

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

CRTO.OQ - Criteo SA at Citi Global Technology Conference

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## CORPORATE PARTICIPANTS

**Megan Clarcken** *Criteo S.A. - CEO & Director*

## CONFERENCE CALL PARTICIPANTS

**Ronald Victor Josey** *Citigroup Inc., Research Division - MD*

## PRESENTATION

**Ronald Victor Josey** - *Citigroup Inc., Research Division - MD*

I'm Ron Josey. I cover the Internet sector for Citi. And I'm pleased to have with us today, Megan Clarcken, CEO of Criteo. Welcome, Megan. Thank you for joining us. I'm sure most of you know Criteo has been around for a while in the public markets, but just to level set, what is it, 22,000 commerce companies or something along those lines?

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**Megan Clarcken** - *Criteo S.A. - CEO & Director*

22,000 clients, yes.

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**Ronald Victor Josey** - *Citigroup Inc., Research Division - MD*

Scale, it's enormous, right? You see about \$40 billion of annual commerce.

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**Megan Clarcken** - *Criteo S.A. - CEO & Director*

We see [\$40 billion] (corrected by company after the call) through the solutions.

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**Ronald Victor Josey** - *Citigroup Inc., Research Division - MD*

And you reach, I think, 725 million DAUs.

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**Megan Clarcken** - *Criteo S.A. - CEO & Director*

We do, a day. 725 million a day.

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**Ronald Victor Josey** - *Citigroup Inc., Research Division - MD*

A day, daily active units. Sure.

## QUESTIONS AND ANSWERS

**Ronald Victor Josey** - *Citigroup Inc., Research Division - MD*

So Criteo has a scale of clients, GMV users touch a lot of things. Megan, you've been with Criteo now for 3 to 4 years. before you're at Nielsen Global Media. We'd love to hear over the past few years, retail media has changed a bunch, right, with the pre-pandemic post-pandemic to today. So I

would love to hear how you see and where Criteo fits in the broader advertising landscape as retail media does it staying and takes greater share of budgets?

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**Megan Clarcken** - Criteo S.A. - CEO & Director

Sure. Well, I've actually been with Criteo now for, I'm coming up to 3 years. So I'm still in the 2 category. I get to 3 years at the end of November. And Criteo has completely transformed during that time. It's a very different company to what it was 3 years ago. We are an ad tech company through and through, and our aspiration is to be the ad tech company for the Internet. It's pretty simple. Retail media is a critical asset of ours for a number of different reasons, and I'll come back to that.

But Criteo has been doing retail media for about 6 years. We acquired a company called HookLogic 6 years ago. And now what you read about, if you're reading about the future of the Internet is the growth of retail media, the growth of commerce media. And so we're right in the sweet spot of that growth spell. Let me just explain what retail media is... So that everybody gets aggressive of it. Retail media is basically this. Retailers have bricks-and-mortar stores. So if you go into Best Buy, you walk into Best Buy, you go up and down the corridors and you see ads. You see sponsored ads, and you see ads for the brands in which they carry.

When you go into bestbuy.com or their e-commerce presence, that exact same activation has to happen in those in their e-commerce site. We powered the activation of those ads on their sites. And that whole phenomenon is called retail media. Now you may think -- but hang on a minute, that's been around for a long time and surely that's not what all of this type is about. -- but it hasn't been around for a long time. It's pretty new. And retailers are finding that the activation of this ad space on their e-commerce sites is actually giving the ability to be media companies and to buy and sell their advertising and see a whole new stream of revenue through those ad sales. They saw it when they watched Amazon. So we watch Amazon over time, they went from a retailer or an e-tailer to a media company just like that.

