

Investor Presentation

Q2 2017 Financial Results

August-September 2017

Safe harbor statement

This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, projections, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. You should read the Company’s most recent Annual Report on Form 10-K filed on March 1, 2017, including the Risk Factors set forth therein and the exhibits thereto, completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix slides.

Investment summary

Large market opportunity

- Commerce Marketing is at the junction of commerce, CRM and digital marketing

Clear strategy

- Build the highest performing and open commerce marketing ecosystem

Strong competitive moats

- Technology, scale and network effects, openness and pooled assets

Proven track-record

- Strong client growth while maintaining 90% retention
- Exceeded expectations for 15 consecutive quarter

Attractive financial profile

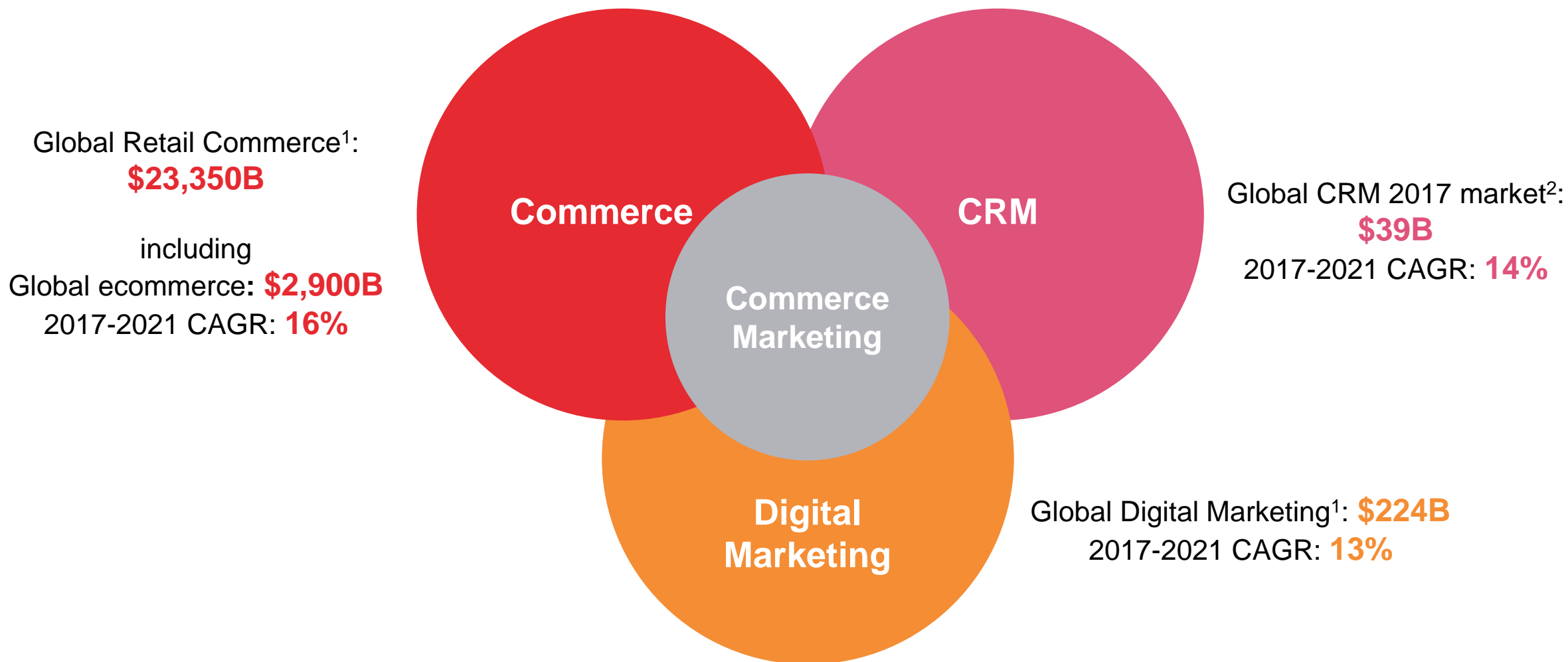
- Strong growth, increasing profitability and cash flow

We are the leader in Commerce Marketing

Commerce Marketing is the category of marketing
that **directly drives sales and profits**,

unlike other forms of marketing that rely on objectives
such as awareness, reach and engagement.

Commerce Marketing is at the junction of three massive opportunities



Sources:

