



# Criteo Retail Media 101

April/May 2020



# Safe harbor statement

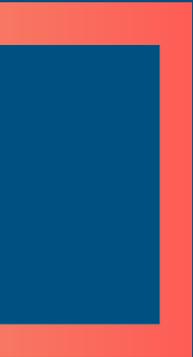
This presentation contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, projections, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition and other actions by our counterparties. 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.



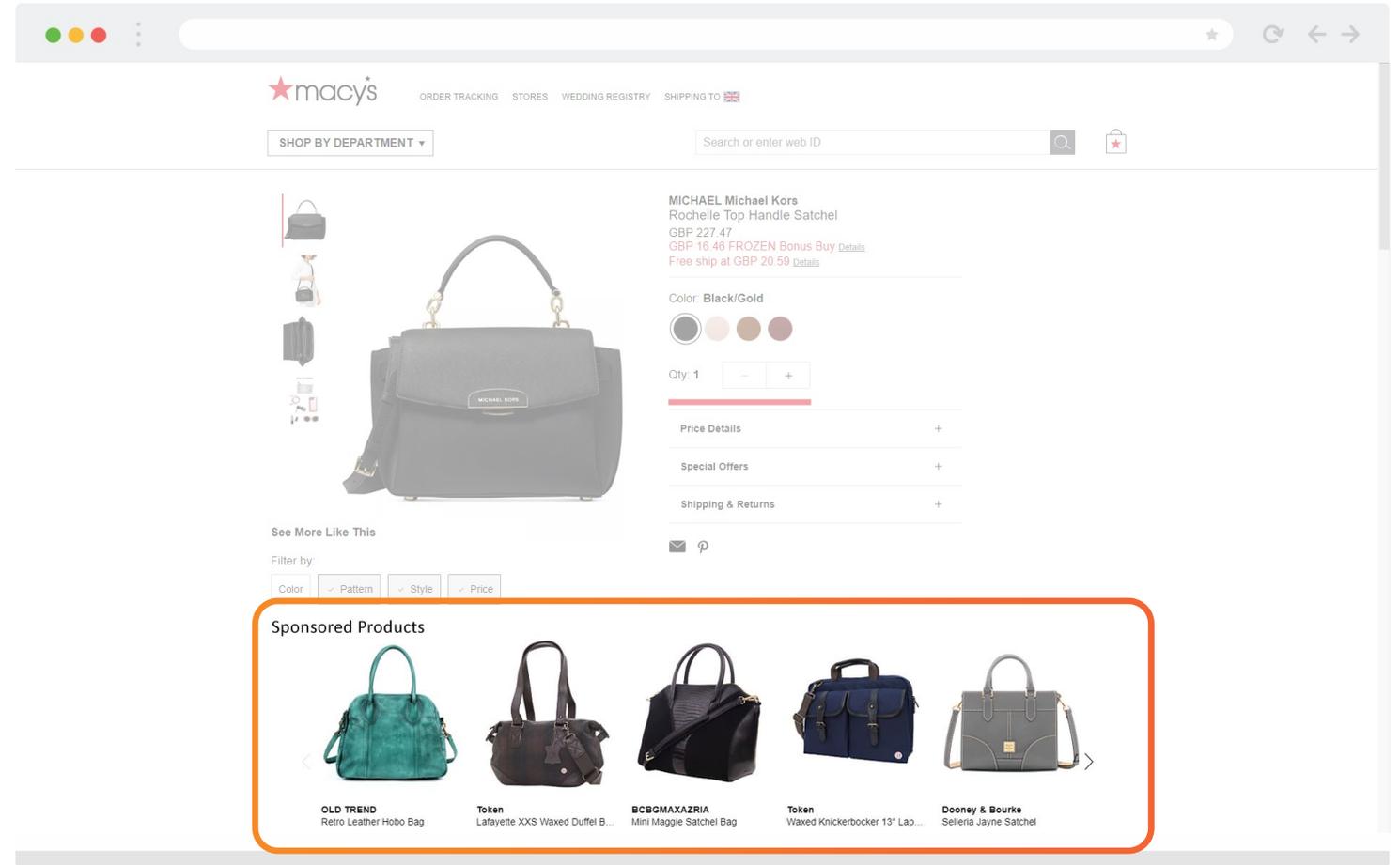
# Criteo Retail Media Vision



To be the technology platform  
that powers the most efficient and  
measurable retail media  
ecosystem for the world's leading  
retailers and brands

# What is Retail Media?

Retail Media is the placement of brand advertisements within the ecommerce sites and mobile applications of retailers.



