

Q2 2018 Financial Results



Investor Presentation
August 2018



criteo.

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, and nothing in this presentation should be regarded as a representation by any person that these beliefs or assumptions will take place or occur. You should read the Company’s most recent Annual Report on Form 10-K filed on March 1, 2018, including the Risk Factors set forth therein and the exhibits thereto, and the Company’s Quarterly Report on Form 10-Q filed with the SEC on August 2, 2018, 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.

Compelling investment thesis



1

Large market opportunity

Digital advertising
is large and
growing fast

2

Clear vision

Become the
advertising platform
for the open Internet

3

Competitive moats

Technology
Scale
Openness

4

Proven track-record

Strong client growth
Close to 90%
client retention

5

Attractive financial profile

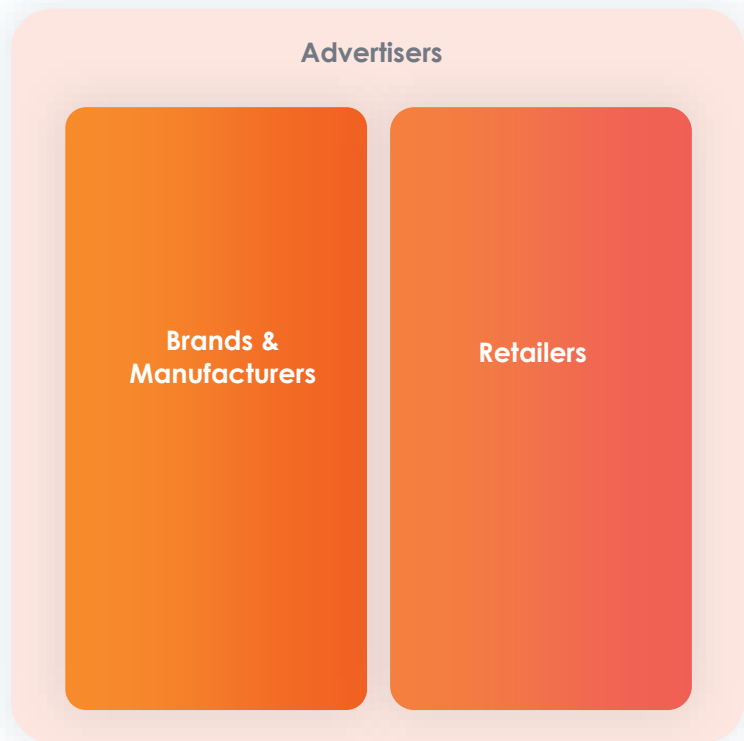
Growth
Increasing
profitability
Strong cash flow

**The advertising
platform for the
open Internet.**



criteo.

