



Q1 2020 Financial Results

Investor Presentation

May 2020

criteol.

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.

Investment thesis



Compelling Mission

Power the world's marketers with trusted and impactful advertising



Large market

\$47B market opportunity across the open Internet



Competitive moats

Shopper Data
Unmatched ID Graph
AI Technology
Large client base
Broad consumer reach



Proven track-record

Close to 90% client retention for all solutions combined



Attractive financial profile

High profitability
Strong balance sheet, cash flow and financial liquidity

A green square graphic with a white square inside, located on the left side of the slide.

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

20,400+ advertisers

Incl. **1,000+** brands

4,600+ direct publishers



Data & Reach

Well over 2B users
in ID Graph



Technology

14 years of AI Tech expertise

1,300B+ ads served in 2019



Financial Model

Profitable, with ability to invest

Cash generative

Solid financial **liquidity**



Talent

2,700+ employees

630 in R&D

Direct relationships with many premium commerce and brand clients

DIAGEO



P&G

NEW LOOK



ROCKPORT®

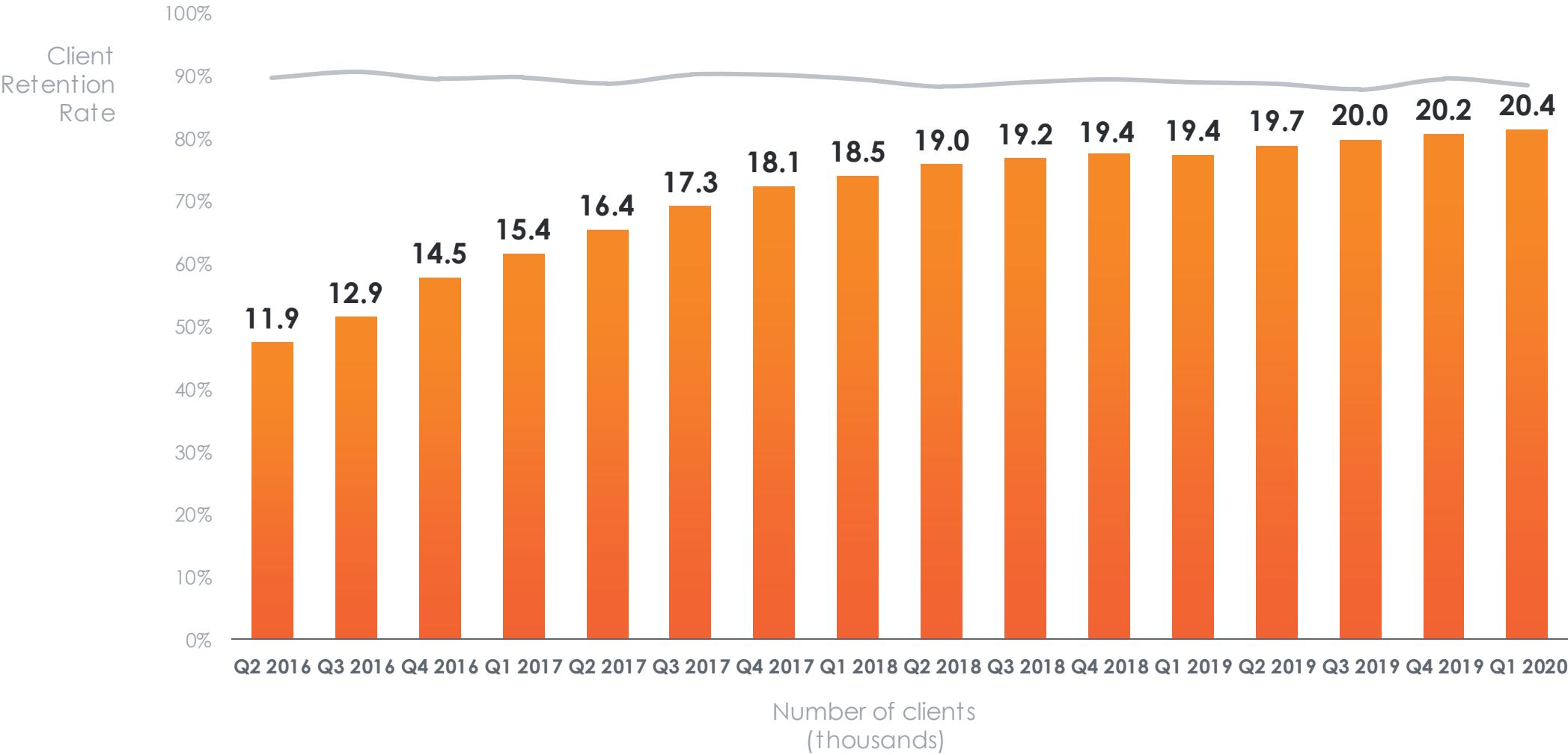


Soft Surroundings



THRIVE
- MARKET -

We maintain high retention across our large client base



Extensive supply partnerships ensure broad audience access

Direct partnerships

4,600 Premium publishers

Exchange partners

Long-tail & emerging formats

Closed environments

Long-tail & emerging formats

Flexible buying technology: RTB/S2S, Criteo direct bidder, SDK, API

Any relevant creative formats/environment: IAB, Native, In-App, Video, Google AMP



Los Angeles Times



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

A Unique Understanding of the Customer Journey

Exclusive Shopping Intent Data

Identity Graph

Stitches together device IDs across billions of user timelines

Well over 2B users in ID graph, matched cross-device and same device

Deterministic Foundation
60% match rate

criteo.
**Shopper
Graph**

Intent Map

Finds patterns of behavior & listens to signals of intent

13B+ advertiser & publisher events captured

120+ intent signals per shopper

Criteo Identity Graph

Stitches together device identifiers across billions of user timelines

Criteo's Advantages

~75% of clients participate

Well over 2B users in ID Graph

Global Coverage

Persistent

96% of Criteo IDs also contain long-term identifiers such as hashed emails or app identifiers besides cookies

Open, transparent, secure, fair

Encrypted and double-hashed personal identifiable information (PII)

