

Criteo Q4 & Full Year 2020 Earnings

Investor Presentation

February 10, 2021

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. Importantly, at this time, the COVID-19 pandemic is having a significant impact on Criteo’s business, financial condition, cash flow and results of operations. There are significant uncertainties about the duration and extent of the impact of the virus. The dynamic nature of these circumstances means that what is said in this presentation could materially change at any time.

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 2, 2020, 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. Reconciliations also are available in our earnings release for the fourth quarter and fiscal year 2020, which is available on our website at www.criteo.com.



Commerce Media Platform Progress & 2021 Priorities

Megan Clarcken
CEO



We Achieved A Lot Against 2020's Extraordinary Backdrop

- ✓ Kept **people** safe through efficient **work-from-home** model
- ✓ Increased focus on **ecommerce**
- ✓ Helped clients achieve their **marketing and monetization objectives**, providing performance and strong ROI
- ✓ Accelerated **Criteo's transformation** plan to return Criteo to **sustainable growth**
- ✓ Executed with **grit and conviction**



We delivered

97%

of original Revenue
ex-TAC guidance*

100%

of original Adj. EBITDA
guidance*

* As communicated on Feb 11, 2020, **before** the breakout of the COVID pandemic:
"Revenue ex-TAC expected to decline approx. 10% at constant currency"; "Adj. EBITDA margin expected at approx. 30% of Revenue ex-TAC"

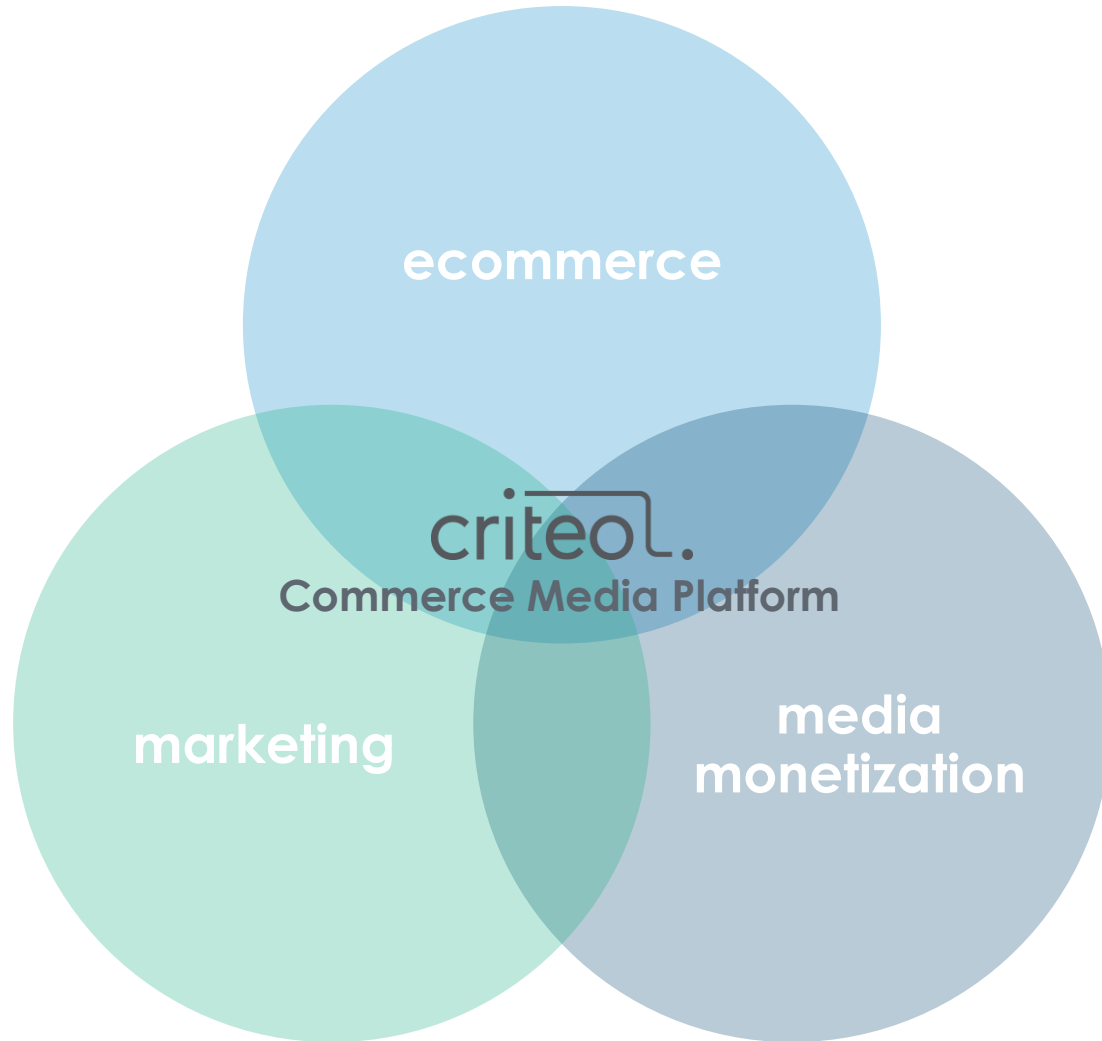
We Transformed Into A New Criteo, Set Up For Sustainable Growth

- ✓ Embraced a **client-first focus** across the company
- ✓ Refined **company vision and strategic roadmap** to return to sustainable, profitable growth
- ✓ Increased **ecommerce focus and investment** through Retail Media – now central piece of strategy
- ✓ Reshaped **C-level leadership** and created **Transformation Office**
- ✓ Strengthened **product roadmap** to revive growth and extend identity capabilities into **competitive moat**
- ✓ Adopted a much more **open approach to partnering** with the industry
- ✓ Reignited a **culture of innovation, performance and accountability** to drive growth

Our Vision

**The World's Leading
Commerce Media Platform
for Brands, Marketers
& Retailers**

We Lead Marketing And Monetization For Commerce



- ✓ Deep **focus on ecommerce**
- ✓ Criteo **shepherds the buying and selling of advertising and promotions** for goods and services
- ✓ **Massive network** using **1st-party identity** and **commerce data**
- ✓ **All outside** of the Walled Gardens

Case Study: Large NYC-Based Omnichannel Retailer

Retailer Client Needed To Optimize Marketing & Monetization During Q4 Holiday Season



MARKETING

Challenge

Move potential shoppers down the funnel to close the conversion loop

Criteo Solution

Full funnel Audience strategy

Leveraging online & offline data across multiple devices

- ✓ Consideration from non-buyers
- ✓ Previous buyers re-engaged
- ✓ More conversions onsite



MONETIZATION

Challenge

Yield strong ad revenues to capitalize on growing ecommerce traffic

Criteo Solution

Criteo Retail Media

Media team onboarding & training (operations, analytics & sales)