Their Commerce Media business now is worth about \$32 billion. Look, it's big. Walmart connect does exactly the same thing. They recognize that they had assets in their e-commerce stores that could attract advertising. And so they become a media company and they bought and sold advertising. And now they contribute to the marketplace about [\$2 billion] worth of sales. So this thing has legs. And for retailers who are trying desperately to find new revenue streams and high-margin revenue streams, this is a very attractive proposition for them. So we start with that with retail media as it's defined in store, in an e-commerce sites. For Criteo, we have a bunch of assets on top of this that we can bring to the equation. And one of them is our ability to extend for retailers that advertising proposition from in-store to the open Internet.

So in other words, I'll use brand names here that I probably shouldn't. But Best Buy partners with Sony. So Sony is a brand that is in Best Buy. And Best Buy does works with Sony to take that advertising to -- from the e-commerce site to the open Internet. It's the same way that in Best Buy bricks and mortar, you'll see them partner with Sony, and you'll see an advertisement on TV. And their e-commerce site, they need to extend that out beyond their own walled garden. Guess who they come to do that, Criteo because we have the best graph of Sony consumer across the open Internet that exists anywhere.

And that is through the \$725 billion daily active users and our ability to connect the retailers first-party data to those sites to look for that match. So that's where we find ourselves. We find ourselves in a sweet spot that is growing faster than any other area of advertising on the Internet. It's growing faster than search. It's certainly now growing faster than social. It's growing faster alongside CTV way faster than display. And this is a TAM of somewhere between [\$180 billion] (corrected by company after the call) and \$200 billion over the next 3 years. That is ours to own. I'm sorry, that was ours to own. That's my accent...

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

No, it's all good. Now with the pandemic, we saw an acceleration in e-commerce, certainly greater overall penetration. Now, we're getting more to maybe a normalized cadence of what e-commerce may or may not be. And we think it may be a much bigger part over time, of course. There's a lot of discussion here with what happened in the targeting world around this time last year with Apple's IDFA with the pending deprecation of

the third-party cookie that Google, I think, pushed off for another year or 2. And so I'm sure you get this question all the time. So I just wanted to ask a...

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**Megan Clarcken** - Criteo S.A. - CEO & Director

My most favorite question.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

Yes. So we'll get over with it, and then we'll move on. But talk to us how Criteo is prepared for that because targeting measurement is core to what Criteo does. And so now we're now a year into IDFA 2 years, a year or 2 years from now will be post 3 third-party cookies on Android and Chrome. So talk to us about the preparation for that and how you see the world evolving in that in the future?

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**Megan Clarcken** - Criteo S.A. - CEO & Director

So our business is transforming from retargeting a point solution to a platform play. So we now have many different products that we offer to our clients that don't rely on third-party signals. Retail media does not rely on third-party signals. The part of our business that does is retargeting. Unfortunately, because we're still in a transition mode, that is a big part of -- a big chunk of our business, but there's a few things happening. Number one is, if you isolate this problem to retargeting, which we do, it's a problem of finding a breadcrumb. The only reason why retargeting is affected by what the browsers and operating systems are doing, taking away the ability to us to have a signal is we lose the ability to know whether it was you that we saw last week on that site and it's you that we're seeing today and come back to that site.

We don't care about you. We don't want to know any identity, we don't use any data, we have no interest. We just need that breadcrumb so that we know how to treat you so that you don't get bombarded by the same ad 400 times for shoes that you looked at a year ago so that we give you something that's contextual, relevant and helpful. And so all we need to do is find a way to replace that signal that we use cookies for today. We believe we've found it. So we are running tests right now, pretty extensive tests across one of our biggest publishers to see if the way in which we'll get around it is giving them the same results pre-IDFA and pre when Firefox took away the ability to use cookies. So don't forget browsers have -- other browsers have taken this away over the years. And the results are really good. They're really good. Now, they're not as good as they would be yet if we had third-party signals, but they're pretty good. They're pretty good.

So I would say that at the moment, we're looking at about a 75% recovery in terms of being able to do a match on those environments. But I'll also say, and I don't like to say this, but I've been so hammered by this question that the rest of the industry from what we know, what we're seeing, who we've talked to, our discovery says that they would be at about 5%. So we're leaps and bounds in the right direction when it comes to being able to replace this once it goes away. So that's number one. Number 2 is that as soon as we feel like we're in a good spot here, we'll roll that out across to give us coverage of the platforms that we've lost sight of, which is the ones that have turned off cookie support and also iOS. So that will be that done. We won't promise to roll that across chrome until we need to...

