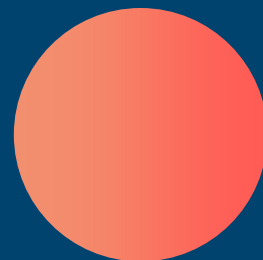




# Investor Presentation


**Q3 2019 Financial Results**

October/November 2019



# 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 and other actions by our counterparties.



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, 2019, and in subsequent Quarterly Reports on Form 10-Q, including the Risk Factors set forth therein and the exhibits thereto, as well as future filings and reports by the Company, 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 thesis

1

## Large market opportunity

Digital advertising in the open Internet is large and growing

2

## Clear vision

Be the leading advertising platform for the open Internet

3

## Competitive moats

- Shopper Data
- Platform Technology
- Scale/Reach

4

## Proven track-record

- Large client base
- ~90% client retention for all solutions combined

5

## Attractive financial profile

- High profitability and growing
- Strong balance sheet & cash flow



**Vision: Be the leading  
advertising platform for  
the open internet**

# We are transforming our Company

Further strengthening the leading advertising platform for the open Internet

1

Broaden our  
product portfolio

2

Build  
Self-Service  
Platform

3

Reduce our  
dependency on  
third-party  
cookies

4

Strengthen our  
leadership team

# A new CEO to lead the second phase of the company transformation

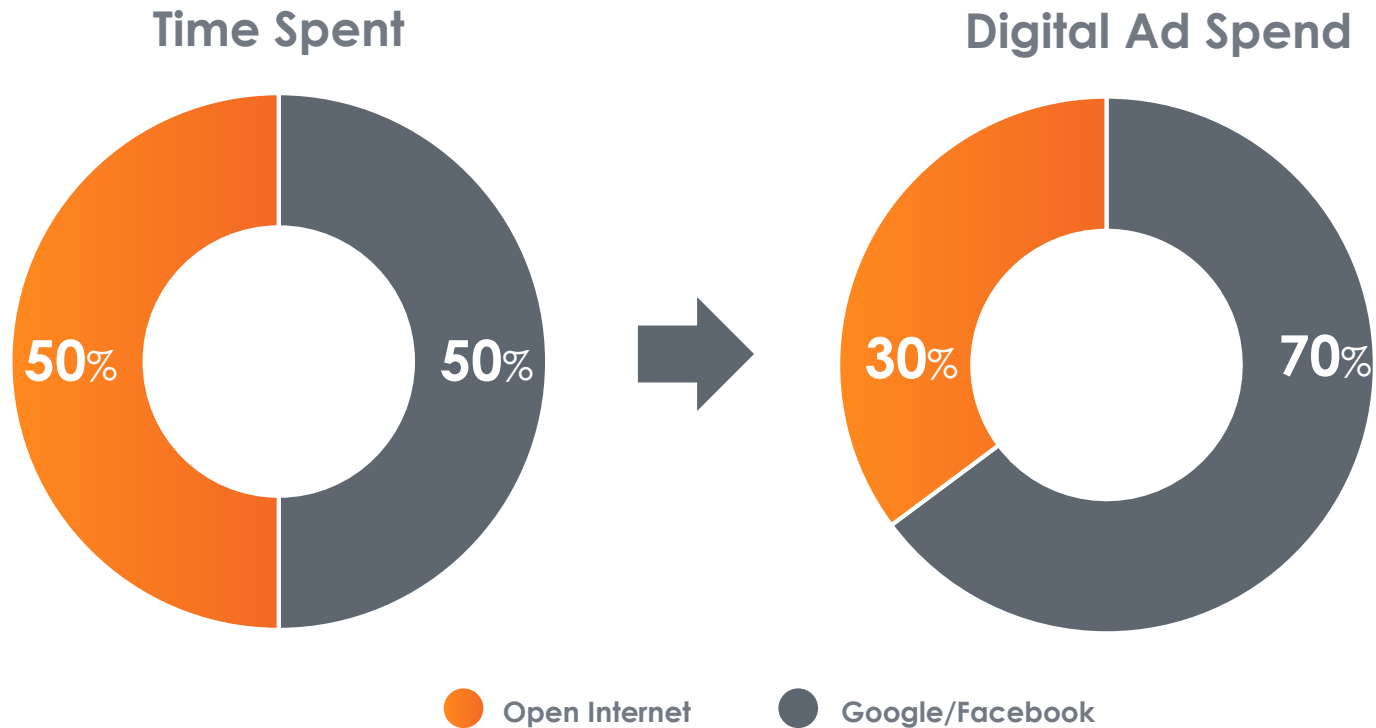
Megan Clarcken appointed as Chief Executive Officer, based in Paris, effective November 25, 2019



Megan Clarcken spent fifteen years in various positions at Nielsen and was recently Chief Commercial Officer of Nielsen Global Media. Born in New Zealand, Megan brings to Criteo extensive global leadership experience and very strong industry expertise.

*"This is a very exciting time for me to join Criteo. Criteo has grown into a truly impressive company, with high-quality assets and talented teams, and I'm very honored to lead the company into the next chapter of its development."*