Access at no additional cost

Participation

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



Criteo Intent Map

Finds patterns of behavior and listens to signals of intent

Criteo's Advantages

Access to **10B+** products

Large consumer reach **worldwide**

Understand performance of
product attributes

120+ shopping intent signals
evaluated per shopper

21B product interactions per month

600TB daily shopper data

Open, transparent, secure, fair

Data isolated unless opt-in

All data anonymized

No free riders

Contribution capped at 15% of pool

Access at no additional cost

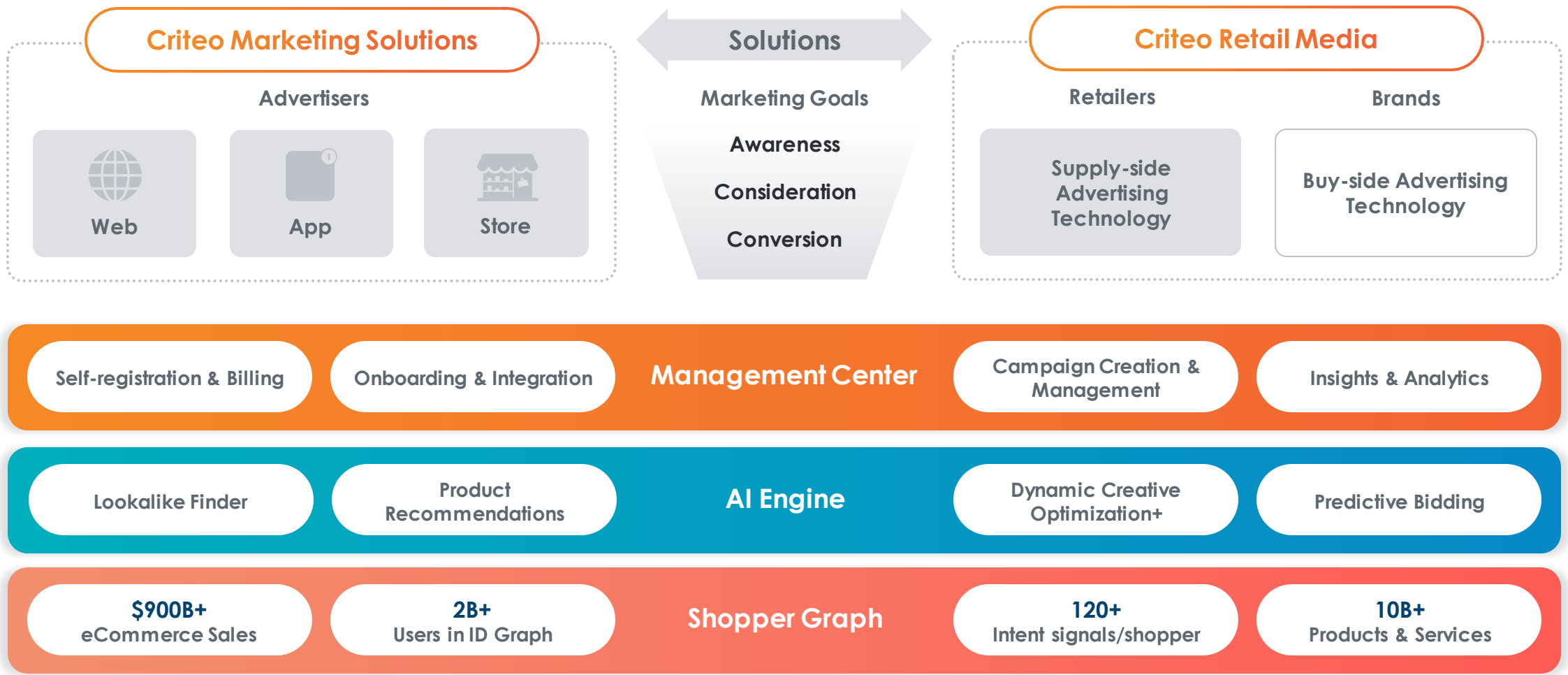
Participation

Opt-in to share anonymized data

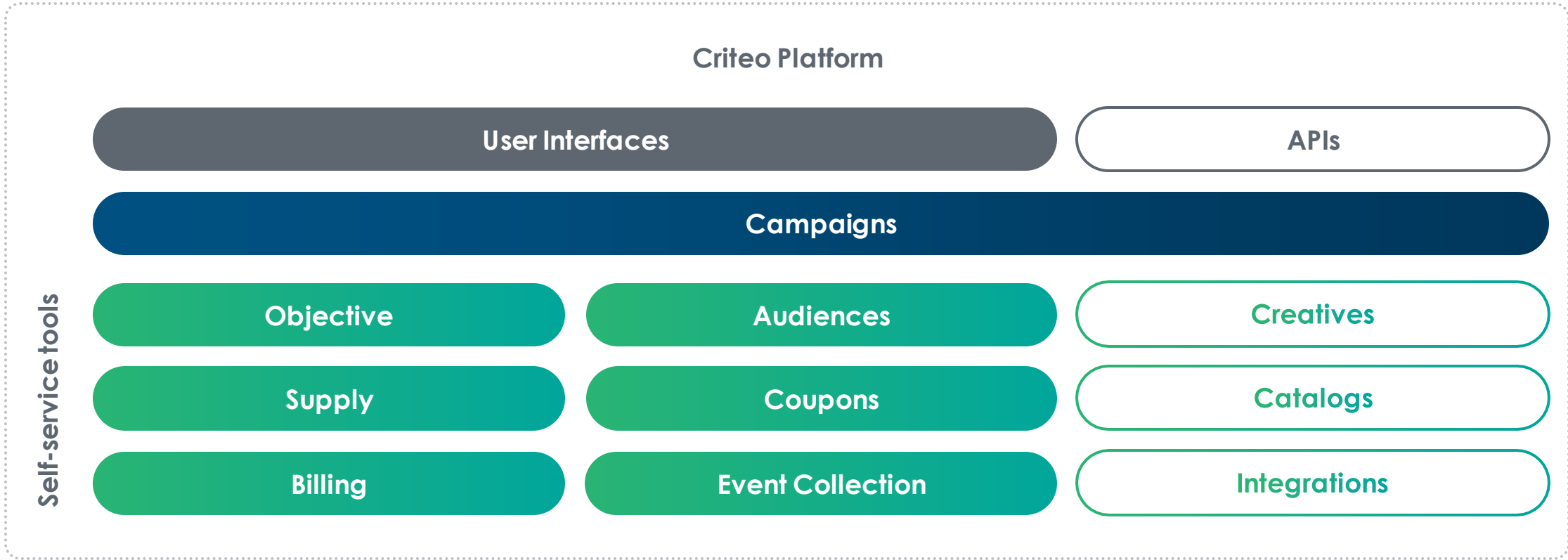
Opt-out to use client data only



Criteo Platform



Criteo Management Center



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



