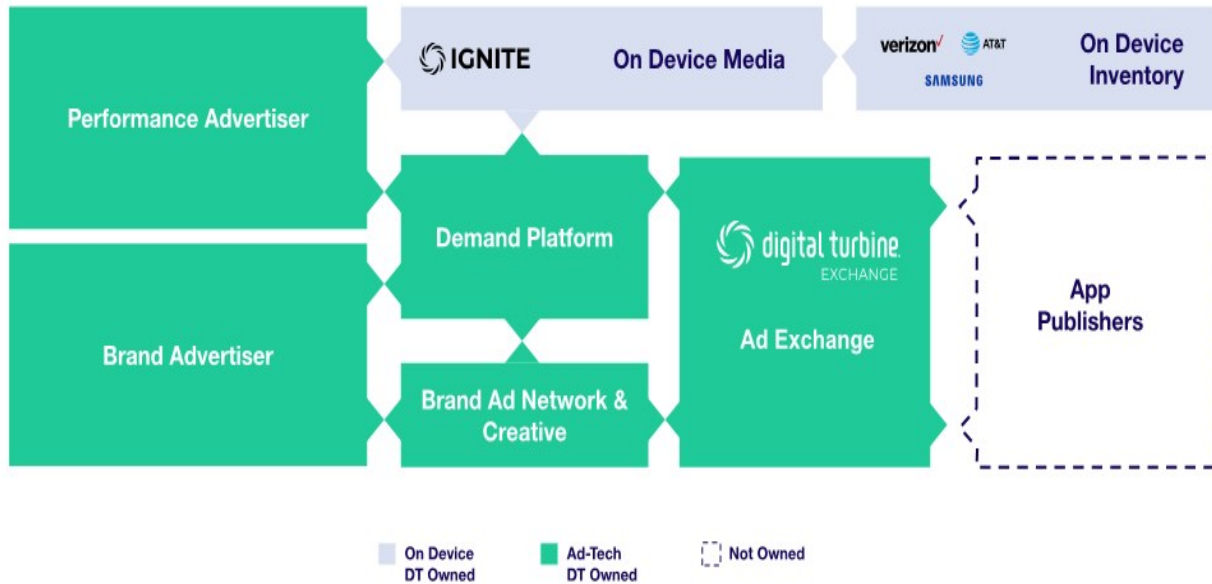
Mike Ng

# Business Operations and Revenue Synergies



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# Quick Overview of Mobile Ecosystem