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

That was my next question.

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**Megan Clarcken** - Criteo S.A. - CEO & Director

Because nobody is going to -- like it needs our clients to do that and our clients are not going to make those changes until they have to. But we hope that them working with us to know that we're the backstop when it comes to being able to support them for the other browsers for Fox for Safari for iOS. They'll just naturally progress to that or know that where they're ready for them when they need to. So that's number 2. The third thing I'll say is that for us, our business, as I said before, has gone from a point solution to a platform play, which means that we diversify away from

having to focus on this retargeting piece. Our targeting business performs incredibly well without third-party cookies. This is a cohort or contextual solution. And as I said before, retail media doesn't rely on them whatsoever. So there's a number of different things that are going on there. We feel really good about getting through this...

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And without giving away the special sauce, any insights on how you found that? Or what's differentiated here in Criteo's network that allows you to find...

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**Megan Clarken** - Criteo S.A. - CEO & Director

Yes. And it is differentiated. There's nothing sneaky going on. So the best way for you to replace a signal is to do a match. Our network, the size of our network enables us to take a supplier ID. So a service side integration with a publisher gives us a -- whatever it is, the string that they want us to use a Hashed email address for a logged-on or registered consumer. And then on the DSP side, with the advertiser and the retailer, think about all the retailer data that we have, we have access to something that we could do a look-alike match for.

So this person here is this person there. The more we can do that, the better results we get, the more we attract advertisers and publishers to use us because they get better yield and better results. The more that this becomes a network effect and this grows and grows and grows. And the more it grows, the better it gets. The ultimate solution instead of third-party cookies for ad tech is exactly what I just described. That's the best way to do it. It's consented data and it's a match between -- the relationship between the advertiser and the publisher. And that's what we're pushing for.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And that's also working with the advertisers. So working with them for the hashed e-mails as well?

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**Megan Clarken** - Criteo S.A. - CEO & Director

Correct. Registered users.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

Yes. That's exciting. It is good -- that's great. Maybe I'm sure we'll get into that with questions as we open it up, please feel free. But another question that we're asking everyone, and you probably get this all the time. It's just is there any insights or talk to us about the broader macro environment as it relates to retail media, right? So the bread and butter maybe of the future of Criteo. Back-to-school is in full session, right? I think some retailers are talking about better back-to-school. You saw Snap come out recently August, things accelerated for them. Talk to us about what you're seeing maybe or how we should be thinking about broader macro overall?

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**Megan Clarken** - Criteo S.A. - CEO & Director

Well, certainly, some industries are doing okay, if not well, while others are finding the pinch for the macro environment. So for instance, it's obvious, but travel is doing well or at least is recovering from where they were before. Personal care is doing well. But then if you take a look at home improvement, food and beverage is doing well. But home improvement and some of those things that we're doing well during the pandemic are starting to level set. So it's hard to know if it's comps or if it's just that it's a tough environment for them. When we think about the environment, we've got our eye on 2 things: our customer and their customer. And they don't always act the same way. So our clients become very cautious about their spend because they're trying to control their future.

And the consumers are hot and cold. But for the reasons I just called out, they're all into travel, they're all into fashion. There's all of these -- there's a lot of activity going on there regardless of them being all into travel, travel might still be being cautious because they've been once bitten. So we just keep our eye on this landscape, and it's in line with what we called out when we did our last earnings. It's just we're very cautious about what's going on. We had a good labor day weekend. So that's always a good indicator for us, and we'll continue to watch it. What I will say is that we like the way that we're diversified as a business, meaning that our client sectors are not just retailers, they're right across the full spectrum.