# Retail Media is generating buzz as retailers evolve into media companies

MARKETING DRIVE



Walmart debuts self-service ad platform, enhanced targeting tools

FORBES

Forbes

Target Media Network takes a new and dynamic 'Brand Stand'

TECHCRUNCH



Target ups its ad efforts with revamped media company, Roundel

MEDIAPOST COMMUNICATIONS



Target Media Network rebrands as Roundel

ADAGE.COM



Walmart leverages offline data in its latest bid to take on Amazon

DIGIDAY



Best Buy touts first-party data capabilities as it looks to build its media business

**‘Every U.S. retailer with significant site traffic will attempt to become a media platform. Forrester sees a growing trend: Amazon pulled in over \$10 billion in advertising revenue in 2018, which woke up other retailers who have traditionally competed against Amazon.’**

**Forrester, Predictions 2020:  
Media; October 29, 2019**

# Concerns over a retail apocalypse are everywhere



Retailers face strong challenges from Amazon pricing pressures and new direct-to-consumer brands.

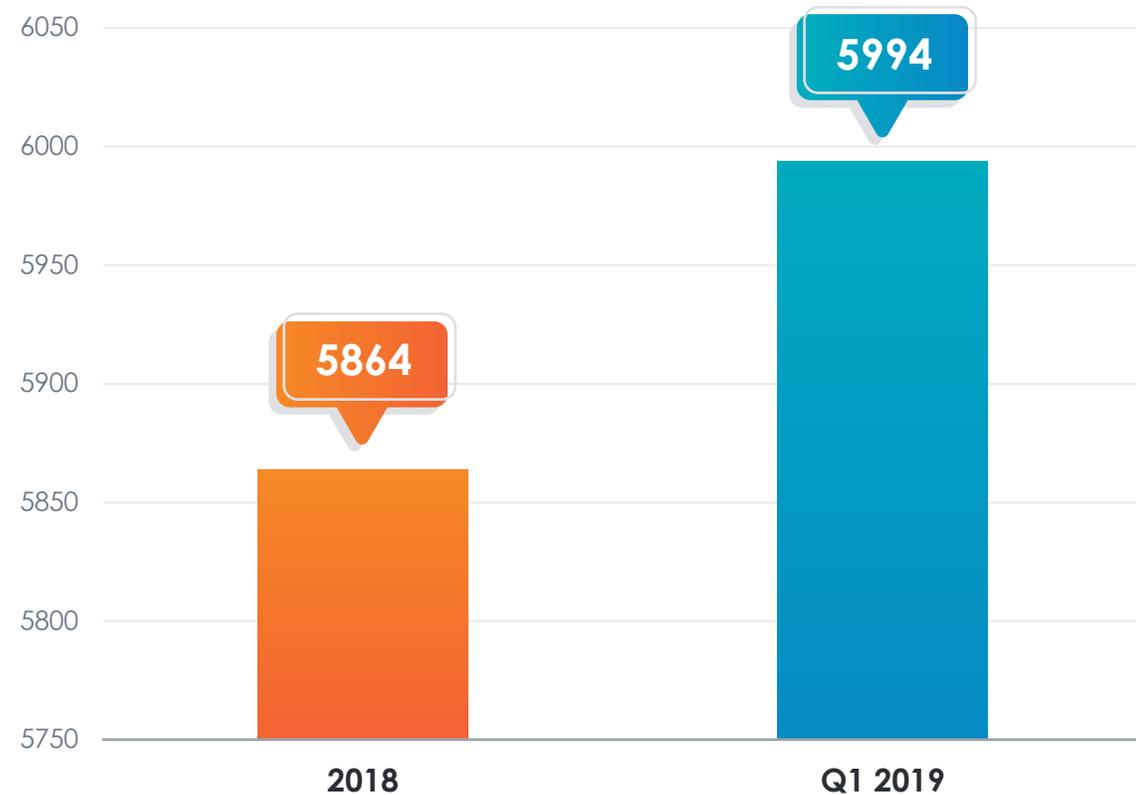


Store closures in Q1 2019 outpaced closures from all of 2018.



Household names like Nine West, ToysRUs, and Debenhams have gone bankrupt.