- ✓ High-margin ad revenue
- ✓ Brands connected with audience through commerce-native ads on online shop

\$9M
Revenue ex-TAC
in Q4'20

+40% YoY

Ambitious plan
for 2021 to
**expand partnership
across the Commerce
Media Platform**

Growing Marketing And Monetization Through Our Commerce Data, Tech & AI

- **First-party** data
- **\$2.5B+** daily transactions
- **21,000+** commerce clients
- **4B** product SKUs
- **3,500** product categories

**Largest Commerce Dataset
In Independent AdTech**
to map every step of the buyer journey



- **445B** bid requests on single day
- **64M+** campaigns per second
- **700 TB/day** shopper data
- AI Engine gets **faster and smarter** with each additional datapoint

**Most Powerful Tech & AI Processing
In Independent AdTech**
to power dataset and drive sales for clients

Expanding Marketing And Monetization Through Our Media Network

NBC THE WALL STREET JOURNAL.
WSJ

globo.com **Forbes**

IBM **Watson** Advertising. **The Weather Channel**

Premium Open Internet Publishers



target **COSTCO**
WHOLESALE

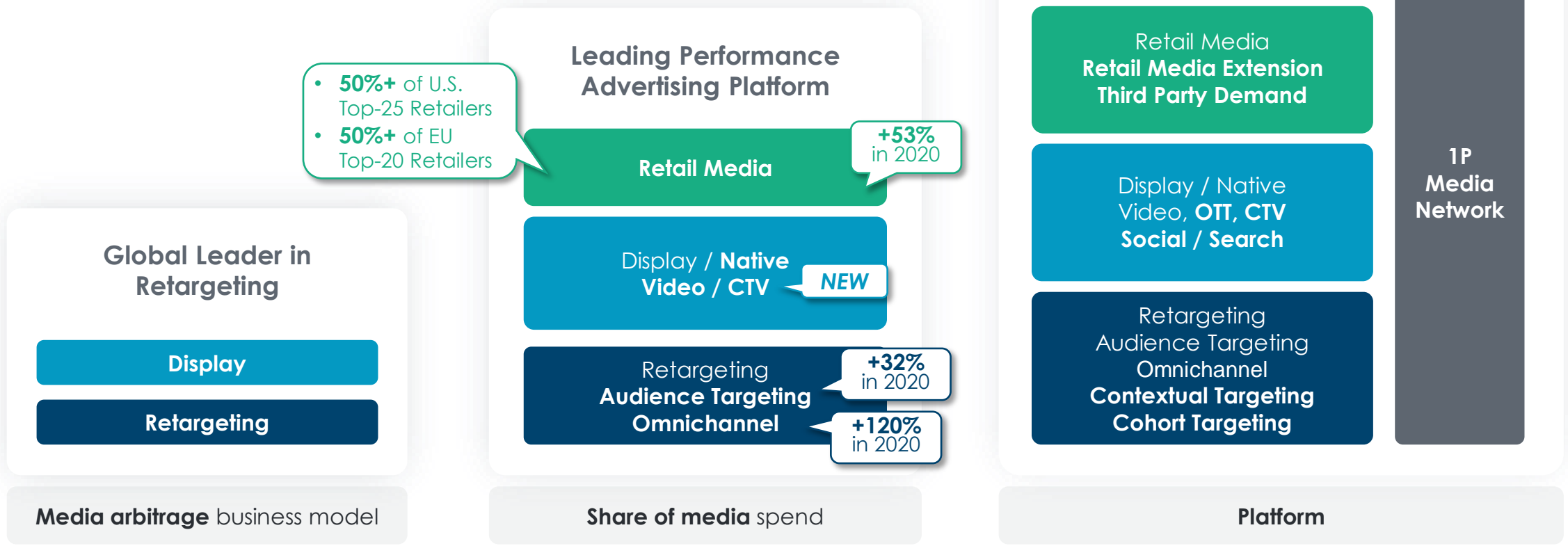
ASDA **BEST BUY**

macy's

Large Retailers

Our Transformation Is Already Generating Positive Results

New Solutions For Marketing And Monetization Grew ~50%
And Represent ~20% Of The Business



We Are Laser-Focused On Three Priorities For 2021 and Beyond

1 **Growth:** Focusing on ecommerce, Accelerating momentum, Investing Thoughtfully, Attracting talent

2 **Execution:** High-performance environment to foster growth and drive accountability

3 **1st-Party Data:** Strengthen our lead in leapfrogging competition challenged by 3P data

