

Q4 and FY 2017 Financial Results



Investor Presentation
Updated March 2018



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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, 2017, 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 November 8, 2017, 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

Commerce Marketing is quickly emerging as the next big marketing category

2

Clear strategy

Build the highest performing and open commerce marketing ecosystem

3

Competitive moats

Technology
Scale and network effects
Openness

4

Proven track-record

Strong client growth with 90% retention
Exceeded guidance 17 quarters in a row

5

Attractive financial profile

Fast growth
Increasing profitability
Strong cash flow

We are the leader in Commerce Marketing.



Commerce Marketing focuses on inspiring people to buy things and is measured by performance, directly driving sales and profits for marketers.



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Commerce marketing is deeply rooted in our DNA



Our vision



Build the highest performing and open Commerce Marketing Ecosystem

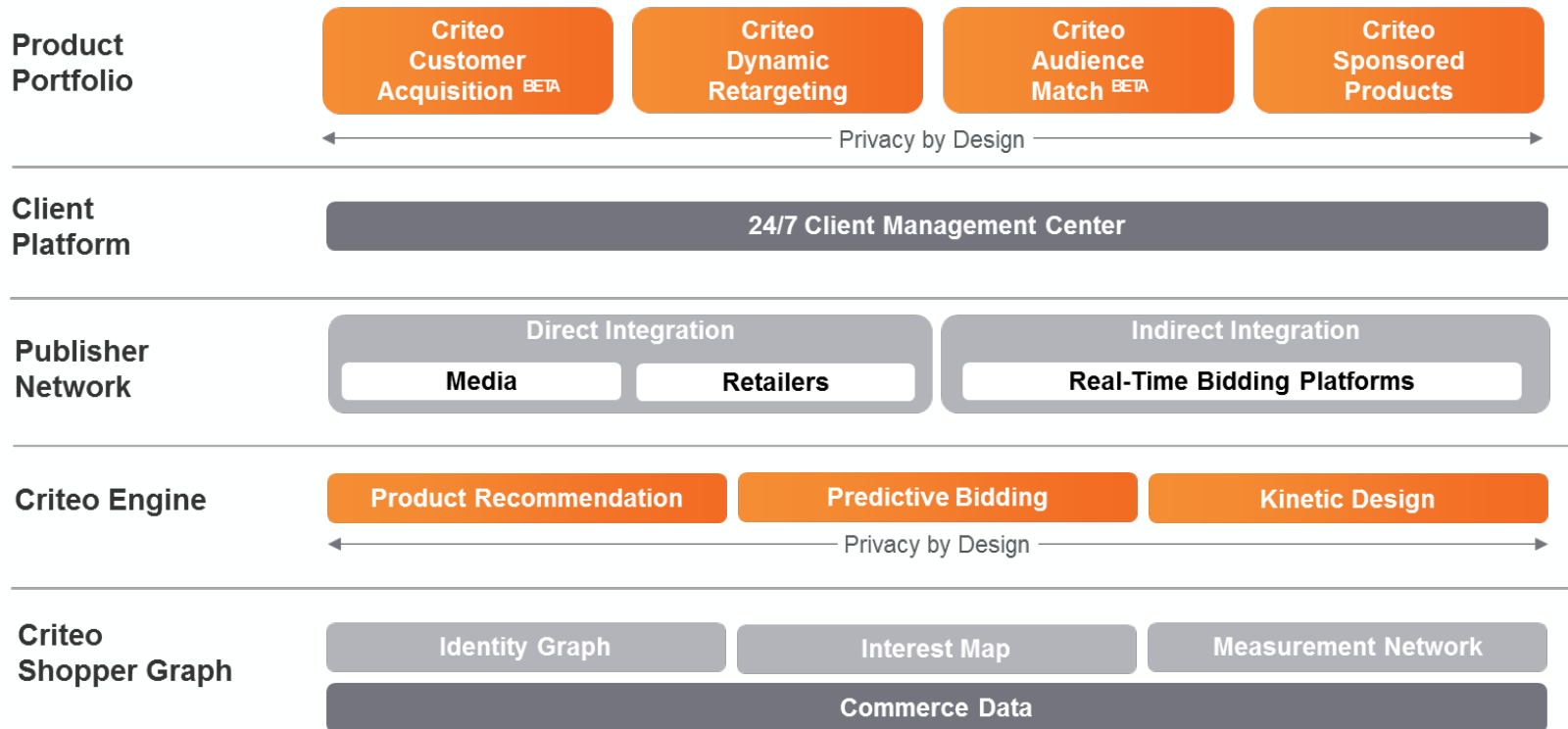


Connect shoppers to the things they need and love



Deliver performance at scale to participating retailers and brands

The Criteo Commerce Marketing Ecosystem



Criteo Shopper Graph: one of the world's largest datasets focused on shoppers



Three trusted data collectives

Carefully designed using our guiding principles

Open

Two-way exchange of data

Transparent

Clear and permission-based usage

Secure

Highest data security and privacy

Fair

Value gained exceeds contribution

Offering data-driven solutions across the entire shopper journey



ACQUIRE

- Criteo Customer Acquisition ^{BETA}
- Criteo Audience Match ^{BETA}



- Criteo Sponsored Products
- Criteo Dynamic Retargeting

Our large scale drives strong network effects



Why do marketers work with Criteo



Performance at scale

- Integrated, purpose-built technology
- Massive reach across media and retailers
- Machine learning on \$615B+ commerce sales and 600TB+ daily shopper data



Trusted partner

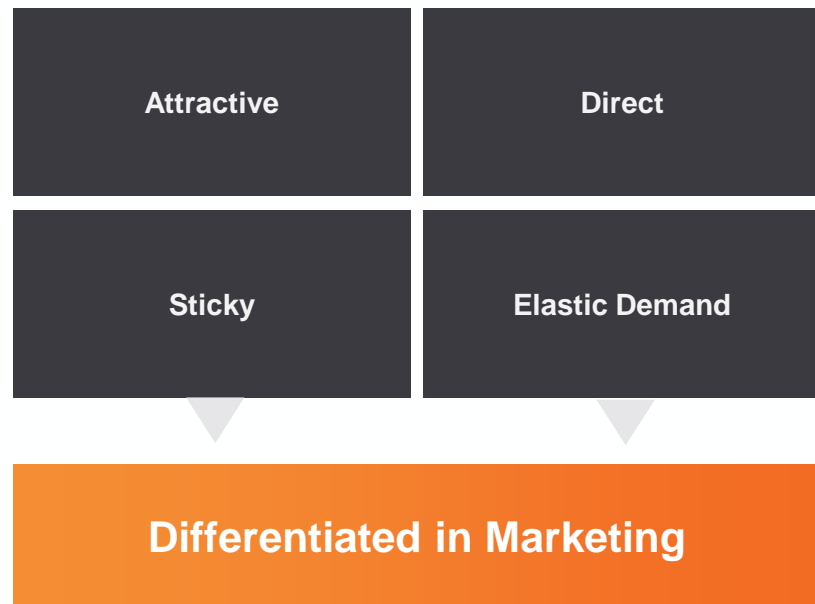
- No competing business agendas
- Our success is entirely aligned with marketers'