# Digital Turbine now has a significantly larger TAM

Acquisitions have increased our TAM to over \$500B by 2023



# Our legacy business tapped Day One paid UA

PERFORMANCE  
ADVERTISERS



DIGITAL TURBINE  
DIRECT

 digital turbine

 IGNITE



APP INSTALLS  
**750M** Devices

## Advertising Benefits

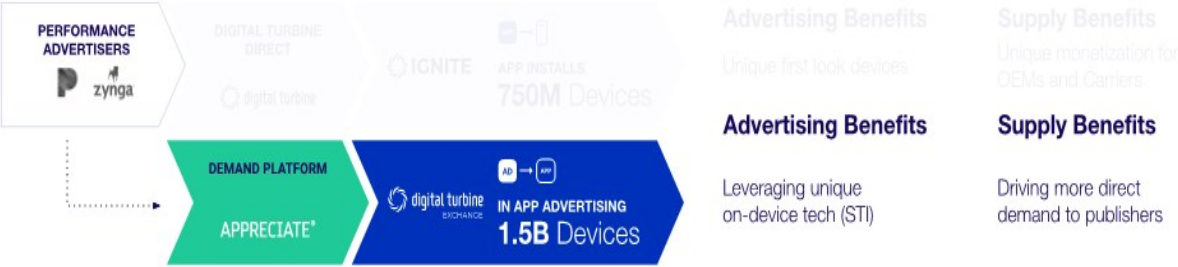
Unique first look devices

## Supply Benefits

Unique monetization for  
OEMs and Carriers



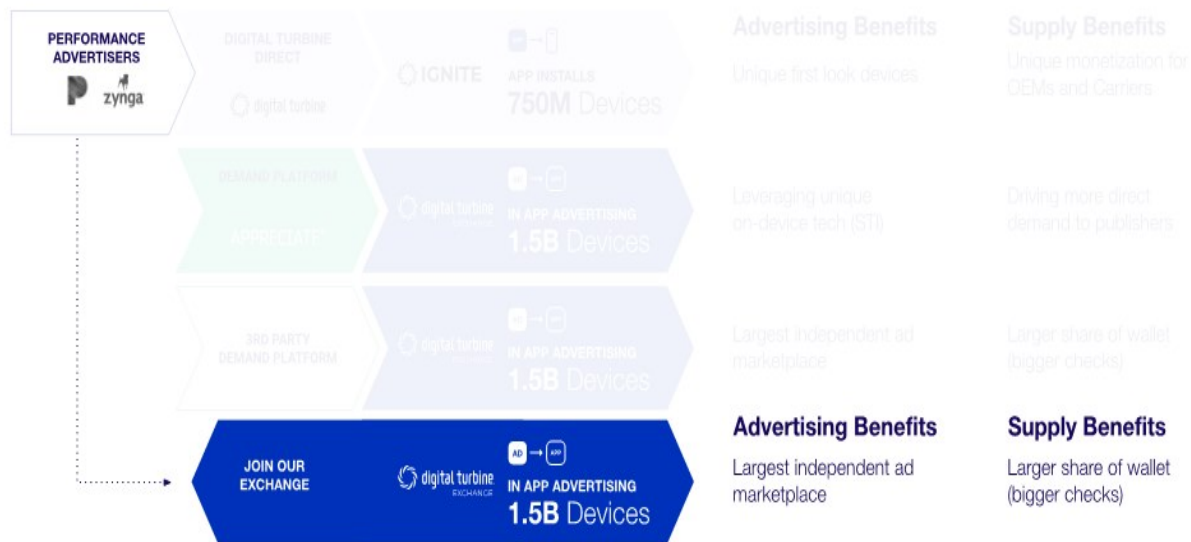
# Synergy 1: Performance & SingleTap ads run on our supply



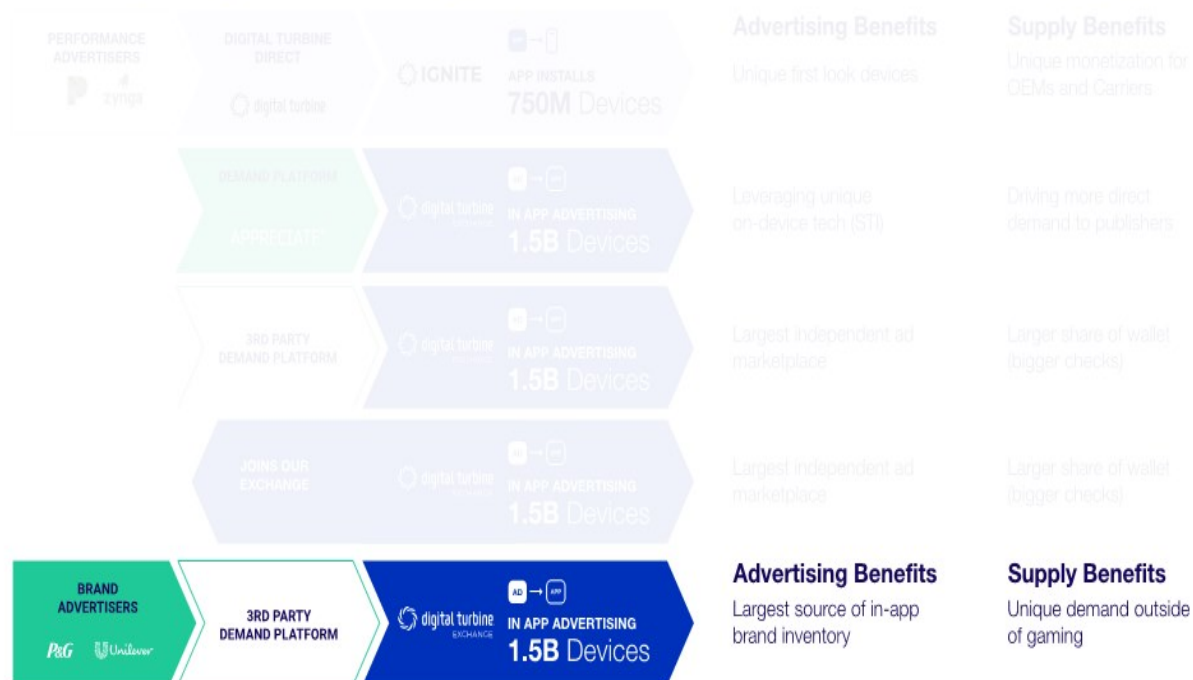
## Synergy 2: Independent demand runs on our supply