## Store Closings - US



# But the retail reality is more mixed...retailers are fighting back



## New store formats

Smaller stores for urban neighborhoods and college towns.



## New omnichannel strategies

Enabling consumers to shop online or via app and pick up in store.



Major retailers building media businesses with revenue of:

**Up to \$10B+**

## New revenue sources

Embracing retail media to improve margins.

# Why Retail Media?



## Retailers

**Retailers** need to develop media businesses to support margins in an increasingly competitive ecommerce market.



## Brands & Agencies

**Brand manufacturers** need to reach shoppers at the digital point of sale and measure campaigns against product sales.

# Clear benefits for retailers and brands

## Retailers

- **One platform** for all ad formats and demand sources reduces operational and tech management complexity
- **Programmatic architecture** enables self-service for brands/agencies
- **Holistic yield management** to optimize revenue for every impression
- **Built-for-retail features** that fit seamlessly into the shopper experience

## Brands

- **Measurement.** SKU-level on individual retailer online and offline sales
- **Targeting.** Transparent, deterministic retailer intent and purchase data
- **Inventory.** Unique retailer ad inventory for brands to reach shoppers closest to the point of purchase
- **Easy to buy.** Programmatic architecture and API connections for brands to buy via their preferred User Interface (UI).

# It is a win win win

## Retailers

## Brands

## Consumers

- New, high-margin revenue stream
- Deeper relationships with brand manufacturers

- Ads accountable to sales results
- Access to unique data and inventory

- Relevant shopper experiences
  - Helpful, not disruptive, ads
- More access to products they love

# Why do leading retailers partner with Criteo Retail Media ?



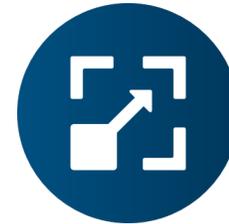
## Technology designed for the shopper experience