The online ecosystem has many stakeholders



Criteo aims to be the third pillar of the retailer advertising playbook



SEARCH



SOCIAL



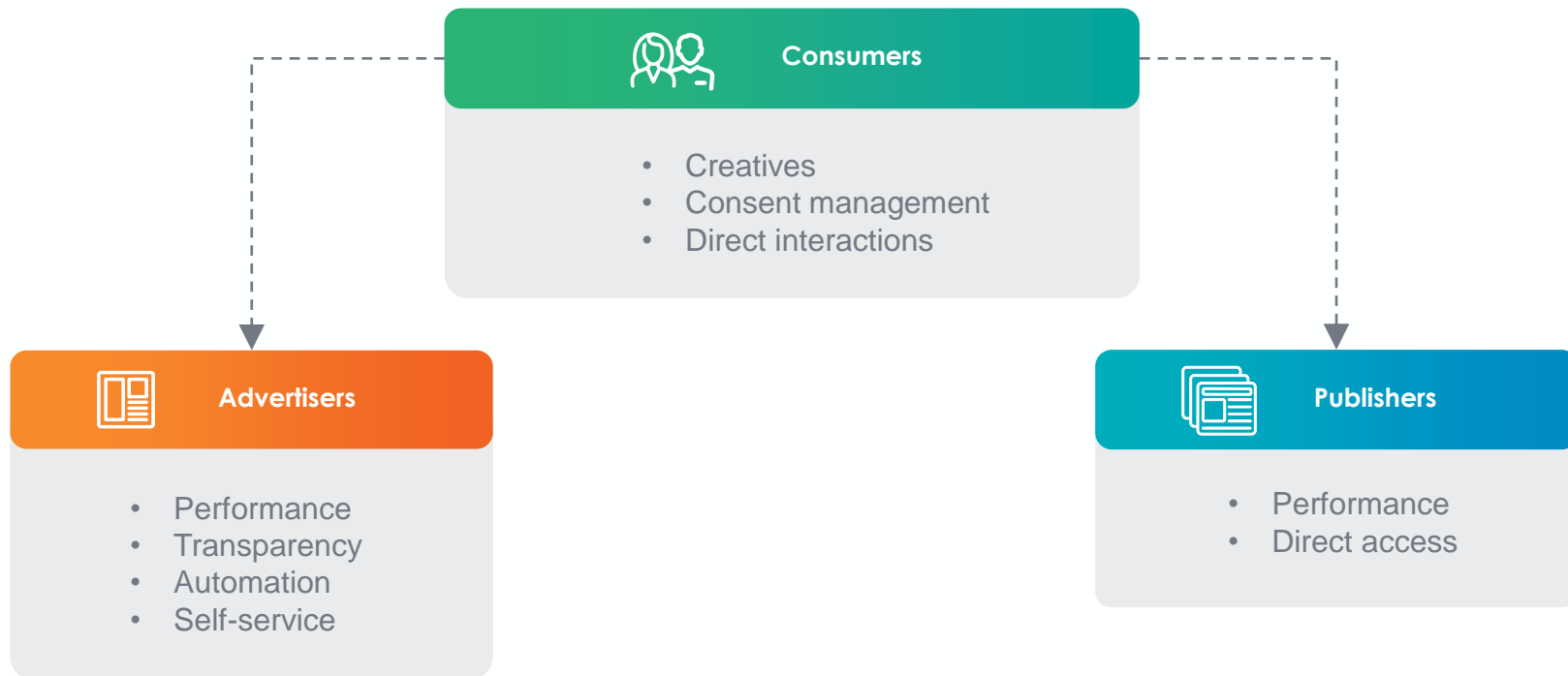
OPEN INTERNET



We are empowering the open Internet



We create value for all stakeholders



Direct relationships with many premium commerce and brand clients



Commerce: Retail, Travel and Classifieds



Booking.com

ESPRIT

La Redoute



DEBENHAMS

Rakuten

3 SUISSES



OTTO

CarGurus

bon
prix



Neiman-Marcus



Brands



Kellogg's



Coca-Cola

SAMSUNG



19,000 clients*

Direct partnerships with large, high quality publishers



All Major Public Exchanges, Global And Local



Preferred Access To Premium Media Inventory



Preferred Access To Retailer Inventory

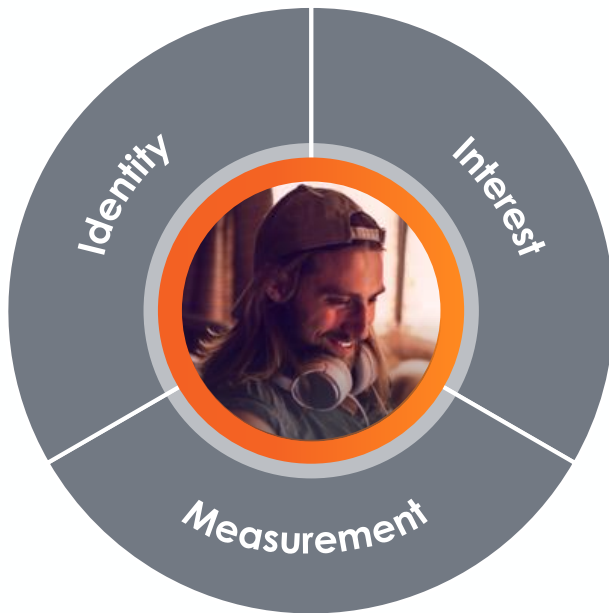


Criteo Shopper Graph

A unified understanding of a shopper's online journey and real-time intent data



- 4B+ global device IDs
- ~80% clients participating
- Deterministic foundation



- 120+ shopping intent signals evaluated per shopper
- 4B+ products
- 21B product interactions per month
- 600TB daily shopper data

