Semrush Investor Presentation

February 2025



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Meet the Team



Oleg Shchegolev
Co-founder and Chief Executive Officer, transitioning to Chief Technology Officer March 10, 2025



William R. Wagner
Chief Executive Officer starting March 10, 2025
Former LogMeIn



Eugene Levin
President
Former Target Global



Brian Mulroy
Chief Financial Officer
Former Microsoft & Nuance



Vitalii Obishchenko
Chief Operating Officer, transitioning to Chief Product Officer March 10, 2025
Former SEO Quake



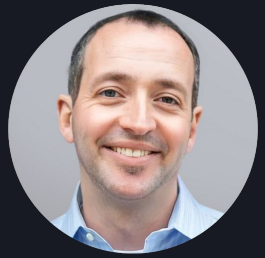
Veronique Montreuil
Chief Customer and Data Officer
Former Covetrus & INAP



Tatiana Starikova
Chief HR Officer
Former Realweb & Adhands



Andrew Warden
Chief Marketing Officer
Former Cisco & SoftServe



David Mason
Chief Legal Officer
Former Kayak & EverQuote

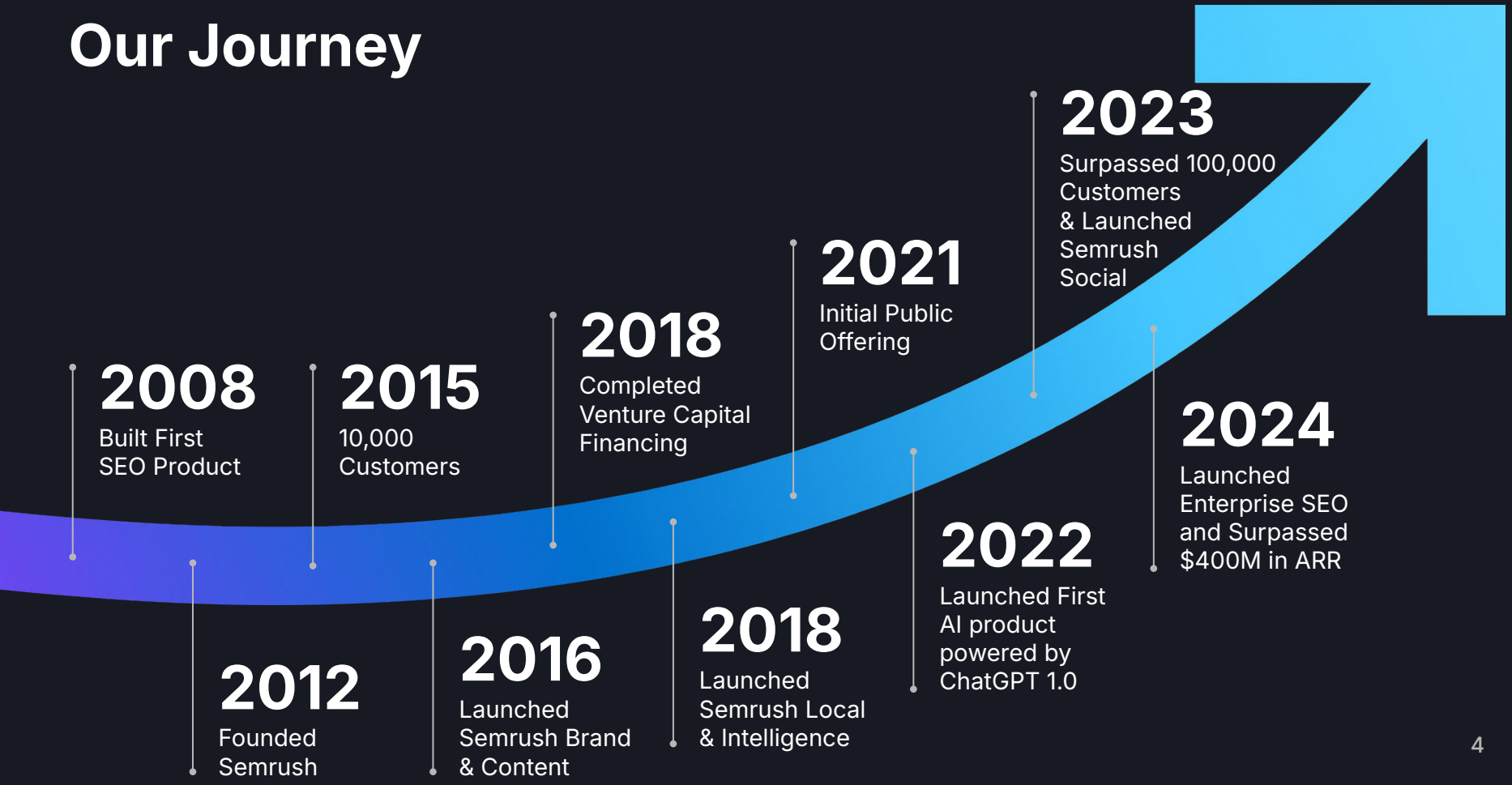


Alex Sukennik
Chief Information Officer
Former Avid & Rapid7



Tommie O'Brien
Chief Sales Officer
Former Salesforce & LinkedIn

Our Journey


2008
Built First SEO Product
2012
Founded Semrush
2015
10,000 Customers
2016
Launched Semrush Brand & Content
2018
Completed Venture Capital Financing
2018
Launched Semrush Local & Intelligence
2021
Initial Public Offering
2022
Launched First AI product powered by ChatGPT 1.0
2023
Surpassed 100,000 Customers & Launched Semrush Social
2024
Launched Enterprise SEO and Surpassed $400M in ARR

Our Journey

From a Product to a Toolkit to a Suite to a Platform to now a Fully-Integrated Enterprise Ready Platform