Criteo Executive Leadership Team



Megan Clarken
CEO



Dave Anderson
Interim CFO



David Fox
Chief Development
Officer & Acting Chief
Commercial Officer



Geoffroy Martin
EVP and GM,
Growth
Portfolio



Diarmuid Gill
Chief Technology
Officer



Ryan Damon
General
Counsel



Denis Collin
EVP, People



Thomas Jeanjean
Chief Transformation
Officer

Our strategic pillars drive our 2020 execution roadmap

1



**Strengthen
the Core**

2



**Expand Product
Portfolio**

3



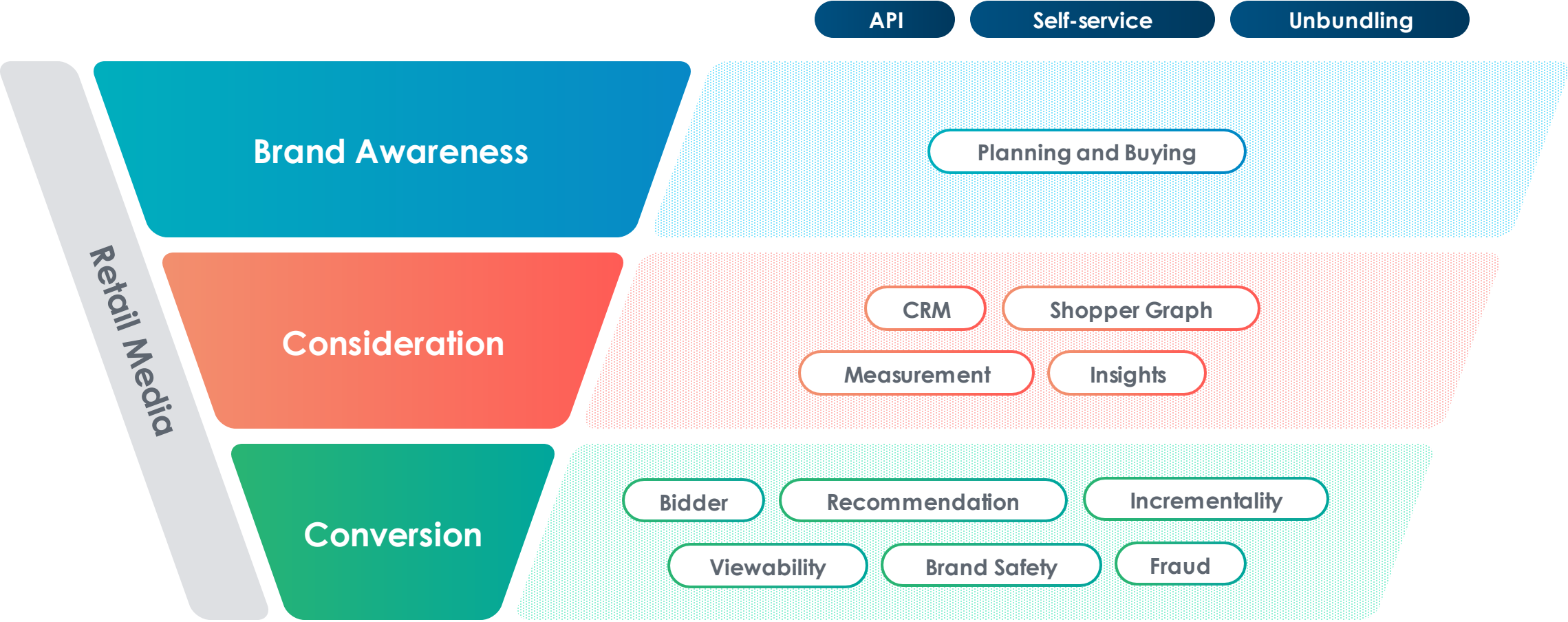
**Explore Strategic
Game Changers**

4



**Drive Tech &
Operations Excellence**

Product Strategy



Criteo has a clear and strong position on online identification

Since inception, we've had **strong convictions** on identification and privacy, about what's right for the user and where we think the industry should be heading.