The world's
largest open
shopper data set

- >\$700B annual ecommerce sales
- >\$30B annual post-click sales

Proven machine-learned technology

Shopper-level optimization to drive CTR, CR, Order Value, or Product Margin



Criteo Engine

Predictive Bidding

Product
Recommendations

Kinetic Design

> 30,000 tests/year

run on new performance algorithms and variables

Advertising solutions

Addressing each stage of the shopper journey and monetizing retailers' data



| SOLUTIONS TO... | Acquire | Convert | Re-engage | Monetize |
|--|---|--|---|---|
| OBJECTIVES | Acquire qualified visitors | Convert visitors into customers | Upsell existing customers | Enable monetization with brands and resellers |
| PRODUCTS <ul style="list-style-type: none">• For Sites• For Apps• For Stores | <ul style="list-style-type: none">• Customer Acquisition• App installs | <ul style="list-style-type: none">• Dynamic Retargeting• App retargeting• Web-to-store | <ul style="list-style-type: none">• Audience Match• App re-engagement• Store-to-web | <ul style="list-style-type: none">• Sponsored Products• Audiences for Brands• Resellers Program |

Why do marketers work with Criteo



Performance at scale

- Integrated, purpose-built technology
- Massive reach across media and retailers
- Machine learning on \$700B+ commerce sales and 600TB+ daily shopper data



Trusted partner

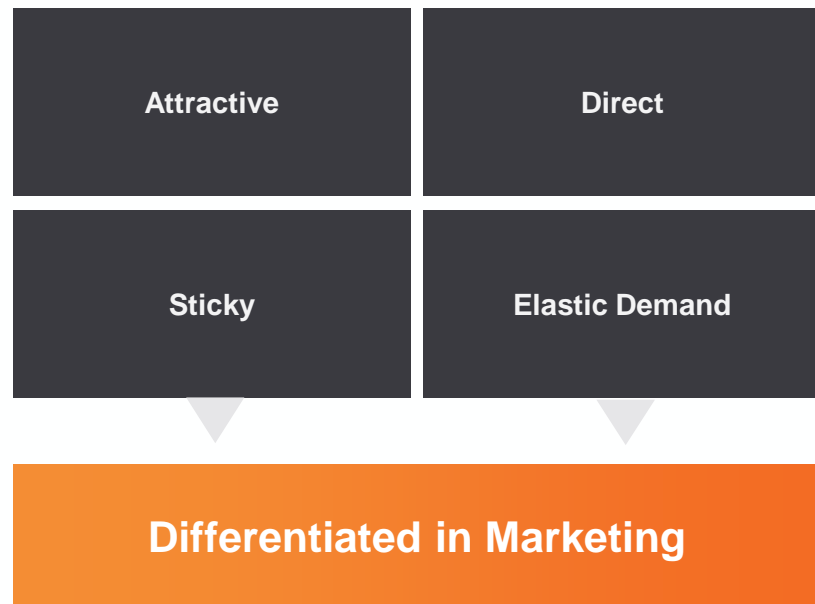
- No competing business agendas
- Our success is entirely aligned with marketers'