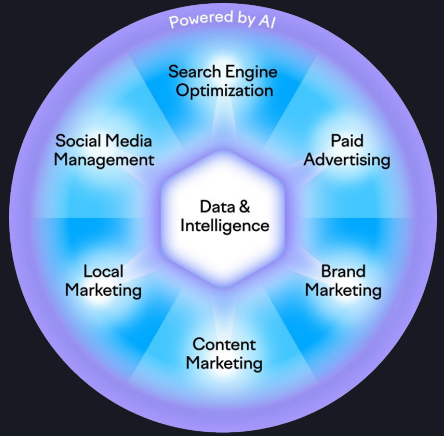
2008

Started with a Single SEO **Product**



2015

Became a **Suite** of Online Visibility Tools



2024+

Becoming an **Enterprise-Ready** AI-Powered Digital Marketing **Platform**



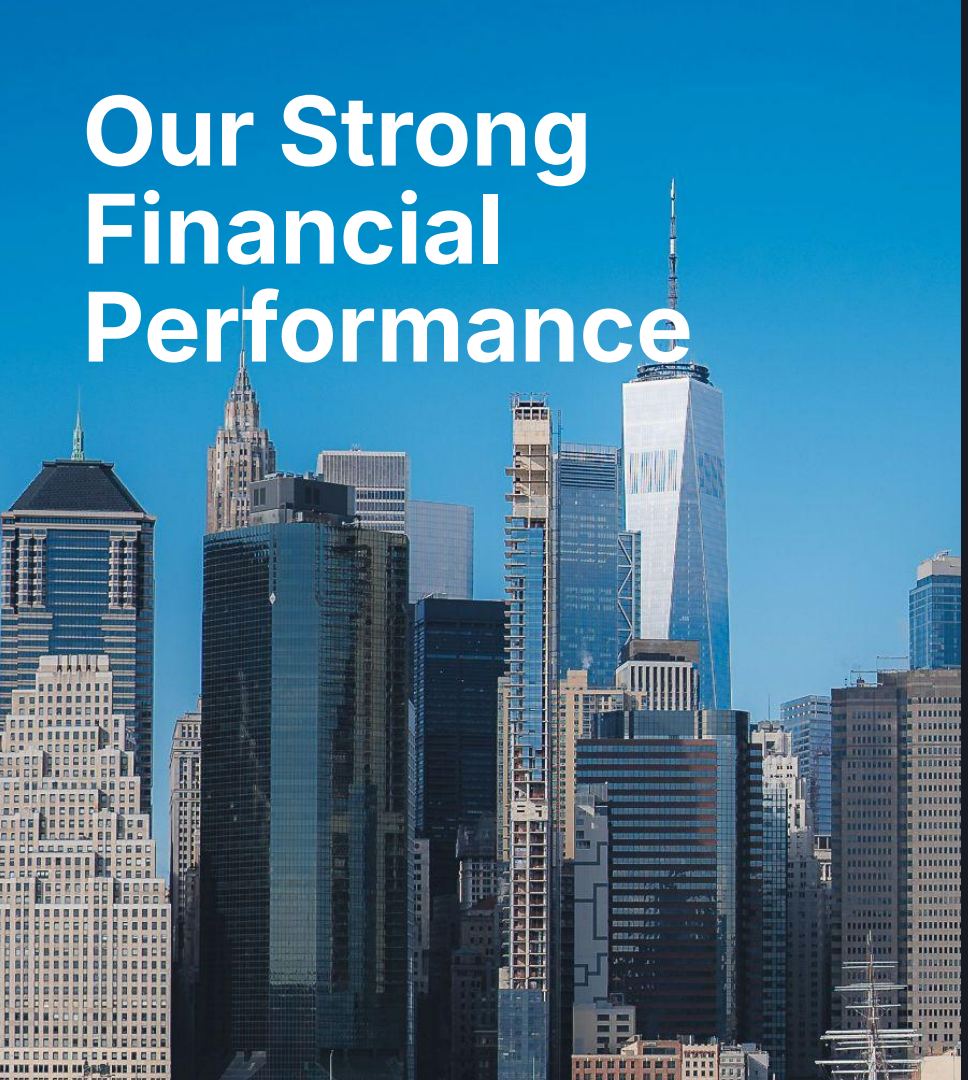
2012

Expanded into a Search Engine Marketing **Toolkit**



2020

Evolved into a Digital Marketing **Platform**



Our Strong Financial Performance

22%

FY'24 ARR Growth % YoY*

$411.6M

FY'24 Annual Recurring Revenue*

11.5%

Q4'24 Non-GAAP Operating Margin**

$235.6M

Cash, Cash Equivalents and Short-Term Investments***

*ARR is calculated as of 12/31 of the applicable year
**See Appendix for GAAP to Non-GAAP Operating Margin reconciliation
*** As of 12/31/24

Our Diverse & Loyal Customer Base



All

Industries, Market Segments and Marketing Disciplines

150+

Countries

117,000

Customers

8,000

Enterprise Customers

*All metrics as of 12/31/24. References to Customers reflect paying customers. Enterprise Customers are paying customers from companies who have more than 500 employees.

Our Large Market Opportunity



*See Appendix for detailed TAM calculation

Our Strong Competitive Moat





- → Ownership
- → Innovation
- → Creativity
- → Data-Driven
- → Efficiency

Our Customers Love Us

Capterra

4.7 out of 5

crozdesk

4.6 out of 5

G2

4.5 out of 5

22
International Awards











"...the all in one tool you need"

"THE Best in the Business!!!"

"The best feature of Semrush might be its ability to offer multiple tools in one place!"

