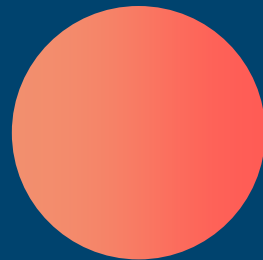




# Investor Presentation


**Q4 and FY 2019 Financial Results**

February 2020



# 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

## Compelling Mission

Power the world's marketers with trusted and impactful advertising

2

## Large market

\$47B market opportunity across the open Internet

3

## Competitive moats

- Shopper Data
- Unmatched ID Graph
- AI Technology
- Large client base
- Consumer Reach

4

## Proven track-record

~90% client retention for all solutions combined

5

## Attractive financial profile

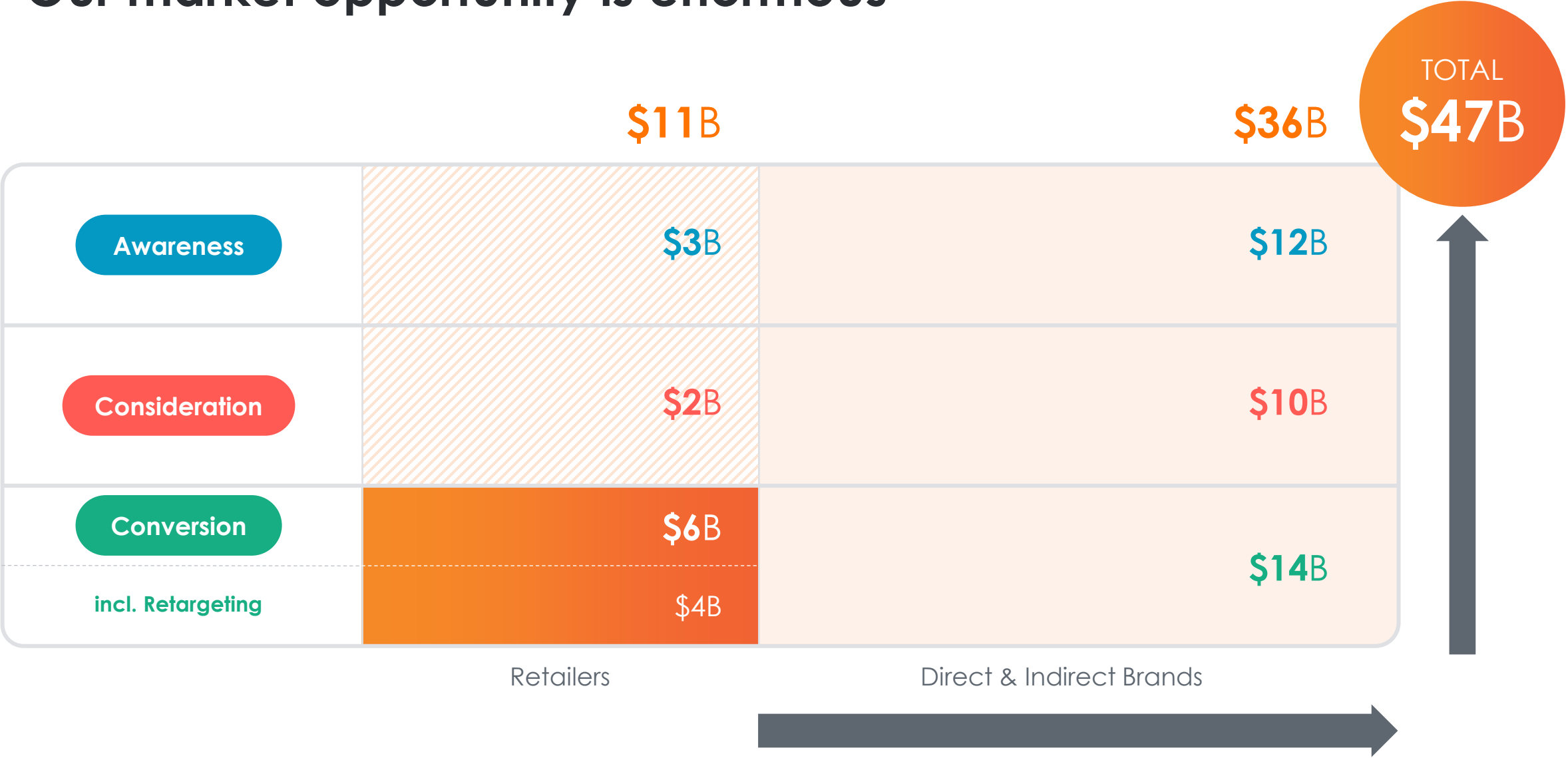
- High profitability and growing
- Strong balance sheet & cash flow