Openness

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

Our business model has unique attributes



910
Net client additions
per quarter¹

~90%
Client retention rate³

84%
Direct relationships
with clients²

77%
Of Revenue ex-TAC from
uncapped budgets⁴

¹ On average over the last four quarters through Q4 2017

² Last twelve months to Q4 2017; excluding Criteo Sponsored Products

³ On average over the last 25 quarters through Q4 2017; including all products

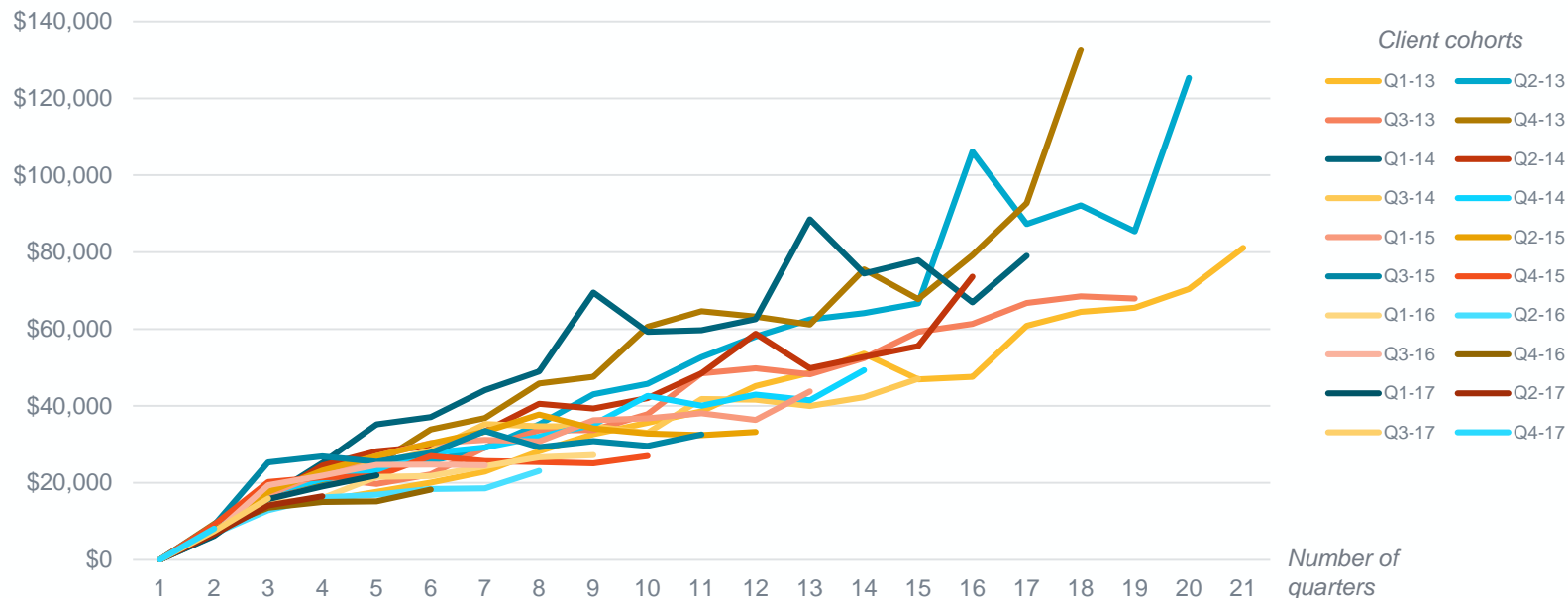
⁴ On average over the last four quarters through Q4 2017; excluding Criteo Sponsored Products. Represents uncapped

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

Our existing clients consistently increase their spend with us



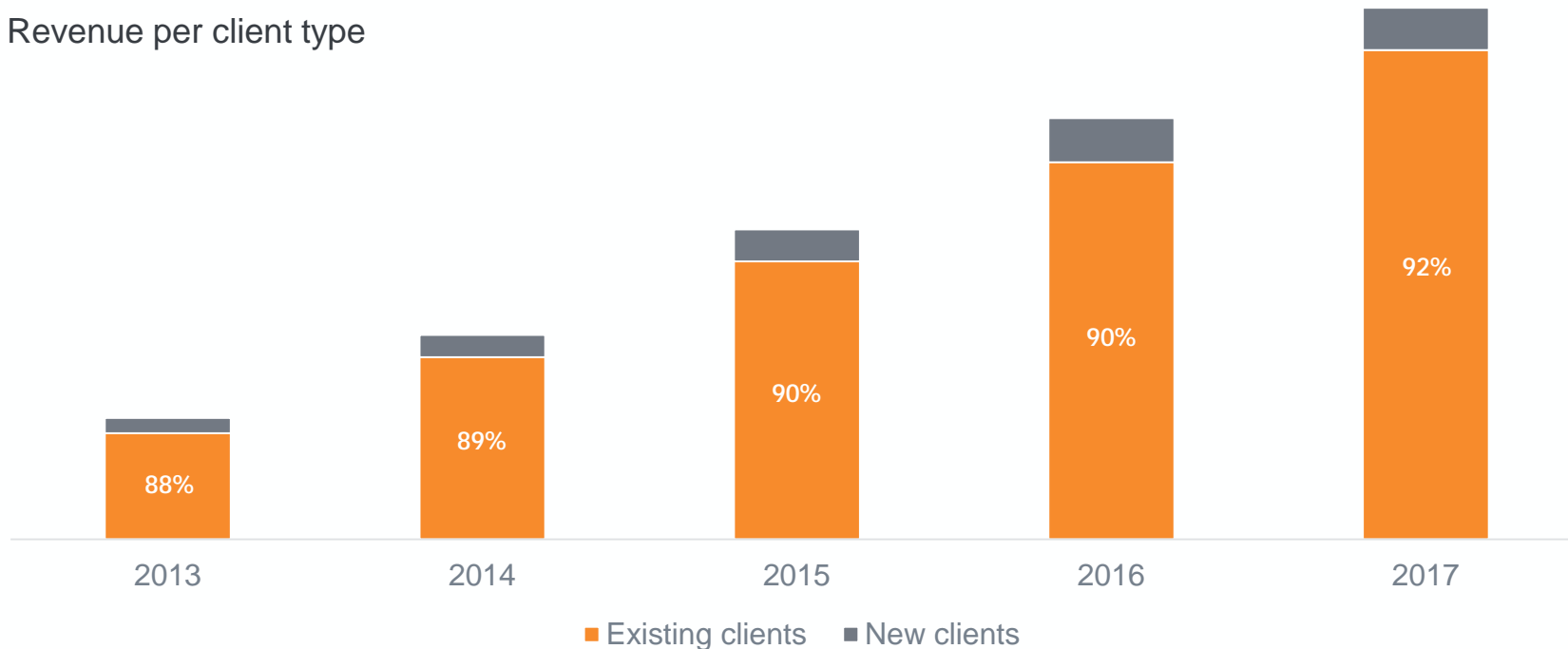
Average revenue per client cohort (quarterly)