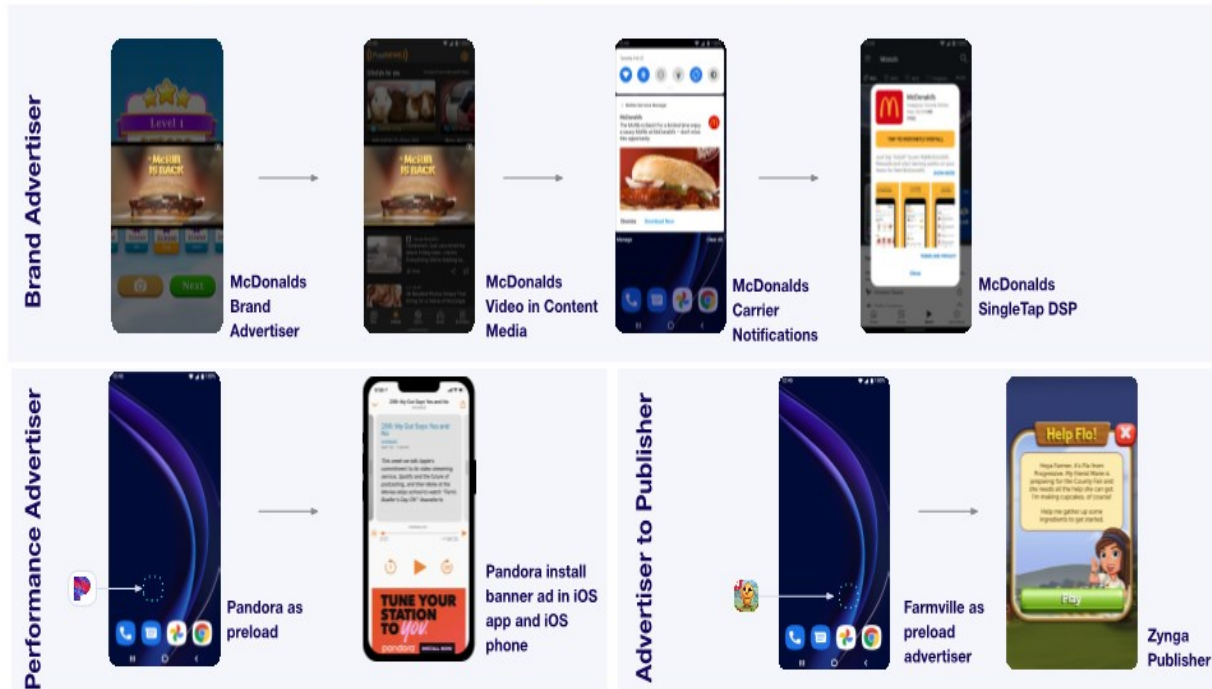
## Synergy 3: Performance advertisers add DT for monetization



## Synergy 4: Driving brand demand to our own supply



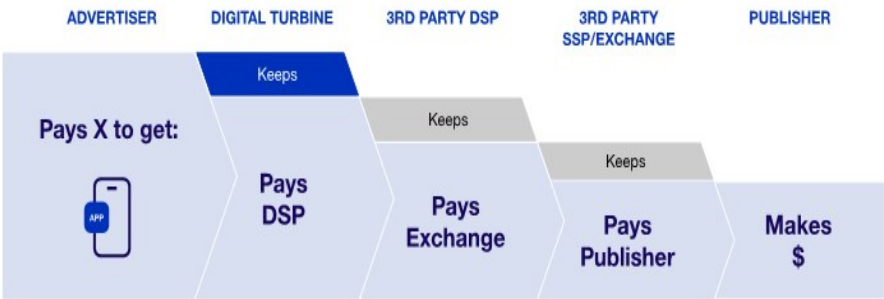
## Synergy 5: Cross-selling has already boosted revenues