Openness

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

Our business model has unique attributes



640
Net client additions
per quarter¹

77%
Direct relationships
with clients²



Close to
90%
Client retention rate³

76%
Of Revenue ex-TAC from
uncapped budgets⁴

¹ On average over the last four quarters through Q2 2018

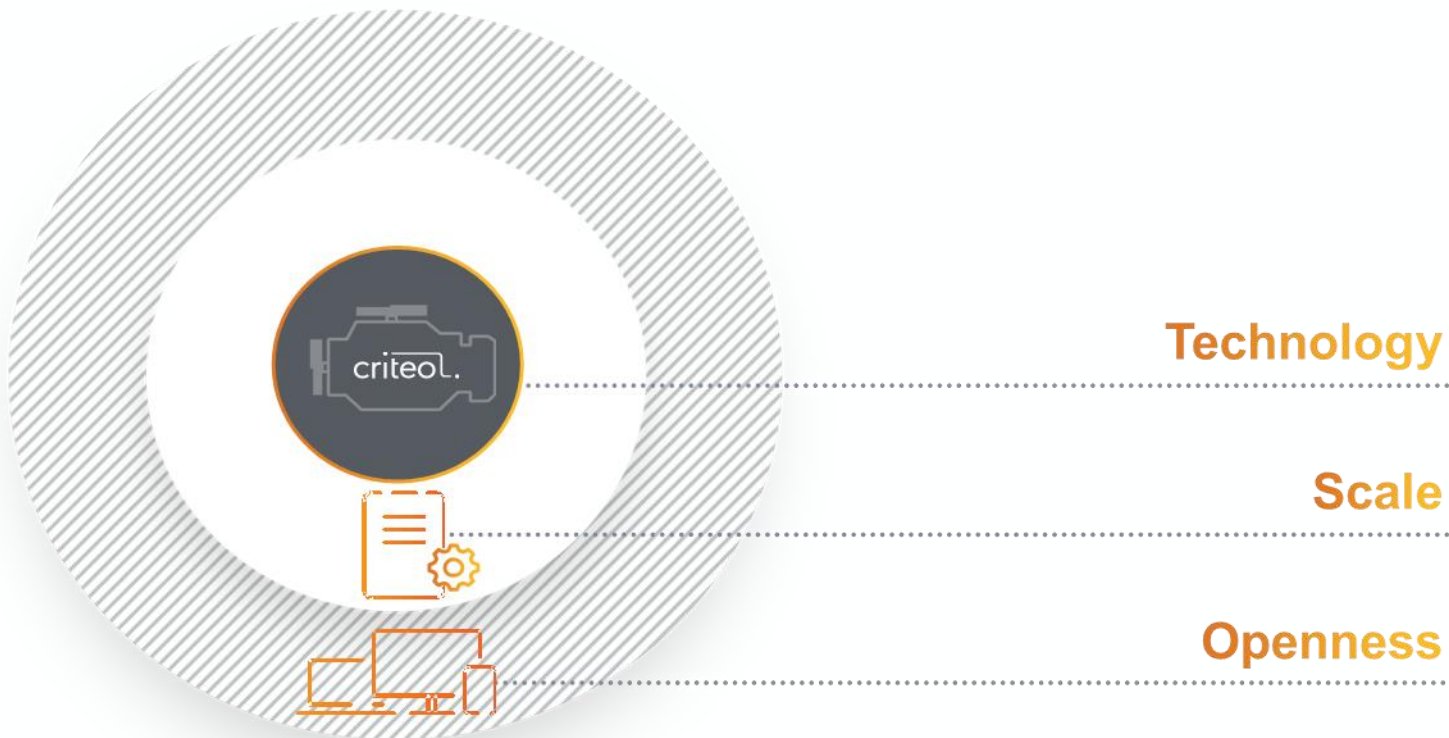
² Last twelve months to Q2 2018; excluding Criteo Sponsored Products

³ Quarterly retention rate including all products – close to 90% for 34 consecutive quarters

⁴ On average over the last four quarters through Q2 2018; excluding Criteo Sponsored Products. Represents uncapped

15 • budgets of our clients, which are either contractually uncapped or so large that the budget constraint does not restrict ad buys

Our core competencies are difficult to replicate



Our growth strategy is based on two strong pillars



Grow the customer base

- Evolve go-to-market strategy for large and midmarket clients
- Further scale and automate midmarket operations worldwide
- Add new brand clients globally



Increase our value for clients and partners

- Enhance core technology
- Grow and leverage Criteo Shopper Graph
- Further develop our Acquire, Convert, Re-engage and Monetize solutions
- Broaden supply of quality inventory