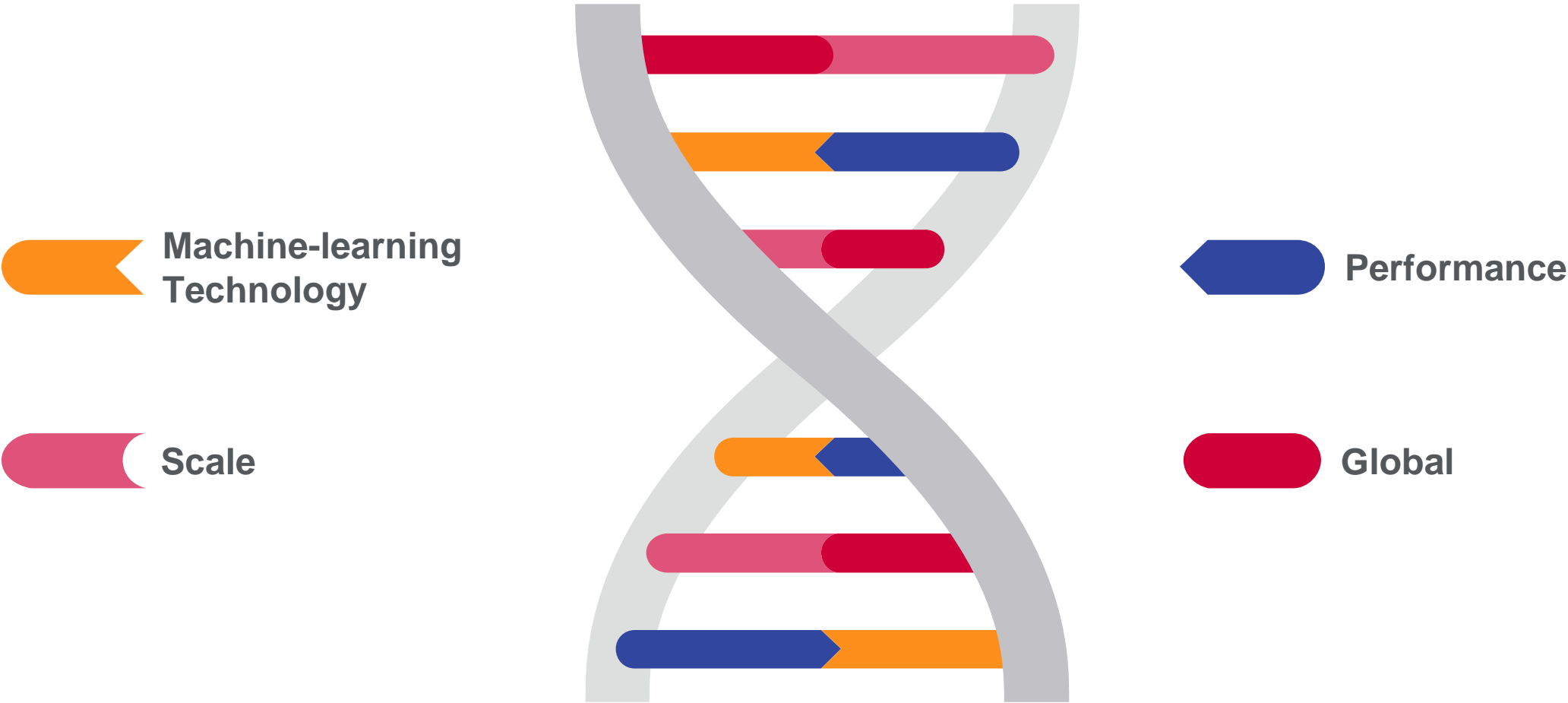
1) eMarketer, June 2017. Global Retail Commerce and ecommerce include Retail and Travel sales

2) Gartner, Forecast: Enterprise Software Markets, Worldwide, 2014-2021, 3Q17 Update, Published 09/25/2017, ID G00323033, Table 1-1

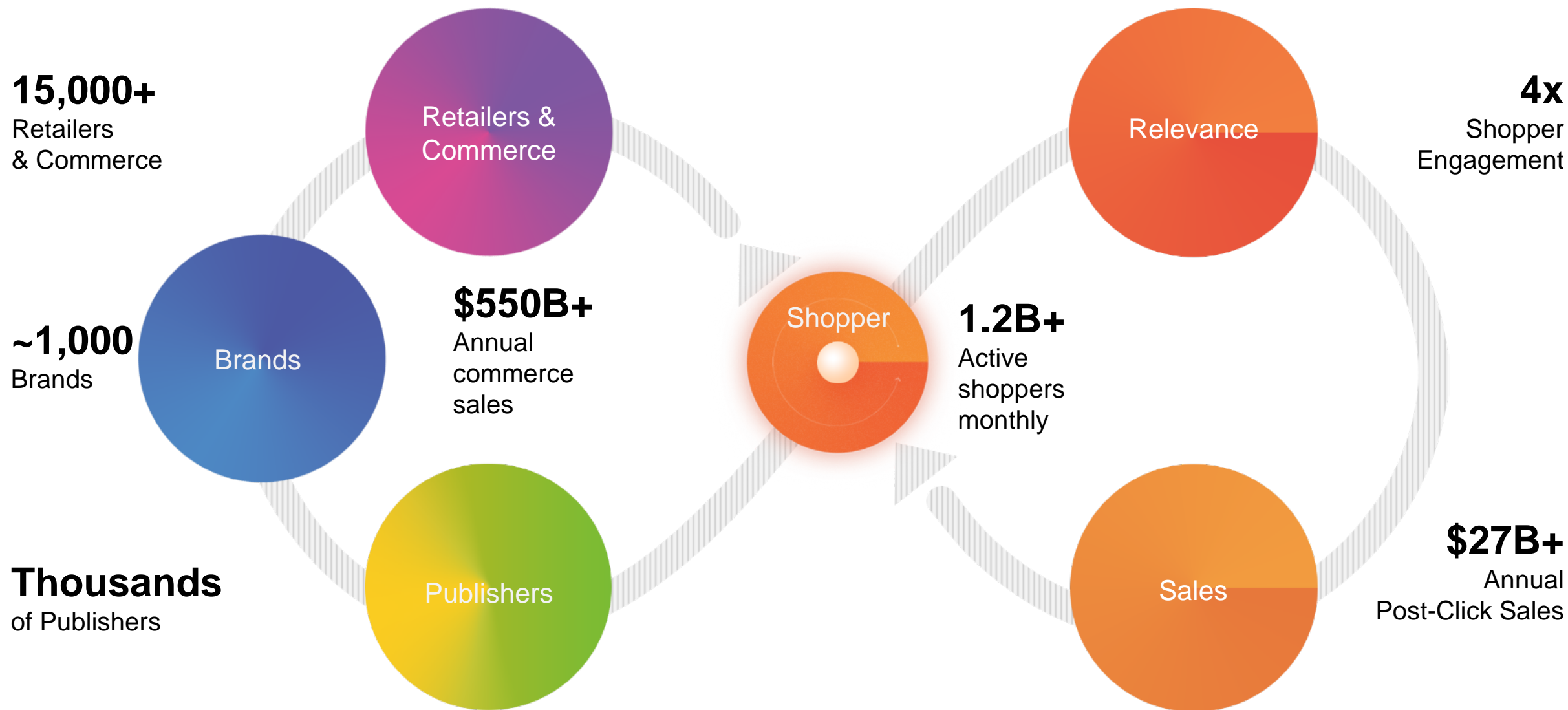
Our Vision

- Build the **highest performing and open commerce marketing ecosystem**
- **Connect shoppers** to the things they need and love
- Deliver **performance at scale** to the **retailers and brands** who participate in the ecosystem