Brands and products show where they would organically appear



## Proven

Manages Billions of impressions and hundreds-of-millions of product sales



## Removes friction for brands to buy

Self-service capability for brands who desire flexibility and scale



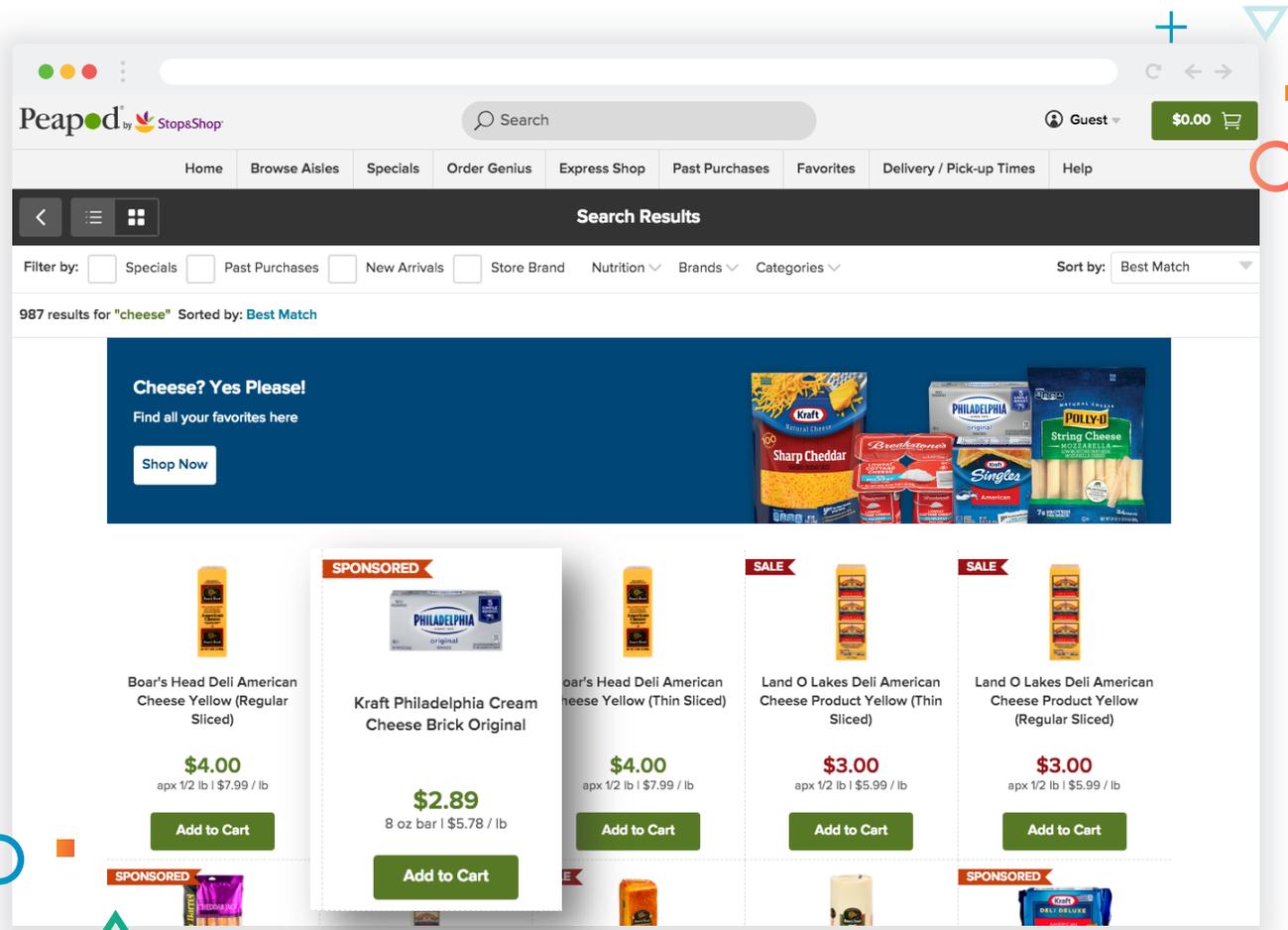
## Fast to market

Integrate in two weeks via Criteo OneTag javascript

# Criteo Retail Media powers the largest retail media ecosystem outside of Amazon

# We launched Criteo Sponsored Products in 2016



- Similar to paid search, but on retailer sites and apps
- Brands bid to place their products within retailer search results and on other ecommerce pages
- Brands pay on cost-per-click (CPC) basis
- Brands get reporting on product, brand, and category sales
- Criteo AI optimizes campaign to maximize product sales and return on ad spend

# How does it work? Criteo Sponsored Product



The shopper searches or browses a product category on a retailer's website



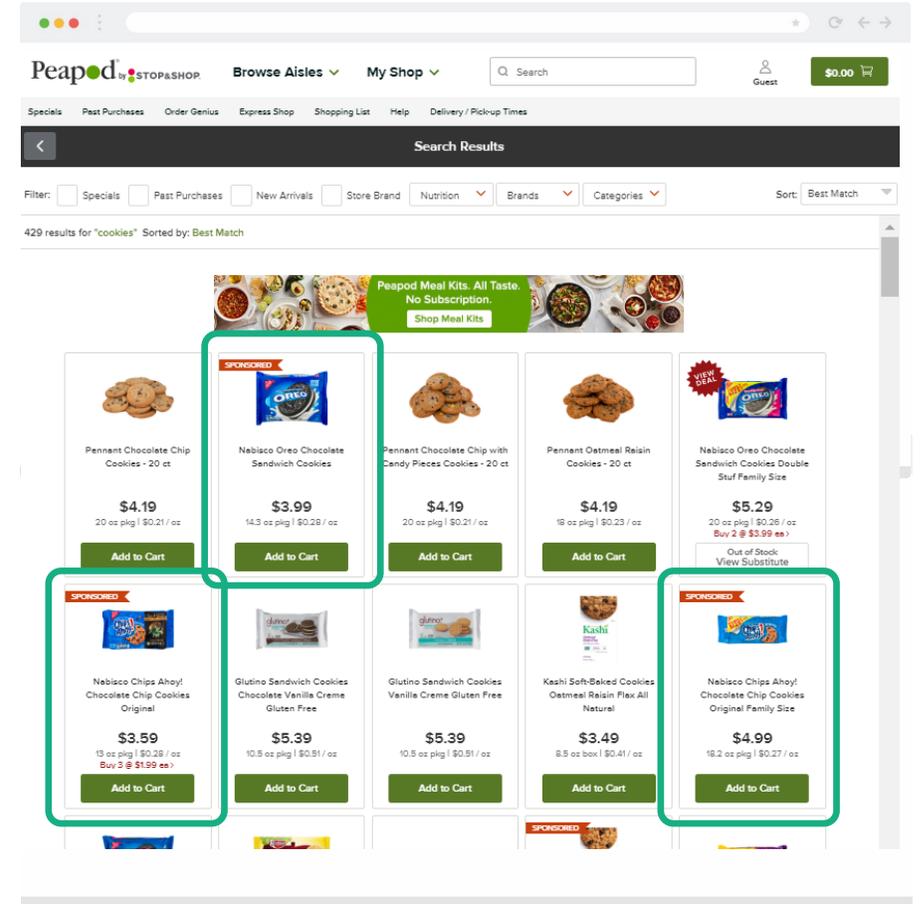
Criteo's algorithm determines best SKU to serve in the sponsored ad