As a result, a large portion of our business is recurring



Revenue per client type



Includes Criteo Dynamic Retargeting, Criteo Customer Acquisition^{BETA}, Criteo Audience Match^{BETA} and Criteo Sponsored Products.

Existing clients in a given year are clients that started working with Criteo prior to that given year.

New clients in a given year are clients that started working with Criteo within that given year.

Direct relationships with premium commerce companies and brand manufacturers



Commerce: Retail, Travel and Classifieds



La Redoute



DEBENHAMS



3SUISSES



OTTO



Neiman-Marcus



Brands



Kellogg's



Coca-Cola

SAMSUNG



over 18,000 clients*

* 18,118 clients at the end of Q4 2017

Direct partnerships with large, high quality publishers



ALL MAJOR PUBLIC EXCHANGES, GLOBAL AND LOCAL



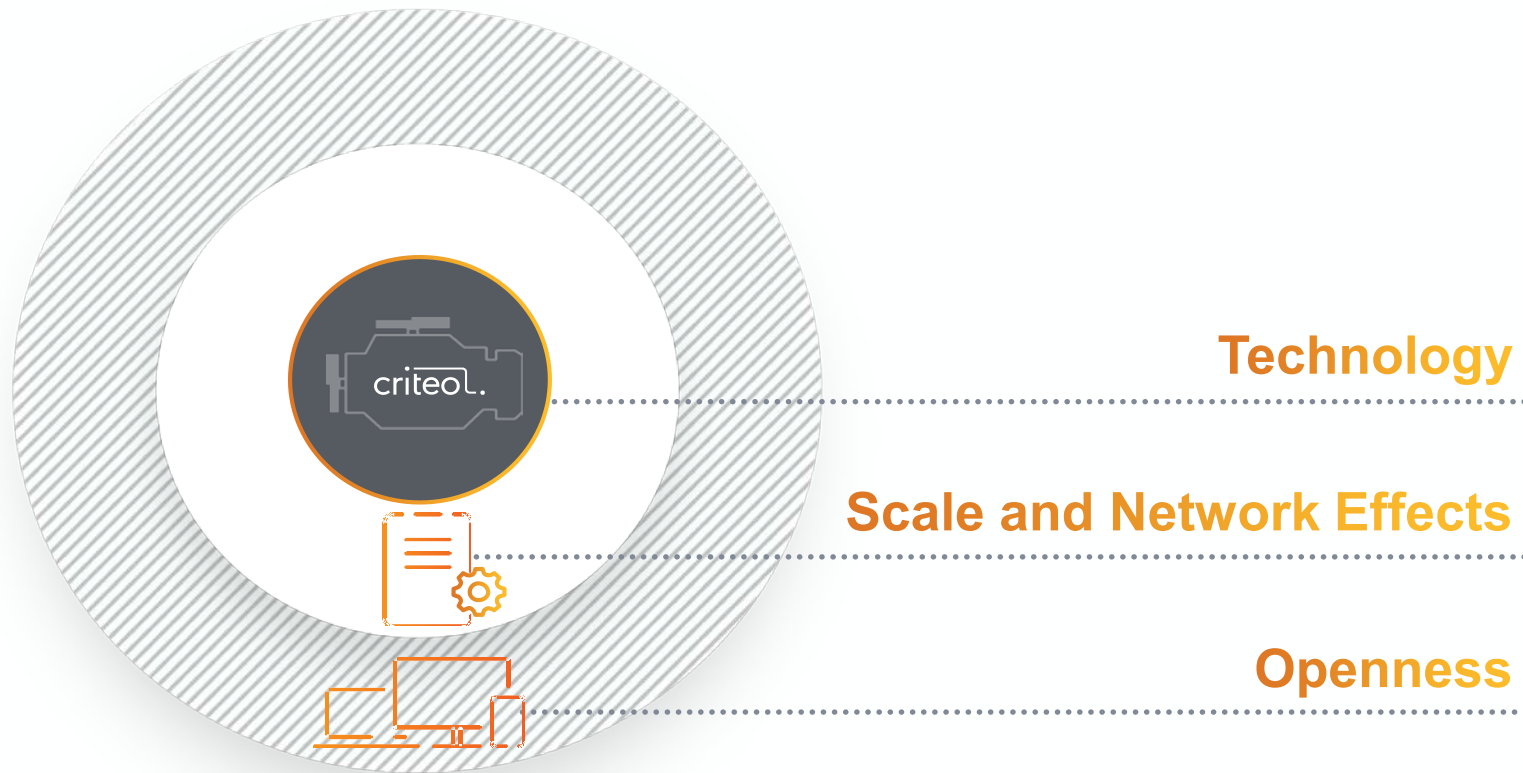
PREFERRED ACCESS TO PREMIUM MEDIA INVENTORY



PREFERRED ACCESS TO RETAILER INVENTORY



Our self-reinforcing core competencies are difficult to replicate



Our growth strategy is based on two strong pillars



Grow the ecosystem

- Evolve go-to-market strategy for Tier 1 and midmarket
- Further scale midmarket operations worldwide
- Drive international expansion of Criteo Sponsored Products



Increase our value for clients and partners

- Enhance core technology
- Leverage our powerful Shopper Graph
- Develop and upsell new products
 - for commerce clients
 - for brand manufacturers
- Broaden supply of quality inventory