Commerce marketing is deeply rooted in our DNA



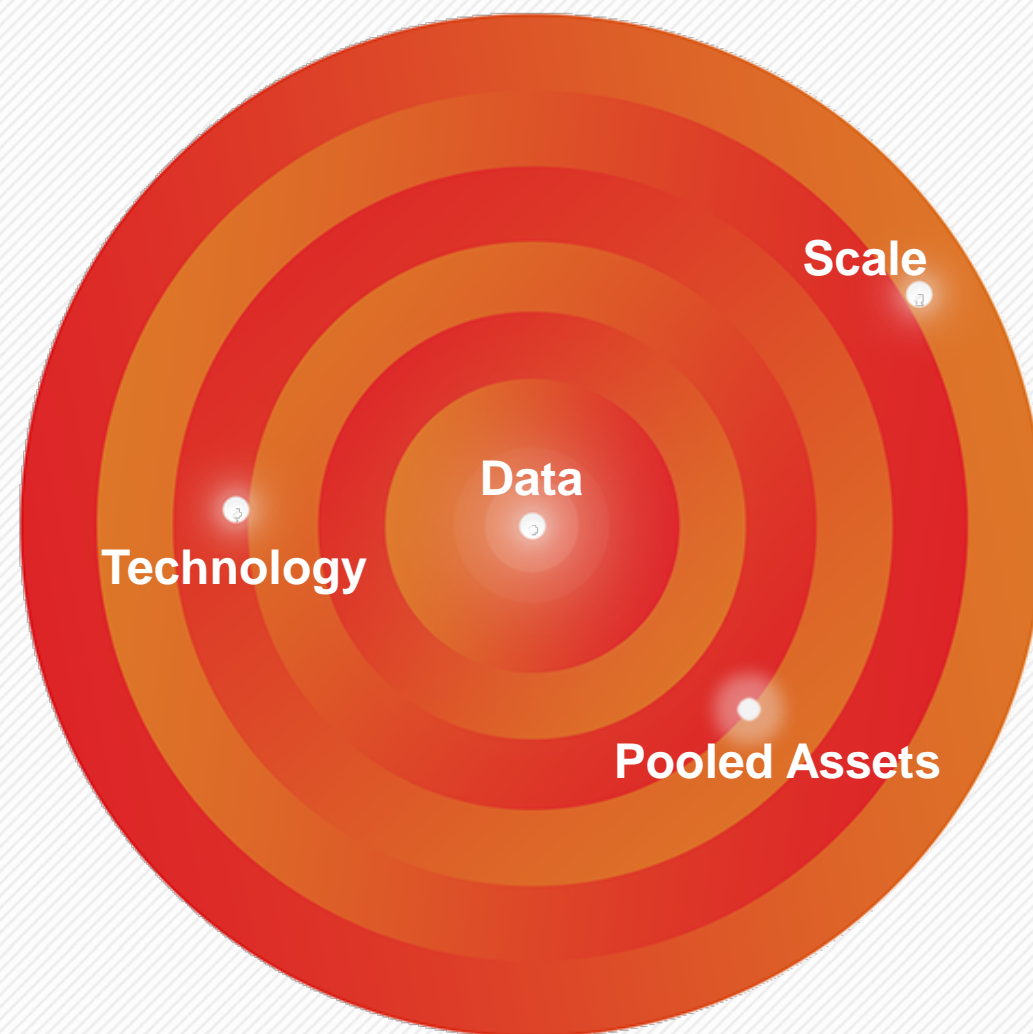
We are building the Criteo Commerce Marketing Ecosystem



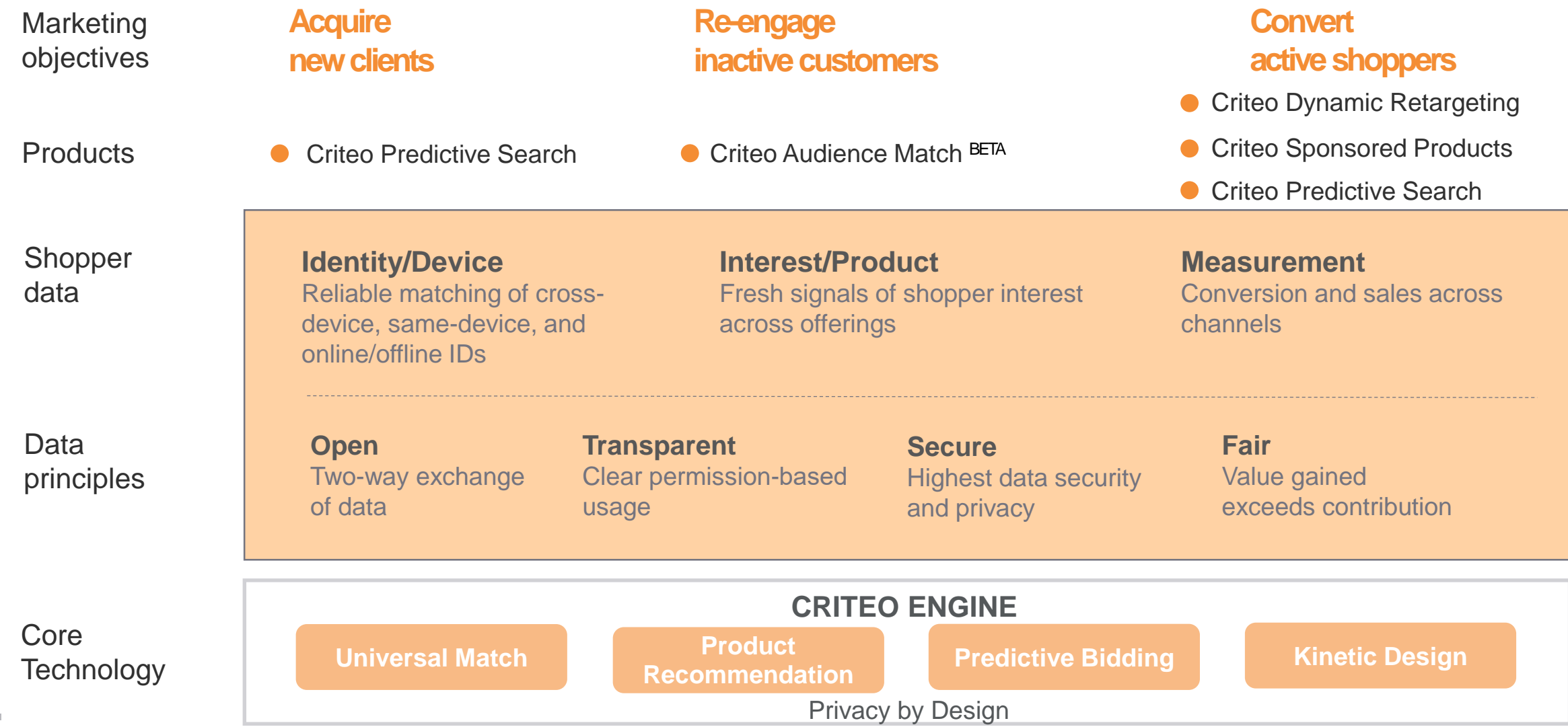
Four key pillars support our Commerce Marketing Ecosystem