# These synergies create an economic flywheel

## THEN

Digital Turbine keeps only a small part of the install revenue stream






## NOW

By owning the DSP and Exchange we keep more, Publishers can make more, while Advertisers could pay less



# SingleTap's path to \$1B+ in revenue

	Today	Future
<b>Advertisers Live:</b>	~15	150
<b>Typical Advertiser:</b>	Top 500 mobile app 	Top 500 mobile app 
<b>Average Monthly Spend Per Advertiser:</b>	~\$500k	\$750k
<b>Publishers Live:</b>	-	8
<b>Typical Publisher:</b>	-	Top mobile install drivers 
<b>Average Monthly Revenue Per Publisher:</b>	-	\$1.5M

# WHY WE WIN

- On-Device Software
- End-to-End Ad Stack
- Independence
- Holistic View of the User
- Brand Advertising





Part 1

# Q & A





Barrett Garrison

# Financial Outlook



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# Rapid & Efficient Growth

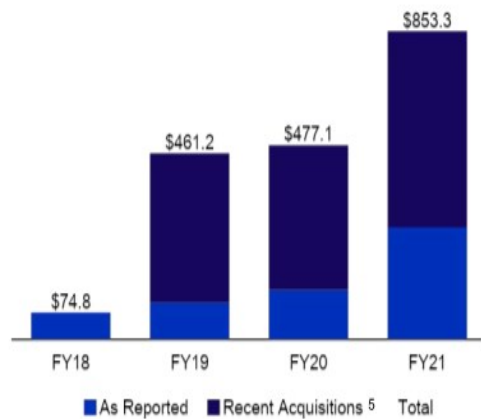


<sup>1</sup>Please see the Appendix for a definition of Non-GAAP Adjusted EBITDA.

<sup>2</sup>Please see the Appendix for a definition of Non-GAAP EPS.

# Significant Scale and Expanding Operating Leverage

Pro Forma Revenue (\$MM)<sup>4</sup>

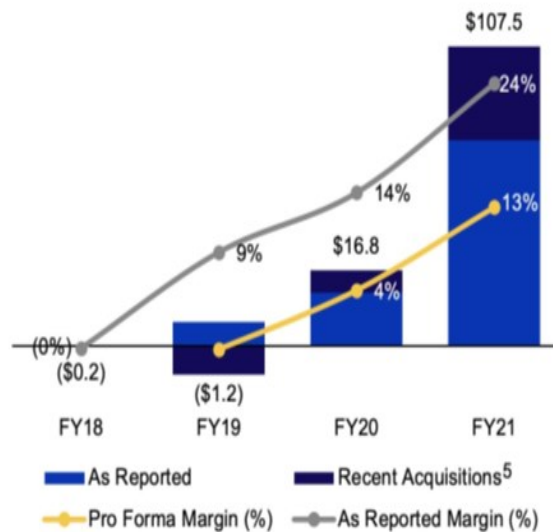


<sup>1</sup>Please see the Appendix for a definition of Non-GAAP Adjusted EBITDA and a reconciliation table to GAAP net income.

<sup>4</sup>Please see the Appendix for definition of pro forma results.

<sup>5</sup>Recent Acquisitions include the results of Appreciate, AdColony and Fyber.

Pro Forma Non-GAAP Adj. EBITDA<sup>1,4</sup> (\$MM)



## Operating Leverage Drives Growth in Earnings

in millions except EPS	1 <sup>st</sup> Half Fiscal 2022	1 <sup>st</sup> Half Fiscal 2021	Change Y/Y
Revenue <sup>4</sup>	\$602.3	\$333.0	81%
Non-GAAP Adj. EBITDA <sup>1,4</sup>	\$96.5	\$34.0	184%
Non-GAAP EPS <sup>2</sup>	\$0.78	\$0.28	176%