Position Criteo For Sustainable Growth Building On Strengths In Commerce Media



Product Objectives & 2021 Priorities

Todd Parsons
Chief Product Officer



We Have Two Key Product Objectives For 2021 And Beyond

Return to Growth

New Performance Audiences

Expanding API Integrations

New Stakeholder Monetization

Future-Proof Criteo

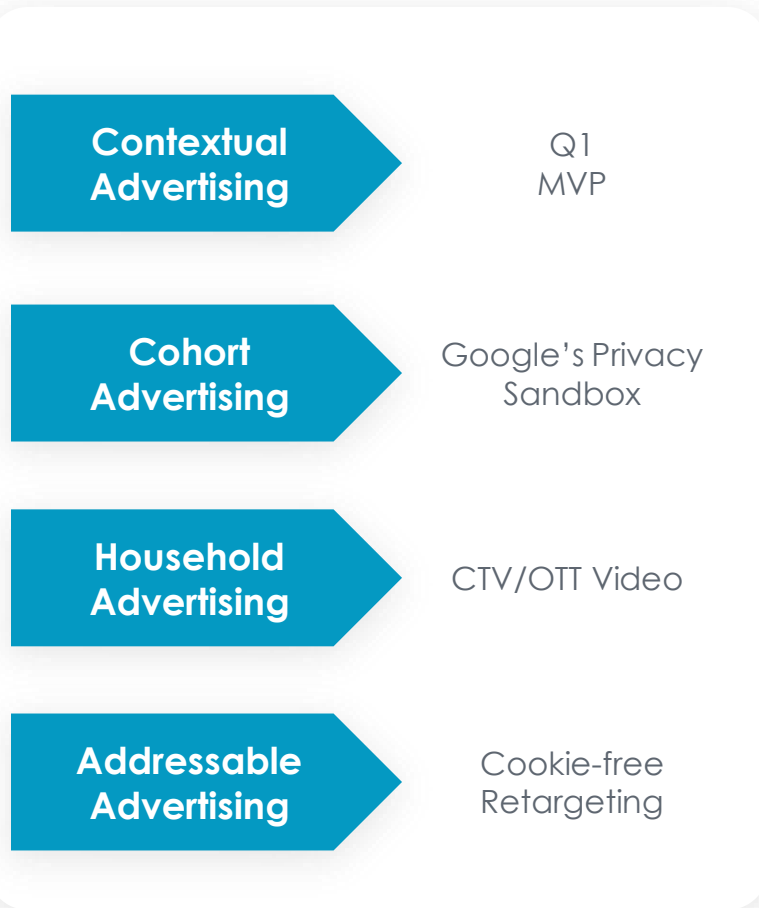
Simplify Use of 1st Party Data

Provide Durable Identity

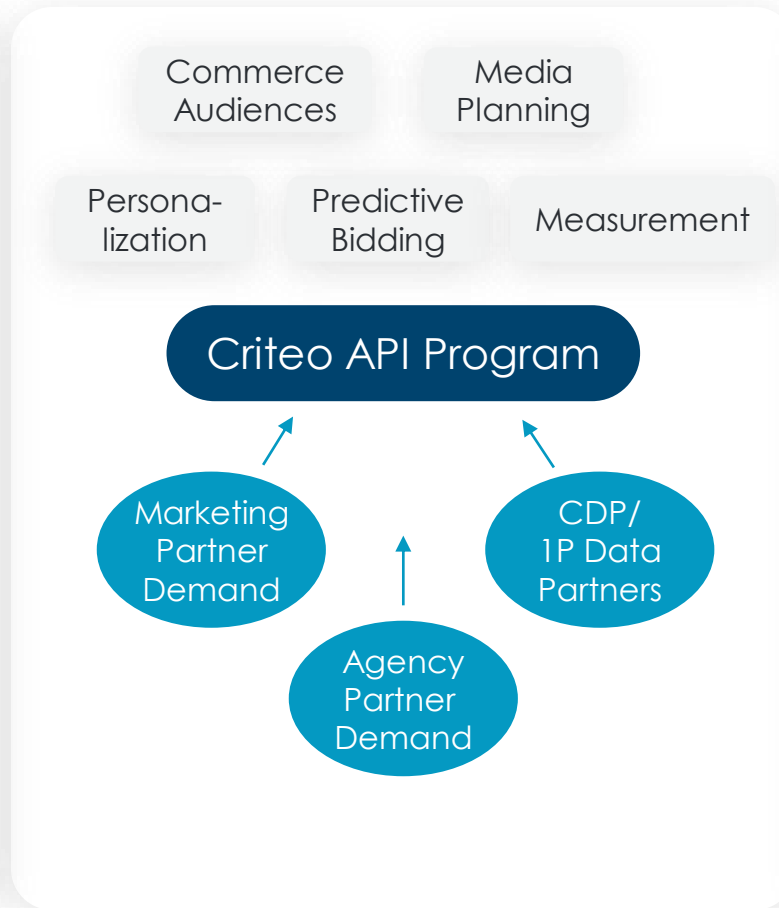
Protect Consumer Privacy

Returning To Sustainable Growth With New Product Initiatives

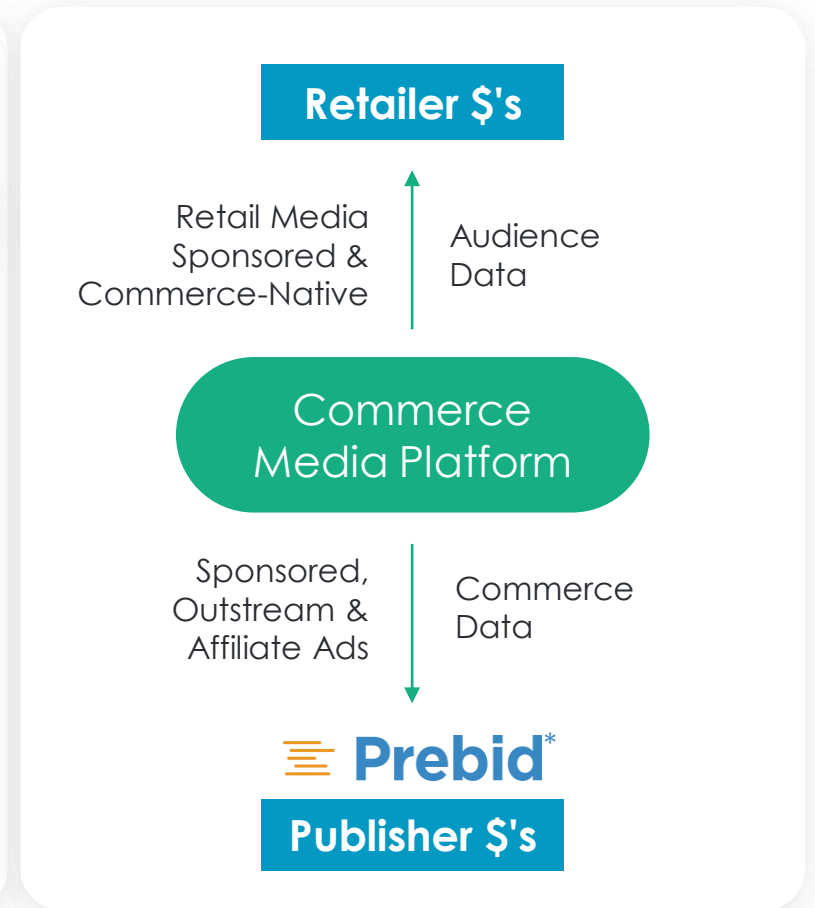
New Performance Audiences



Expanding API Integrations



New Stakeholder Monetization



Client Case Study: Large U.S. Home Improvement Retailer

Digital Ad
Spend \$ in 2021

\$60M

\$180M including walled gardens

\$20M

Awareness

\$15M

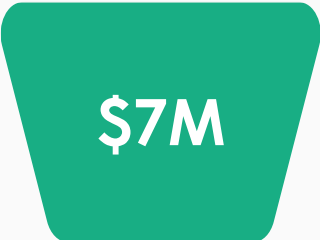
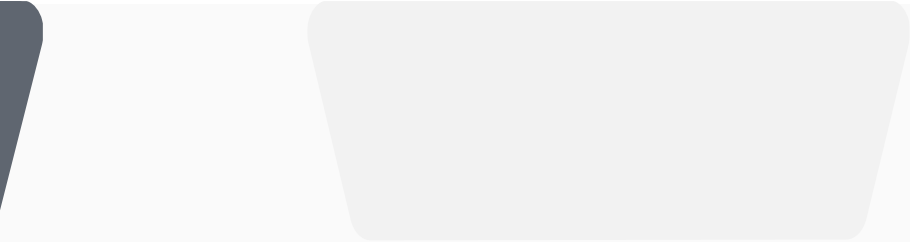
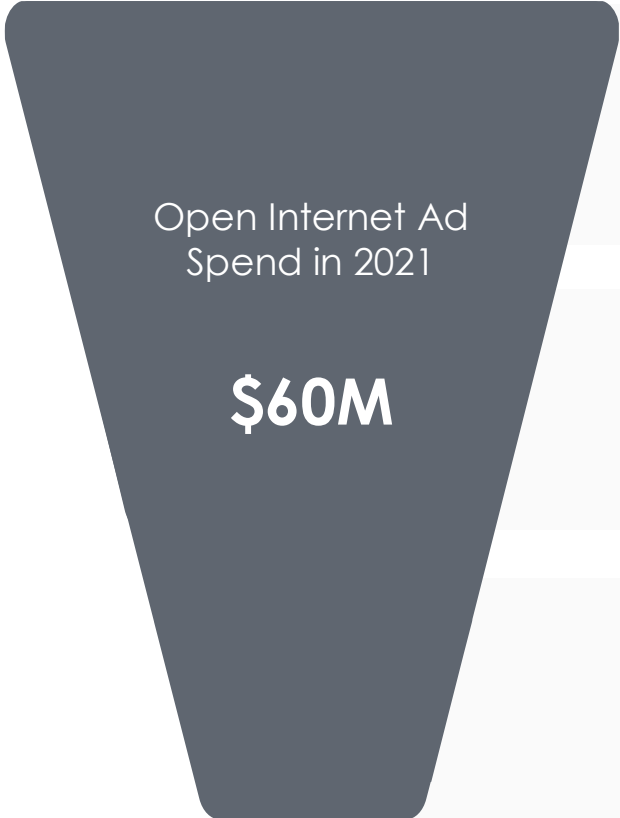
Consideration