1

Users' control over their ad experience creates **trust**

2

User-personalized ads provide multiple benefits **when it's done right**

3

Browsers and devices should not control user data portability - **users should.**

Criteo's trusted and impactful advertising builds on five key assets for online identification

1

Privacy by
design
approach

2

Large
first-party
footprint

3

Unrivalled
Identity
Graph

4

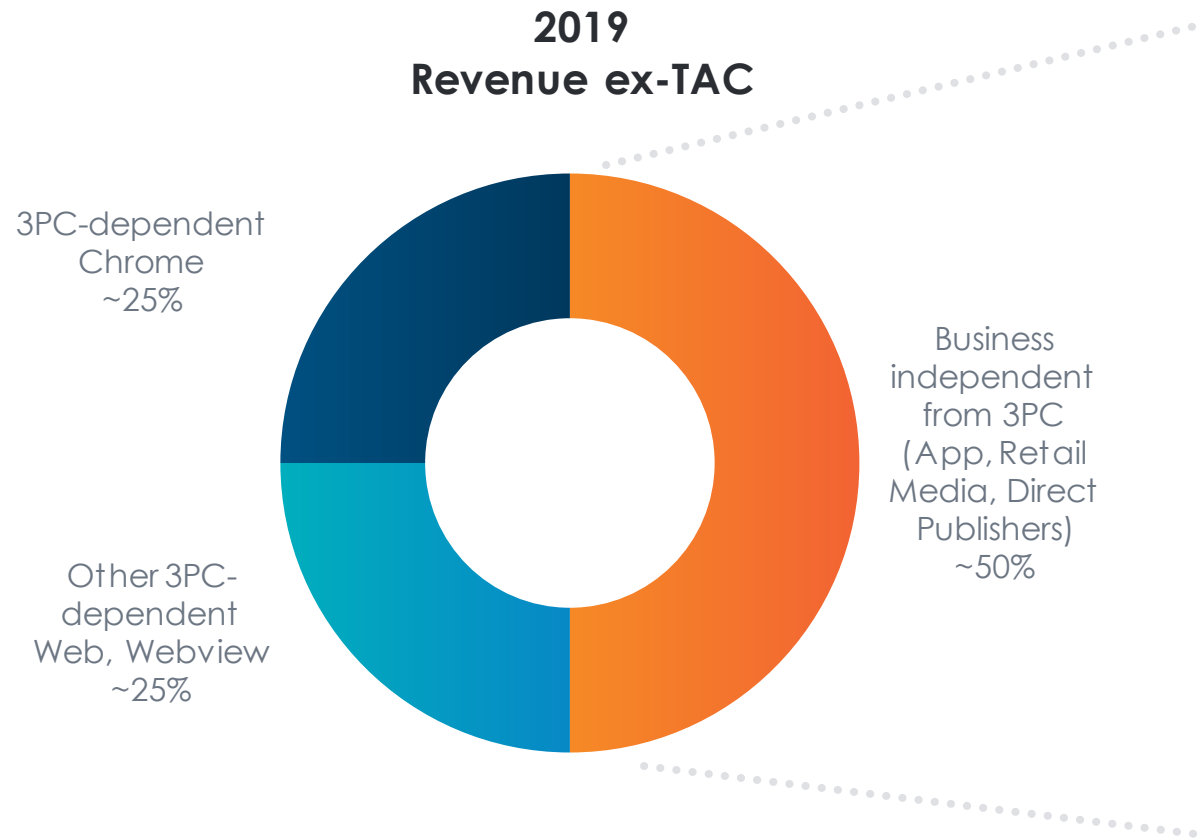
Exposure to
cookie-less
environments

5

World-class
technology
& R&D

Half of our business does not rely on third-party cookies

Our goal is to become **100% independent**



- Advertising in app uses **app identifiers**, not cookies
“App” includes “Web-to-App”, which uses **web demand**, i.e. shopping intent captured on advertisers’ websites (where we access **1P cookies**) to buy **app inventory**
- Retail Media only uses **1P cookies** and contextual data
- Criteo Direct Bidder gives us direct access to supply, i.e. **first-party inventory**

Our online identification strategy has four complementary layers



**First-party
footprint**



**Consumer data
& ID Graph**



**Product
portfolio**



**Industry
leadership**

First-party footprint



As a **trusted partner**, we are integrated into all our advertisers' and direct publishers' websites

We have a **privileged position** to embed ourselves into their workflow

This means that large amounts of our data are **first party** and provide us the means to create identification solutions for our clients, including for user-personalized advertising

We grow our first-party data footprint through

- More **direct publisher integrations** on both web and app
- Onboarding **first-party identifiers** (like hashed emails) from our advertisers and publishers