"...covers all aspects of Digital Marketing at a competitive price"

"If you're using anything else, you're missing out"

"A Must-Have Tool for Social Media Success"

"Great platform"

Source: *g2.com/products/semrush*

Rating, Awards and Reviews as of 9/30/24

Industry Analysts Recognize Our Leadership

		SEMRUSH	Hootsuite	Jasper	similarweb	ahrefs	Birdeye	CISION
SEO Tools	SEO	Leader			Leader	Leader		
Local SEO	Local	Leader					Leader	
Local Marketing		Leader					Leader	
Local Listing Management		Leader					Leader	
Social Media Suites	Social Media	Leader	Leader				Leader	
Social Media Analytics		Leader	Leader					Leader
Social Media Management		Leader	Leader				Leader	
Social Media Advertising		Leader						
Media Monitoring	Brand Marketing	Leader				Leader		Leader
Market Intelligence	Competitive Intelligence	Leader			Leader			
Competitive Intelligence		Leader			Leader	Leader		
Content Analytics	Content Marketing	Leader			Leader	Leader		
Content Creation		Leader						
AI Writing Assistant		Leader		Leader				
Marketing Analytics	Paid Advertising	Leader						
Paid Search Intelligence		Leader			Leader			
Digital Analytics		Leader						

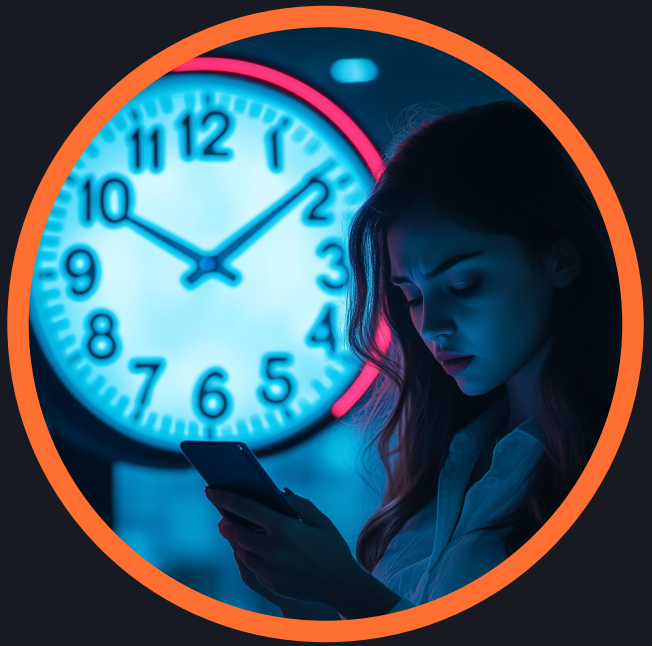
Source: G2 Category Leaderboards from September 2024

The Digital Marketing Problem We Solve



Overwhelming Digital Noise

Information barrier gets bigger every day: average consumer already spends *6.5 hours a day* online and is overwhelmed with information



+720K
hours of video uploaded to Youtube

+8.5B
Google searches

+1B
Facebook stories across all apps

+50B
Meta and Google impressions

+2.3M
blog posts on Wordpress alone

… and more every single day

* See Third Party Sources slide in Appendix; stats are estimates on a “per day” basis.

Constantly Evolving Digital Marketing Channels

Mailchimp (email marketing)

Wordpress

Facebook

Twitter/X

Iphone mobile interfaces

Snap

Google AI overview

Google becomes default search engine

Yelp Digital reviews

Google Maps

Youtube

Instagram

TikTok

ChatGPT

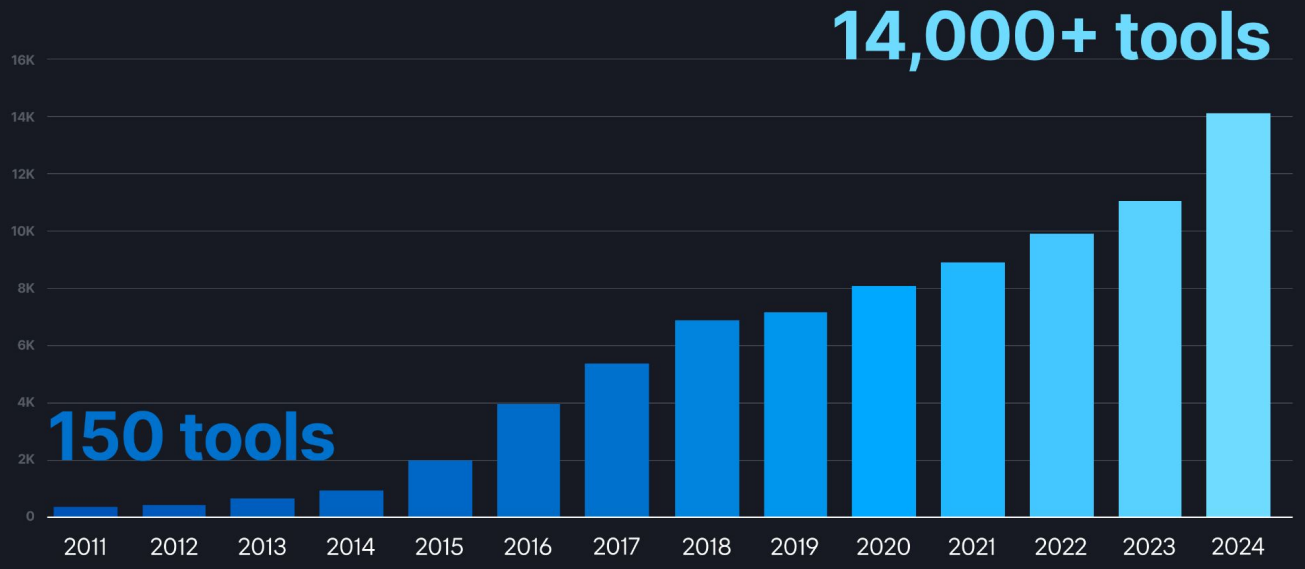
In 20 years we went from website and email to

- Google / Bing
- Content Marketing
- Youtube / TikTok
- FB / X / Snapchat / Instagram / Linkedin
- Mobile
- Influencers
- Blogs / Digital media
- Review websites
- AI agents