- **Actionable data:** granular shopper intent and purchase history
- **Technology:** integrated commerce marketing technology optimized to drive sales and profits
- **Scale:** maximizing performance and reach across the shopper's online journey
- **Pooled assets:** built through collaboration and data sharing among participants in our ecosystem

A level playing field for retailers and brands requires **collaboration in an open ecosystem**



We have a broad set of solutions to deliver performance across the shopper journey



Why do marketers work with Criteo?

Performance at scale

- Integrated, purpose-built technology
- Massive reach across media and retailers
- Machine learning on \$550B+ commerce sales and 600TB daily shopper data

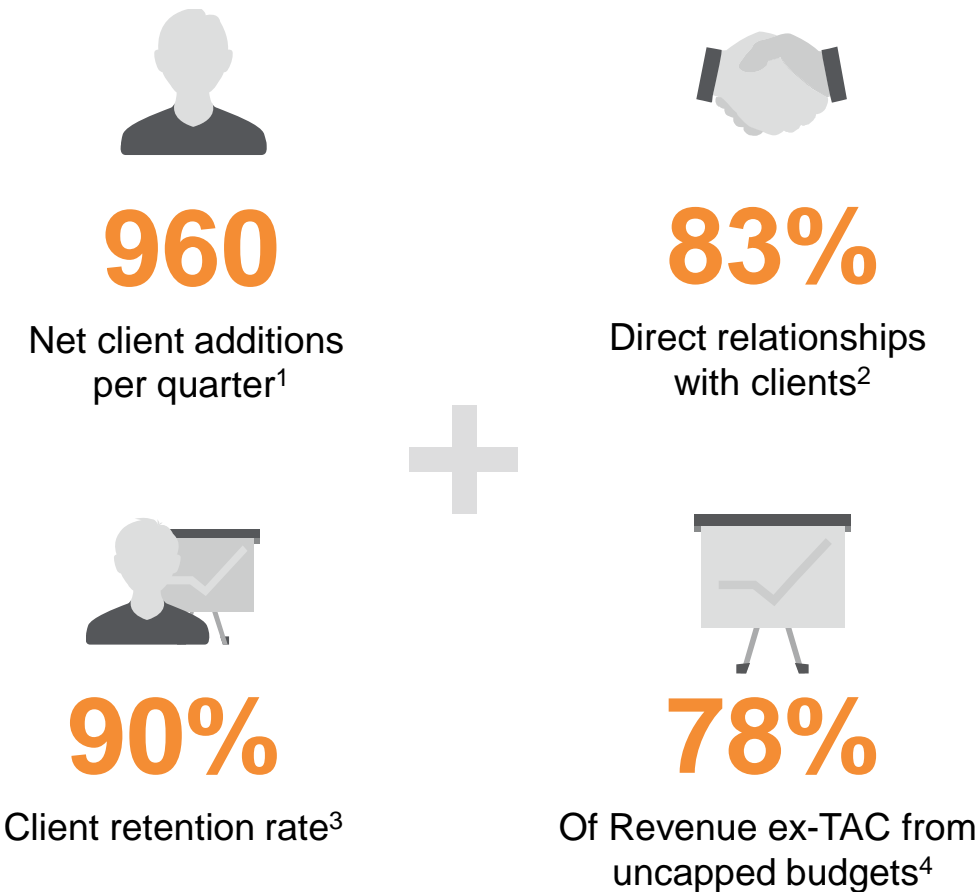
Trusted partner

- No competing business agendas
- Our success is fully aligned with marketers'

Openness

- Access to 90%+ commerce activity
- Transparent data usage and reporting
- Enriched data shared back into marketers' systems

Our business model has unique attributes



¹ On average over the last four quarters through Q2 2017, Criteo Dynamic Retargeting only

² Last four quarters to Q2 2017; Criteo Dynamic Retargeting only

³ On average over the last 24 quarters through Q2 2017; Criteo Dynamic Retargeting only

⁴ On average over the last four quarters through Q2 2017. Criteo Dynamic Retargeting only: Represents uncapped budgets of our clients, which are either contractually uncapped or so large that the budget constraint does not restrict ad buys