Daily **Mail**.com



The Telegraph

Voodoo

Consumer data & Identity Graph



Criteo Shopper Graph contains more than **2 billion+ users** matched across multiple identifiers

96% of identities include **non-cookie identifiers**

We enrich the Criteo Shopper Graph to ensure it becomes even less cookie-dependent over time, through

- Additional **persistent identifiers**
- New identification capabilities through trusted **partnerships**



Product Portfolio



We have **diversified** our solutions over the past years

We operate using multiple **cookie-less solutions** to personalize ads in Criteo's App and Retail Media businesses

Our **full-stack DSP** product strategy reduces our cookie exposure along two dimensions

- Going **upper-funnel**
- Broadening **consumer reach** across multiple non-cookie channels

Going "**upper- funnel**" means
less reliance on individual identifiers



Broadening consumer reach in **apps, video and CTV** means
either non-cookie environments or reduced cookie exposure overall

What this mean for our product roadmap

- Grow **audience-based targeting**
(e.g. with our Consideration solutions)
- Expand **contextual** advertising capabilities
- Adapt **measurement** to non-cookie environments

Industry leadership



Criteo is **the largest independent ad tech** company in the world

We are in a strong position to partner with other players, trade associations, and regulators to help define **new industry standards** for privacy-first, personalized advertising

Criteo subscribes to W3C influence groups

- Privacy Community Group
- Improving Web Advertising Business Group



With a focus on driving **privacy, control and transparency**, we continue to make sure digital advertising funds the open Internet, keeping services free to users and empowering them to choose their browsing experience

Industry Leadership: Investing in Best Practices

Criteo has an extensive number of certifications that are reviewed annually by governing and standards bodies, and supports initiatives that deliver greater transparency and control to users. We were early adopters of the following:



We plan to build internally and to partner

Audiences



Measurement



eCommerce Platforms



Feed Management



Tag Management



Supply Quality



Offline



Key Figures – Q1 2020

Revenue ex-TAC

\$206 Million

Adj. EBITDA

\$59 Million

Free Cash Flow

\$45 Million



20,400+ Clients with retention at close to **90%** for all solutions combined



4,600+ Direct publishers in web and apps, deployed with Criteo Direct Bidder



2,700+ Criteo employees across **29** offices in **19** countries

Revenue ex-TAC from **new solutions** represented **13%** of total Revenue ex-TAC in Q1, growing **49%** yoy.

Covid-19 impacted Q1 2020 Revenue ex-TAC by \$10 million

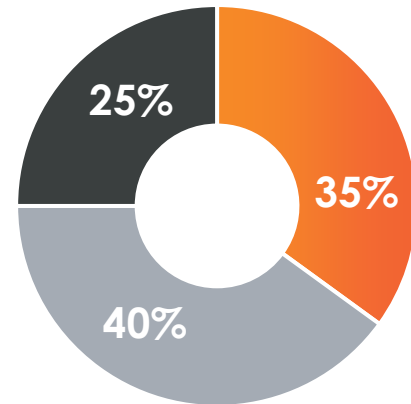
We started feeling the COVID-19 impact from mid-February on

	<u>Reported number</u>	<u>YoY decline at CC</u>	<u>COVID impact</u>
Revenue ex-TAC (RexT)	\$ 206M	-11%	4 points*
Retargeting RexT		-16%	5 points*
Same client RexT		-9%	5 points*
RexT Americas	\$ 72M	-16%	\$3M
RexT EMEA	\$ 82M	-9%	\$5M
RexT APAC	\$ 53M	-7%	\$2M