Our mission

To power the world's  
**MARKETERS**  
with trusted and impactful  
advertising



# Our market opportunity is enormous



# We have unique assets to win



## Global Footprint

**100+** markets

**29** offices in 19 countries



## Advertisers & Publishers

**20,000+** advertisers

Incl. **1,000+** brands

**4,500+** direct publishers



## Data & Reach

**2B+** Criteo IDs



## Technology

**14 years** of AI Tech expertise

**1,300B+** ads served in 2018



## Financial Model

Profitable, with ability to invest

Cash generative



## Talent

**2,750+** employees

**680** in R&D

# Direct relationships with many premium commerce and brand clients

DIAGEO



P&G

NEW LOOK

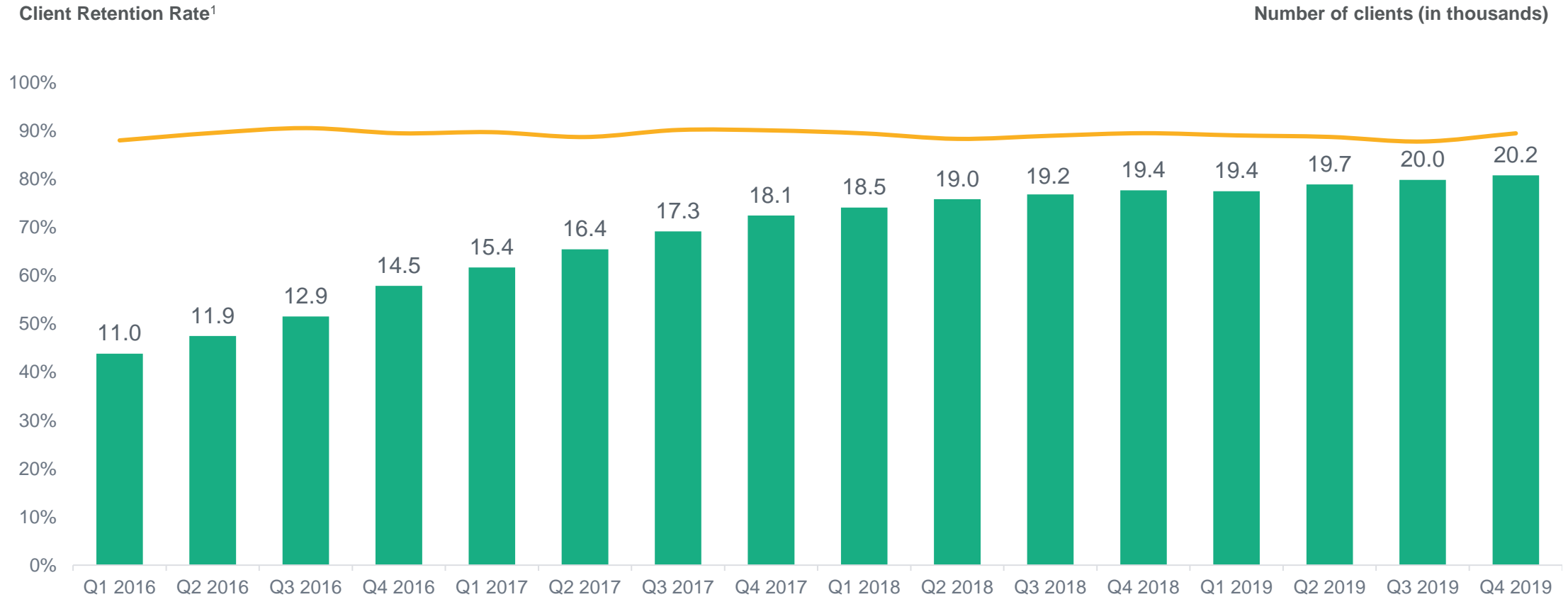


Soft Surroundings



THRIVE  
- MARKET -

# We maintain high retention across our large client base



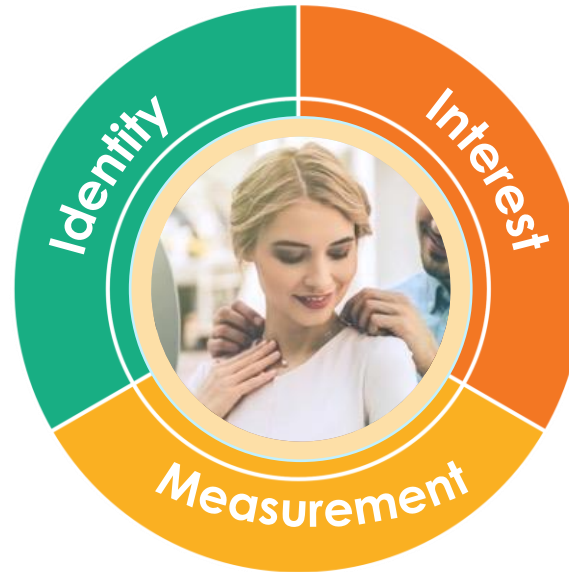


# Criteo Shopper Graph: the world's largest set of shopper data

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

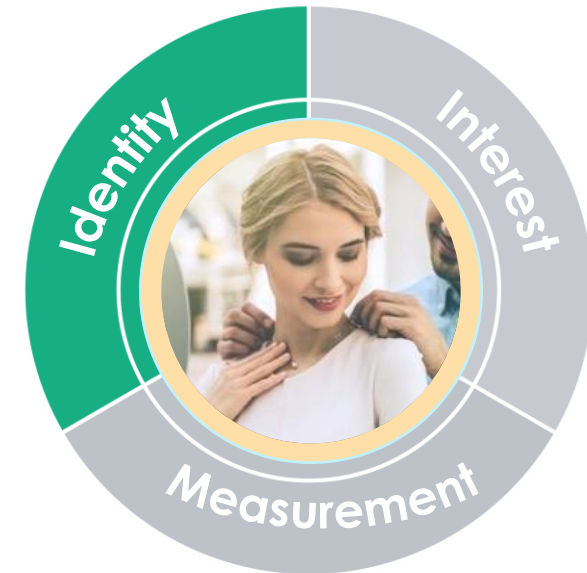
- Encrypted and double-hashed personal identifiable information (PII)
- Access at no additional cost