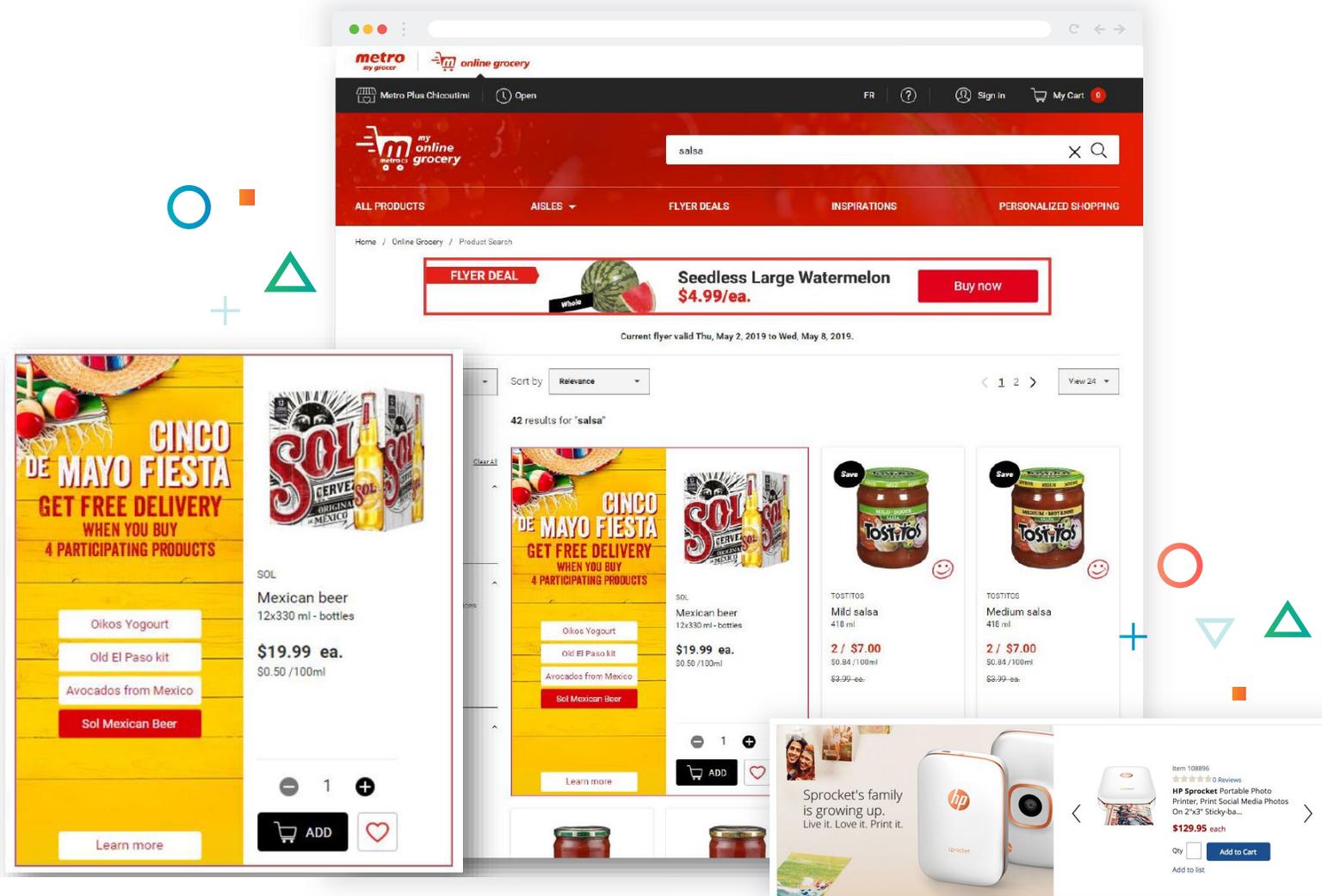
The shopper clicks and is taken through to the product detail page for **purchase**

## Shopper Experience:

Customers interact with boosted products seamlessly as if they were on a usual shopping journey. The ads boost relevant products to shoppers (depending on the site placement) – which may otherwise be buried in the product matrix.