So while we may have some that struggled, and we saw this during the pandemic, we have some that thrive. Also, their tactics or their strategies for how they optimize their advertising tends to shift towards us. Now, we're a performance marketing shop, but we can do brands, and we do brand very, very well, but our real strength and differentiator is performance marketing. And so what they're looking for is a return on their investment. They want sales, they want high margin. They don't want tech/tech so all of the things that lends itself to them coming to talk to us about how we can help them. And for us, it's all about how do we help them through this time.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And that becoming the partnership is key. And so I have specific questions. I think the upsell cross-sell is really impressive what we've seen at Criteo. But before we do that, I think the acquisition of Iponweb was really interesting in that it just broadens your overall reach quite a bit in tools, I believe that you are able to offer. So talk to us a little bit more about how you view Iponweb helping the transformation you're about to be 3 years in, did we say, 2.5 or just still a 2-year old, so to speak. So talk just about Iponweb and how you view that happening? And maybe for the audience a quick background, what is Iponweb first?

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**Megan Clarken** - Criteo S.A. - CEO & Director

So Iponweb is ad tech infrastructure. Some even say it is the fabric of the Internet, of the ad tech Internet and infrastructure that exists today has come out of or is Iponweb. The founder of Iponweb, his actual coding fingerprints can probably be found on most of the code that exists underneath the ad tech environment. So they are really -- I don't even know what -- how I can compare them, but they really are the underpinnings, the plumbing. So we acquired -- we closed our acquisition of them now a few months ago. And what we like about Iponweb is if you think about our vision, which is to be the ad tech provider for the Internet, then you have to have a full stack DSP, and you have to have a full stack SSP. You have to have those 2 pillars, if you like to be able to provide and produce that huge network effect that I talked about before. And we didn't have that. And we could build it, but it would take a long time or we can acquire it.

And so Iponweb was right for us. Iponweb brings another \$1 billion worth of ad spend through our pipes. And all of this means that there's activity going on and a network effect happening. It just -- volume drives volume, drives volume in this world. And so the more volume you can get, the better our AI is at getting smarter at what it does with that volume, the more it attracts. And that starts to meet the vision that I called out before. They have integrations, deep integrations with the publishers, which we like through their SSP, which means that they can also help broker the exchange of first-party data from the SSP into the DSP, where we have 22,000 clients that the offering is compelling enough for them to gain, give us access to first-party data on their side, therefore, producing this network effect. So that was one piece of it.

The second is that they are so talented when it comes to tech. And the time it takes to recruit that sort of talent versus making an acquisition like this or just bringing in -- this is like sweeping up the -- all of the best ad tech talent that there is out there. And I'm sure there's a lot of folks out there that form part of that as well. But under the roof of Iponweb, we feel really good about what we've acquired in terms of talent. So that said, it's just part of the play. They bring great revenue, great relationships, and they fit with our organization in terms of their culture really well.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And greater capabilities as well with the SSP and DSP. So maybe I'll back up a little bit and think... You go to your clients... I'd love to learn more about the sales process about how you go to market. You've got this great, as you said, tough targeting measurement. Now, we potentially have something that might help replace the deprecation of third-party cookies. So you go to a client, you go to Best Buy or Sony or whomever. Talk to us about that process from the beginning and then frankly, how that client might spend more throughout the organization as time goes on.

**Megan Clarken** - Criteo S.A. - CEO & Director

Yes. Well, let's talk about a retailer. So a retailer is looking to -- they've got wind of the fact that there's a new revenue stream for them out there and media revenue. And they're retailers. They're not NBC Universal, they're retailers. But they see it and they need help. It's setting it up. And so they will come to us because we're the name in town when it comes to retail media. So they will come to us and we will set up -- help them set it up so that they're doing promotions and sponsored product advertising on their e-commerce site. And we're starting to get that integration. And we're starting to get sort of a deep understanding of their data sets, and we're starting to use some of their data sets. So for instance, SKU data, right?