## Persistent

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

## Participation

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



# Criteo Platform

## Criteo Marketing Solutions

Advertisers

Web

App

Store

Solutions

Marketing Goals

Awareness

Consideration

Conversion

## Criteo Retail Media

Retailers

Supply-side  
Advertising  
Technology

Brands

Buy-side  
Advertising  
Technology

Self-registration and  
billing

Onboarding &  
integration

## Management Center

Campaign creation &  
management

Insights & analytics

Lookalike Finder

Product  
Recommendations

## AI Engine

Dynamic Creative  
Optimization+

Predictive Bidding

**\$900B+**  
eCommerce Sales

**2B+**  
Criteo IDs

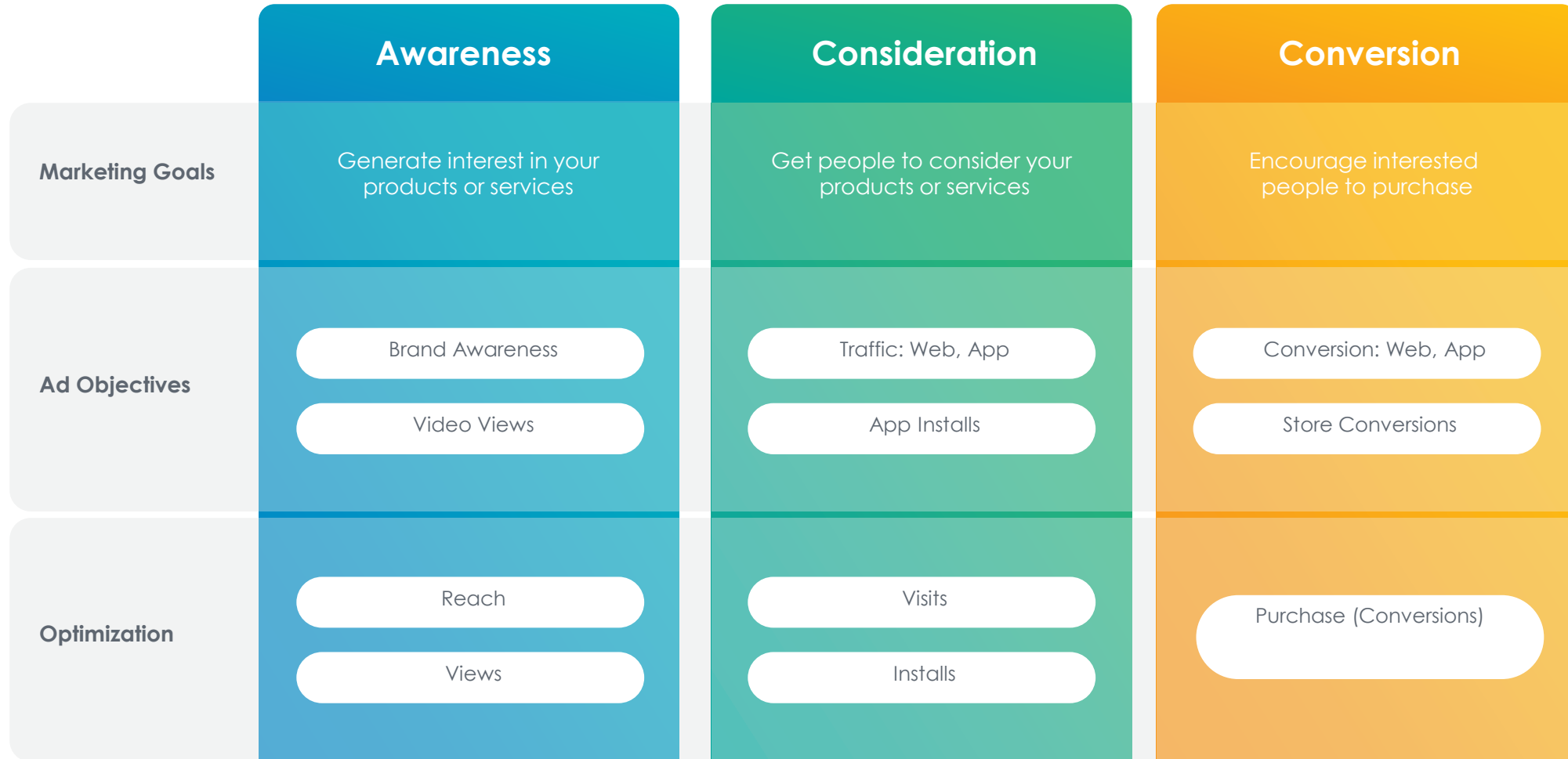
## Shopper Graph

**120+**  
Intent signals/shopper

**10B+**  
Products & Services

# Marketing Solutions

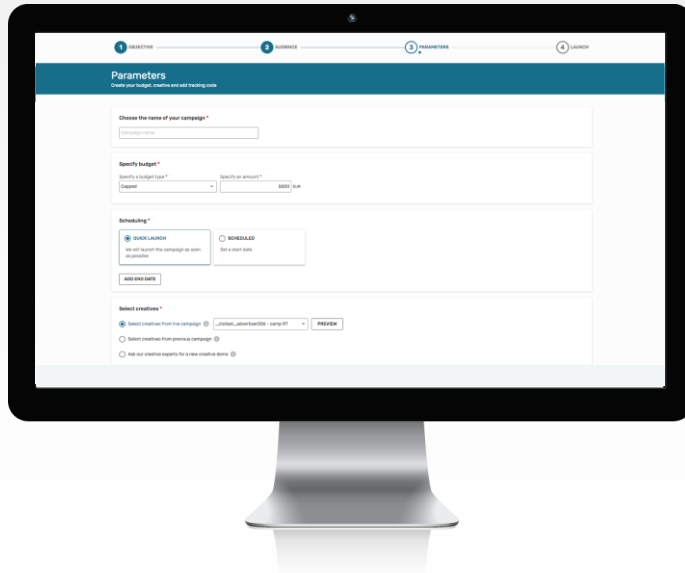
Full-funnel capability addresses the entire customer journey