Growing Complexity Drives Demand for Martech

As complexity increased, marketers needed more data, tools and features

and that demand created a market that greatly benefits from the most complete platforms such as Semrush



Source: chiefmartec.com Marketing Technology Landscape as of May 2024 (with 2013 and 2021 being extrapolated estimates)

Businesses Have Three (Bad) Options

Biased

Use tools provided by Google, Facebook and other networks

Challenges:

- Paid Channel Focus
- Siloed
- Single Network
- Conflict of Interest

Fragmented

Use point solutions for each channel

Challenges:

- Inefficient
- Siloed
- Limit Visibility
- Disaggregated

Expensive

Rely on army of engineers and data scientists to build custom systems

Challenges:

- Costly Implementation
- Costly Maintenance
- Custom
- Proprietary

In Short...

Attention is Limited

Content & Martech Tools are Exploding

Budgets are Limited

The Semrush Digital Marketing Solution



Our Digital Marketing Platform Solves these Increasingly Complex & Critical Problems



We understand these problems well at Semrush. We are both Marketers and Technologists.

Our platform utilizes Data and Intelligence at the core surrounded by AI-Powered Interconnected Hubs focused on Search Engine Optimization, Paid Advertising, Social Media Management, Local Marketing, Brand Marketing, and Content Marketing.