We invest in growing areas in digital advertising – and beyond



Advertising objectives

Flexible monetization platform



- Data and audience monetization for retailers*

Shopping environments

Omnichannel advertising



- Store-to-web retargeting*

Media

Incremental inventory



- In-App

Healthy, profitable growth and strong cash flow in Q2 2018



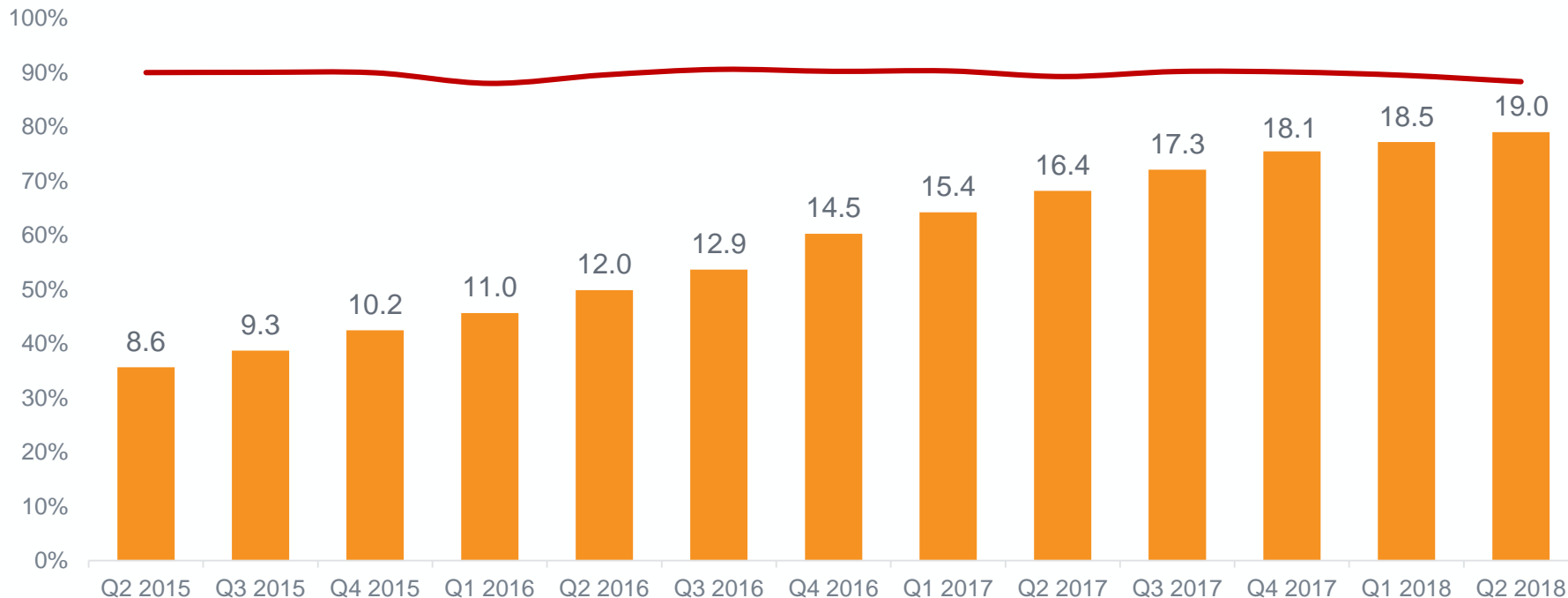
- Grew Revenue ex-TAC **2%* to \$230 million**, increased Adj. EBITDA **20%* to \$69 million**, Free Cash Flow was **\$22 million**
- Ended Q1 with 19,000 clients and maintained **client retention at close to 90%** for all products
- Criteo employees stood at **2,700** across 30 offices worldwide
- Revenue ex-TAC from **non-retargeting products** grew 72% year over year*
- Revenue ex-TAC from **mobile application business** grew 38%
- **Criteo Direct Bidder** now deployed with 2,300 large publishers worldwide

We add many clients while maintaining high retention



Client Retention Rate¹

Number of clients
(in thousands)²



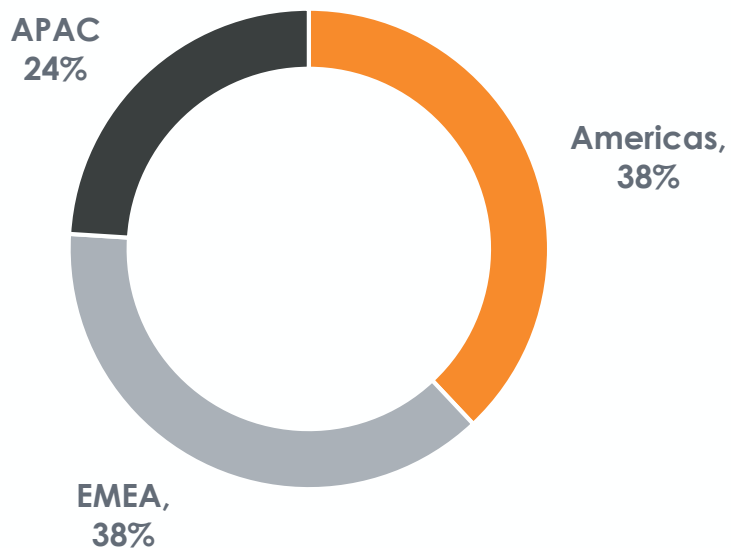
¹ The retention rate represents the percentage of live clients during the previous quarter that continued to be live clients during the current quarter. All products excluding Criteo Sponsored Products.