# Full self-service campaign workflow for all clients

API and managed service option

## Campaign Creation & Optimization

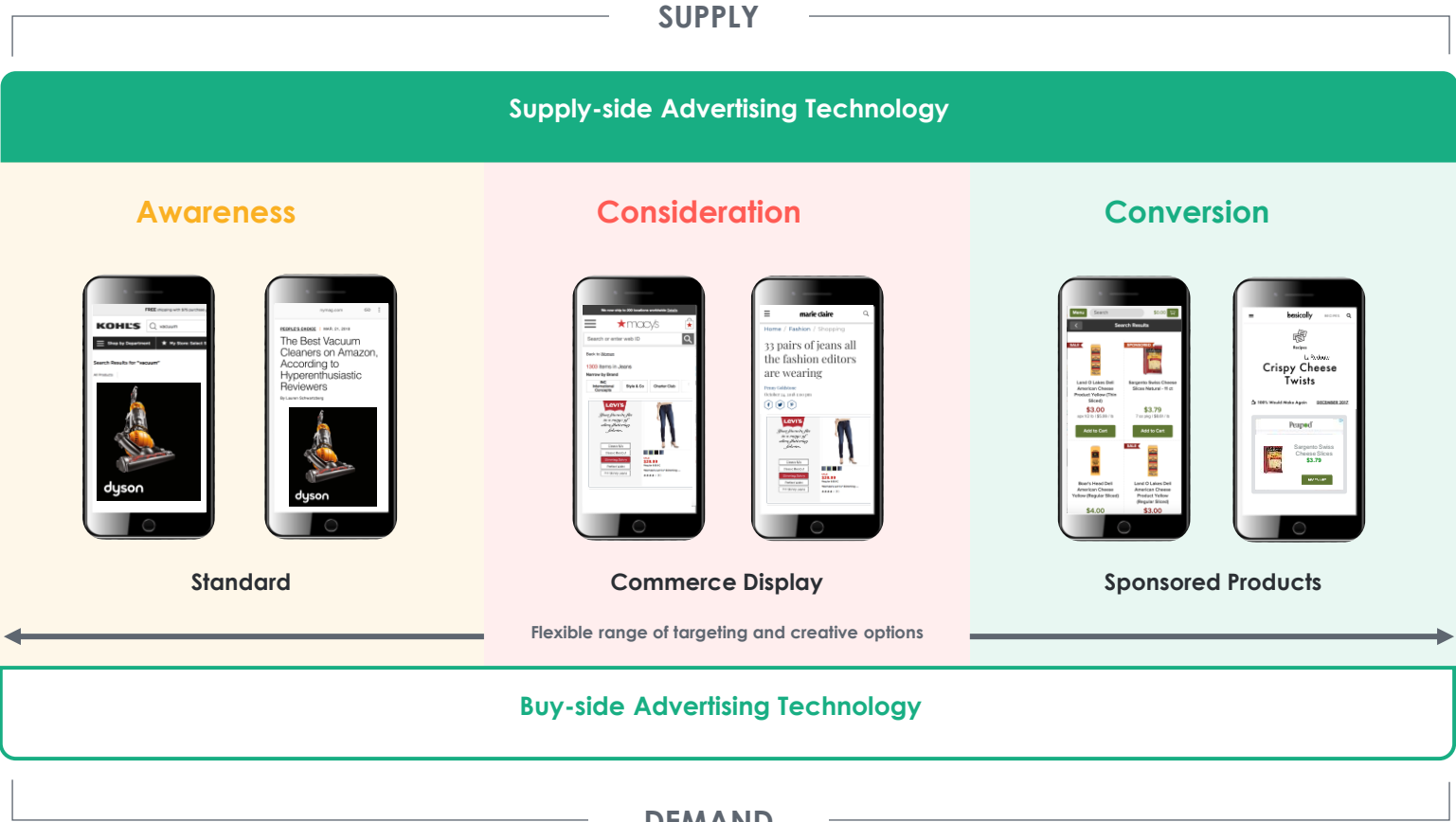


## Analytics & Insights



# Retail Media

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



# 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



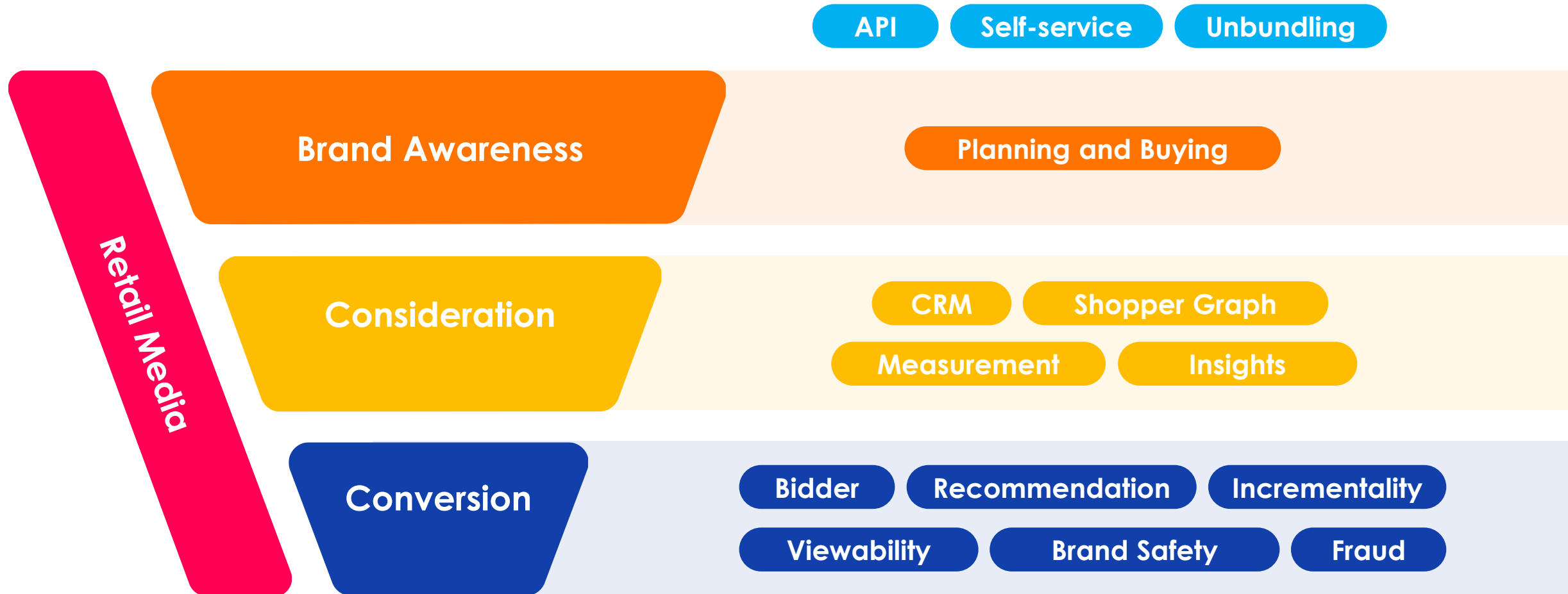
**Alex  
Valle**  
App & Store

# Our strategic pillars drive our 2020 execution roadmap

- 
- 1 **Strengthen the Core**
  - 2 **Expand Product Portfolio**
  - 3 **Explore Strategic Game Changers**
  - 4 **Drive Tech & Operations Excellence**



# Product Strategy



# Identity context and Criteo principles

## Identity principles

- Personalized advertising fuels the **open and free Internet**
- Criteo is a **privacy-by-design** company
- Enhancing **privacy-safe online identity** is critical for the ecosystem

## Identity context

- **Changes to browsers/Chrome**
- Privacy **regulation**
- **Consumer sentiment**

# We have differentiated capabilities to leverage identity

## 1<sup>st</sup> party

- Trusted partners **integrated into all of our advertisers' and direct publishers' websites**
- Privileged position to embed ourselves into their workflow

## Unrivalled ID graph

- 95% of our 2 billion+ IDs in the graph already contain a **significant number of non-cookie identifiers**
- Add **persistent identifiers** and new identification capabilities through **trusted partners**