\$25M

Conversion

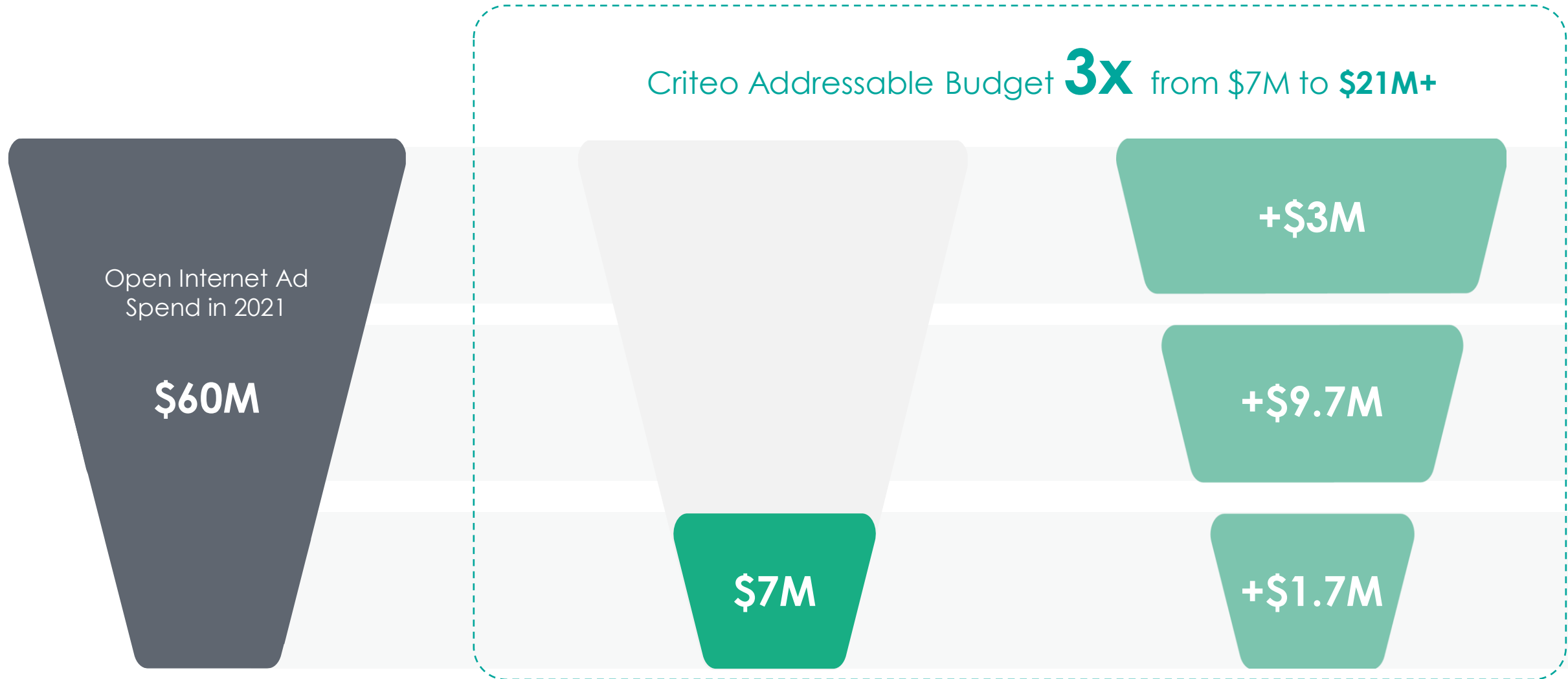
Client Case Study: Large U.S. Home Improvement Retailer