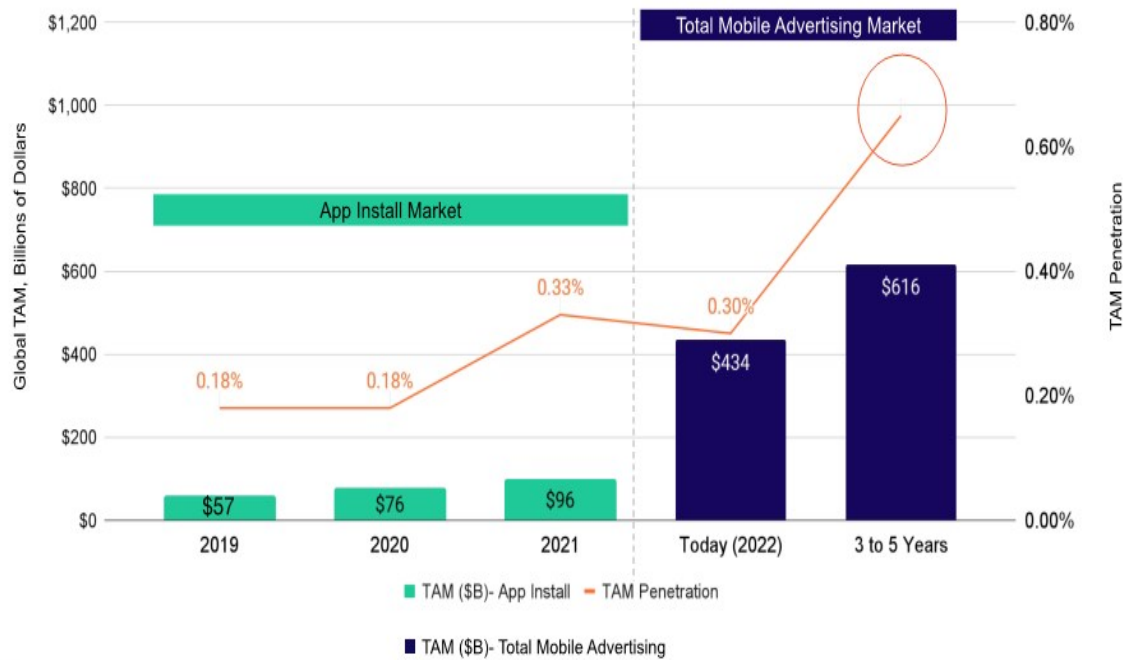
<sup>1</sup>Please see the Appendix for a definition of Non-GAAP Adjusted EBITDA and a reconciliation table to GAAP net income.

<sup>2</sup>Please see the Appendix for a definition of Non-GAAP EPS and a reconciliation table to GAAP EPS.

<sup>4</sup>Please see the Appendix for definition of pro forma results.

# Increased TAM + Increased Penetration = Significant Growth

Total Available Market (TAM) in \$Billions and Market Penetration



# Long-Term Performance Growth Targets

	FY 2021	1H FY 2022	Long Term Targets
Revenue Growth (Pro Forma Y/Y) <sup>4</sup>	64%	81%	25-30% CAGR
Non-GAAP Gross Profit <sup>3</sup>	32%	31%	35%+
Non-GAAP Adj. EBITDA <sup>1</sup>	13%	16%	25%+
Capital Expenditures	1%	2%	~1%

<sup>1</sup>Please see the Appendix for a definition of Non-GAAP Adjusted EBITDA and a reconciliation table to GAAP net income.

<sup>3</sup>Please see the Appendix for a definition of Non-GAAP gross profit and a reconciliation table to GAAP gross profit.

<sup>4</sup>Please see the Appendix for definition of pro forma results.

# Growth Path to Revenue of \$4.0B+ & Adjusted EBITDA<sup>1</sup> of \$1.0B+

3-5 Year Target Financial Model (\$B)



<sup>1</sup>Please see the Appendix for a definition of Non-GAAP Adjusted EBITDA and a reconciliation table to GAAP net income.  
<sup>4</sup>Please reference the Appendix for definition of pro forma results.

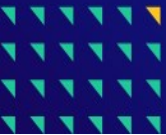


# Why we believe in \$4B

- TAM is enormous with secular tailwinds making it grow even faster
- Differentiated strategy with On-Device and Independence
- End-to-End Products and Global Partners to make it happen
- Operating Leverage/Flywheel business model
- Track Record of Execution

Part 2

# Q & A



# Appendix



## Use of Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements presented in accordance with GAAP, Digital Turbine uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP adjusted net income and earnings per share ("EPS") and non-GAAP adjusted EBITDA. Reconciliations to the nearest GAAP measures of all non-GAAP measures included in this press release can be found in the tables below.