# In 2018, we introduced Criteo Commerce Display



- Guaranteed display media – native and banner formats
- Manual, flexible, audience-based campaign management
- Brands pay on CPM basis
- Brands get reporting on product, brand, and category sales

# How does it work? Criteo Commerce Display



The brand chooses an audience to target, based on a retailer's real-time and historical data



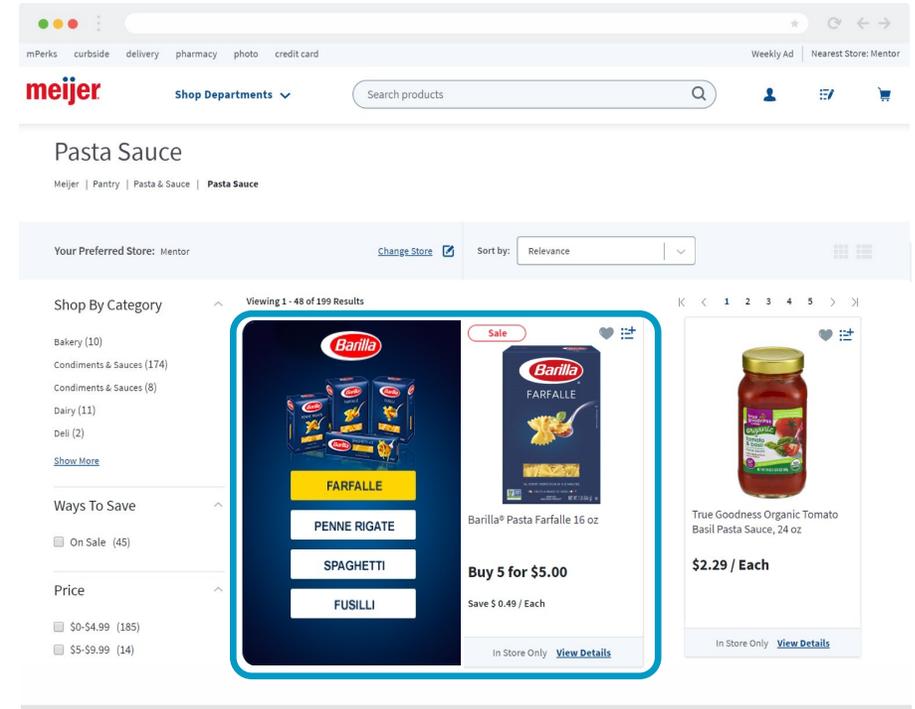
Criteo delivers the rich media ads on the retailer's pages



The shopper directly **engages** with the ad: product view, add-to-cart, clicks

## Shopper Experience:

The customer sees products accompanied by a brand creative component; it expands their consideration set. They can easily add products to their cart or click through the SKU.



# The new Criteo Retail Media Platform – launching Q2 2020 – provides one platform for the open retail media ecosystem

## Full Programmatic Transaction



# New platform delivers transparency, flexibility, and control for brands and retailers



One platform for brands and agencies to access inventory across multiple retailers



Sponsored products + display capabilities



CPC and CPM-based pricing models



Flexible targeting options: AI-based optimization plus audience and keyword targeting



New ad formats and creative capabilities – native display, IAB standard display, video



Flexible reporting and attribution ties ads to SKU-level product sales

# Self Service for Brands: Enterprise-grade platform for buying across retailers

The screenshot shows the Criteo Demand platform interface for an "Auction Ads - Seasonal Campaign". The top navigation bar includes the Criteo logo, "DEMAND", "Campaigns", "Analytics", and "Costco Retail Media Account". The main content area is titled "Select Products" and features a search bar with filters for Brand (Citizen), Category (3 Selected), and Price (Any). Below the search bar, there are search results for two Citizen watches. The interface includes a progress bar with four steps: Line Item Settings, Select Products (current), Bid, and Review. At the bottom, there are buttons for "Exit", "Save & Exit", and "Save & Continue".