## Product Strategy

- Moving **higher up in marketing funnel** and off the browser **into app, video, CTV**
- Reduce cookie exposure

## Influence

- Use our voice **to help shape the direction of our industry**
- Partner with other players, trade associations, standard setting groups and regulators

# A Growing Ecosystem of Partner Integrations

## AUDIENCES



## MEASUREMENT



## ECOMMERCE PLATFORMS



## FEED MANAGEMENT



## DCO

Jivox

## TAG MANAGEMENT



## SUPPLY QUALITY



## OFFLINE

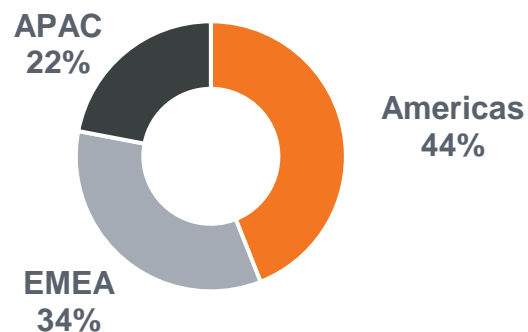


# Key Figures – Q4 2019 | FY 2019

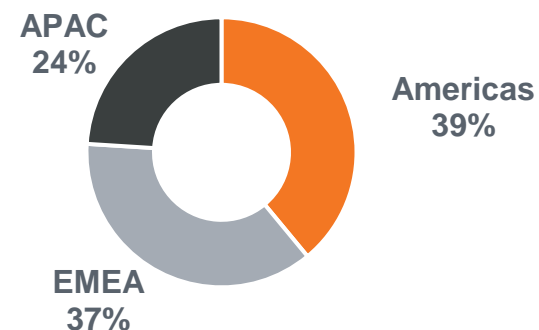
- Revenue ex-TAC was **\$266 million | \$947 million**  
Adj. EBITDA was **\$109 million | \$299 million**  
Free Cash Flow was **\$42 million | \$125 million**
- Revenue ex-TAC from **new solutions** represented **16%** of total Revenue ex-TAC in Q4, growing **44%** year-on-year, and represented **12%** of total Revenue ex-TAC in FY 2019, growing **54%** year-on-year
- **20,000+ clients** with retention at **90%** for all solutions combined
- **Criteo Direct Bidder** now deployed with **4,500+** direct publishers in web and apps
- **2,750+** Criteo employees across 29 offices in 19 countries

# Regional performance – Q4 2019 | FY 2019

Q4 2019 Revenue ex-TAC  
Mix by Region



FY 2019 Revenue ex-TAC  
Mix by Region



Q4 2019 Revenue ex-TAC  
Growth\* by Region

**-3%** Americas  
**+1%** EMEA  
**-2%** APAC

FY 2019 Revenue ex-TAC  
Growth\* by Region

**+0.2%** Americas  
**+1%** EMEA  
**-1%** APAC

# Key figures – Q4 2019

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

-1%\*\*

272

266

Q4 2018

Q4 2019

## ADJUSTED EBITDA\* (\$M)

41%  
of Revenue ex-TAC

105

109

Q4 2018

Q4 2019

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

38%  
of Adj. EBITDA

40

42

Q4 2018

Q4 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

# Key figures – FY 2019

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



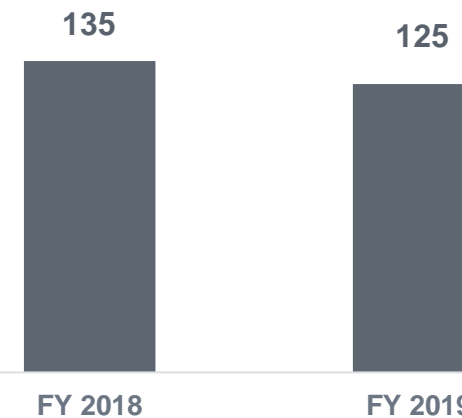
## ADJUSTED EBITDA\* (\$M)

32%  
of Revenue ex-TAC



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

42%  
of Adj. EBITDA



\* 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: nearly doubled Adj. EBITDA margin since IPO

As % of Revenue ex-TAC	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenue ex-TAC	100%	100%	100%	100%	100%	100%	100%
Other cost of revenue*	7.9%	6.6%	6.1%	6.4%	6.9%	6.7%	7.7%
<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>92.3%</b>
R&D*	14.9%	12.5%	13.4%	14.2%	14.7%	15.2%	14.6%
S&O*	43.6%	39.9%	39.8%	35.3%	34.8%	33.6%	34.0%
G&A*	16.0%	14.8%	13.8%	13.2%	10.7%	11.3%	12.1%
<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>31.6%</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>42.0%</b>