Prior year spend with Criteo
12% Share of Wallet

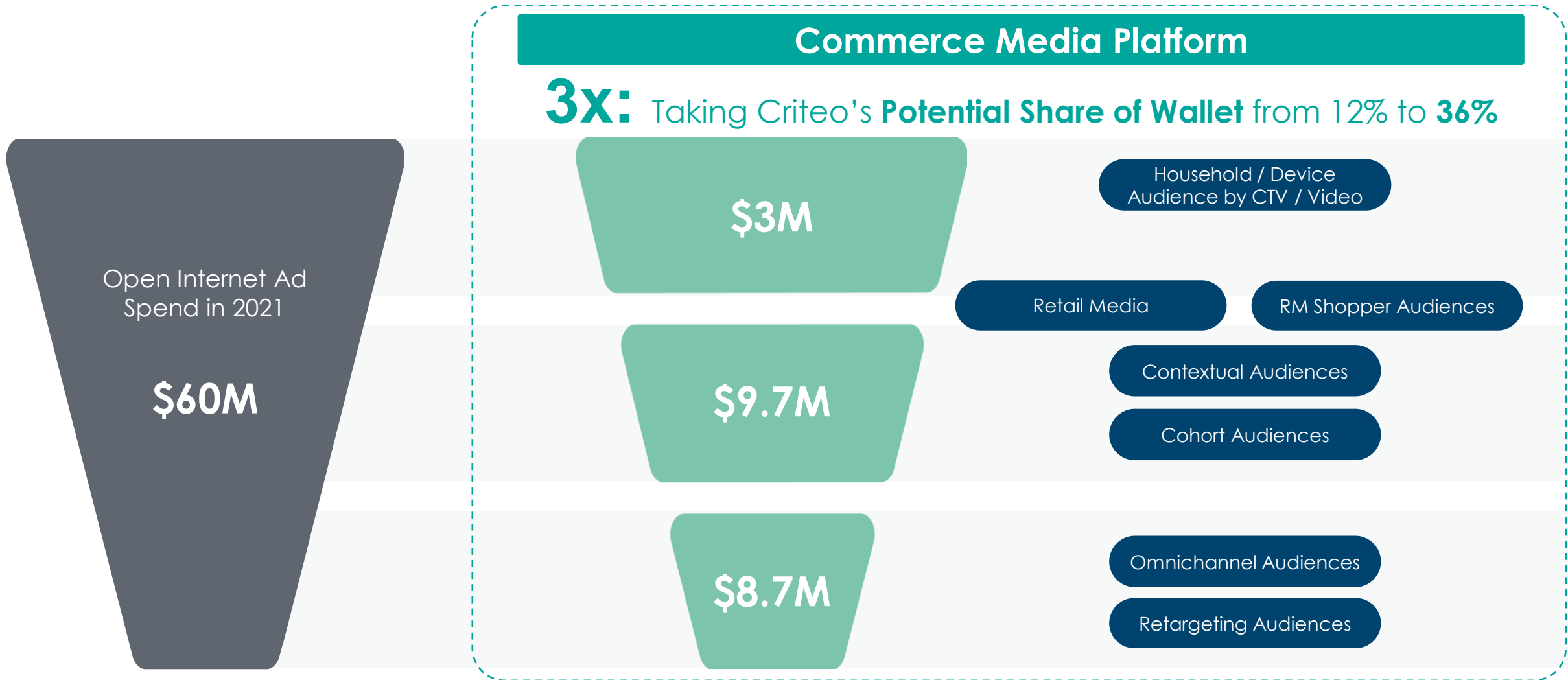


Retargeting

Client Case Study: Large U.S. Home Improvement Retailer



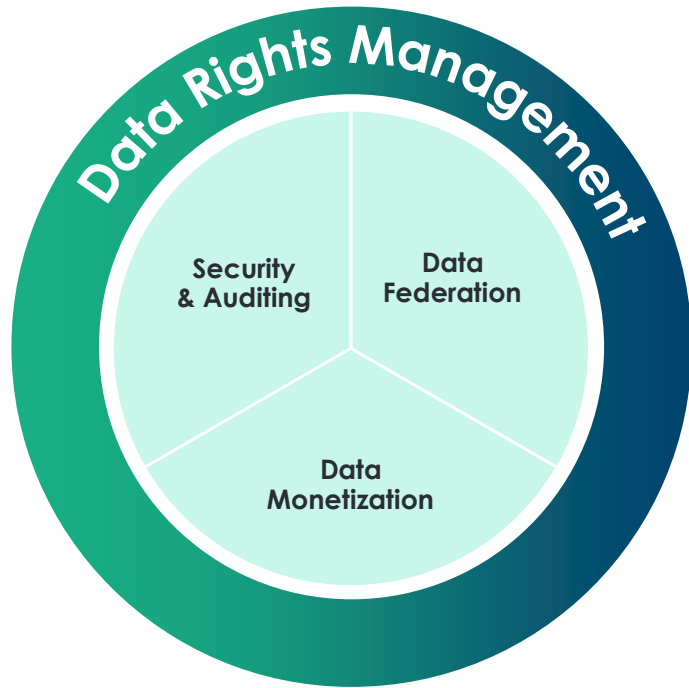
Client Case Study: Large U.S. Home Improvement Retailer



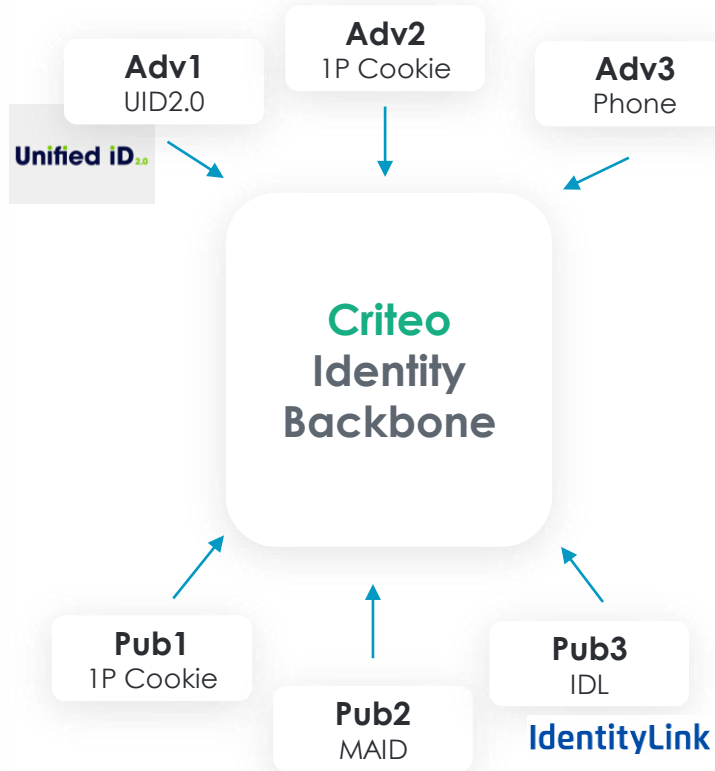
Does not Include
Third-party Demand

Future-Proofing The Business Through Our 1st-Party Media Network

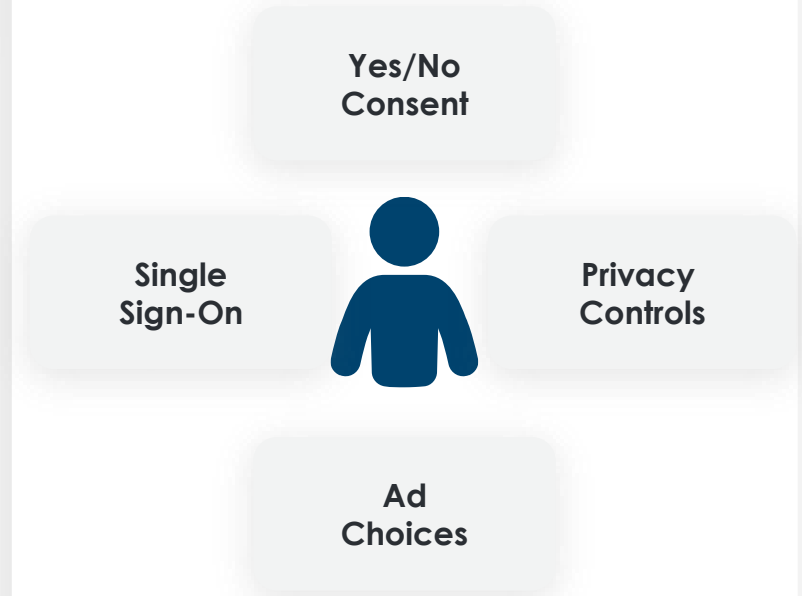
Simplify Use of 1P Data



Provide Durable Identity



Protect Consumer Privacy





Financial and Operational Update

Sarah Glickman
CFO



We Delivered Stronger Than Expected Results In Q4

		% YoY	Excl. COVID impact % YoY	vs. Q4 Outlook Midpoint
Revenue	\$661M	+0%*	+10%	
Revenue ex-TAC	\$253M	-6%*	+3%	+10%*
Adj. EBITDA	\$103M	-9%*		+22%
Non-GAAP EPS	\$0.98	-9%	COVID impact **	Privacy Headwinds **
Free Cash Flow	\$22M	-48%	\$(26)M / 10 ppts	\$(16)M / 6 ppts