# The open Internet offers significant monetization opportunity



# The open Internet offers multiple benefits to advertisers & publishers



## Choice

Advertisers and publishers choose which partners to work with and how



## Control of data

Advertisers and publishers keep control of their own data



## Neutrality

We have no conflicting interests with advertisers and publishers

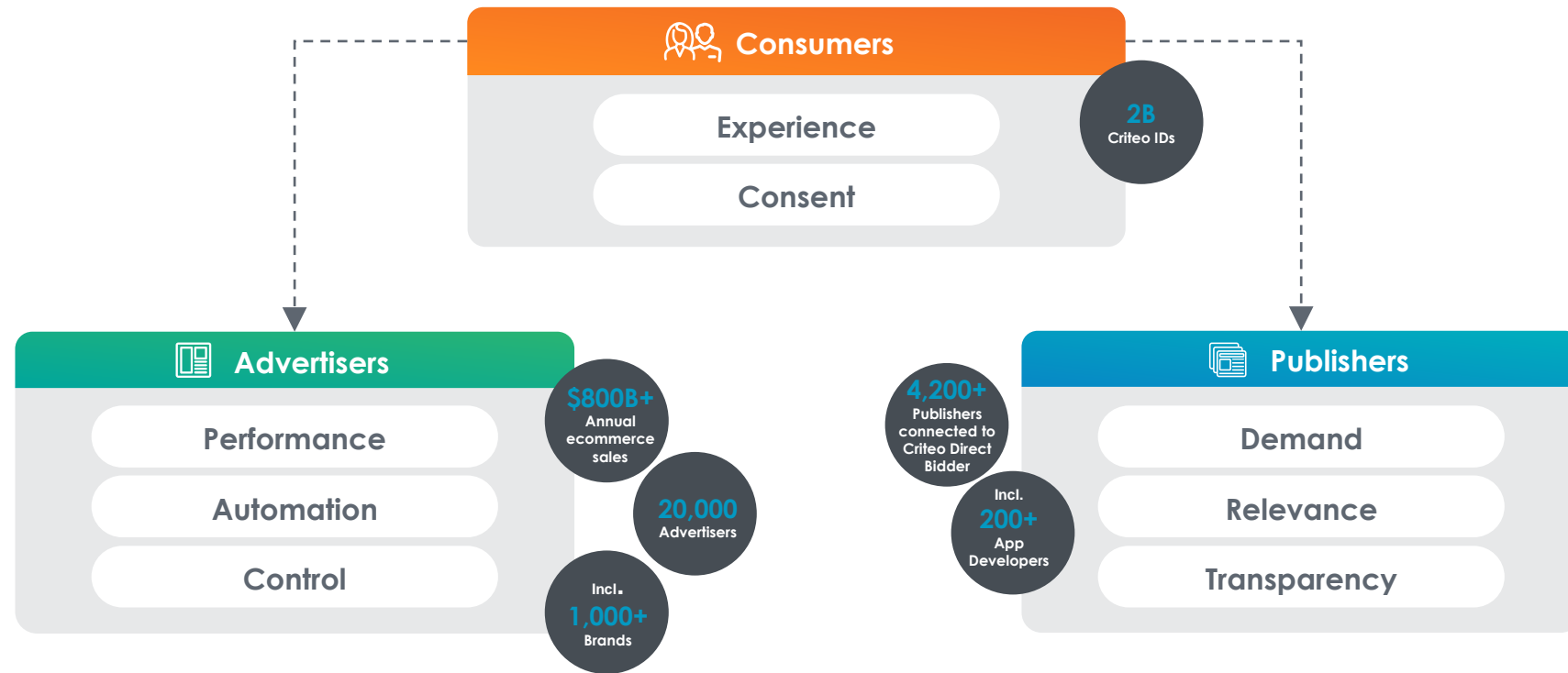


## Transparency

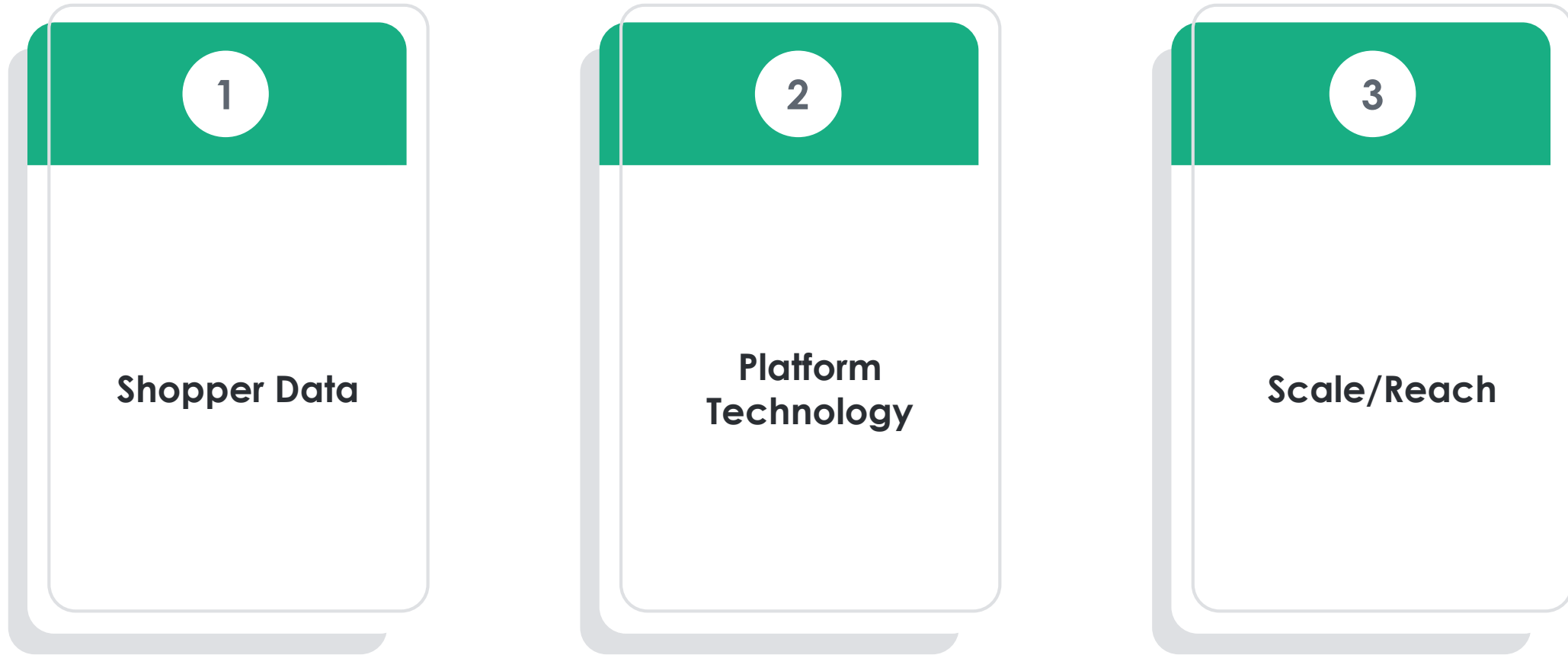
Advertisers and publishers determine how to measure success



# Our vision of the open Internet delivers benefits for all



## We have strong core competencies

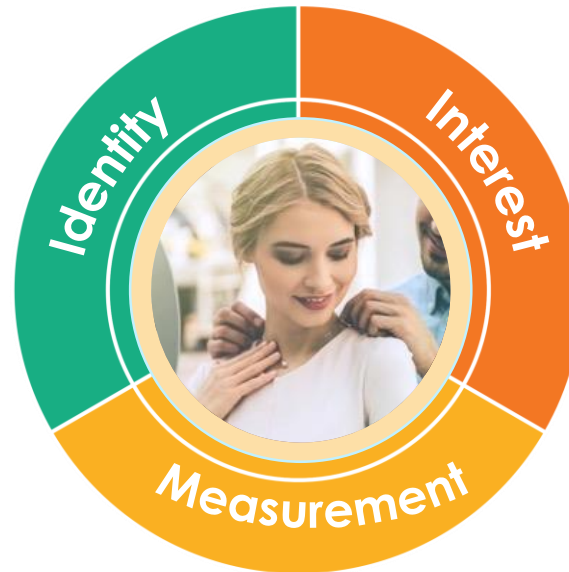


# Criteo Shopper Graph: the world's largest set of shopper data

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

## Identity Graph:

2B Criteo IDs cross device, same device, and online/offline



## Interest Map:

anonymized shopper interest across products

## Measurement Network:

conversion and sales across retailers

# Criteo Identity Graph

Matching of identifiers cross device, same device, and online/offline

## Criteo's advantages

- ~75% of clients participate
- 2B Criteo IDs
- Global coverage

## Open, transparent, secure, fair

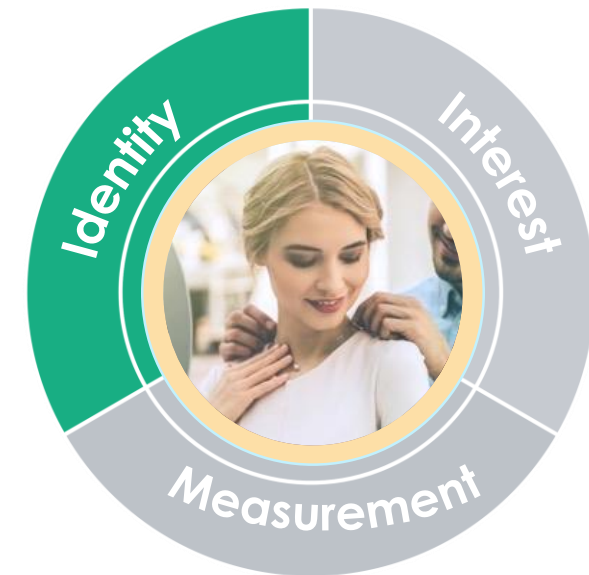
- Encrypted and double-hashed personal identifiable information (PII)
- Access at no additional cost

## Persistent

- 95% Criteo IDs contain long-term identifiers such as hashed emails or app identifiers