This is their product catalogs. We get access to their product catalogs so that we can, on the fly, as promotional advertising needs to be displayed every single time, know whether or not that's actually a product that would suit that person or that's actually an ad that works well or actually it doesn't. We're going to change it out, change the color, change the format or actually that skews in stock. If it's not in stock, then why would we? So we have a deep integration with retailers. And so we -- so that's the starting point. From there, they look to us to help understand how do we go beyond this from a media perspective and advertise into the greater web. And so of course, we have the keys to that. And then the brands, so now we're bringing agencies and brands to them more and more.

The brands see that we have the ability to get to exactly the right audience that they are looking for. And so that brings more opportunity to us in those conversations to extend back out to the brands and say, "Okay, well, I can do a better job for you, not just with the retailer, but through directly through us as well. And I can simplify your tech stack because you only have to come to us." Now, I'm talking about agencies who don't want to go through 10 different DSPs. If they come to Criteo, they know that Criteo is the DSP for retailers. So all of this starts to build from a seed, which may have just been a retailer. Retailers, they need to optimize for supply, they need to save money. They need to target for themselves off and on the broader Internet. They need better return across the big platforms. and they know that we're able to supply that for them. So the conversations just expand out from the initial seed.

**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And that's something that I thought was so interesting. I think 30 that I have here, 33% of clients of -- so the upsell, 33% of clients are now buying more than just one product versus maybe 28% a year ago. And I'm wondering, are there any products that call out that drove that upsell or just greater integration? Or just -- it's a broader offering that you bring to your retailers that advertisers, agencies come with brands?

**Megan Clarken** - Criteo S.A. - CEO & Director

There's a few things. It is a broader offering. But certainly, having them see that they have access to commerce audiences, high-quality commerce audiences is a great upsell opportunity, cross-sell opportunity between what we used to call our marketing solutions or retargeting business into our retail media clients. So they can start to bridge that gap. But it is more of a suite of products on a platform versus a bespoke product. What I will say, though, that a lot of this is because of the way that we have restructured our organization internally and the investments we've made on go-to-market.

There is nothing like having a world-class go-to-market team who know how to script out client call and are prepping our commercial teams all the time with the latest and what's going on in the market and how to answer specific questions. It's a real discipline that we didn't have before. And we also had 2 very separate commercial teams or client service teams that one supported retail media and one supported legacy retargeting and they didn't even speak to each other. So the ability and the ongoing opportunity that brings as we bring these people closer together is good for us.

**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And you're seeing the benefits of that. I mean, it typically takes a few quarters for the organization to gel and sort of -- and so we're at that, we're beyond the changes.

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**Megan Clarken** - Criteo S.A. - CEO & Director

Yes. Well, we're seeing it, gel. So don't forget, even as much as this year, we brought on Brian Gleason, our new CRO from GroupM. And so he's been on the ground since January, I think. And that's a very short period of time to do the amount of work he's done. So I know that he's still got a lot to do, and we look forward to seeing him implement as planned.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

That's great. So let's -- maybe we'll open up for questions after this one. So get your questions ready. I've got a ton more, but please feel free. Maybe my not last, but before we break open up to the audience. Talk to us about the importance or at least talking about the new -- the renewed partnership with Meta. And I ask this in the broader context of open versus closed with -- and so help us understand sort of maybe a bigger picture open versus closed. And then specifically, what needs -- how the renewed partnership with Meta might change things or enhance things from a targeting perspective.

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**Megan Clarken** - Criteo S.A. - CEO & Director

Yes. So open this is closed, closed is the world gardens. It's anybody who is buying and selling their own media, using their own data and measuring it themselves using their own data. And so that's the obvious big platforms who play in that space. One would say Walmart has become a walled garden. So just those that are... And so for us, our playground is the open Internet. And what we love about the open Internet is that this is right for commerce audiences, 73% of people start their buyer journey, shopper and Biogen on the open Internet, obviously, with the relationship to search. So they're not on the social platforms. They're just not. So if you want to get to a commerce target quickly in the right place, the open Internet is a good place to start. So that is sort of our playground.