² Including all products

Good performance across all regions – Q2 2018



Q2 2018 Revenue ex-TAC mix by Region



Q2 2018 Revenue ex-TAC Growth* by Region

+4% Americas **(+8% U.S.)**

-1% EMEA

+6% APAC

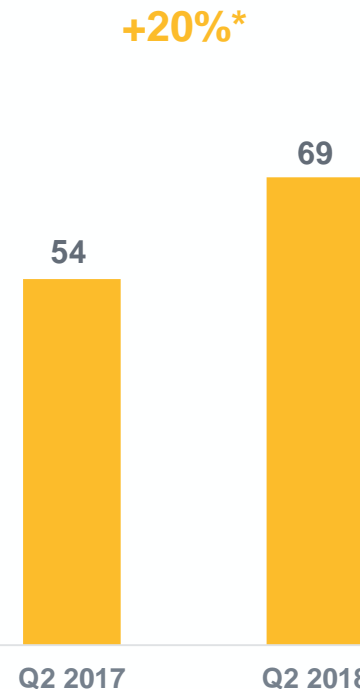
Healthy, profitable growth and strong cash flow



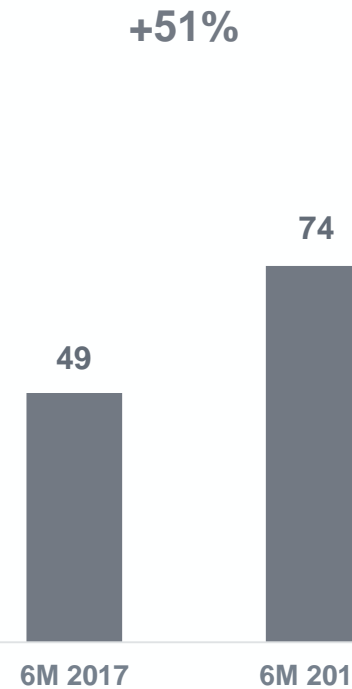
REVENUE EX-TAC (\$M)



ADJUSTED EBITDA (\$M)



FREE CASH FLOW (\$M)



Solid financial model: doubled Adj. EBITDA margin since IPO



| As % of Revenue ex-TAC | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | LTM Q2 2017 | LTM Q2 2018 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue ex-TAC | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Other cost of revenue* | 7.9% | 6.6% | 6.1% | 6.4% | 6.9% | 7.1% | 6.3% |
| Gross margin | 92.1% | 93.4% | 93.9% | 93.6% | 93.1% | 92.9% | 93.7% |
| R&D* | 14.9% | 12.5% | 13.4% | 14.2% | 14.7% | 14.8% | 14.9% |
| S&O* | 43.6% | 39.9% | 39.8% | 35.3% | 34.8% | 36.0% | 33.1% |
| G&A* | 16.0% | 14.8% | 13.8% | 13.2% | 10.7% | 12.4% | 10.5% |
| Adjusted EBITDA | 17.5% | 26.2% | 26.9% | 30.8% | 32.9% | 29.7% | 35.2% |
| Revenue ex-TAC margin** | 40.3% | 40.8% | 40.4% | 40.6% | 41.0% | 40.6% | 42.0% |

* 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, depreciation and amortization, acquisition-related costs, restructuring and deferred price consideration.

** As a % of revenue

2018 is a transition year for Criteo

We expect -1% to +1% Revenue ex-TAC growth at constant currency



ITP is having a significant impact on our business in 2018

- Reducing our year-over-year growth by mid-teen points in 2018

Ongoing company-wide transformation

We are evolving to a **multi-solutions platform** ...

- Reprioritization of **product roadmap**
- Internal **reorganization**
- More flexible **pricing**

...and adapting our **go-to-market strategy** accordingly

- More **granular client segmentation**
- Reshuffled **resource allocation**
- New **hiring plan**
- **Leadership** changes

Drivers of lowered 2018 growth guidance

1. Significant **hiring delay**
 - 230 heads **below plan** at the end of H1
 - Change in **HR leadership**
2. Slower **growth in APAC**, in particular in Japan
 - Change of **senior leadership** in APAC
 - Higher **attrition** in Japan's mid-market
3. New **go-to-market** strategy slows down short-term sales
4. Lower contribution from **Criteo Sponsored Products**
 - Retailers' needs evolve toward **more control over audience**