Direct relationships with many premium commerce and brands clients

Commerce

Retail, Travel and Classifieds



La Redoute



3 SUISSES



sears



JCPenney



Brands



SAMSUNG



over 16,000 clients*

We partner directly with large high-quality publishers worldwide

All major **public exchanges**, global and local



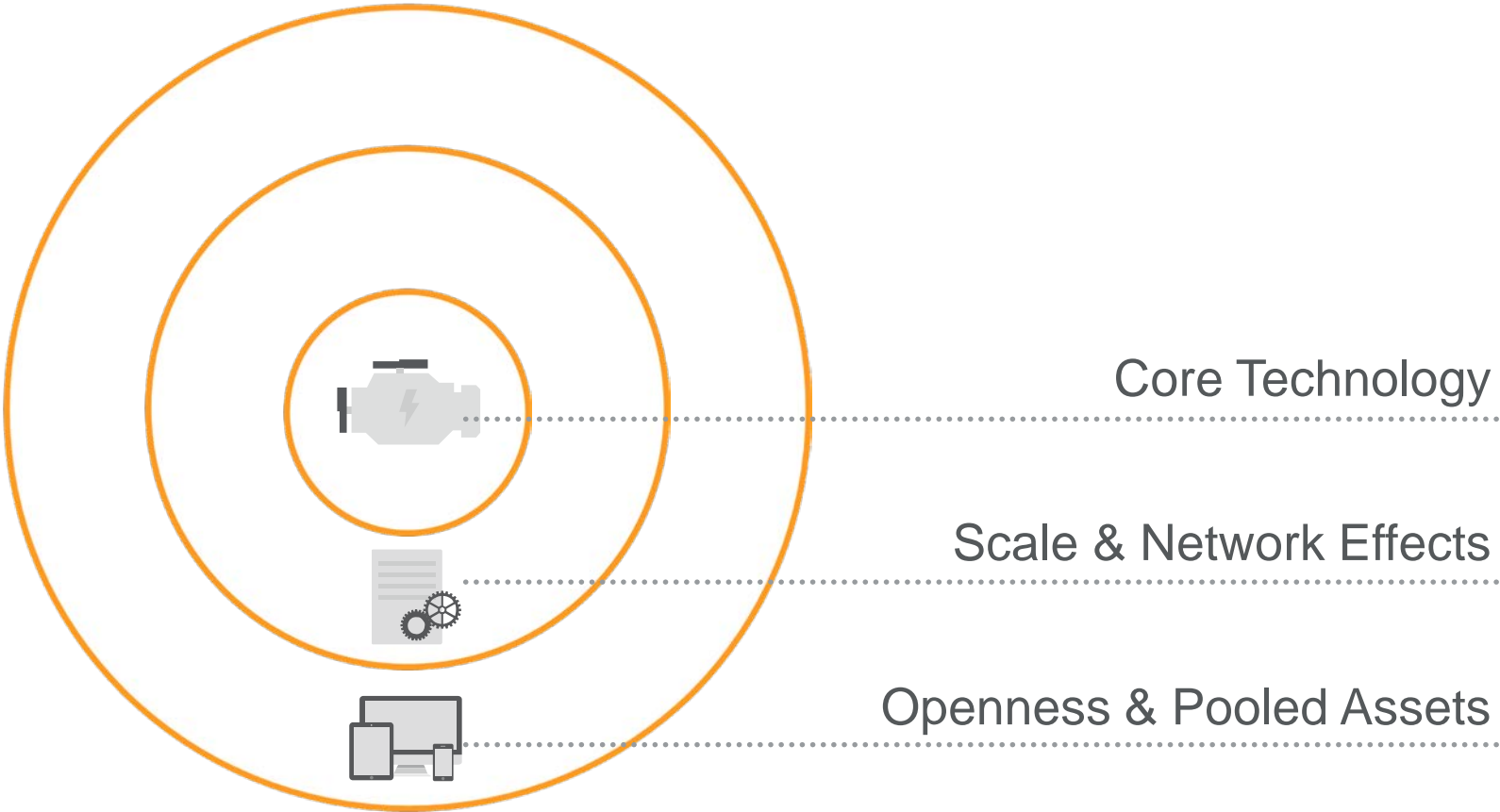
Preferred access to **premium media** inventory



Preferred access to **retailer** inventory



Our competitive moats are difficult to replicate



Our growth strategy is based on two strong pillars

1

Grow the ecosystem

Expand our partner base



2

Increase value

to clients & partners

- Expand **core business** worldwide
- Grow **midmarket** business worldwide
- Scale and drive international expansion of **Criteo Sponsored Products**

- Enhance **core technology**
- Leverage our **powerful pooled assets**
 - Criteo User Device Graph
 - Criteo Shopper Product Graph
 - Criteo Measurement Network
- Upsell **new products**
- Broaden **publisher inventory supply** across media and retailers

And we continue to invest in growth areas in commerce marketing



Real-time use of **actionable data** on granular shopper intent and purchase history is the foundation of all new product investments

Our large scale and open ecosystem allows us to build **pooled assets** through data sharing among participants: Criteo User Device Graph, Criteo Shopper Product Graph and Criteo Measurement Network