## Participation

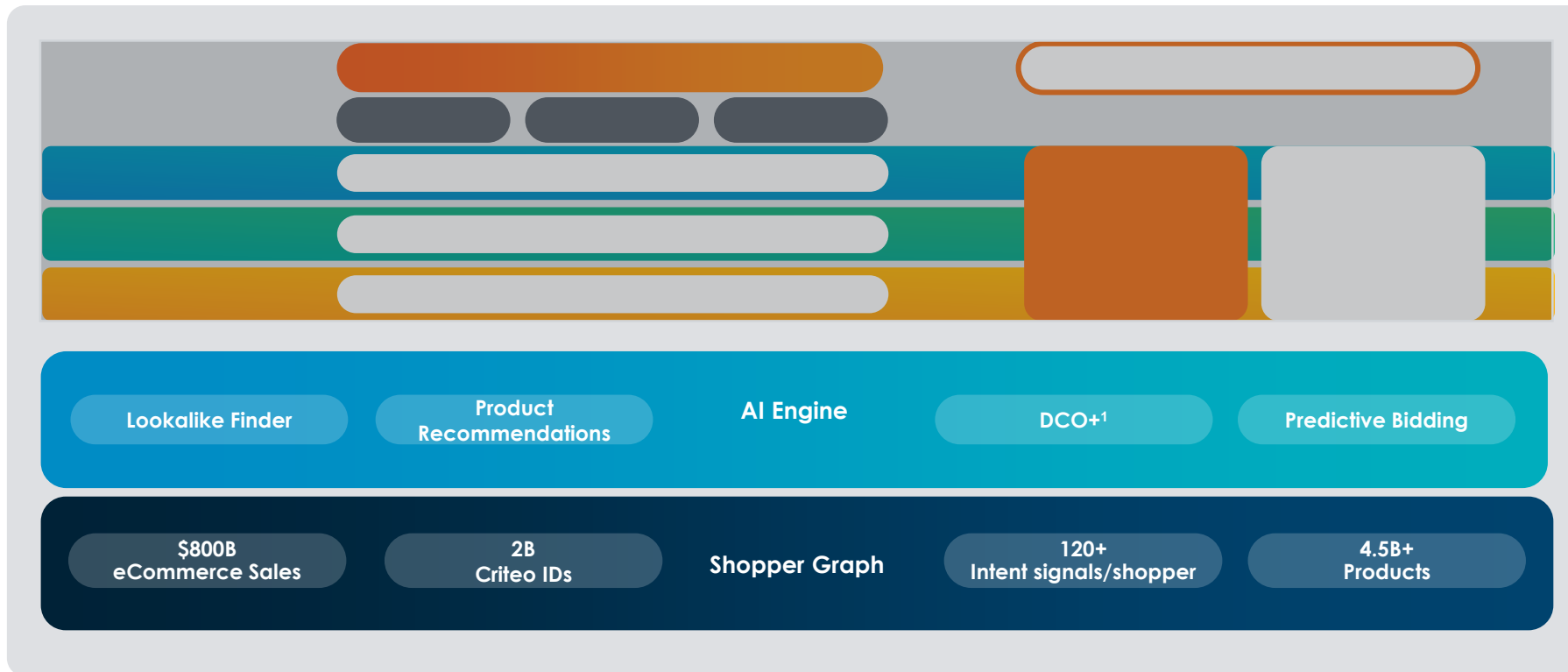
- Opt-in by sending hashed identifiers via OneTag or App Events SDK



# Criteo Platform delivers a breadth of full-funnel advertising opportunities for commerce advertisers and brands



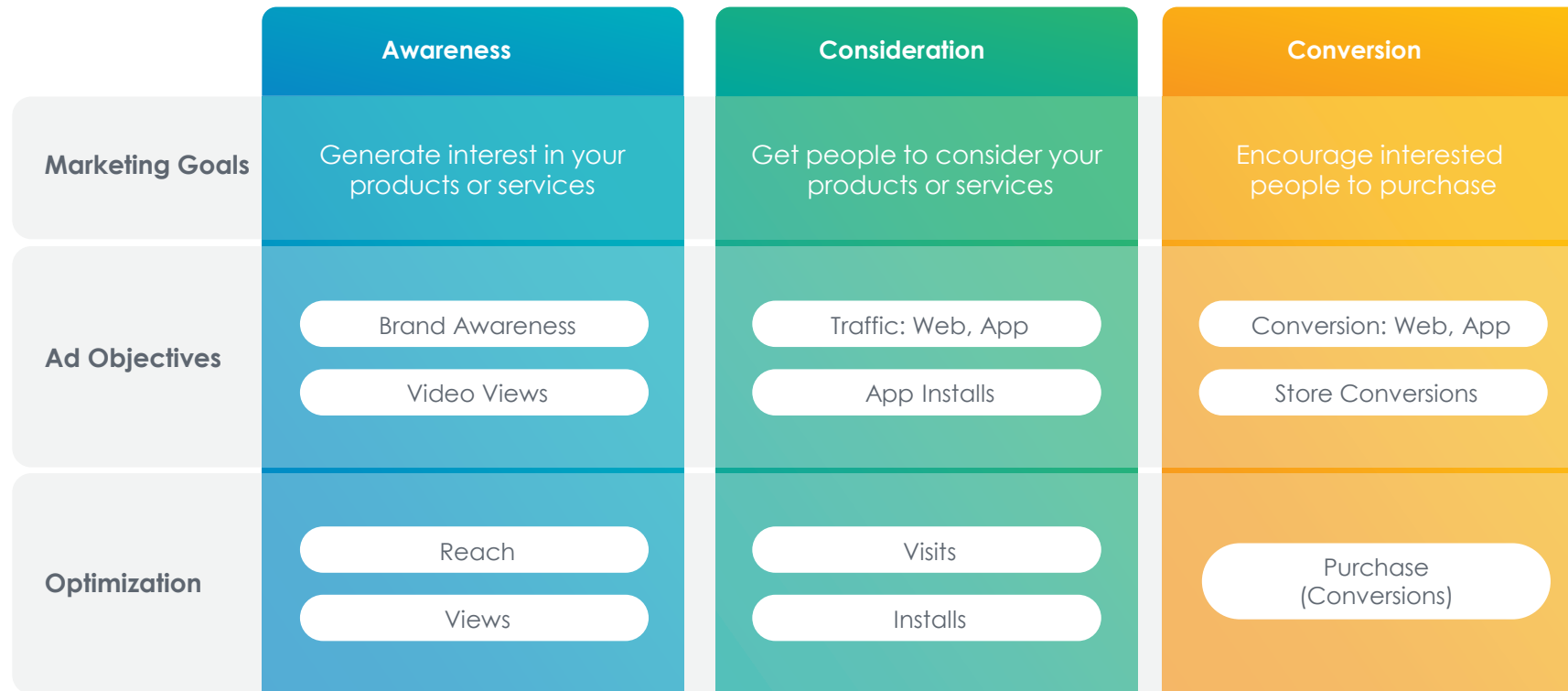
# Fueled by a unique commerce data set and powered by AI