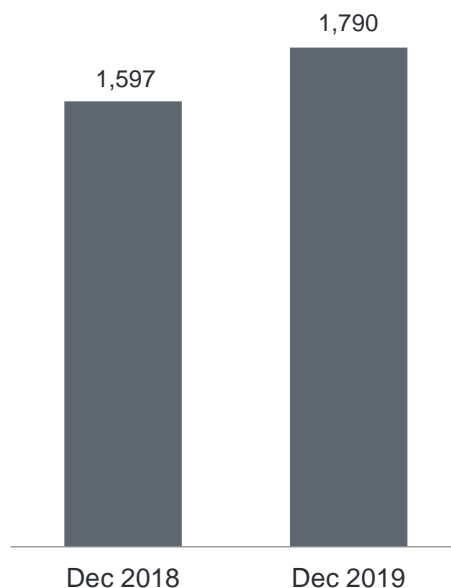
\* Cost of revenue and operating expenses are expressed on a Non-GAAP basis, which excludes the impact of equity awards compensation expense, pension service costs, depreciation and amortization, acquisition-related costs, restructuring and deferred price consideration.

\*\* As a % of revenue

# Our financial structure offers significant flexibility

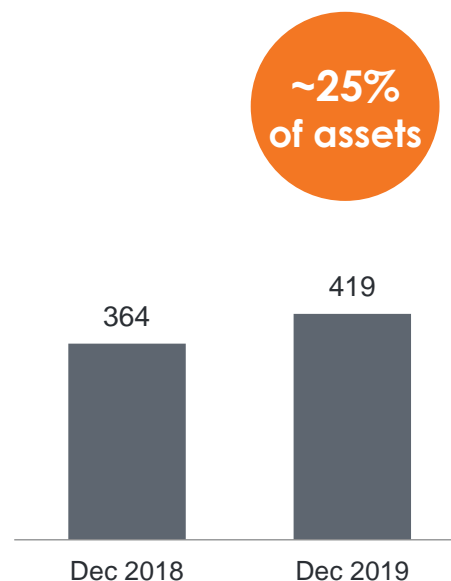
## Strong balance sheet

Total assets (in \$M)



## Significant cash pile

Cash & cash equivalents (in \$M)



## Very low debt

Financial liabilities (in \$M)