**Search Account Catalog** Find matches by product IDs

Brand: Citizen | Category: 3 Selected | Price: Any | Search

**Search Results: 13** Products Selected: 0

	Select All Results	Select All on Page	Deselect All
 Citizen Eco-Drive Stainless Steel Ladies Watch Brand: Citizen   In Stock   UPC:   MPN:   Price: \$169.99			<input type="checkbox"/>
 Citizen Eco-Drive Multi-Function Stainless Steel Men's Watch Brand: Citizen   In Stock   UPC:   MPN:   Price: \$179.99			<input type="checkbox"/>

Exit | Save & Exit | Save & Continue

# Inventory Control: Brands select where to run their campaign

criteo. DEMAND ▾ Campaigns Analytics Costco Retail Media Account

## Create Line Item

1 Line Item Settings 2 Select Products 3 Bid 4 Review

### General Settings

Line Item Name

Retailer  
 Select the retailer you want your ads to serve on.

- Costco
- Peapod
- Shipt
- Target

End Date  
 No end date  
 Specific end date

Choose a start and end date for your line item. An end date is optional.

# Creative and targeting flexibility: Brands can apply different tactics across the shopper journey

The screenshot shows the Costco Wholesale website. At the top, there's a navigation bar with the Costco logo, search bar, and links for 'View Warehouse Savings', 'Find a Warehouse', 'Get Email Offers', 'Customer Service', and 'US'. Below this is a secondary navigation bar with 'Shop All Departments', 'Grocery', 'Business Delivery', 'Optical', 'Pharmacy', 'Services', 'Photo', 'Travel', 'Membership', and 'Locations'. The main content area features a large 'ONLINE-ONLY HOT BUYS' banner with a red 'ENDS TODAY, 4/25/19!' tag. The banner includes images of a house, a juicer, a facial care kit, and a Vizio TV, with price tags like '\$100 OFF' and '\$949.99'. Below the banner is a Samsung QLED TV product page showing a 82" 4K UHD QLED LCD TV for \$4,499.99. To the left, a smaller screenshot shows a product listing for 'Bath & Facial Tissue' with various brands like Kleenex, Scott, and Marathon, including filters for price and color.

The screenshot shows a mobile app interface for Costco Wholesale. At the top, there's a search bar and navigation icons for 'Warehouses', 'My Account', and 'Cart'. Below this is a 'Shop' button and a search bar. The main content area shows a 'Personal Care' category with a 'Delivery ZIP Code: 10024 Change' link. A featured product is a Philips Sonicare DiamondClean toothbrush, described as a 'Member Only Item' with 'More Colors Available'. The product is priced at '\$10 OFF' and has a 5-star rating. The interface includes a bottom navigation bar with arrows and a cart icon.

# Flexible Reporting: Brands can choose their attribution window

The screenshot displays the Criteo Campaign Settings interface. The top navigation bar includes the Criteo logo, 'DEMAND', 'Campaigns', and 'Analytics' tabs, along with a search icon and the name 'Mattel'. The left sidebar shows a 'Back to Campaigns' link and a list of campaign details for '1911\_Costco\_Phillips\_Sonicare-Holiday-Lockout', including Type (Auction Ads), Funds (\$100,000), Budget (\$10,000), and Status (Active). The main content area is titled 'Campaign Settings' and is divided into several sections: 'Campaign Name' (1911\_Costco\_Phillips\_Sonicare-Holiday-Lockout), 'Campaign Budget' (Remaining Budget: \$10,000.00), 'Brands' (a list with a '+ Brand' button and items: Phillips, Soniccare, OneBlade, PowerPro), and 'Advanced Settings' (Attribution Profile: Post Click: 30 Days, Post View: 14 Days).

**Campaign Settings**

**Campaign Name**

Name: 1911\_Costco\_Phillips\_Sonicare-Holiday-Lockout

**Campaign Budget**

Remaining Budget: \$10,000.00

Budget History: [View](#)