Non-GAAP measures are provided to enhance investors' overall understanding of the Company's current financial performance, prospects for the future and as a means to evaluate period-to-period comparisons. The Company believes that these non-GAAP measures provide meaningful supplemental information regarding financial performance by excluding certain expenses and benefits that may not be indicative of recurring core business operating results. The Company believes the non-GAAP measures that exclude such items when viewed in conjunction with GAAP results and the accompanying reconciliations enhance the comparability of results against prior periods and allow for greater transparency of financial results. The Company believes non-GAAP measures facilitate management's internal comparison of its financial performance to that of prior periods as well as trend analysis for budgeting and planning purposes. The presentation of non-GAAP measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

## Appendix: Definitions of Non-GAAP and Pro Forma Measures

<sup>1</sup>**Non-GAAP Adjusted EBITDA** is calculated as GAAP net income/(loss) excluding the following cash and non-cash expenses: interest expense/(income), foreign exchange transaction loss/(gain), income tax provision, depreciation and amortization, stock-based compensation expense, the change in fair value of warrant liability, the change in fair value of contingent liability, loss on extinguishment of debt, non-recurring severance expense, and transaction-related expenses and compensation costs.

<sup>2</sup>**Non-GAAP EPS** is defined as GAAP EPS adjusted to exclude the effect of stock-based compensation, amortization of intangibles, adjustments in the fair value of earn-out liabilities associated with acquisitions, and transaction-related expenses and compensation costs.

<sup>3</sup>**Non-GAAP gross profit** is defined as GAAP gross profit adjusted to exclude the effect of the amortization of intangibles and depreciation of software.

<sup>4</sup>**Pro Forma financial information** in this presentation were prepared as if the acquisitions of Appreciate, AdColony and Fyber were owned for all full prior periods shown. The historical financial statements of AdColony and Fyber were prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and have not been adjusted to conform with accounting principles generally accepted in the US

## GAAP Net Income to Non-GAAP Adjusted Earnings Per Share

(in thousands)

	6 Months Ended September 30, 2021 (Unaudited)	6 Months Ended September 30, 2020 (Unaudited)
<b>Continuing Operations:</b>		
Net (loss) / income from continuing operations	\$ 8,366	\$ 10,313
Add back items:		
Stock and stock option compensation	9,630	4,126
Amortization of intangibles	21,100	1,340
Adjustment to estimated earn-out liability	22,087	10,757
Transaction expenses	17,504	450
Non-GAAP adjusted net income from continuing operations	\$ 78,687	\$ 26,986
Non-GAAP adjusted net income per share from continuing operations	\$ 0.78	\$ 0.28
Weighted average common shares outstanding, diluted	100,457	94,988

# Pro Forma GAAP Net Income to Non-GAAP Adjusted EBITDA

As Reported + Recent Acquisitions (Appreciate, AdColony, Fyber)

(in thousands)

	12 Months Ended March 31,			6 months Ended September 30,	
	2019	2020	2021	2021	2022
<b>Continuing Operations:</b>					
Net income from continuing operations	\$ (162,809)	\$ (69,977)	\$ 45,736	\$ (4,253)	\$ (28,630)
Add back items:					
Stock and stock option compensation	4,419	4,832	6,990	5,416	39,790
Depreciation and Amortization	42,712	42,076	33,495	17,516	28,616
Impairment of Intangibles	96,589	803	(676)	(1,011)	1
Interest expense / (income), net	19,257	34,986	15,442	7,715	6,012
Other expense / (income)	(141)	(770)	(610)	16	372
Change in fair value of contingent liability	-	-	15,751	10,757	22,087
Change in fair value of warrant liability	5,883	9,580	-	-	-
Loss on extinguishment of debt	425	-	452	-	-
Non-recurring severance expense	145	-	-	-	-
Foreign exchange transaction (gain)/loss	248	1,665	1,030	17	475
Income tax provision	(7,909)	(7,081)	(14,815)	(2,668)	3,299
Transactions expenses	-	657	4,701	450	24,520
Non-GAAP adjusted EBITDA from continuing operations	\$ (1,181)	\$ 16,771	\$ 107,496	\$ 33,954	\$ 96,542