* Prospective

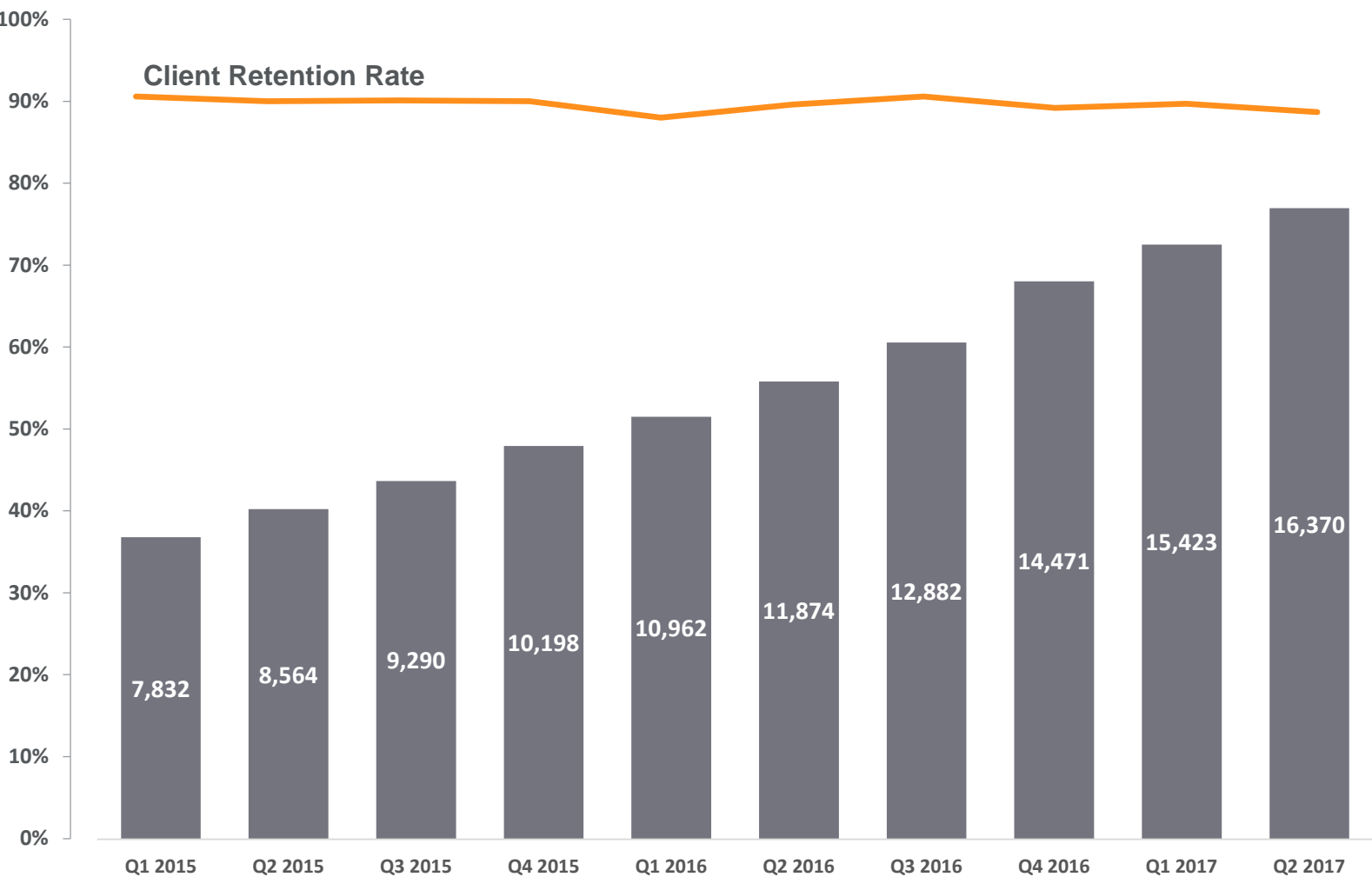
Q2 2017: another great quarter for Criteo

- Grew Revenue ex-TAC **34%¹ to \$220 million** and Adj. EBITDA **42%¹ to \$54 million**
- Added **950 net clients** in Q2 to >16,000 and maintained **client retention at 90%**
- Accelerated same-client Revenue ex-TAC growth to **17%^{1,2}**
- Grew Criteo employees 29% to **2,700** across 30 offices worldwide
- Continued to **innovate core technology**: Engine improvements, Criteo User Device Graph
- Launched **Criteo Direct Bidder**, already connected to 450 large publishers worldwide
- **Video format** deployed with 1,000 clients
- Tested **new product initiatives**: app installs, CRM onboarding and store-to-web retargeting