- *We expect the transformation to take **6 to 12 months***
- *We believe we can grow back to **double-digit growth by H2 2019***

Our key priorities for 2018



Solutions:

Monetize,
Self-service platform,
App installs, Reporting
and transparency,
Omnichannel



Consumers:

Improve mobile
creatives



Publishers:

Expand Criteo Direct
Bidder in browser, refine
our strategy to approach
walled gardens

Compelling investment thesis



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Scale
Openness

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Strong client growth
Close to 90%
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Attractive financial profile

Growth
Increasing
profitability
Strong cash flow

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Appendix



Revenue ex-TAC reconciliation



| (\$ in thousands) | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | Q1'18 | Q2'18 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | 401,253 | 407,201 | 423,867 | 566,825 | 516,667 | 542,022 | 563,973 | 674,031 | 564,164 | 537,185 |
| Less: Traffic acquisition costs | 238,755 | 240,969 | 247,310 | 341,877 | 306,693 | 322,200 | 329,576 | 397,087 | 323,746 | 306,963 |
| Revenue ex-TAC | 162,498 | 166,232 | 176,557 | 224,948 | 209,974 | 219,822 | 234,397 | 276,944 | 240,418 | 230,222 |

| (\$ in thousands) | 2016 | 2017 |
|---------------------------------|------------------|------------------|
| Revenue | 1,799,146 | 2,296,692 |
| Less: Traffic acquisition costs | 1,068,911 | 1,355,556 |
| Revenue ex-TAC | 730,235 | 941,136 |

Adjusted EBITDA reconciliation



| (\$ in thousands) | Q1'16 | Q2'16 | Q3'16 | Q4'16 | Q1'17 | Q2'17 | Q3'17 | Q4'17 | Q1'18 | Q2'18 | 2016 | 2017 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|----------------|
| Net income | 18,527 | 13,339 | 14,724 | 40,740 | 14,518 | 7,505 | 22,269 | 52,368 | 21,090 | 14,707 | 87,329 | 96,659 |
| Adjustments: | | | | | | | | | | | | |
| Financial (income) expense, net | 1,317 | 94 | 570 | (1,435) | 2,333 | 2,094 | 2,886 | 2,221 | 1,325 | 1,006 | 546 | 9,534 |
| Provision for income taxes | 7,944 | 4,450 | 7,574 | 13,161 | 4,201 | 3,665 | 7,858 | 15,927 | 12,386 | 8,638 | 33,129 | 31,651 |
| Equity awards compensation expense | 8,370 | 7,695 | 13,965 | 13,229 | 14,940 | 14,918 | 22,028 | 20,464 | 19,303 | 20,245 | 43,259 | 72,351 |
| Pension service costs | 129 | 131 | 132 | 133 | 290 | 299 | 320 | 321 | 434 | 419 | 524 | 1,231 |
| Depreciation and amortization expense | 12,516 | 13,300 | 14,771 | 16,190 | 20,167 | 22,306 | 23,755 | 24,570 | 23,646 | 23,560 | 56,779 | 90,796 |
| Acquisition-related costs | - | 148 | 1,793 | 980 | 6 | - | - | - | - | - | 2,921 | 6 |
| Acquisition-related deferred price consideration | 40 | 44 | 3 | (3) | - | - | - | - | - | - | 85 | - |
| Restructuring | - | - | - | - | - | 3,299 | - | 4,057 | (252) | 199 | - | 7,356 |
| Total net adjustments | 30,316 | 25,862 | 38,808 | 42,255 | 41,936 | 46,581 | 56,847 | 67,560 | 56,842 | 54,067 | 137,243 | 212,925 |
| Adjusted EBITDA | 48,843 | 39,201 | 53,532 | 82,995 | 56,454 | 54,086 | 79,116 | 119,928 | 77,932 | 68,774 | 224,572 | 309,584 |

Free cash flow reconciliation



| (\$ in thousands) | Q2 2017 | Q2 2018 |
|--|---------------|---------------|
| CASH FROM OPERATING ACTIVITIES | 60,491 | 40,341 |
| Acquisition of intangible assets, property, plant and equipment | (30,008) | (18,880) |
| Change in accounts payable related to intangible assets, property, plant and equipment | 2,953 | 1,033 |
| FREE CASH FLOW | 33,436 | 22,494 |