Having said that, there's audiences, of course, who are typical shoppers that are sitting on the social platform, so the extension of the playing ground. What we did with Meta was this is before my time. Meta was a supply source for us. So we were looking for audiences on Meta for targeting or retargeting at the time. And we were doing a very good job using our own bidder technology. So one thing that Criteo has been around for [16] (corrected by company after the call) years, and it's better technology in its AI is second team. So we were using our own bidder technology to find those audiences on Meta and Meta shut that down. So they said we don't want you to do that.

So of course, we put in -- we went to the authorities about that because it's anti-competitive. And so we've been over the years fighting that so that we can get back our ability to target unmet using our better technology and our AI, and we won. So we're now just in the throes of reestablishing that with Meta. And this is exciting for us because we think we can get great results for our clients across the Meta platform. I think it enables, again, another big supply source on our DSP. So you've got all of the retailers on the DSP, you've got the [5,000] (corrected by company after the call) publishers. I think Iponweb bring another x amount to the DSP plus Meta. So now you've got the sort of aggregated supply. I'm talking scale. It's all...

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

Not lost.

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**Megan Clarken** - Criteo S.A. - CEO & Director

Yes, yes. So Meta is -- and I will just caveat by saying that we don't know what Meta looks like today versus what it did before it was taken down. So it's very hard for us to say it's going to be worth this much at this amount of time because the time frame isn't locked in yet, and we don't know what their platform looks like...

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

Understood. But the work has begun... Yes. That's great. Any questions from the audience? Yes. I think a microphone will be coming to you.

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**Unidentified Analyst**

Great. So wondering for non-adtech person, if you could elaborate a little bit more on the retargeting solution that you described? And how dependent are you on the environment to the extent Apple or Google changes is something new might that affect the solution from this point forward?

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**Megan Clarken** - Criteo S.A. - CEO & Director

We're reliant on the data that we can find where we can find a -- I'm just going to refer to them as breadcrumbs. We're just reliant on being able to find a piece of data that will give us a breadcrumb basically say whether it was you that was on the Best Buy site last week, and now you're on New York Times. That's all we're looking for. And so we're doing the work now to find alternative ways to the operating systems and the browsers being the only source of being able to discover that commonality, that journey, if you like. We're also -- we are reliant to some extent, on our clients to adopt it. So our clients won't switch off, I say this without -- this is a moving landscape, but they're reluctant to move to another methodology that is going to be slightly substandard to what they get today until they're forced to. And they're forced to when Google says, "Okay, Chrome, we're no longer supporting third-party cookies." So our job is to be ready so that we can make that switch with our clients, but we can't do it for our clients. They're in control.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

And how far off is it now? And you correctly, I said that I think correctly, if you forecast deprecation of those cookies will be further out. What are you expecting at this point?

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**Megan Clarken** - Criteo S.A. - CEO & Director

Well, what they've said is end of 2024. I know that they are a long way from being ready because we sit in the sandbox with them. We don't think that they're ready. One could see it's out as far as 2028, and some are even suspecting that it won't happen at all. For us, I don't want to get caught up on that. I want to have the backstop. I want to be able to replace what we've lost on the other browsers and operating systems and be ready for Chrome if Chrome comes and just do an absolutely amazing job for our clients using the data that we have available to us.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

I just want to ask you about how you see the competitive landscape in retail media evolving. I mean we hear Microsoft with Promote iQ getting a little bigger in this space. We hear Trade Desk talking about it increasingly. What should give us confidence as investors that your early mover advantage is defensible and durable?

**Megan Clarken** - Criteo S.A. - CEO & Director

Look, we think we're miles ahead. So let me go into who we see at the table when we go into RFPs. We see Microsoft and we see Publicis. It would have been Criteo, Publicis and Microsoft in that order. Today, we see Criteo, Microsoft, Publicis. So Publicis has dropped down a notch and Microsoft sitting may be behind us. The thing about Microsoft is that their strengths are in their acquisition of Promote IQ and in Xandr. However, they haven't brought those pieces together and the tech and capability is substandard to us. Now, I know I'm not idiot, they're Microsoft, and they've got deep pockets and they're very good at what they do. So they could do that. But every day it takes, we just get better. We get better and better and better.