¹ At constant currency

² Dynamic Retargeting only

We continue to add many clients while maintaining high retention



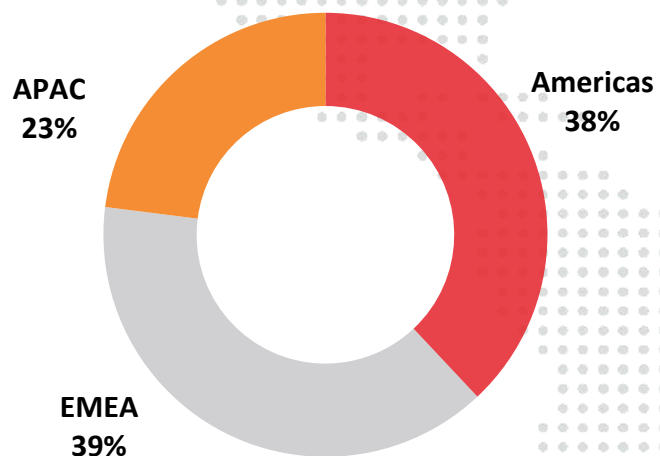
950
clients added in Q2

90%
client retention rate

* At constant currency

Strong execution across all regions

**Q2 2017
Revenue ex-TAC
by Region**



**Q2 2017 Revenue ex-TAC
Growth***

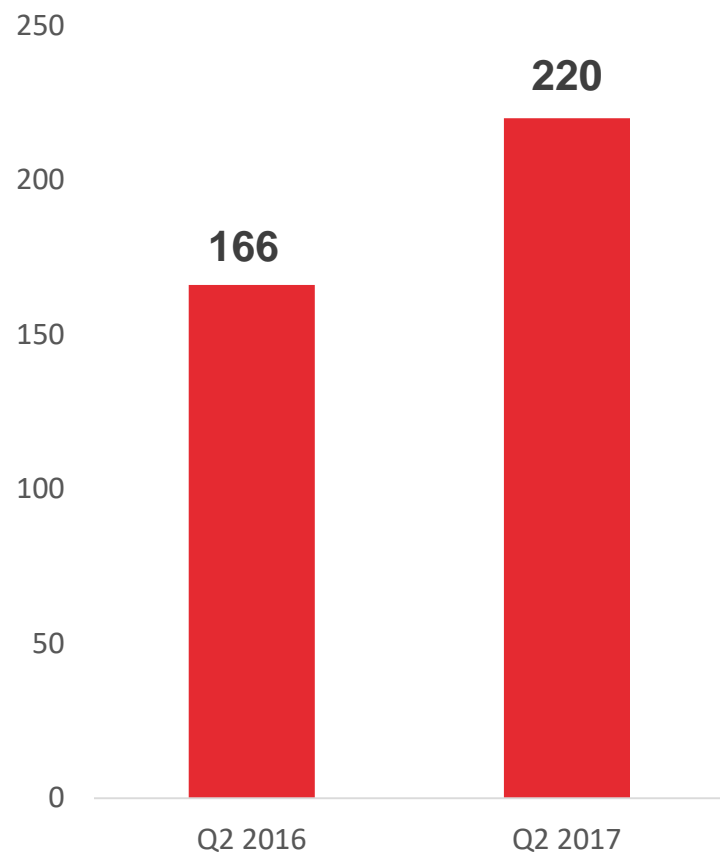


* At constant currency

Rapid profitable growth and strong cash flow

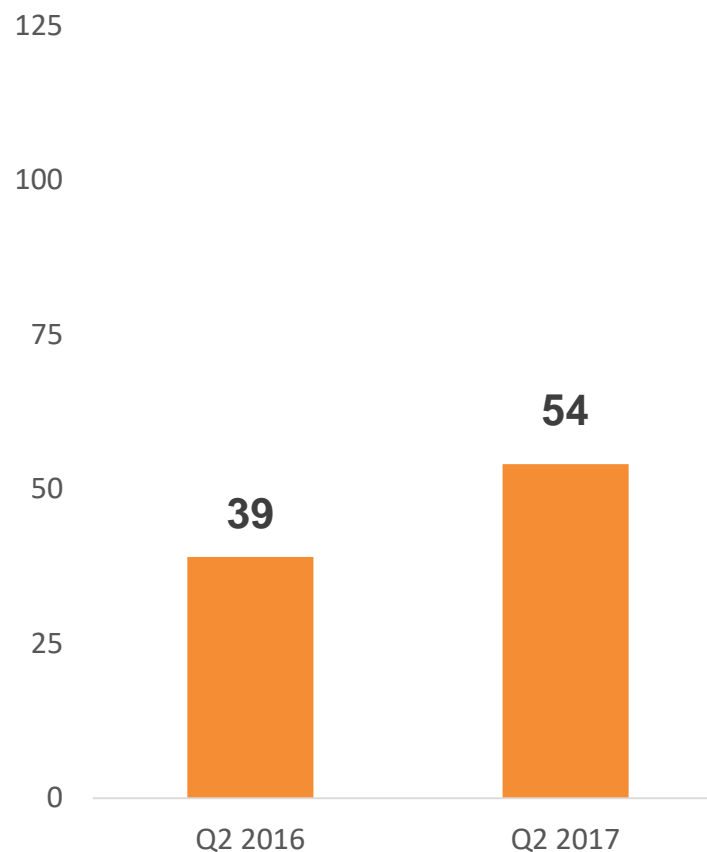
REVENUE EX-TAC (\$M)

+34%*



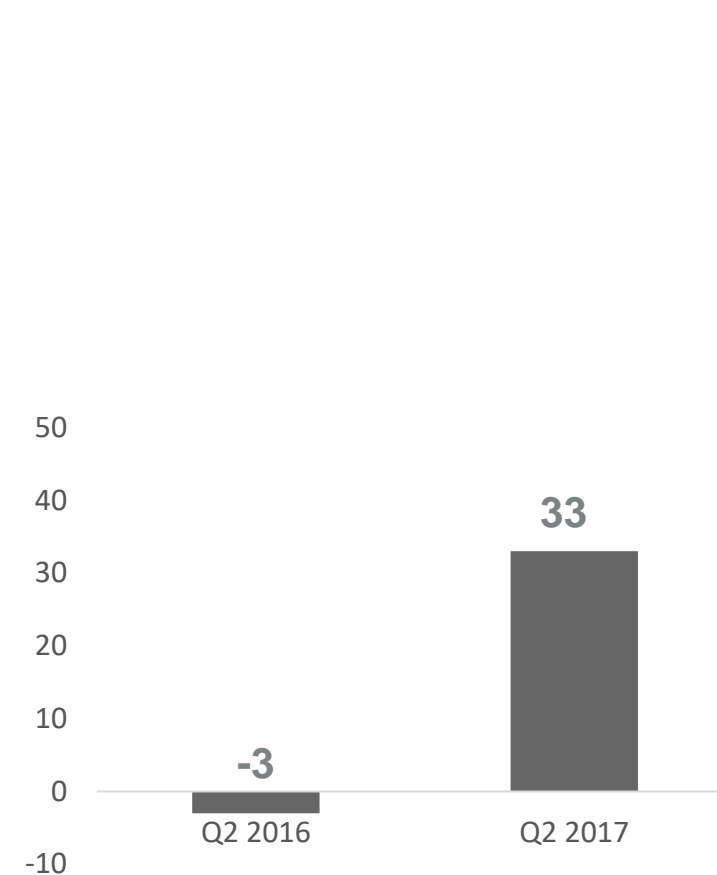
ADJUSTED EBITDA (\$M)

+42%*



FREE CASH FLOW (\$M)

+\$37M



* At constant currency

Proven strong operating leverage

As a % of Revenue ex-TAC	FY 2013	FY 2014	FY 2015	FY 2016	LTM to Q2 2016	LTM to Q2 2017
Revenue ex-TAC	100%	100%	100%	100%	100%	100%
Other cost of Revenue*	7.9%	6.6%	6.1%	6.4%	6.3%	7.1%
Gross margin	92.1%	93.4%	93.9%	93.6%	93.7%	92.9%
R&D*	14.9%	12.5%	13.5%	14.2%	14.4%	14.8%
S&O*	43.6%	39.9%	39.8%	35.3%	37.3%	36.0%
G&A*	16.0%	15.1%	13.8%	13.2%	13.8%	12.4%
Adj. EBITDA	17.5%	26.0%	26.8%	30.8%	28.3%	29.7%
Revenue ex-TAC margin**	40.3%	40.8%	40.4%	40.6%	40.5%	40.6%

* Other cost of revenue and operating expenses are expressed on a Non-GAAP basis, which excludes the impact of equity awards compensation expense, pension service costs, restructuring costs, depreciation and amortization, acquisition-related costs and deferred price consideration.