It starts with our Unique Combination of Data Assets and Intelligence Foundation



Total Profiles

200+ million domains
Monitored in ~150 countries

Keyword Data

25+ billion keywords

Anonymized Panel Data

Billions of events analyzed per week

Display Ads Data

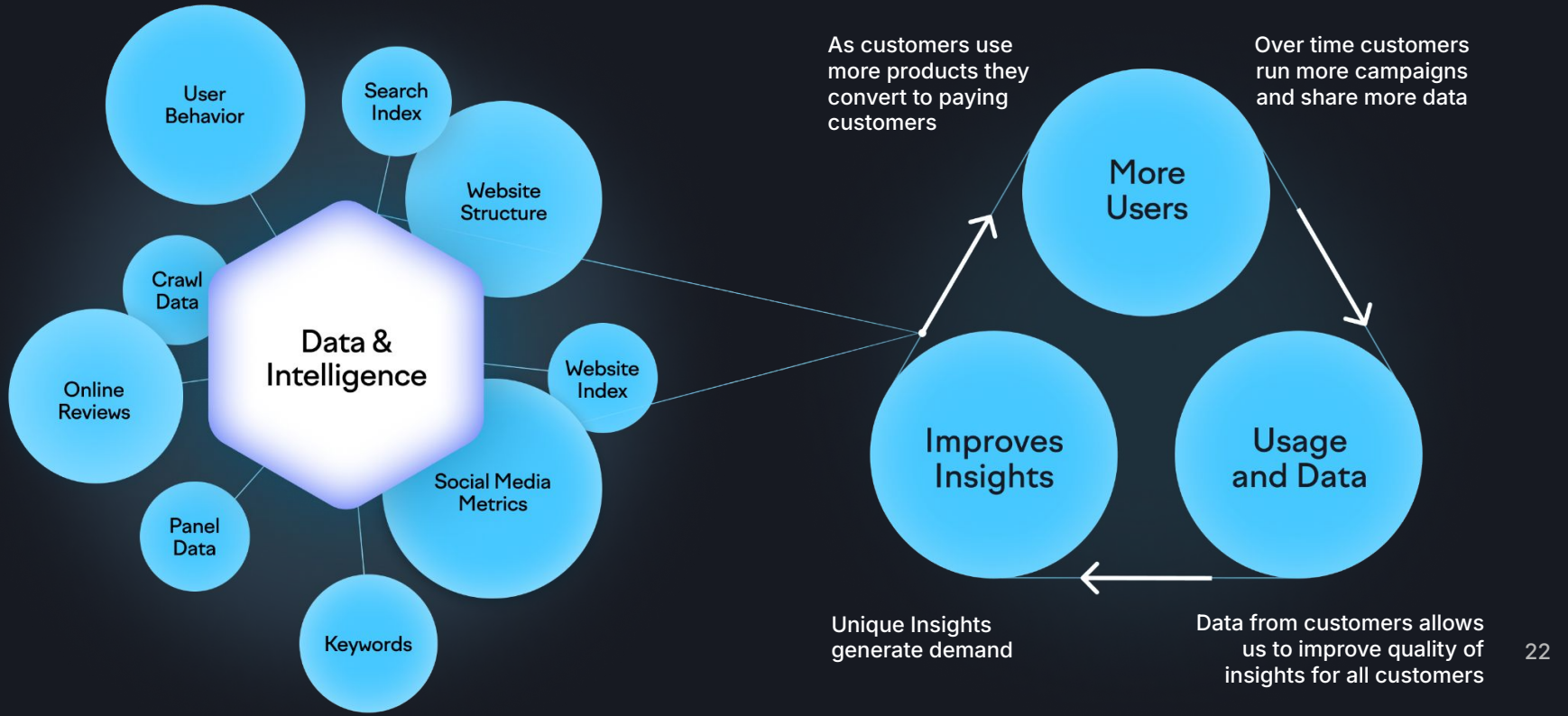
300+ million ad samples

Web Index

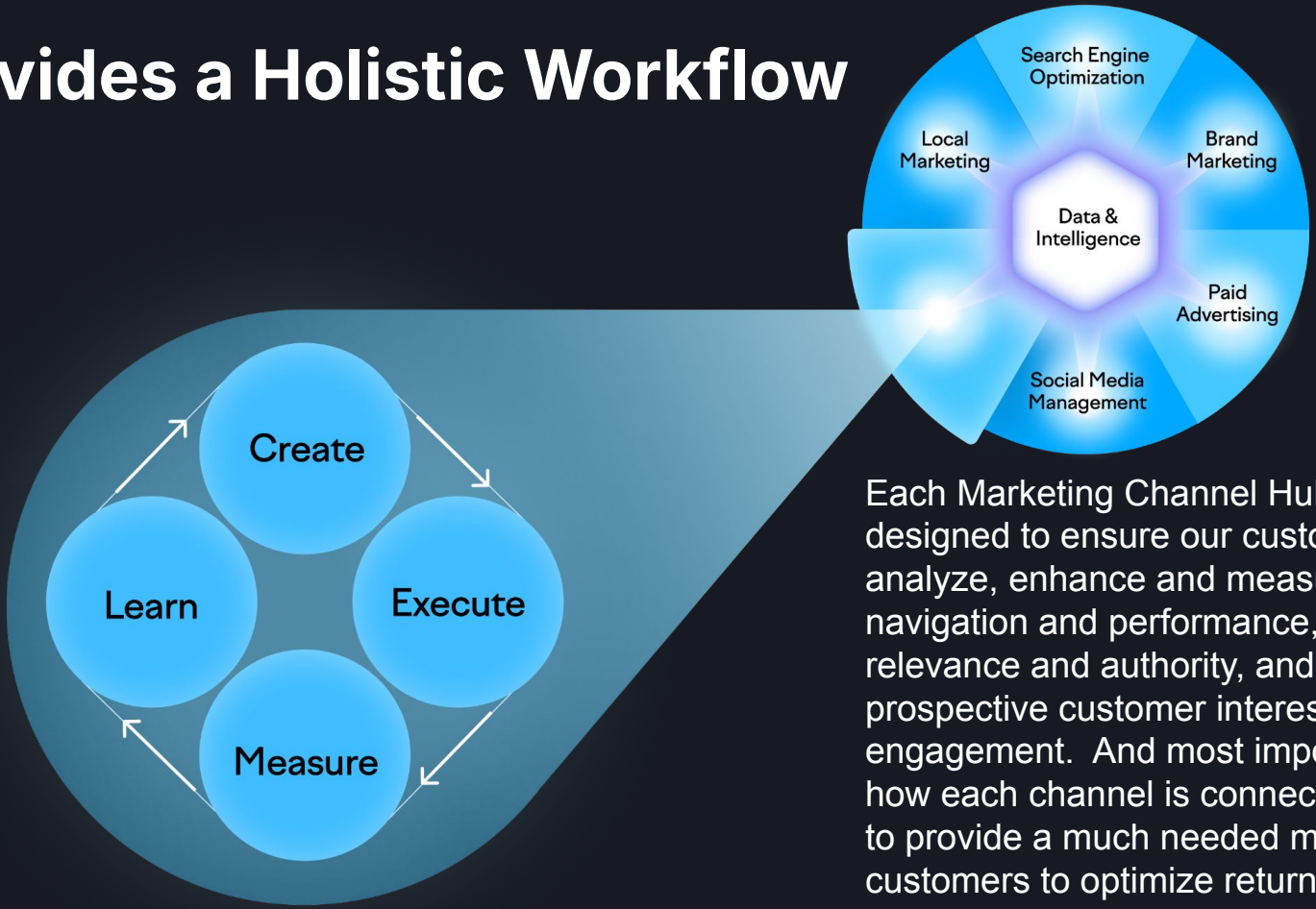
33+ trillion backlinks
17+ billion URLs crawled per day

*Source: Estimated based on Semrush Intelligence as of September 2024

Which is continually Enhanced as we Leverage Network Effects



Provides a Holistic Workflow



Each Marketing Channel Hub is uniquely designed to ensure our customers can analyze, enhance and measure website navigation and performance, content relevance and authority, and overall prospective customer interests and engagement. And most importantly show how each channel is connected to the others to provide a much needed means for our customers to optimize returns.