<sup>1</sup> Dynamic Creative Optimization+

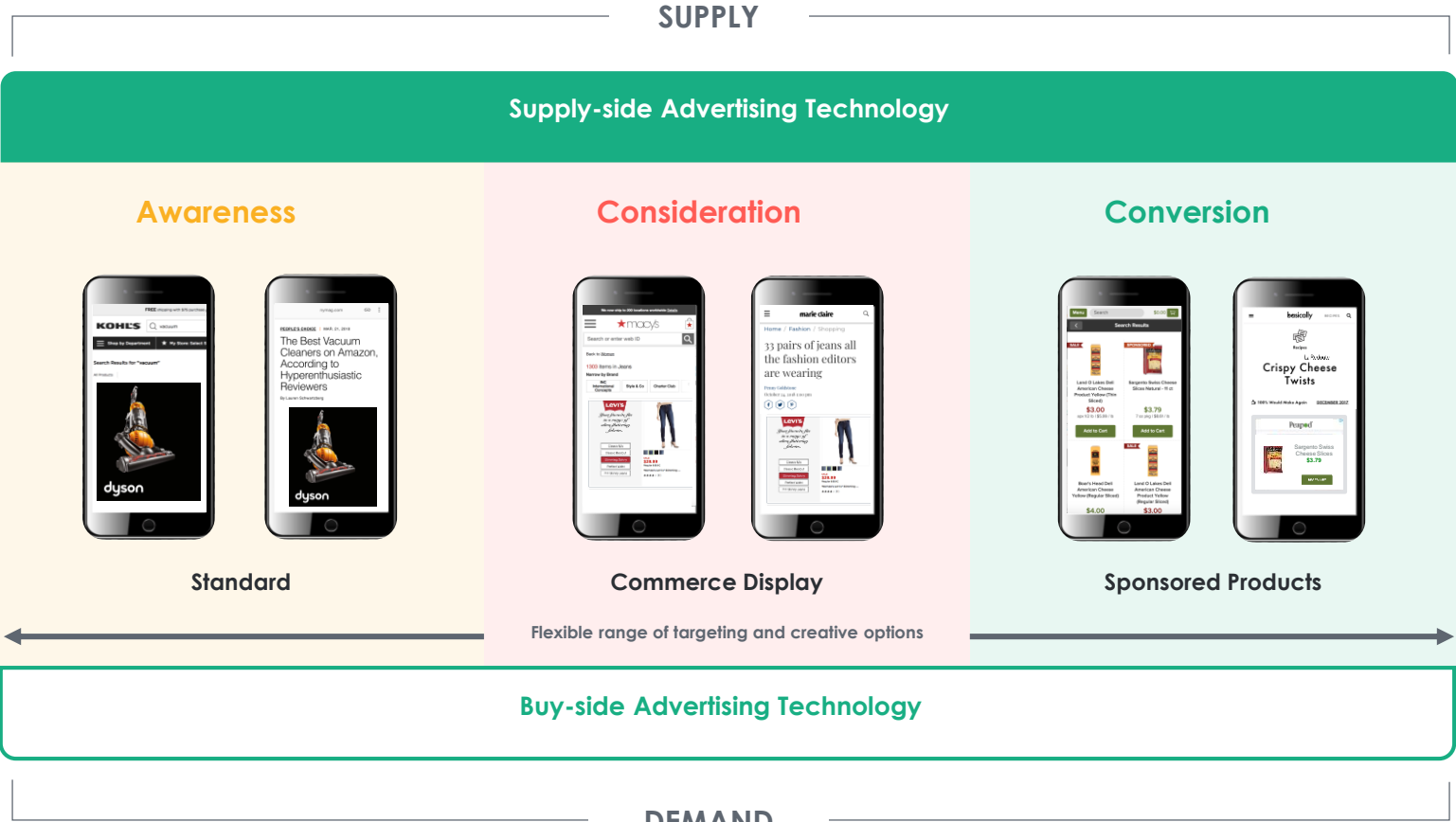
# Marketing Solutions

Full-funnel capability addresses the entire customer journey



# Retail Media

Enables brands to connect with key retail audiences at all stages of their shopping journey