** As a % of Revenue

We have a clear set of operating priorities for H2 2017

1. **Continue to innovate on our core product** and drive worldwide expansion
2. **Scale Criteo Sponsored Products** across existing and new markets and integrate it with the Criteo technology
3. Continue to **assess market potential for Criteo Predictive Search**
4. **Build and leverage our pooled assets** – Criteo User Device Graph, Criteo Shopper Product Graph, Criteo Measurement Network – to benefit our entire ecosystem
5. **Develop, test and launch compelling new products** such as app installs, CRM onboarding for brands and retailers, and store-to-web retargeting campaigns

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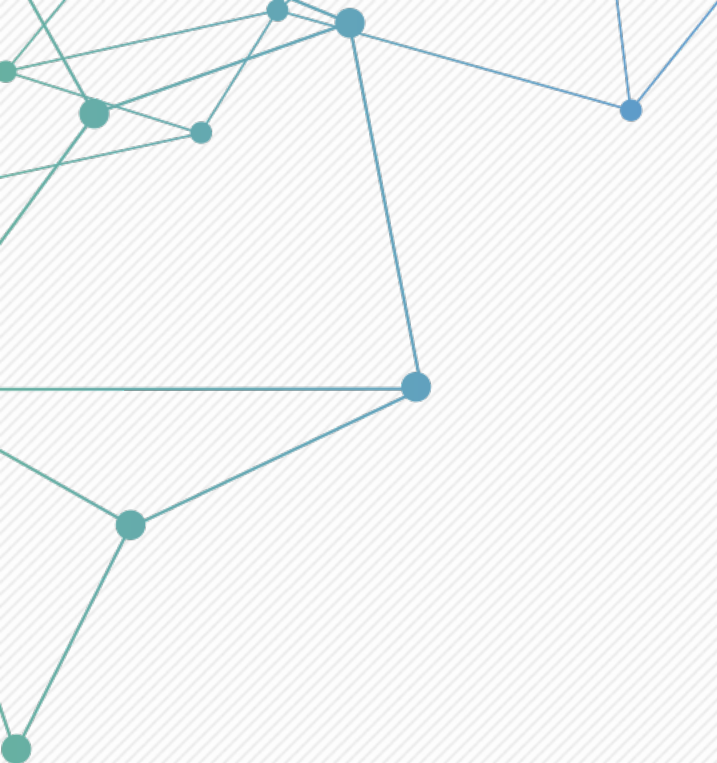
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Appendices

Revenue ex-TAC reconciliation

(\$ in thousands)	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17
Revenue	226,633	258,245	294,489	294,172	299,306	332,674	397,018	401,253	407,201	423,867	566,825	516,667	542,022
Less: Traffic acquisition costs	134,751	155,237	172,538	175,888	177,239	198,970	237,056	238,755	240,969	247,310	341,877	306,693	322,200
Revenue ex-TAC	91,882	103,008	121,951	118,284	122,067	133,704	159,962	162,498	166,232	176,557	224,948	209,974	219,822

(\$ in thousands)	2014	2015	2016
Revenue	988,249	1,323,169	1,799,146
Less: Traffic acquisition costs	585,492	789,152	1,068,911
Revenue ex-TAC	402,757	534,017	730,235

Adjusted EBITDA reconciliation

(\$ in thousands)	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	2014	2015	2016
Net income	15,439	22,893	13,617	3,929	5,793	38,938	18,527	13,339	14,724	40,740	14,518	7,505	46,896	62,276	87,329
Adjustments:															
Financial (income) expense	(7,502)	(1,473)	(3,920)	2,546	6,650	(735)	1,317	94	570	(1,435)	2,333	2,094	(11,390)	4,541	546
Provision for income Taxes	4,205	4,118	7,143	1,365	5,388	(4,378)	7,944	4,450	7,574	13,161	4,201	3,665	17,578	9,517	33,129
Equity awards compensation expense	5,754	6,142	6,317	5,325	4,600	7,748	8,370	7,695	13,965	13,229	14,940	14,918	19,601	23,989	43,259
Pension service costs	125	129	112	110	110	109	129	131	132	133	290	299	504	441	524
Depreciation and amortization expense	8,256	9,001	8,428	10,278	11,892	13,967	12,516	13,300	14,771	16,190	20,167	22,306	31,213	44,565	56,779
Acquisition-related costs	-	-	-	-	-	-	-	148	1,793	980	6	-	-	-	2,921
Acquisition-related deferred price consideration	128	110	109	115	54	(2,172)	40	44	3	(3)	-	-	950	(1,894)	85
Restructuring	-	-	-	-	-	-	-	-	-	-	-	3,299	-	-	-
Total net adjustments	10,966	18,027	18,189	19,739	28,694	14,539	30,316	25,862	38,808	42,255	41,936	46,581	58,456	81,159	137,243
Adjusted EBITDA	26,405	40,920	31,806	23,668	34,487	53,477	48,843	39,201	53,532	82,995	56,454	54,086	105,352	143,435	224,572

Free Cash Flow reconciliation

(\$ in thousands)	Q2 2016	Q2 2017
CASH FROM OPERATING ACTIVITIES	19,274	60,491
Acquisition of intangible assets, property, plant and equipment	(25,564)	(30,008)
Change in accounts payable related to intangible assets, property, plant and equipment	3,178	2,953
FREE CASH FLOW	(3,112)	33,436

IR contacts

Edouard Lassalle

VP, Head of Investor Relations
32, rue Blanche
75009 Paris
+ 33 1 7621 2166
e.lassalle@criteo.com

Friederike Edelmann

Director, Investor Relations
387 Park Ave South, 12th Floor
New York, NY 10016
+1 917 837 8617
f.edelmann@criteo.com

ir.criteo.com

ir@criteo.com

InvestorRelations@criteo.com