It's not their business, their core business. So it is our core business. And we're not a retailer, we're not a media owner. They're a media owner. So we're completely agnostic in this game, and it's our core business, and we're doing incredibly well. So Microsoft is always worth watching because what they can do is they can bucket so they can product -- they can bundle with clouds, with office solutions, they could do that, but it might be that they can't do that because whoever they're selling it to already has that stuff. So it's worth watching, but they're a long way behind when it comes to capabilities and their integration of those pieces, and it's not their core business.

On the Trade Desk side, what we see is we see off-site for Walmart, that's a DSP. So they are DSP for Walmart. And we wouldn't class that under our category as retail media. Retail media is, all those things I said before. It's on site. It's being able to inform the dynamic advertising that they have every single second and report on it every single second for a Best Buy, for a Macy's. It's about being able to bring them the best audiences. It's about being able to integrate with their catalog data to help inform their advertising. This is a discipline that goes well beyond the just DSP piece. So that's how I see it. We've got our blinkers on when it comes to that. We're just going for it. And we've got a lot to do. But it's all in response to what clients are needing and we just see this sort of snowball affect this momentum.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

Got it. It's very helpful. I mean would it be fair to assume you'll probably roll up against Trade Desk in 3 years, more in a way that you would categorize as retail media?

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**Megan Clarken** - Criteo S.A. - CEO & Director

Why wouldn't we? So let me give you that example again, catalog data. So to do an integration on Best Buy, and I'm throwing out Best Buy, I could get -- I'm just using it as a placeholder. But to do on-site advertising for Best Buy. You need to be integrated into Best Buy. You need the performance technology that enables you to tweak that ad every second, every millisecond to make sure it's responding in the right way to you, you specifically when you come through. That's a deep integration. That's 4 billion SKUs that we work with every single second. -- that's discipline that's not their business. Their business is CTV and is buying advertising across brands -- big brand properties, and that's a fantastic business.

But I just see it's such a big stretch for them to go into the discipline that we have to service retailers in that environment. And even going further to help retailers work out how to bring more trade marketing spend because there's a closed loop measurement going on here between what's happening in their e-commerce sites to off-site back into their bricks and mortar. In order to tell that story, it's like years and years and years of specialty focus. I just don't see the trade desk doing that. It's not an activity they do today. They would have had to start a few years ago to be where we are. Bring it on, though.

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**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

I think there's another question over here.

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**Unidentified Analyst**

So when third-party cookies go away to where do you see the ad spend shifting? And is that something that you participate in?

**Megan Clarcken** - Criteo S.A. - CEO & Director

It's a difficult question. So let me start with third-party cookies going away. That is a disaster, not for us, for everybody. So my CFO here, Sarah Glickman spends a lot of time in France. And we were talking today about her user experience on the Internet in Europe because of the consent explicit consent, which means that cookies lost all the time. She's having to consent every time she goes somewhere, she's forgotten about from one step to the next. It is a horrible and disastrous experience. That's what's going to happen here. So that's my soapbox. It's a horrible situation to be in. For us, again, it's about finding the replacement identifier.

And in a world where you have to have consent to use somebody's e-mail address the way in which we've structured ourselves gives us the ability to have access to that data and to use that data to get those matches. And so we will continue to service our clients so that their spend is properly monetized and that gets them the best results across any kind of tactic they have, whether that be bottom of the funnel or top of the funnel using Criteo is their big guiding line.

**Ronald Victor Josey** - Citigroup Inc., Research Division - MD

So with that, we're at overtime here. So Megan, I want to say thank you very much for joining us, enlightening, great conversations.

**Megan Clarcken** - Criteo S.A. - CEO & Director

Thank you, Ron.

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