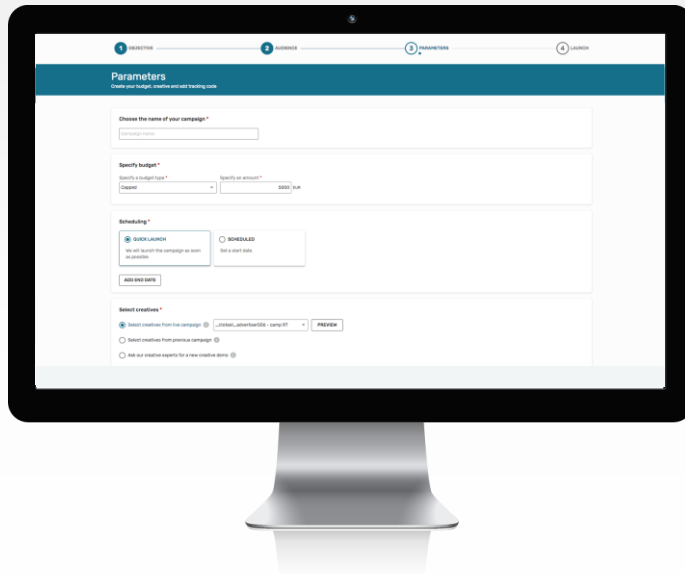




# Full self-service campaign workflow for all clients

API and managed service option

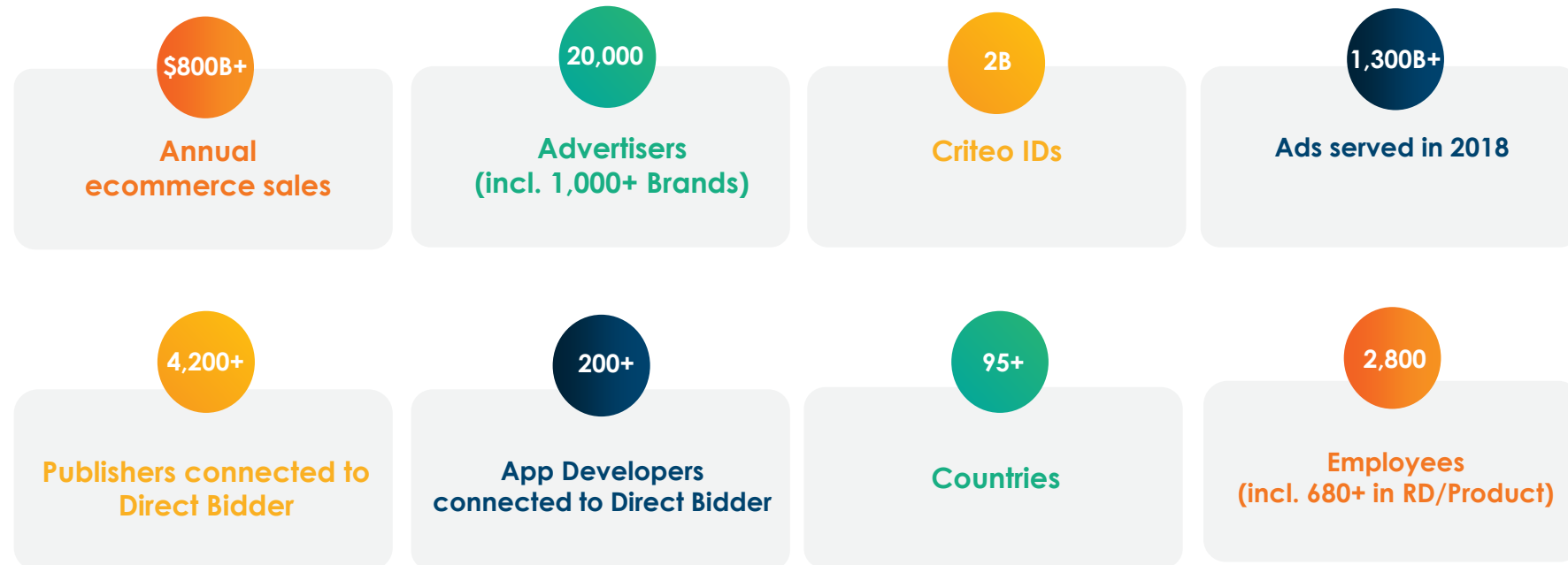
## Campaign Creation & Optimization



## Analytics & Insights



# A global company with scale and broad reach



## Direct relationships with many premium commerce and brand clients

DIAGEO



P&G

NEW LOOK

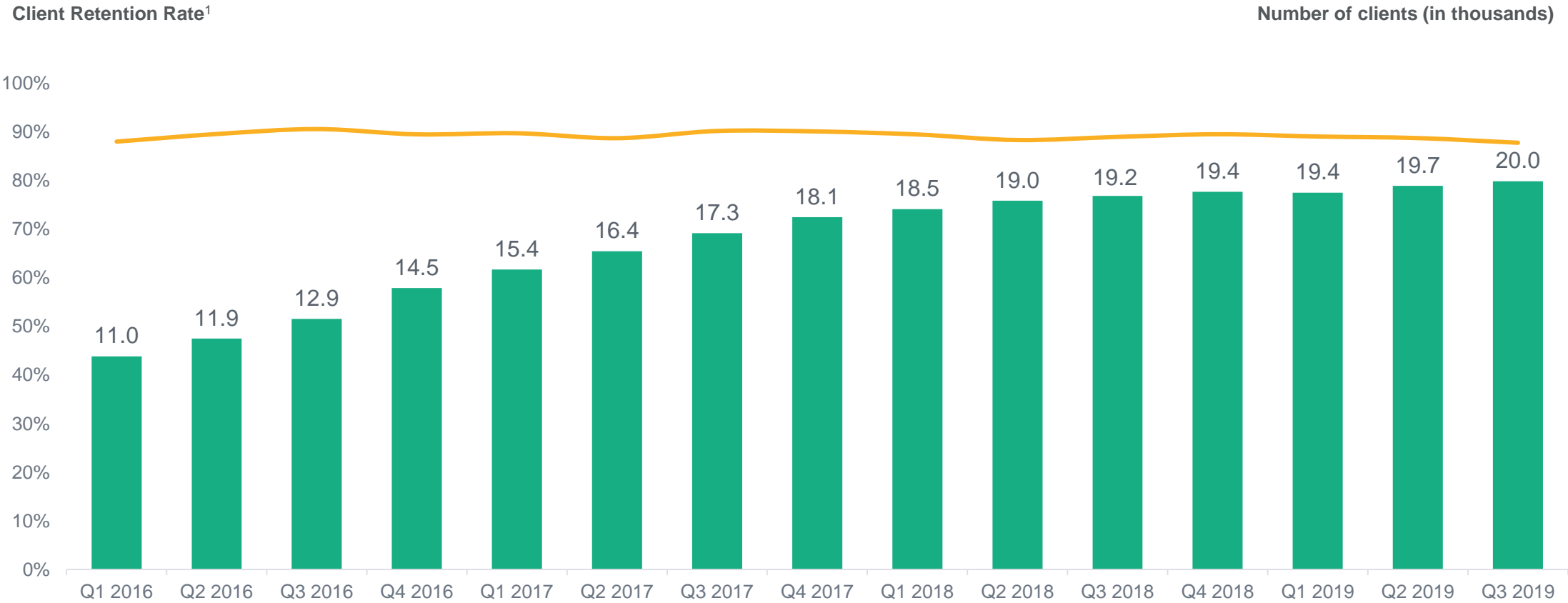


Soft Surroundings



THRIVE  
- MARKET -

# We maintain high retention across our large client base



<sup>1</sup> The retention rate represents the percentage of live clients during the previous quarter that continued to be live clients during the current quarter. For all solutions combined.

# Extensive supply partnerships ensure broad audience access

## Direct partnerships

4,200+ Premium publishers

## Exchange partners

Long-tail & emerging formats

## Closed environments

Additional Reach

- **Flexible buying technology:** RTB/S2S, Criteo direct bidder, SDK, API
- **Any relevant creative formats/environment:** IAB, Native, In-App, Video, Google AMP



# Our strategy is based on two strong pillars

## Grow the customer base

- Scale large and midmarket clients
- Win and retain clients with our self-service platform
- Add more brand and retailer clients globally

## Increase our value for clients & partners

- Enhance AI/Deep-learning technology
- Grow and leverage Criteo Shopper Graph
- Broaden self-service capabilities
- Expand Marketing Solutions & Criteo Retail Media
- Broaden supply of quality inventory