**Brands**

+ Brand

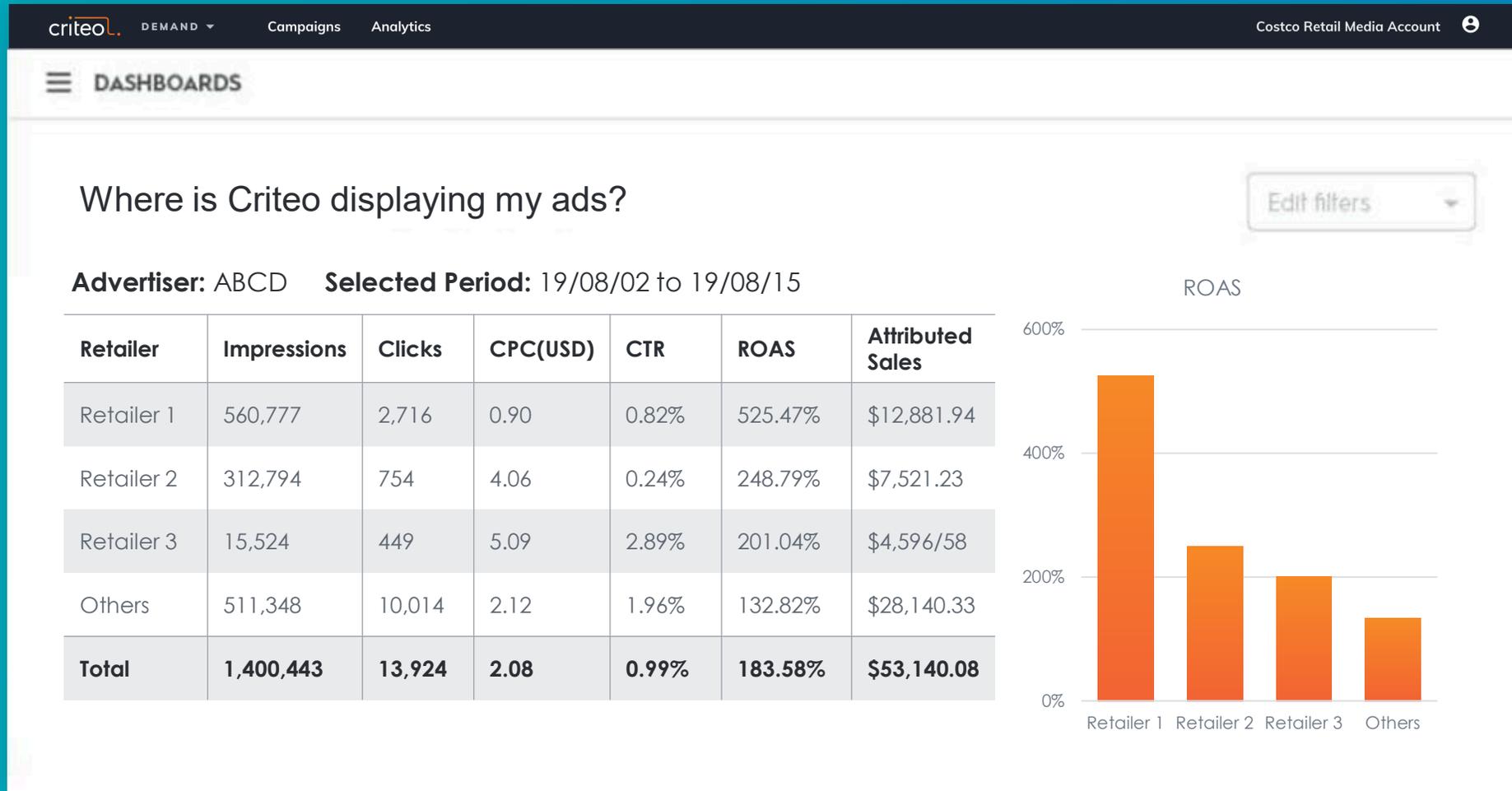
Brand
Phillips
Soniccare
OneBlade
PowerPro

4/30 (Max)

**Advanced Settings**

Attribution Profile: Post Click: 30 Days Post View: 14 Days

# Transparency in reporting: Brands know where money is going and where they are driving performance



# Making our fees more transparent for Brands and Retailers

## Ad Server/SSP Fees

Fees charged to retailers for use of our tech to serve ads on their sites/apps

## DSP Fees

Fees charged to brands and agencies for using our technology to buy and manage retail media campaigns

## Managed-Service Fees

Fees charged, incremental to tech fees, for creating and optimizing campaigns on behalf of brands.

## So what does Retail Media mean for Criteo?



**Attracts  
New Brand and  
Agency Customers**



**Not Reliant On  
Third-Party  
Cookies**



**Relevant and  
Accountable  
Advertising**



**Opportunity for  
SaaS Model**



# Questions?

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