We Delivered Robust Topline And Adj. EBITDA In 2020, Despite COVID

		% YoY	Excl. COVID impact % YoY	vs. FY Outlook
Revenue	\$2,073M	-8%*	+3%	
Revenue ex-TAC	\$825M	-13%*	-1%	+\$25M
Adj. EBITDA	\$251M	-17%*		+\$19M
Non-GAAP EPS	\$2.17	-19%	COVID impact **	Privacy Headwinds **
Free Cash Flow	\$120M	-4%	\$(106)M / 11 ppts	\$(37)M / 4 ppts

Solid Execution Along Our Four Strategic Pillars

1

Strengthen the Core

- ✓ Strong "Cyber-30" Shopping Season
- ✓ Solid retargeting across all regions
- ✓ 900 net new clients in Q4, highest for 13 quarters to 21,500 total clients
- ✓ 89% client retention
- ✓ Solid Retail performance in Q4 across Large Clients and Midmarket
- ✓ Same-client RexT +10% ex-COVID impact

2

Expand Product Portfolio

- ✓ New solutions +38% Q4, +47% 2020 to ~20% of total
- ✓ Retail Media 41% Q4, +53% 2020
- ✓ Retail Media same-client RexT accelerate to +69%
- ✓ Retail Media added large retailers to Platform
- ✓ Omnichannel +114% Q4, +118% 2020

3

Explore Strategic Game Changers

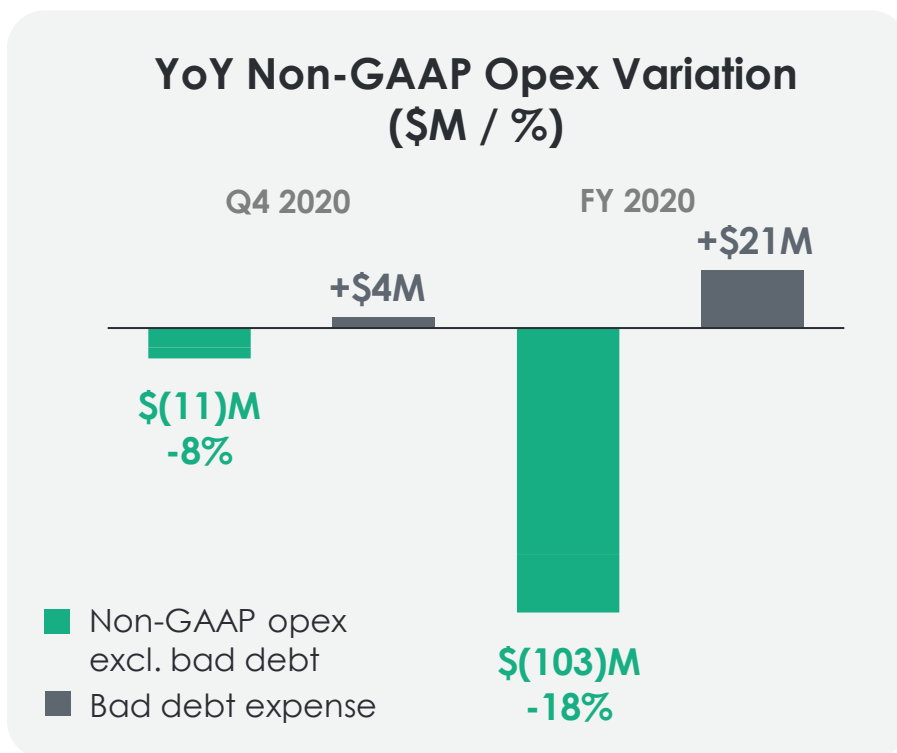
- ✓ Retail Media API integration with Pacvue on Target website/app
- ✓ Launched CTV campaigns
- ✓ Criteo/The Trade Desk partnership on UID2.0 early Q4

4

Drive Tech & Operational Excellence

- ✓ Invest in Retail Media, 1P data, Contextual, Video / CTV and Commerce Insights
- ✓ Ahead of cost reduction plan with \$(103)M YoY savings in 2020*

Delivering Strong Cost Performance While Investing in Growth

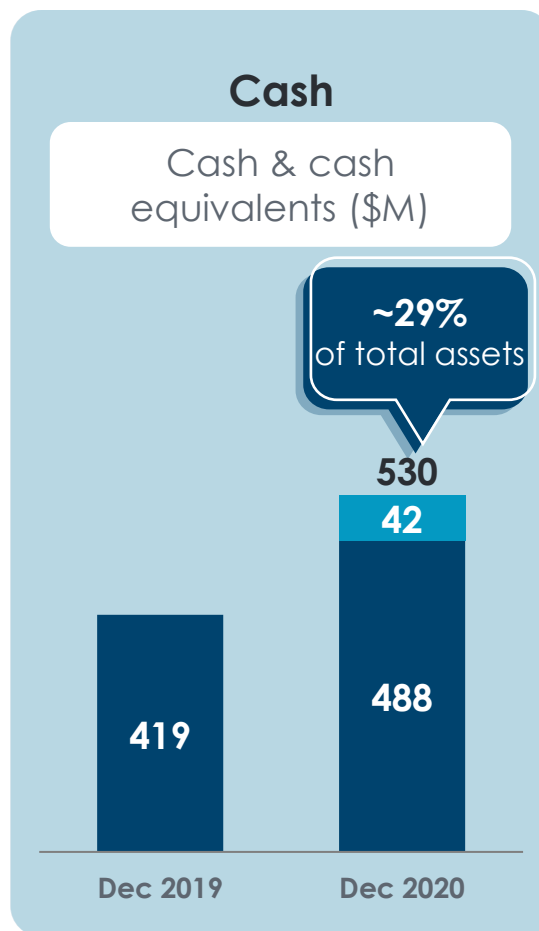
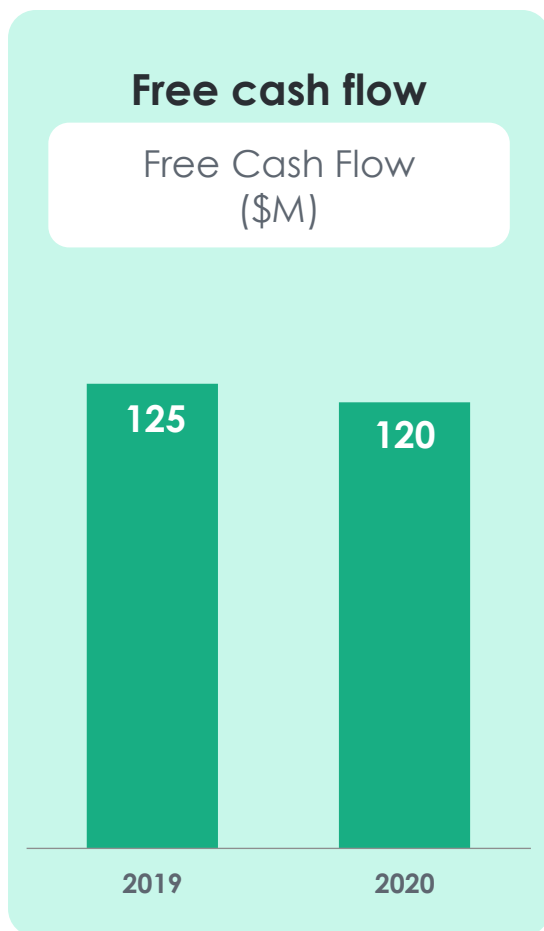