# We are transforming our Company

Further strengthening the leading advertising platform for the open Internet

**1**

**Broaden our  
product portfolio**

**2**

**Build  
Self-Service  
Platform**

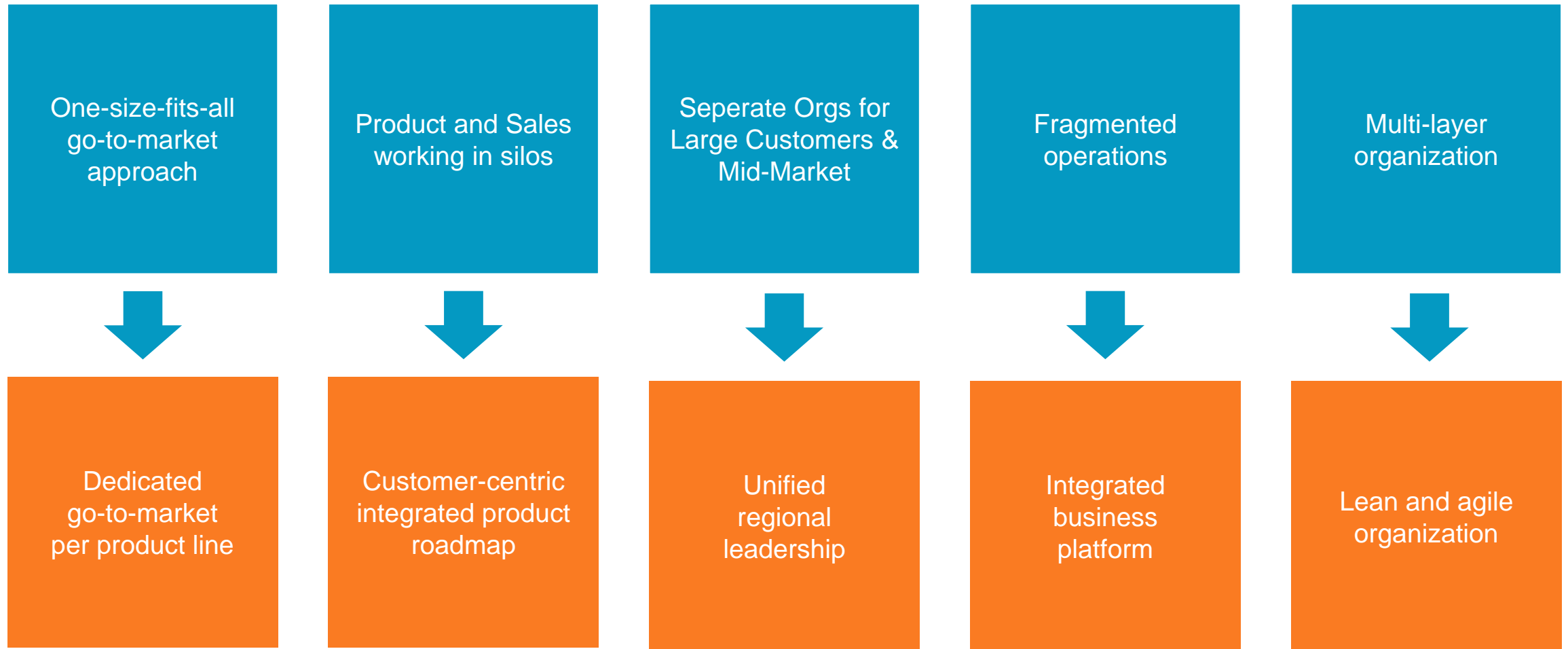
**3**

**Reduce our  
dependency on  
third-party  
cookies**

**4**

**Strengthen our  
leadership team**

# We are evolving to accelerate our transformation





# New blueprint: unified customer conversation



# Criteo leadership team



**JB  
Rudelle**  
Chairman  
& Co-founder



**Megan  
Clarken**  
CEO



**Benoit  
Fouilland**  
CFO



**Diarmuid  
Gill**  
CTO



**Isabelle  
Leung-Tack**  
Global  
Communications



**Ryan  
Damon**  
General Counsel



**Denis  
Collin**  
People  
Management



**Jess  
Breslav**  
Americas



**Kenneth  
Pao**  
APAC



**Shruthi  
Chindalur**  
EMEA



**Thomas  
Jeanjean**  
Platform &  
Operations



**Cédric  
Vandervynkt**  
Web



**Geoffroy  
Martin**  
Supply & Retail  
Media



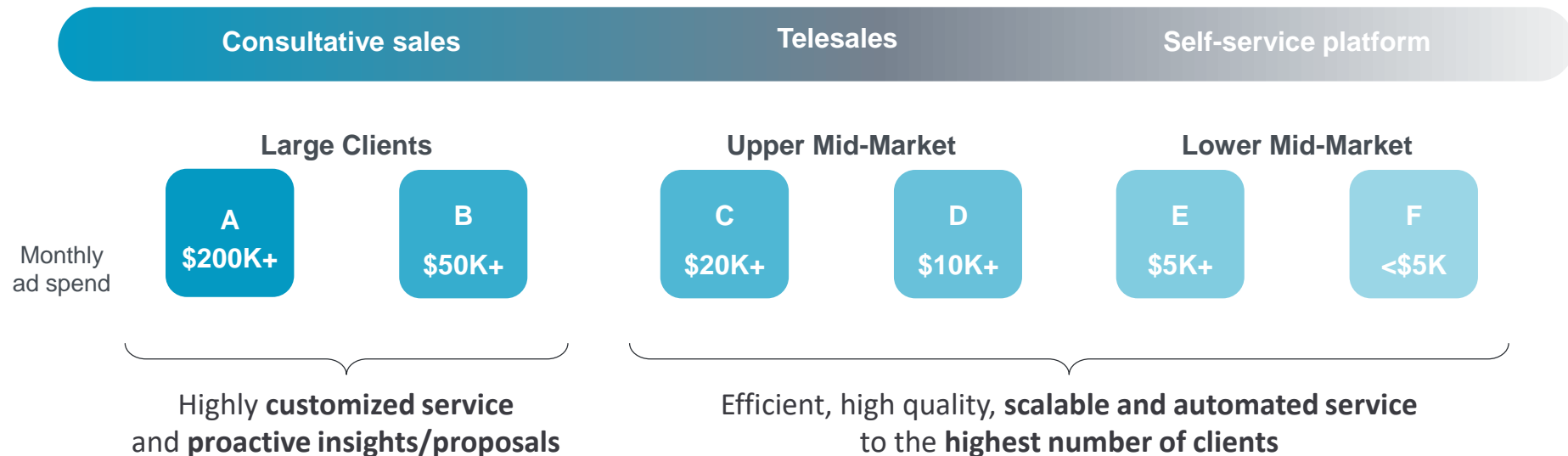
**Alex  
Valle**  
App & Store

# A tailored go-to-market approach to best serve our clients

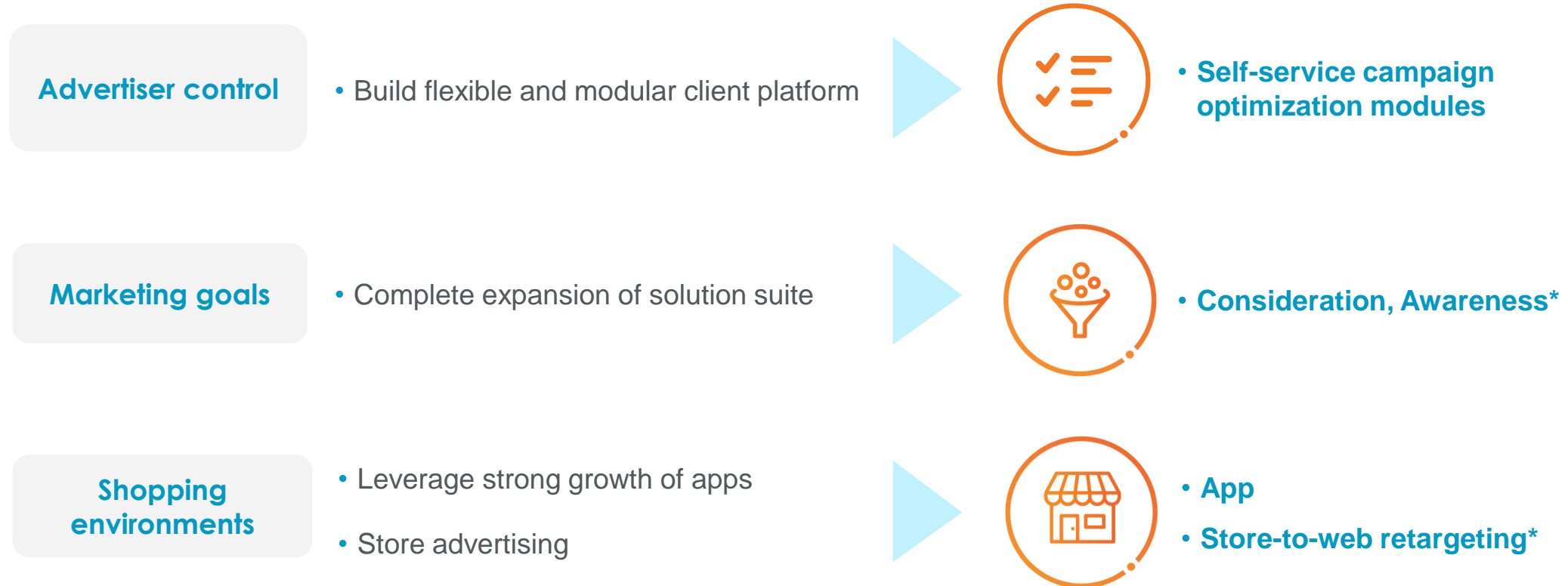
## Objectives

- 1 Adapt sales organization to a **multi-solution** offering
- 2 Provide the **right level of service** to each client
- 3 Scale **operations** and enhance **profitability**