We invest in growing areas in Commerce Marketing



Marketing objectives

Flexible audience-targeting platform



- Look alike*
- App Install*

Shopping environments

Omnichannel marketing



- CRM onboarding*
- Store-to-web retargeting*

Media

Incremental inventory



- In-App
- Video

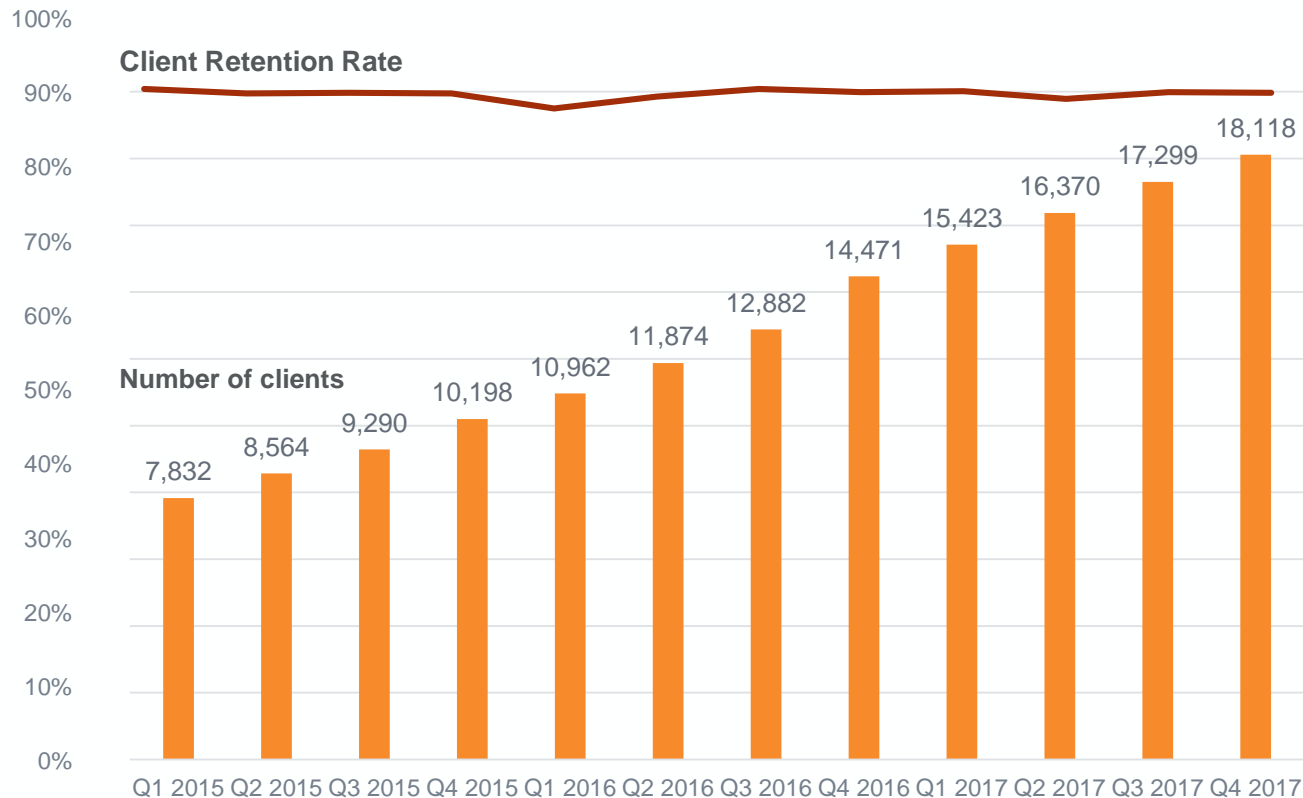
Criteo Shopper Graph, built on data pooling among ecosystem participants, is the foundation of all new product investments

Fast, profitable growth and strong cash flow – Q4 2017



- Grew Revenue ex-TAC **20%¹ to \$277 million**,
Adj. EBITDA **36%¹ to \$120 million**,
Free Cash Flow **10%¹ to \$54 million**
- Added **820 net clients** in Q4 to >18,000
and maintained **client retention at ~90%**
- Grew same-client Revenue ex-TAC **6%¹**
- Grew Criteo employees 10%
to **2,800** across 30 offices worldwide
- Continued to **innovate core technology**
 - Engine improvements,
 - Criteo Shopper Graph,
 - Transparency initiatives
- Launched **new products**
Criteo Audience Match ^{BETA} and
Criteo Customer Acquisition ^{BETA}
- **Criteo Direct Bidder** now deployed
with 1,500 large publishers worldwide