- ✓ Actively manage open roles
- ✓ Optimize real-estate footprint
- ✓ Re-invest in Product and Retail Media
- ✗ \$7M Q4 bad debt provision, \$29M 2020

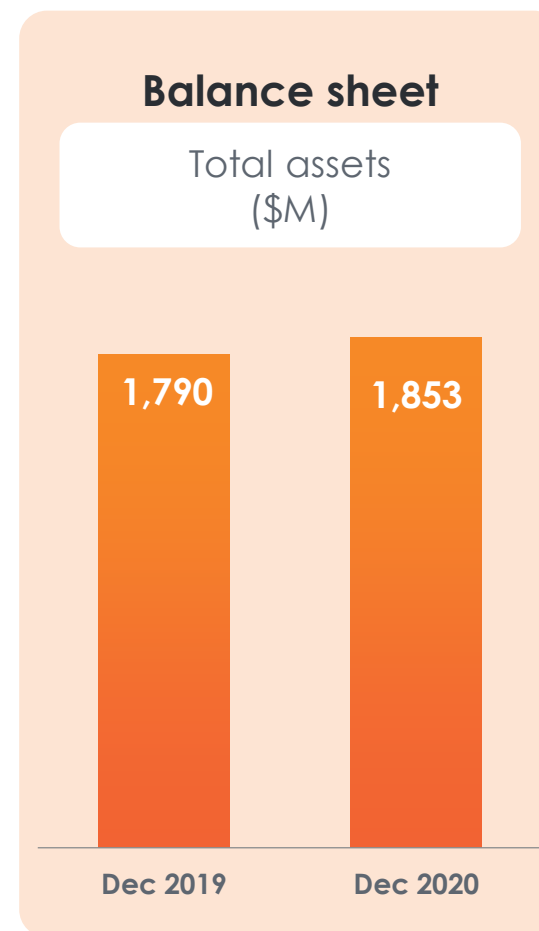
Restructuring and Transformation-related expenses(\$M)

	2020	2019
(Gain) from forfeitures of share-based compensation awards	(3)	(8)
D&A expenses	-	1
Facilities and impairment-related costs	13	11
Payroll-related costs	6	9
Transformation-related consulting fees	4	-
Total	\$20M	\$14M

We Have A Strong Balance Sheet And Cash And Liquidity Position



■ Marketable securities



\$960M*
total financial liquidity

€350M
Committed financing
until March 2022

\$150M
equity raise capacity

\$44M
Share Repurchase
in 2020

Launching a
new \$100M
Share Repurchase
program in 2021

2021 Outlook Moves Criteo To A Progressive Return to Growth

Backdrop *The prolonged impact from the pandemic is driving higher ecommerce, a still muted economic growth, and continued challenges for the Travel and Classified verticals*

Revenue ex-TAC

Targeting low to mid-single digit growth at constant currency

- Moving to our Commerce Media Platform with seamless launches of new products
- Expect growth to progress throughout 2021, accelerating in second part of year
- Ambition to grow new solutions, including Retail Media, ~+50% during 2021
- New solutions expected to represent close to 30% of Revenue ex-TAC in 2021
- Assumes \$(60)M incremental Identity and Privacy impacts relative to 2020 run-rate

Adjusted EBITDA

Above 30% margin of Revenue ex-TAC

- Expect flat expenses vs. 2020 with ~\$(40)M savings funding new growth investments

Encouraging Q1 outlook

Backdrop

The prolonged impact from the pandemic is driving higher ecommerce, a still muted economic growth, and continued challenges for the Travel and Classified verticals

Revenue ex-TAC

Around \$200 million or -4% YoY decline at the midpoint

- Continued solid Retail performance in the US and EMEA
- Good traction in Commerce Media Platform: accelerating momentum in Retail Media, continued solid growth across all new solutions
- Assumes ~\$(10)M incremental COVID impact vs. Q1 2020, all driven by Travel
- Expect Japan Classifieds business to continue to be soft given local lockdown
- Assumes \$(6)M incremental privacy impacts relative to 2020 run-rate

Adjusted EBITDA

Above \$60 million or 30% margin of Revenue ex-TAC

- Expect expenses to decline ~(10)% YoY

CFO Priorities: Drive Growth and Operational Excellence Across Criteo

- Ensure **best resource and investment allocation** to priority Commerce Media Platform growth areas across Retail Media, 1st-party Data, Contextual advertising, Video, CTV and Commerce Insights
- Partner with commercial team to **increase share of wallet with ecommerce clients and ad agencies**
- Partner with Product team to **future-proof the business through 1st-party Media Network**
- Focus on **process and organizational efficiencies** and continue to **evolve operating model**
- Complement organic growth with **strategic M&A**
- Closely monitor **capital allocation** to deploy cash to **highest value uses** while maintaining flexibility



Closing Remarks

Megan Clarcken
CEO



Why We Will Succeed

- **Massive ecommerce tailwinds** and increasing TAM
- **Superior Commerce Media assets**, unique marketing and monetization capabilities
- **Solid product roadmap** to return to growth and future-proof the business
- **New product offerings** growing ~50% and expected to represent ~30% of business in 2021
- **Strong balance sheet** and investment plans to further transform our business
- **Commitment to thoughtful, steady execution** and delivery against our Strategic plan

Position Criteo For Sustainable Growth Building On Strengths In Commerce Media

Further Questions? Please Contact Investor Relations at IR@criteo.com



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Appendix

Case Studies



U.S. Pure Play Ecommerce Retailer For Pets

Challenge

Drive new sales to capitalize on booming ecommerce & lockdown-related new pet owners