## Client tiering



# We invest in growing areas in digital advertising – and beyond



# Our financial structure offers significant flexibility

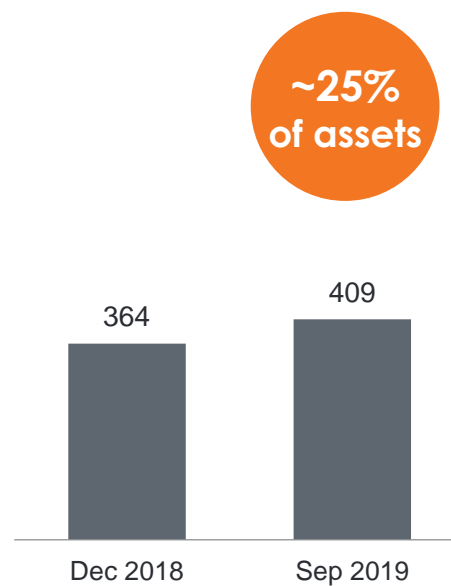
## Strong balance sheet

### Total assets (in \$M)



## Significant cash pile

### Cash & cash equivalents (in \$M)



## Very low debt

### Financial liabilities (in \$M)



**\$409M**

cash

*As of Sep 30, 2019*

**€350M**

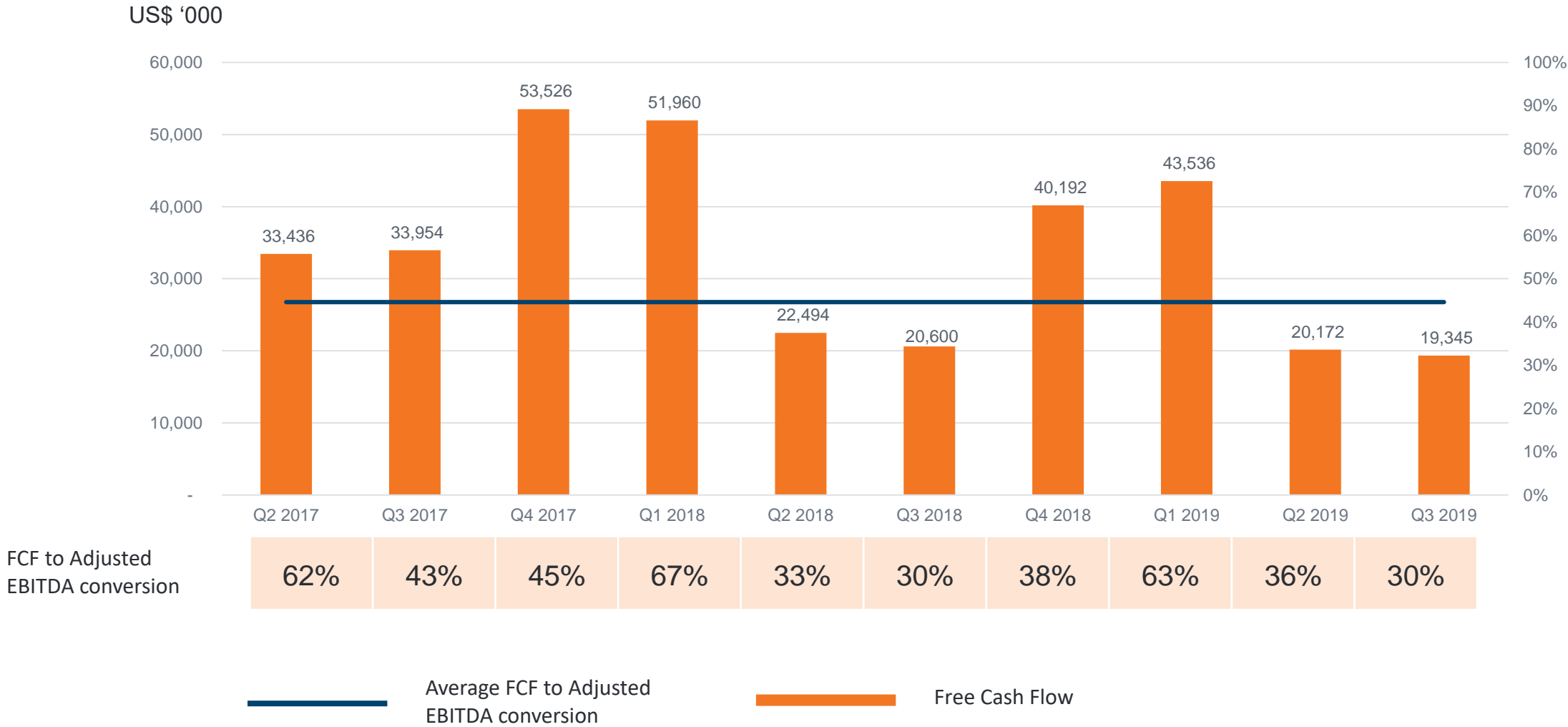
committed financing

**\$150M**

equity raise capacity\*

**Share buy-back**  
authorization\*\*

# Robust Free Cash Flow and strong conversion into Adj. EBITDA



# Flexible capital allocation more geared to shareholder returns

## Organic growth

- CapEx targeted at **5% of revenue** (or ~12.5% of Revenue ex-TAC)
- Investment **focused on hosting** (~80%) and facilities & internal IT (~20%)

## M&A

- **Active yet disciplined approach**
- **So far, acquisitions of**
  - Adjacent **technology**
  - **Product**
  - **Key talent**

ADX TRACKING

TEDEMIS

AdQuantic

DATAPOP

Monsieur Drive

HookLogic



STORETAIL



manage



madyourself

## Share repurchase program

- 2019 shareholder meeting provided us with **more flexibility around share buybacks**
- Board authorized a **second \$80 million share buyback**, first one executed in Q4 2018
- Primarily to **limit dilution from future equity awards** and **fund potential M&A**

# 2019 is a year of transition with focus on profitability

1

**More scalable  
way to sell entire  
product suite**

2

**Increased focus  
on effective cost  
management**

3

**Maintain 2019  
profitability  
outlook**

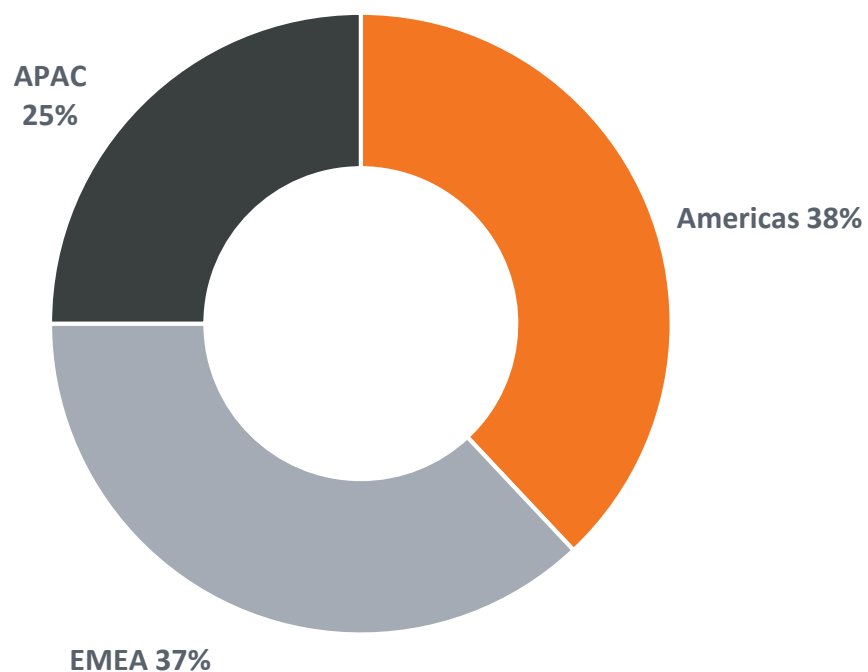


# Key Figures – Q3 2019

- Revenue ex-TAC was **\$221 million**,  
Adj. EBITDA was **\$64 million**,  
Free Cash Flow was **\$19 million**
- Revenue ex-TAC from **new solutions** represented **11%** of total Revenue ex-TAC,  
up from **7%** a year ago, growing **57%** yoy
- **20,000 clients** with retention at **close to 90%** for all solutions combined
- **Criteo Direct Bidder** now deployed with **4,200+** large publishers and **200** app developers
- **2,800** Criteo employees across 31 offices globally

# Regional performance – Q3 2019

Q3 2019 Revenue ex-TAC  
Mix by Region



Q3 2019 Revenue ex-TAC  
Growth\* by Region

**+0%** Americas  
(+3% U.S.)

**+1%** EMEA

**-2%** APAC

# Key figures – Q3 2019

## REVENUE EX-TAC\* (\$M)

-0.0%\*\*

223

221

Q3 2018

Q3 2019

## ADJUSTED EBITDA\* (\$M)

29.1%  
of Revenue ex-TAC

70

64

Q3 2018

Q3 2019

## FREE CASH FLOW\* (\$M)

30%  
of Adj. EBITDA

21

19

Q3 2018

Q3 2019

\* Revenue ex-TAC, Adjusted EBITDA, and Free Cash Flow are not measures calculated in accordance with U.S. GAAP. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix slides.