We add many clients while maintaining high retention



90%

client retention rate

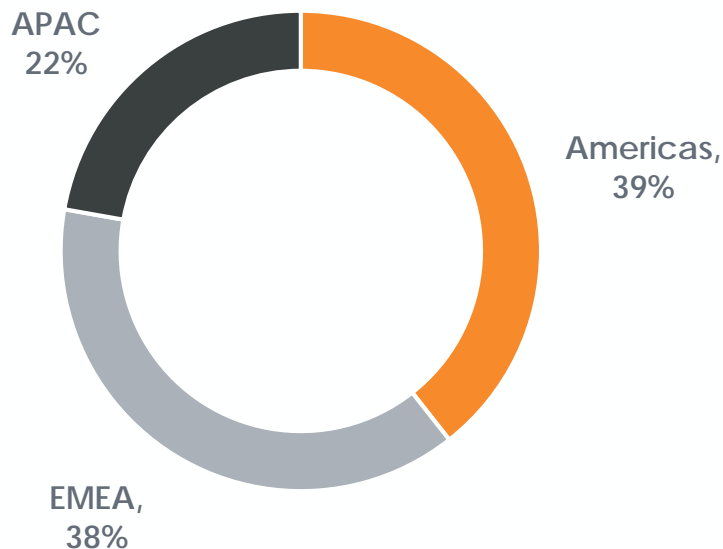
820

clients added in Q4

Strong performance across all regions – FY 2017



FY 2017 Revenue ex-TAC mix by Region



FY 2017 Revenue ex-TAC Growth* by Region

+32% Americas **(+36% U.S.)**

+24% EMEA

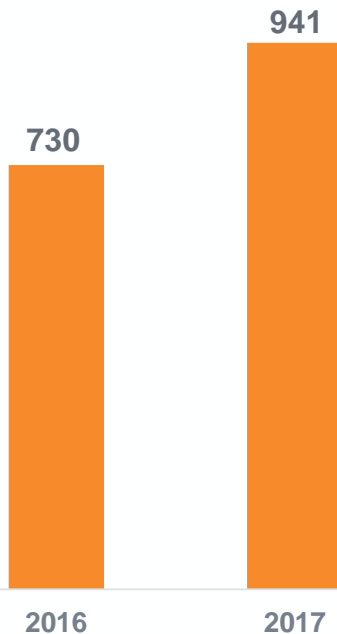
+31% APAC

Fast, profitable growth and strong cash flow – FY 2017



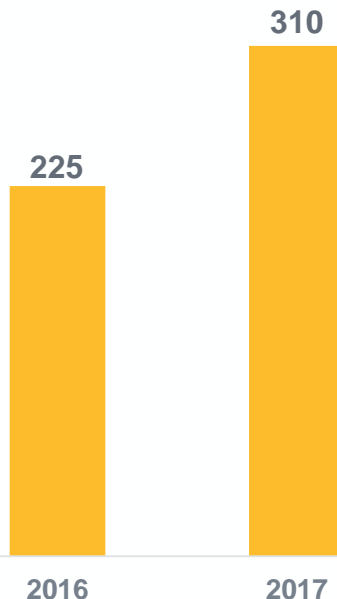
REVENUE EX-TAC (\$M)

+29%*



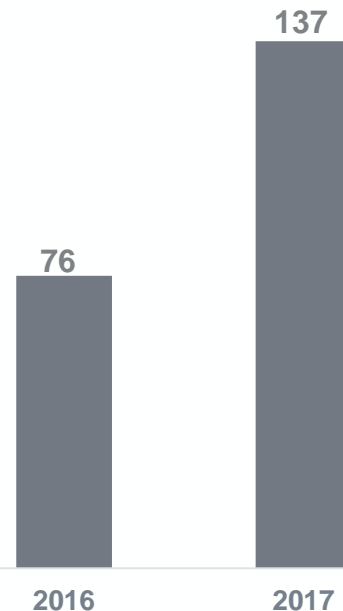
ADJUSTED EBITDA (\$M)

+35%*



FREE CASH FLOW (\$M)