And is Powered by AI with 3 Pillars of AI Monetization

Core Features for All to Increase Retention & Conversion

Examples

- Copilot
- Report summary

Premium Features to Drive Upgrades

Examples

- Reply to review feature

Stand Alone Products to Drive Cross-Sell

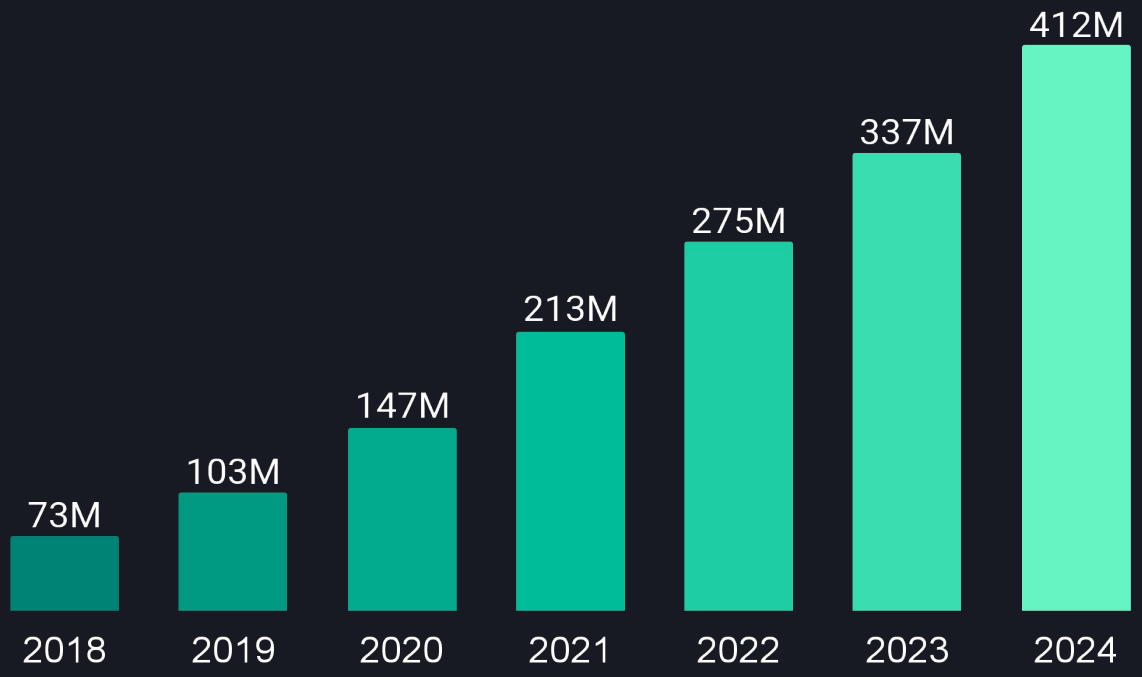
Examples

- ContentShake
- SocialContent AI
- AdCreative AI

FINANCIAL HIGHLIGHTS

Strong Track Record of Growth

Strong ARR Growth



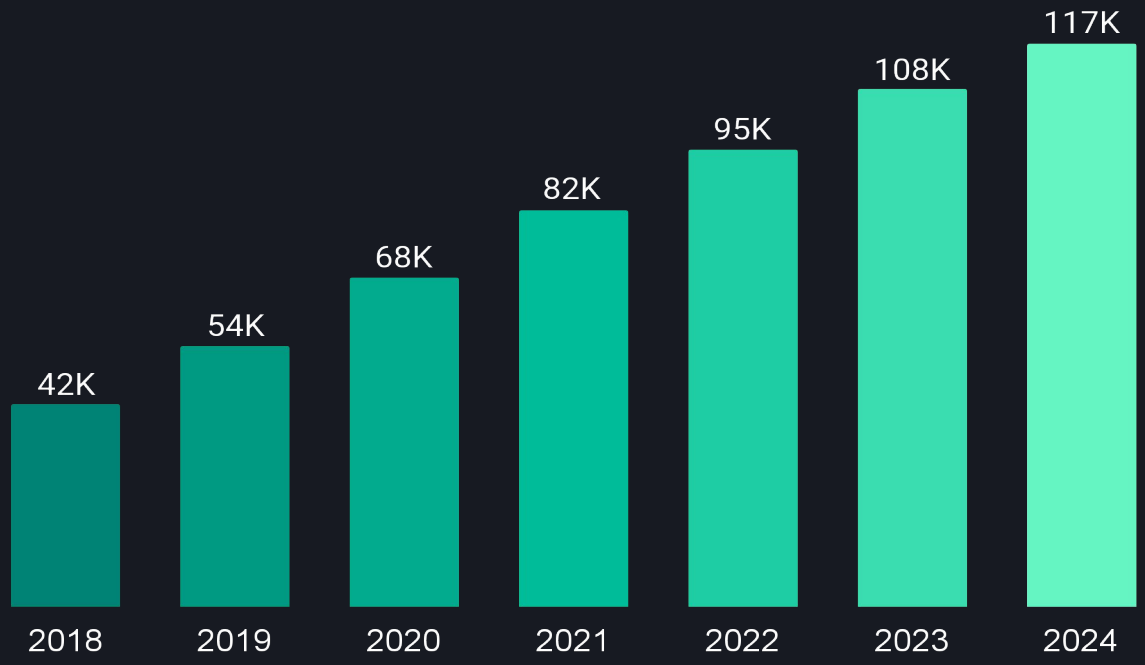
34%

CAGR
Q4'2018-Q4'2024

*ARR amounts in chart above for 2018-2024 are as of 12/31. CAGR represents a 6 year CAGR from Q4'18 through Q4'24.