Criteo Solution

Audience Targeting on new buyers

Customer Acquisition

✓ **+500% YoY**

Revenue attributable to Criteo



Leading French Ecommerce Retailer

Challenge

Build awareness for launch of new travel service

Criteo Solution

Audience Targeting of Travel Intent

Video ads

Open Internet Premium Publishers

✓ **+30% Awareness uplift**
drove **strong traffic** on new Travel service

Case Studies



U.S. Beauty Retailer

Challenge

Enable brands to influence product placements
 Create incremental profit stream from traffic
 Ensure native and complementary ad experience

Criteo Solution

Retail Media Platform to enable brands to buy Sponsored Product ads

Retail Media experts onboarding beauty advertisers via commerce-native ads

✓ \$5M+ brand spend

✓ +750% YoY



U.S. Grocery Delivery Service

Challenge

Develop monetization strategy to capitalize on CPG ad dollars shifting to retail media as consumers buy more CPG online due to COVID

Criteo Solution

Brands enabled to buy Sponsor Product ads on retailer site

Retailer sales team enabled to grow Retail Media offering

✓ \$8.5M+ brand spend

✓ +150% YoY

Differentiated Assets Uniquely Position Us for Success In Commerce Media



Commerce Data

Shopper Graph aggregates \$2.5B daily online sales across 4B product SKUs

ID Graph with matched non-cookie identifiers for over 2.5B users globally



Reach

Exclusive access to large **retailers'** **on-site inventory and 1st-party data**

Preferred access to **5,000 premium publishers** on Open Internet



Retail Media

Unique opportunities for brands to advertise on retailers' on-site media

Profitable **revenue generation for large retailers**

Industry first self-service transparent Retail Media Platform



Insights & Measurement

Ability to **measure against product sales at Product SKU level**

Commerce Insights to bring together organic shopping data with paid media metrics



Global Presence & Financial Profile

21,000+ clients across **100+ markets** worldwide

Solid **margin and cash flow generation** with strong **Balance Sheet**

Direct Relationships With Many Premium Brand And Retailer Clients

DIAGEO



P&G

NEW LOOK



ROCKPORT®



Soft Surroundings



THRIVE
- MARKET -

We Are A Global Company



Campaigns in **100+** countries
28 offices in **19** countries
80+ nationalities

Estimated COVID-19 Impact By Vertical

<i>Revenue ex-TAC in \$m</i>	Q1'20	Q2'20	Q3'20	Q4'20	FY 2020
Retail	-3	-2	-3	-3	-11
Travel	-4	-21	-20	-17	-62
Classifieds	-3	-19	-10	-7	-39
Retail Media	0	+4	0	0	+4
TOTAL	-10	-37	-33	-26	-106

Overall Retail impact relates to impact from bankrupt customers, curtailment of a Korean ecommerce marketplace and positive impact of \$4M for Retail Media in Q2

Revenue ex-TAC Reconciliation

\$ in millions	Q4'20*	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19
Revenue	661.3	470.3	437.6	503.4	652.6	522.6	528.1	558.1
Less: Traffic acquisition costs	408.1	284.4	257.7	297.4	386.4	301.9	304.2	322.4
Revenue ex-TAC	253.2	185.9	179.9	206.0	266.3	220.7	223.9	235.7

\$ in millions	2020*	2019
Revenue	2,072.6	2,261.5
Less: Traffic acquisition costs	1,247.6	1,314.9
Revenue ex-TAC	825.0	946.6

* Unaudited

Adjusted EBITDA Reconciliation

\$ in millions	Q4'20*	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19	2020*	2019
Net income	46.8	5.3	6.2	16.4	41.5	20.6	12.5	21.4	74.7	96.0
Adjustments:										
Financial expense	0.1	0.5	1.0	0.3	1.5	0.9	1.4	2.0	1.9	5.7
Provision for income taxes	20.3	2.3	2.6	7.0	15.9	7.9	5.7	10.0	32.2	39.5
Equity awards compensation expense	9.0	6.8	7.2	8.5	9.1	11.7	14.4	13.9	31.4	49.1
Pension service costs	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	2.2	1.6
Depreciation and amortization expense	22.1	21.8	20.2	24.1	30.5	22.4	21.3	19.3	88.2	93.5
Acquisition-related costs	0.2	0.1	-	-	-	-	-	-	0.3	-
Restructuring-related & transformation costs	4.4	12.2	1.2	2.2	10.7	0.3	0.7	1.9	20.0	13.6
Total net adjustments	56.6	44.2	32.8	42.8	68.0	43.7	43.9	47.5	176.3	203.0
Adjusted EBITDA	103.4	49.5	38.9	59.2	109.5	64.2	56.4	68.9	251.0	299.0

* Unaudited

Free Cash Flow Reconciliation

(\$ in millions)	2020*	2019
CASH FROM OPERATING ACTIVITIES	185.4	222.8
Acquisition of intangible assets, property, plant and equipment	(67.3)	(82.7)
Change in accounts payable related to intangible assets, property, plant and equipment	1.8	(15.2)
FREE CASH FLOW	119.9	124.9

* Unaudited

Foreign Exchange Impact on Actual Results and Guidance

Q4 2020 Actual

<i>USD million</i>	@ Q4 2019 FX	FX impact	Actual	@ Q4 2020 guidance FX	FX impact	Actual
Revenue ex-TAC	\$ 249.5	\$ 3.6	\$ 253.2	\$ 249.5	\$ 3.7	\$ 253.2

Q1 2021 Guidance

<i>USD million</i>	@ Q1 2020 FX	FX impact	Guidance Midpoint*
Revenue ex-TAC	\$ 197.4	\$ 2.6	\$ 200.0

FY 2021 Guidance

<i>USD million</i>	@ FY 2020 FX	FX impact	Guidance Midpoint*, **
Revenue ex-TAC	\$ 849.8	\$ 2.2	\$ 852.0

* Based on FX assumptions for Q1 2021 and Fiscal Year 2021 published in the Feb 10, 2021 earnings release

** Illustrative of 2021 Revenue ex-TAC guidance of "targeting low to mid-single growth at constant currency"

Q1 IR Events

EARNINGS

- Feb 10 Q4 & FY 2020 Virtual earnings call (before market) **CEO, CFO, CPO**

ROADSHOWS

- Feb 12 *Virtual "US" roadshow with JP Morgan* **CEO & CFO**
- Feb 16 *Virtual "Paris" roadshow with Berenberg* **CEO & CFO**
- Feb 17 *Virtual "London" roadshow with Arete Research* **CEO & CFO**

CONFERENCES & EVENTS (All virtual)

- Feb 11 Goldman Sachs Tech & Internet Conference **CEO**
- March 1 Morgan Stanley Technology Conference **CEO**
- March 9 Truist Technology, Internet & Services Conference **CEO**

More to come...