+80%



Strong financial leverage



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

* 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

Our key priorities for 2018



**Grow our core
business, evolve our
go-to-market
strategy**



**Grow Criteo Shopper
Graph to strengthen
our product portfolio**



**Develop and scale
new products for
commerce and
brand clients**

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Edouard Lassalle

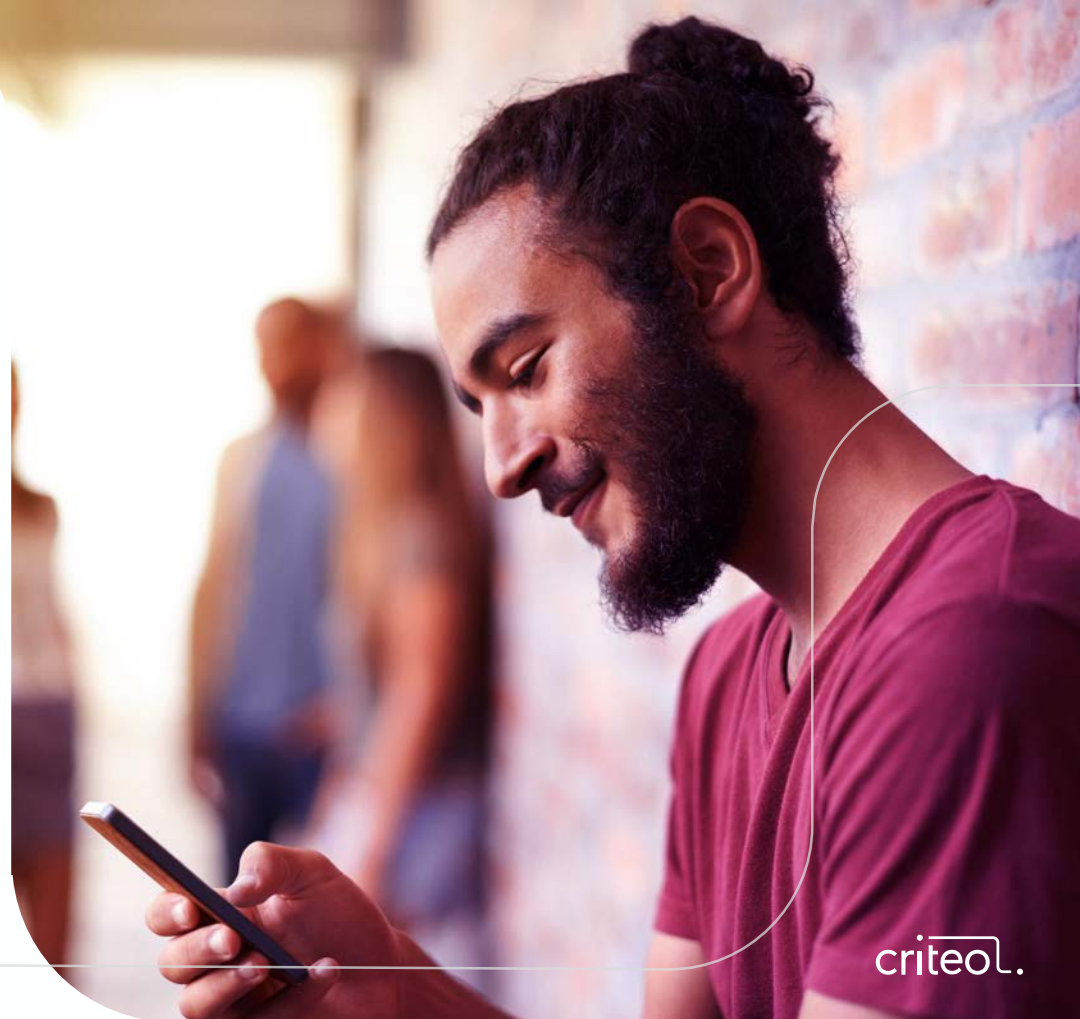
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Appendix



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Revenue ex-TAC reconciliation



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

(\$ 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	2016	2017
Net income	18,527	13,339	14,724	40,740	14,518	7,505	22,269	52,368	87,329	96,659
Adjustments:										
Financial (income) expense	1,317	94	570	(1,435)	2,333	2,094	2,886	2,221	546	9,534
Provision for income taxes	7,944	4,450	7,574	13,161	4,201	3,665	7,858	15,927	33,129	31,651
Equity awards compensation expense	8,370	7,695	13,965	13,229	14,940	14,918	22,028	20,464	43,259	72,351
Pension service costs	129	131	132	133	290	299	320	321	524	1,231
Depreciation and amortization expense	12,516	13,300	14,771	16,190	20,167	22,306	23,755	24,570	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	-	7,356
Total net adjustments	30,316	25,862	38,808	42,255	41,936	46,581	56,847	67,560	137,243	212,925
Adjusted EBITDA	48,843	39,201	53,532	82,995	56,454	54,086	79,116	119,928	224,572	309,584

Free cash flow reconciliation



(\$ in thousands)	Q4 2016	Q4 2017	2016	2017
CASH FROM OPERATING ACTIVITIES	71,658	79,002	153,470	245,458
Acquisition of intangible assets, property, plant and equipment	(30,163)	(47,367)	(85,133)	(121,642)
Change in accounts payable related to intangible assets, property, plant and equipment	7,182	21,891	7,752	13,131
FREE CASH FLOW	48,677	53,526	76,089	136,947