\*\* At constant currency

# Solid financial model: doubled Adj. EBITDA margin since IPO

| As % of Revenue ex-TAC         | FY 2013      | FY 2014      | FY 2015      | FY 2016      | FY 2017      | FY 2018      | LTM Q3 2018  | LTM Q3 2019  |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue ex-TAC                 | 100%         | 100%         | 100%         | 100%         | 100%         | 100%         | 100%         | 100%         |
| Other cost of revenue*         | 7.9%         | 6.6%         | 6.1%         | 6.4%         | 6.9%         | 6.7%         | 6.4%         | 7.6%         |
| <b>Gross margin</b>            | <b>92.1%</b> | <b>93.4%</b> | <b>93.9%</b> | <b>93.6%</b> | <b>93.1%</b> | <b>93.3%</b> | <b>93.6%</b> | <b>92.4%</b> |
| R&D*                           | 14.9%        | 12.5%        | 13.4%        | 14.2%        | 14.7%        | 15.2%        | 15.0%        | 15.2%        |
| S&O*                           | 43.6%        | 39.9%        | 39.8%        | 35.3%        | 34.8%        | 33.6%        | 33.4%        | 34.4%        |
| G&A*                           | 16.0%        | 14.8%        | 13.8%        | 13.2%        | 10.7%        | 11.3%        | 10.6%        | 11.9%        |
| <b>Adjusted EBITDA</b>         | <b>17.5%</b> | <b>26.2%</b> | <b>26.9%</b> | <b>30.8%</b> | <b>32.9%</b> | <b>33.2%</b> | <b>34.6%</b> | <b>30.9%</b> |
| <b>Revenue ex-TAC margin**</b> | <b>40.3%</b> | <b>40.8%</b> | <b>40.4%</b> | <b>40.6%</b> | <b>41.0%</b> | <b>42.0%</b> | <b>42.1%</b> | <b>41.8%</b> |

\* 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

# Investment thesis

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## Large market opportunity

Digital advertising in the open Internet is large and growing

2

## Clear vision

Be the leading advertising platform for the open Internet

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## Competitive moats

- Shopper Data
- Platform Technology
- Scale/Reach

4

## Proven track-record

- Large client base
- ~90% client retention for all solutions combined

5

## Attractive financial profile

- High profitability and growing
- Strong balance sheet & cash flow

# Investor Relations contacts

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# Appendix

# Foreign Exchange impact on actual results and guidance

## Q3 2019 Actual

| <i>USD million</i> | @ Q3 2018 FX | FX<br>impact | Actual   | @ Q3 guidance FX | FX<br>impact | Actual   |
|--------------------|--------------|--------------|----------|------------------|--------------|----------|
| Revenue ex-TAC     | \$ 223.4     | \$ (2.6)     | \$ 220.7 | \$ 223.2         | \$ (2.5)     | \$ 220.7 |

## Q4 2019 Guidance

| <i>USD million</i> | @ Q4 2018 FX | FX<br>impact | Guidance<br>Midpoint* |
|--------------------|--------------|--------------|-----------------------|
| Revenue ex-TAC     | \$ 261.2     | \$ (3.2)     | \$ 258.0              |

## Fiscal Year 2019 Guidance

| <i>USD million</i> | @ FY 2018 FX | FX<br>impact | Guidance<br>Midpoint* |
|--------------------|--------------|--------------|-----------------------|
| Revenue ex-TAC     | \$ 966.0     | \$ (24.0)    | \$ 942.0              |

\* Based on FX assumptions for Q4 2019 and Fiscal Year 2019 published in the Oct 30, 2019 earnings release



# Revenue ex-TAC reconciliation

| (\$ in thousands)               | Q2'17          | Q3'17          | Q4'17          | Q1'18          | Q2'18          | Q3'18          | Q4'18          | Q1'19          | Q2'19          | Q3'19          |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenue</b>                  | <b>542,022</b> | <b>563,973</b> | <b>674,031</b> | <b>564,164</b> | <b>537,185</b> | <b>528,869</b> | <b>670,096</b> | <b>558,123</b> | <b>528,147</b> | <b>522,606</b> |
| Less: Traffic acquisition costs | 322,200        | 329,576        | 397,087        | 323,746        | 306,963        | 305,387        | 398,238        | 322,429        | 304,229        | 301,901        |
| <b>Revenue ex-TAC</b>           | <b>219,822</b> | <b>234,397</b> | <b>276,944</b> | <b>240,418</b> | <b>230,222</b> | <b>223,482</b> | <b>271,858</b> | <b>235,694</b> | <b>223,918</b> | <b>220,705</b> |

| (\$ in thousands)               | 2017             | 2018             |
|---------------------------------|------------------|------------------|
| <b>Revenue</b>                  | <b>2,296,692</b> | <b>2,300,314</b> |
| Less: Traffic acquisition costs | 1,355,556        | 1,334,334        |
| <b>Revenue ex-TAC</b>           | <b>941,136</b>   | <b>965,980</b>   |

# Adjusted EBITDA reconciliation

| (\$ in thousands)                     | Q2'17         | Q3'17         | Q4'17          | Q1'18         | Q2'18         | Q3'18         | Q4'18          | Q1'19         | Q2'19         | Q3'19         | 2017           | 2018           |
|---------------------------------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|----------------|
| <b>Net income</b>                     | <b>7,505</b>  | <b>22,269</b> | <b>52,368</b>  | <b>21,090</b> | <b>14,707</b> | <b>17,948</b> | <b>42,134</b>  | <b>21,401</b> | <b>12,537</b> | <b>20,557</b> | <b>96,659</b>  | <b>95,879</b>  |
| Adjustments:                          |               |               |                |               |               |               |                |               |               |               |                |                |
| Financial (income) expense, net       | 2,094         | 2,886         | 2,221          | 1,325         | 1,006         | 1,007         | 1,746          | 1,974         | 1,354         | 900           | 9,534          | 5,084          |
| Provision for income taxes            | 3,665         | 7,858         | 15,927         | 12,386        | 8,638         | 6,821         | 18,299         | 10,018        | 5,683         | 7,913         | 31,651         | 46,144         |
| Equity awards compensation expense    | 14,918        | 22,028        | 20,464         | 19,303        | 20,245        | 17,261        | 10,267         | 13,882        | 14,391        | 11,700        | 72,351         | 67,076         |
| Pension service costs                 | 299           | 320           | 321            | 434           | 419           | 419           | 419            | 394           | 391           | 388           | 1,231          | 1,691          |
| Depreciation and amortization expense | 22,306        | 23,755        | 24,570         | 23,646        | 23,560        | 25,619        | 30,675         | 19,296        | 21,315        | 22,388        | 90,796         | 103,500        |
| Acquisition-related costs             | -             | -             | -              | -             | -             | 516           | 1,222          | -             | -             | -             | 6              | 1,738          |
| Restructuring                         | 3,299         | -             | 4,057          | (252)         | 199           | -             | -              | 1,890         | 728           | 303           | 7,356          | (53)           |
| Total net adjustments                 | 46,581        | 56,847        | 67,560         | 56,842        | 54,067        | 51,643        | 62,628         | 47,454        | 43,862        | 43,662        | 212,925        | 225,180        |
| <b>Adjusted EBITDA</b>                | <b>54,086</b> | <b>79,116</b> | <b>119,928</b> | <b>77,932</b> | <b>68,774</b> | <b>69,591</b> | <b>104,762</b> | <b>68,855</b> | <b>56,399</b> | <b>64,219</b> | <b>309,584</b> | <b>321,059</b> |

# Free cash flow reconciliation

| (\$ in thousands)  | Q3 2018       | Q3 2019       |
|--|---------------|---------------|
| <b>CASH FROM OPERATING ACTIVITIES</b>  | <b>50,256</b> | <b>43,289</b> |
| Acquisition of intangible assets, property, plant and equipment                        | (60,627)      | (27,239)      |
| Change in accounts payable related to intangible assets, property, plant and equipment | 30,971        | 3,295         |
| <b>FREE CASH FLOW</b>  | <b>20,600</b> | <b>19,345</b> |