Strong Track Record of Growth

Strong New Customer Demand



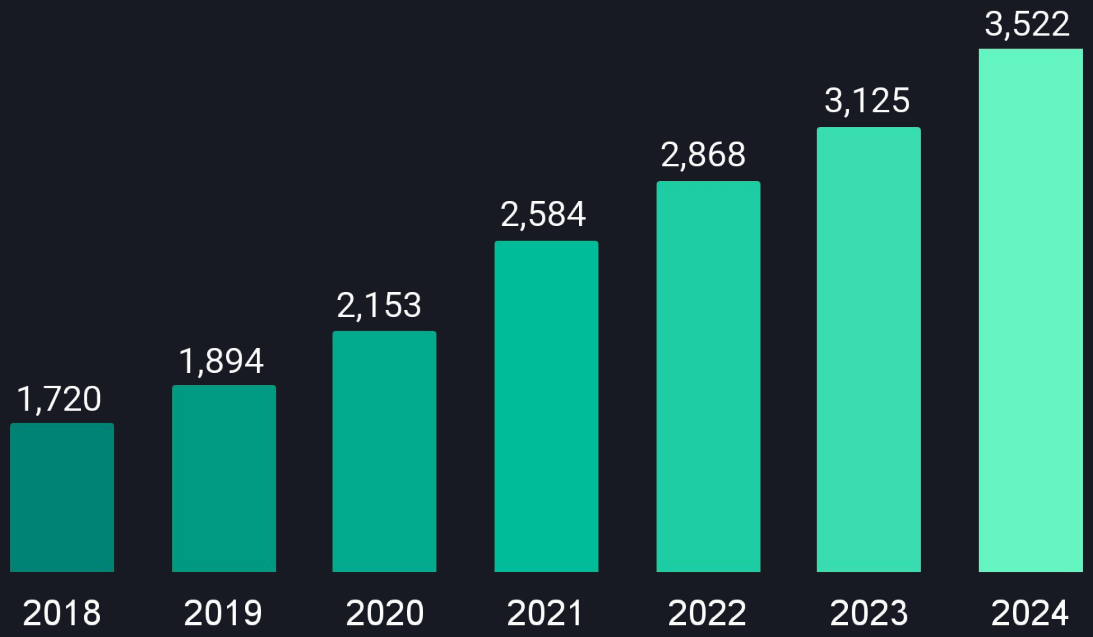
*2018-2024 are as of 12/31

~3X

Since 2018

Strong Track Record of Growth

Consistent Average ARR Per Customer Expansion



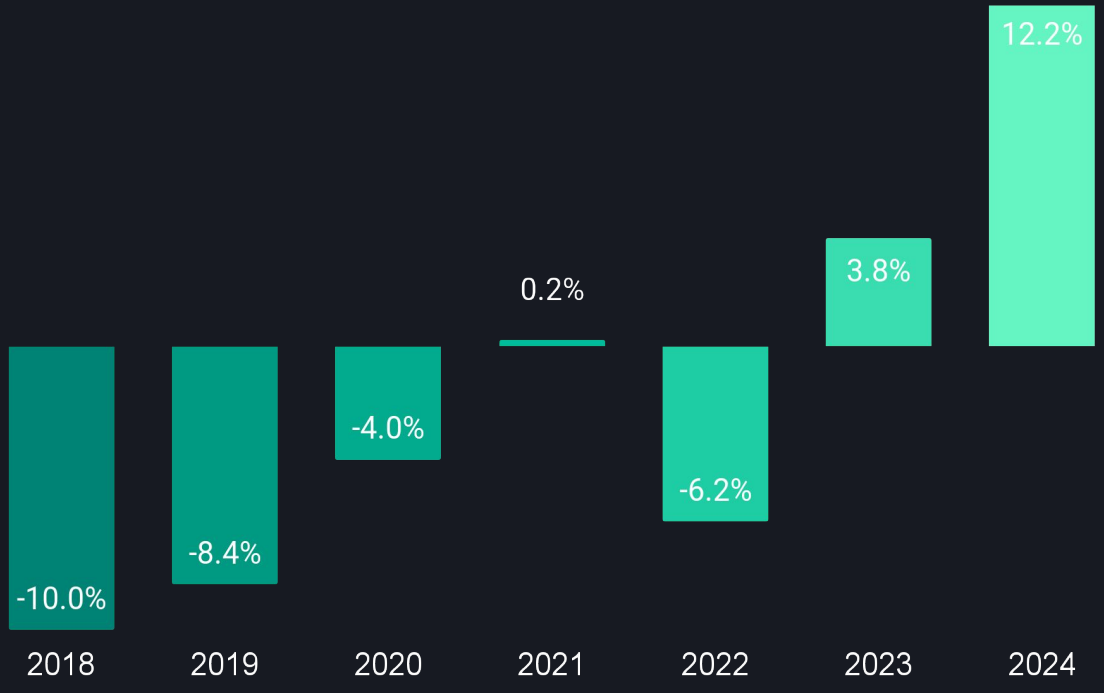
*2018-2024 are as of 12/31; reflects Average ARR per paying Customer

~2X

Since 2018

Efficient Performance

As we scale, our efficiency continues to improve



*2018-2024 are our full year Non-GAAP Operating Margin results for the year ended 12/31

>1800

Basis Point Increase to Non-GAAP Operating Margin Since 2022

Efficient Performance

Cost Efficiency Drivers

01 Highly Scalable Platform which gives us a structural advantage to reinvest into Product, Sales and Marketing

02 Strong CAC to LTV economics by using Semrush Products

03 AI and Automation investments that enable an efficient, frictionless journey through Product-Led Sales Motion

04 Culture of efficiency remains from our humble beginnings

Capital Allocation Strategy

Focused on Building Shareholder Value

Invest in Organic Growth

- Platform infrastructure
- Product suite offerings
- Sales and marketing

1

Invest in Inorganic M&A

- Close Adjacencies
- Talent
- Technology

2

Maintain Strong Balance Sheet

- ~$235.6M Cash & Equivalents*
- Strong FCF Margin
- Continued disciplined approach to SBC

3

M&A Guiding Principles

Complement, not complicate our current platform and products

New capabilities or talent we do not currently have

Strong synergies with accretive growth and profitability

*Reflects cash, cash equivalents and short-term investments balance as of 12/31/24

Core Strategies for Growth



01 Increase Paying Customers Across All Segments

02 Expand Average ARR per Customer with Semrush Marketing Platform

03 Extend SEO Reach with new Enterprise Product

04 Enhance Product Portfolio with more Enterprise Capabilities

Near-Term Outlook

Continued Strong Growth and Profitability Expansion

01 Sustained 20% Near Term Revenue CAGR

02 Continued Free Cash Flow Margin Expansion

Long-Term Target Operating Model

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Target Model
Gross Margin	**76%**	**78%**	**81%**	**83%**	**84%**	**85%**
Sales & Marketing	44%	43%	49%	40%	36%	35%
Research & Development	14%	13%	16%	18%	20%	18%
General & Administrative	23%	22%	23%	22%	15%	10%
Non-GAAP Operating Income (Loss) Margin	**-4%**	**0%**	**-6%**	**4%**	**12%**	**22%**
FCF Margin	**2%**	**11%**	**-6%**	**0%**	**9%**	**25%**

*2020-2024 are as of 12/31. All metrics calculated as a percentage of revenue and on Non-GAAP basis

Appendix



TAM Calculation Details

We estimate that, based on our potential customer spending levels for Semrush products in market, the annual global potential market opportunity for our Marketing SaaS Platform is currently $40 billion. We calculated this estimate based on the number of Enterprise (those with employes 500+), Mid-Market (those with employees between 50 and 499) and Small and Medium Sized companies (those with less than 50 employees) in the United States and Canada based on information published by the US Small Business Administration, North American Industry Classification System, and Innovation, Science and Economic Development Agency in Canada. With approximately 50% of our Annual Recurring Revenue coming from customers outside of the United States and Canada as of Dec 31, 2024, we believe the opportunity internationally is at least as large as the opportunity in the United States and Canada. Based on web presence, dependence on traffic, and budget, we assume 100% penetration in the Enterprise Segment, 60% in the Mid-Market and ~10% in SMB. We then multiplied the total number of companies by the potential Average Annual Revenue per customer for each segment. We calculate the potential Average Annual Revenue per customer for each segment based on a potential subscription bundle for the average customer in each segment.