**\$419M**

cash

*As of Dec 31, 2019*

**€350M**

committed financing

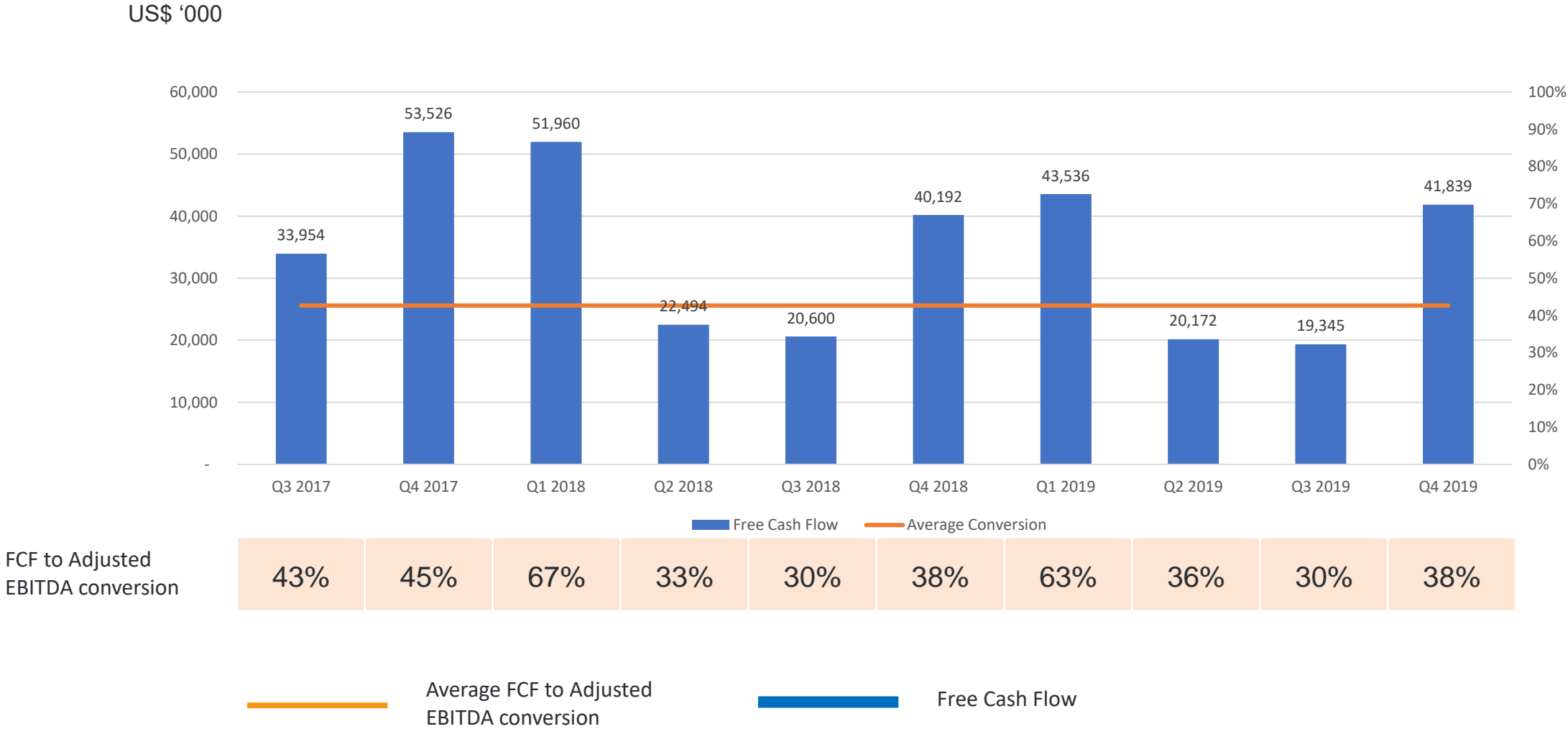
**\$100M**

equity raise capacity\*

**Share buyback**

authorization\*\*

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



# Flexible capital allocation more geared to shareholder returns

## Organic growth

- CapEx targeted at **3% of revenue in 2020** (or ~8% 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**

# Investment thesis

1

## **Compelling Mission**

Power the world's marketers with trusted and impactful advertising

2

## **Large market**

\$47B market opportunity across the open Internet

3

## **Competitive moats**

- Shopper Data
- Unmatched ID Graph
- AI Technology
- Large client base
- Consumer Reach

4

## **Proven track-record**

~90% client retention for all solutions combined

5

## **Attractive financial profile**

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

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# Appendix

# Foreign Exchange impact on actual results and guidance

Q4 2019 Actual						
USD million	@ Q4 2018 FX	FX impact	Actual	@ Q3 guidance FX	FX impact	Actual
Revenue ex-TAC	\$ 268.5	\$ (2.3)	\$ 266.3	\$ 265.0	\$ 1.3	\$ 266.3

FY 2019 Actual						
USD million	@ FY 2018 FX	FX impact	Actual	@ Q4 guidance FX	FX impact	Actual
Revenue ex-TAC	\$ 969.1	\$ (22.5)	\$ 946.6	n/a	n/a	n/a

Q1 2020 Guidance			
USD million	@ Q1 2019 FX	FX impact	Guidance Midpoint*
Revenue ex-TAC	\$ 212.8	\$ (2.3)	\$ 210.5

Fiscal Year 2020 Guidance			
USD million	@ FY 2019 FX	FX impact	Guidance Midpoint*
Revenue ex-TAC	\$ 851.9	\$ (3.6)	\$ 848.4

\* Based on FX assumptions for Q1 2020 and Fiscal Year 2020 published in the Feb 11, 2020 earnings release



# Revenue ex-TAC reconciliation

(\$ in thousands)	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
<b>Revenue</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>	<b>652,640</b>
Less: Traffic acquisition costs	323,746	306,963	305,387	398,238	322,429	304,229	301,901	386,388
<b>Revenue ex-TAC</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>	<b>266,252</b>

(\$ in thousands)	2018	2019
<b>Revenue</b>	<b>2,300,314</b>	<b>2,261,516</b>
Less: Traffic acquisition costs	1,334,334	1,314,947
<b>Revenue ex-TAC</b>	<b>965,980</b>	<b>946,569</b>

# Adjusted EBITDA reconciliation

(\$ in thousands)	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	2017	2018	2019
<b>Net income</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>41,474</b>	<b>96,659</b>	<b>95,879</b>	<b>95,969</b>
Adjustments:											
Financial (income) expense, net	1,325	1,006	1,007	1,746	1,974	1,354	900	1,521	9,534	5,084	5,749
Provision for income taxes	12,386	8,638	6,821	18,299	10,018	5,683	7,913	15,822	31,651	46,144	39,496
Equity awards compensation expense	19,303	20,245	17,261	10,267	13,882	14,391	11,700	9,089	72,351	67,076	49,132
Pension service costs	434	419	419	419	394	391	388	383	1,231	1,691	1,556
Depreciation and amortization expense	23,646	23,560	25,619	30,675	19,296	21,315	22,388	30,489	90,796	103,500	93,488
Acquisition-related costs	-	-	516	1,222	-	-	-	-	6	1,738	-
Restructuring	(252)	199	-	-	1,890	728	303	10,661	7,356	(53)	13,582
Total net adjustments	56,842	54,067	51,643	62,628	47,454	43,862	43,662	68,025	212,925	225,180	203,003
<b>Adjusted EBITDA</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>109,499</b>	<b>309,584</b>	<b>321,059</b>	<b>298,972</b>

# Free cash flow reconciliation

(\$ in thousands)	FY 2018	FY 2019
<b>CASH FROM OPERATING ACTIVITIES</b>	<b>260,726</b>	<b>222,832</b>
Acquisition of intangible assets, property, plant and equipment	(116,984)	(82,716)
Change in accounts payable related to intangible assets, property, plant and equipment	(8,494)	(15,224)
<b>FREE CASH FLOW</b>	<b>135,248</b>	<b>124,892</b>