GAAP to Non-GAAP Operating Margin Reconciliation

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
GAAP operating income (loss)	-6.6	-8.2	-6.1	-2.5	-36.4	-7.7	8.3
Stock-based compensation expense	0.2	0.5	1.0	2.7	7.4	15.3	28.0
Amortization of acquired intangibles	0.0	0.0	0.1	0.2	1.9	2.3	4.3
Restructuring and other costs	0.0	0.0	0.0	0.0	11.3	1.3	2.2
Acquisition-related costs, net	0.0	0.0	0.0	0.0	0.0	0.4	2.9
Non-GAAP operating income (loss)	-6.4	-7.7	-5.0	0.4	-15.8	11.6	45.8
GAAP Revenue	63.5	92.1	124.9	188.0	254.3	307.7	376.8
Non-GAAP operating income (loss) margin	**-10.0%**	**-8.4%**	**-4.0%**	**0.2%**	**-6.2%**	**3.8%**	**12.2%**

*Amounts are for the full year ended 12/31.

GAAP to Non-GAAP Gross Margin Reconciliation

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
GAAP Gross Margin	**76.0%**	**77.7%**	**80.9%**	**83.0%**	**82.6%**
Stock-based compensation expense	0.0%	0.0%	0.0%	0.0%	0.1%
Amortization of acquired intangibles	0.0%	0.0%	0.5%	0.3%	0.8%
Restructuring and other costs	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition-related costs, net	0.0%	0.0%	0.0%	0.0%	0.0%
Non-GAAP Gross Margin	**76.1%**	**77.7%**	**81.4%**	**83.3%**	**83.5%**

*2020-2024 are for the full year ended 12/31. All metrics calculated as a percentage of Revenue.

Definitions

Annual Recurring Revenue (ARR): we define Annual Recurring Revenue as the total subscription revenue as of a given date that we expect to contractually receive over the subsequent 12 months from customers on an annualized basis, assuming no increases, reductions or cancellations.

This ARR definition has been updated to simplify the explanation of our calculation around the treatment of monthly and longer-term contracts, and to be more consistent with other SaaS businesses, which we believe improves the ability for investors to compare our metric against other businesses. Additionally, our definition has been updated to note that we do not assume there will be any increases, reductions, or cancellations. Given our efforts to retain and win back customers, and our belief that we will be successful in many of those retention efforts, we believe the updated definition is more accurate. We are not recasting ARR results to conform ARR under the prior definition to the updated definition as there is no variance between the two definitions for the periods presented.

CAGR: we define CAGR as Compound Annual Growth Rate.

Dollar-based Net Revenue Retention (NRR): we define NRR as (a) the revenue from our customers during the twelve-month period ending one year prior to such period as the denominator and (b) the revenue from those same customers during the twelve months ending as of the end of such period as the numerator. This calculation excludes revenue from new customers and any non-recurring revenue.

Enterprise Customers: we define our Enterprise Customers as paying customers with 500+ employees regardless of type of subscription.

Free cash flow and free cash flow margin: we define free cash flow, a non-GAAP financial measure, as net cash provided by (used in) operating activities less purchases of property and equipment and capitalized software development costs. We define free cash flow margin as free cash flow divided by GAAP revenue.

Non-GAAP Income (Loss) from Operations: we define Non-GAAP Income (Loss) from Operations as GAAP income (loss) from operations, excluding Stock Based Compensation, Amortization of Acquired Intangible Assets, Acquisition Related Costs, Restructuring Costs and other one-time expenses outside the ordinary course of business (for example, our Exit Costs incurred primarily in 2022).

Non-GAAP Operating Margin: we define Non-GAAP Operating Margin as non-GAAP income (loss) from operations divided by GAAP revenue.

Non-GAAP Gross Margin: we define non-GAAP gross margin as GAAP gross margin excluding Stock Based Compensation, Amortization of Acquired Intangible Assets, Acquisition Related Costs, Restructuring Costs and other one-time expenses outside the ordinary course of business.

Third Party Sources

Estimated Stats	Source
Average consumer already spends 6.5 hours a day online	“Digital 2023 Global Overview Report - The Essential Guide to the World’s Connected Behaviors” by We Are Social and Meltwater; and GlobalWebIndex Insight Reports (2017-2022)
+720K hours of video uploaded to Youtube daily	“Hours of video uploaded to YouTube every minute as of February 2022” by Statista; and “The State of the Creator Economy - Assessing the Economic, Cultural, and Societal Impact of YouTube in the US in 2022” by Oxford Economics.
+8.5B Google Searches daily	Hubspot, “31 Google Search Statistics to Bookmark ASAP” dated August 30, 2023
+1B Facebook stories across Facebook family apps daily	Data made available from Facebook.com - Stories Ads (accessed on 09/26/2024)
+50B Meta and Google impressions on average daily	Estimate derived from: Data from (i) HootSuite Blog “How Much Do Facebook Ads Cost in 2024?”, (ii) NetScale Blog “What is Average CPM Google Ads & How to Reduce It (2024)” and (iii) Shopify Blog “What is YouTube CPM? How Much YouTube Pays Creators in 2024”; Alphabet Inc.’s Annual Report on Form 10-K for the year ended December 31, 2023; and Meta Platforms, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2023.
+2.3M blog posts created on average daily on Wordpress alone	Data made available from WordPress.com - “A live look at activity across WordPress.com” (accessed on 09/26/2024)