* Points of year-over-year growth

Regional performance – Q1 2020

Q1 2020 Revenue ex-TAC Mix by Region



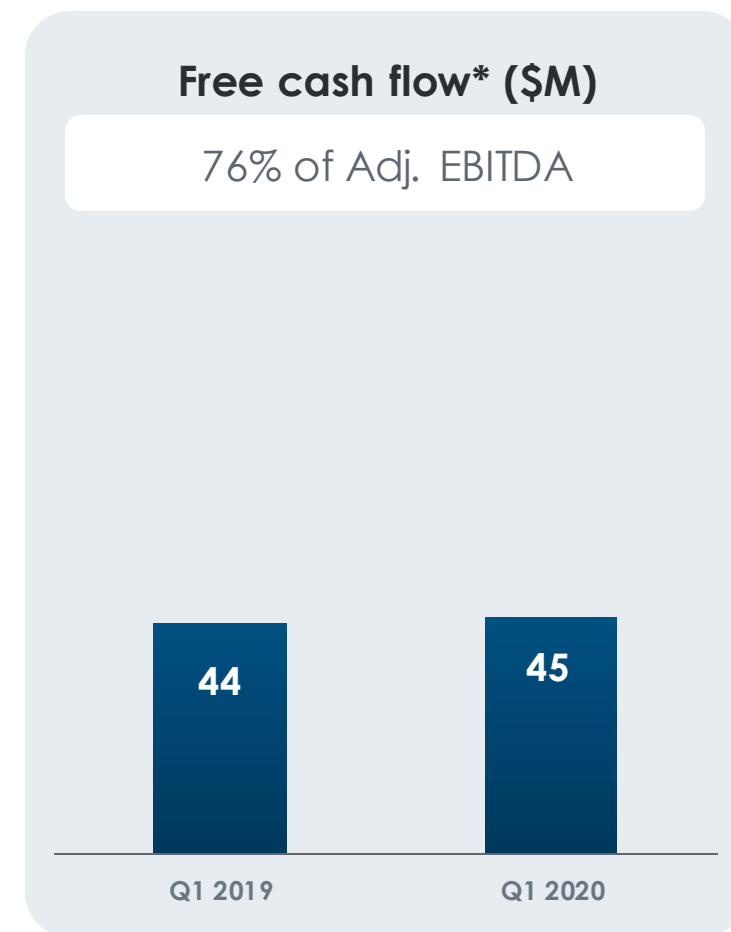
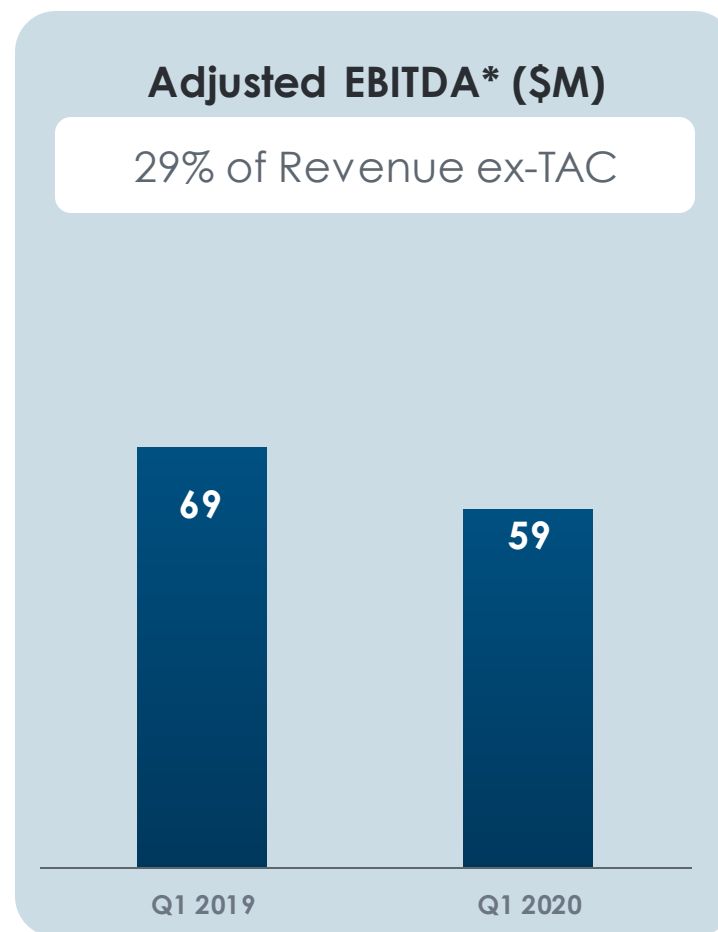
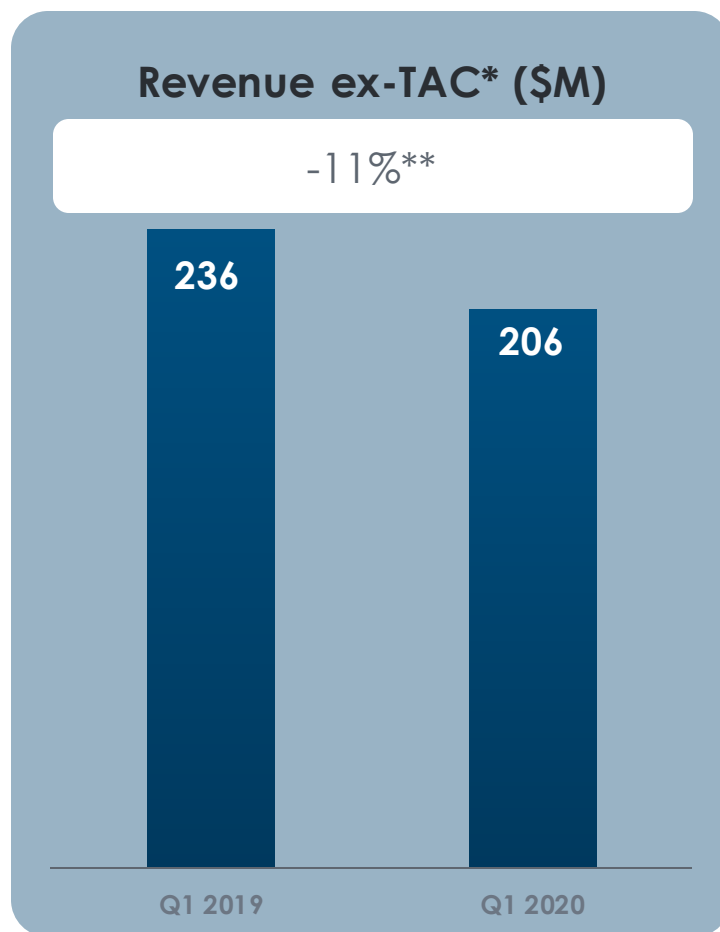
Growth* by Region:

-16% Americas

-9% EMEA

-7% APAC

Key Figures – Q1 2020



* 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%
Gross margin	92.1%	93.4%	93.9%	93.6%	93.1%	93.3%	92.3%
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%
Adjusted EBITDA	17.5%	26.2%	26.9%	30.8%	32.9%	33.2%	31.6%
Revenue ex-TAC margin**	40.3%	40.8%	40.4%	40.6%	41.0%	42.0%	42.0%

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

** As a % of revenue

Covid-19 Assumptions for Q2 and the second half of 2020

We are currently modelling a slow recovery out of the crisis but no full return to pre-COVID levels by end-2020

As of April 29, 2020

Q2 2020

We expect a **\$60-\$65M impact** on a Revenue ex-TAC basis

H2 2020

Slightly larger impact in the 6 months of H2 than in the 3 months of Q2

- **high-20s YoY** percentage decline in Q3 on a Revenue ex-TAC basis
- **high-teens YoY** percentage decline in Q4 on a Revenue ex-TAC basis

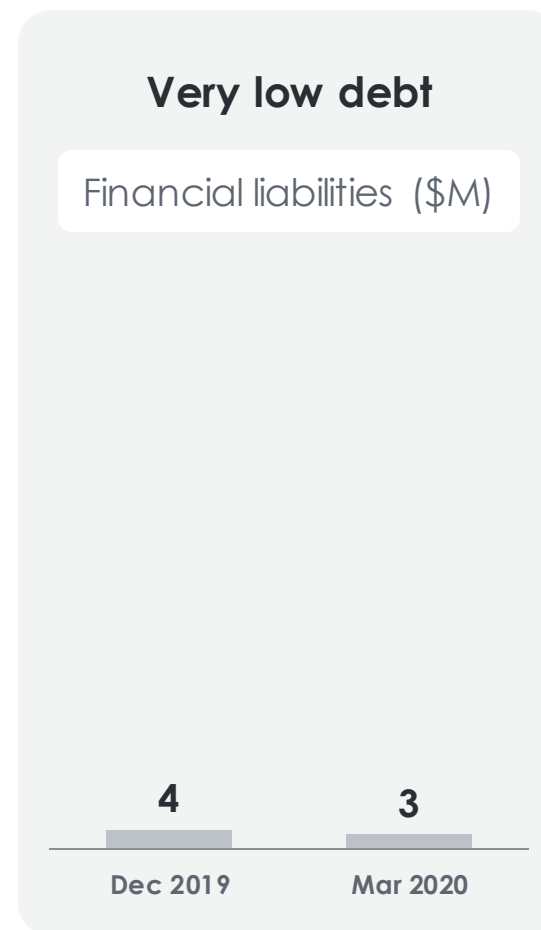
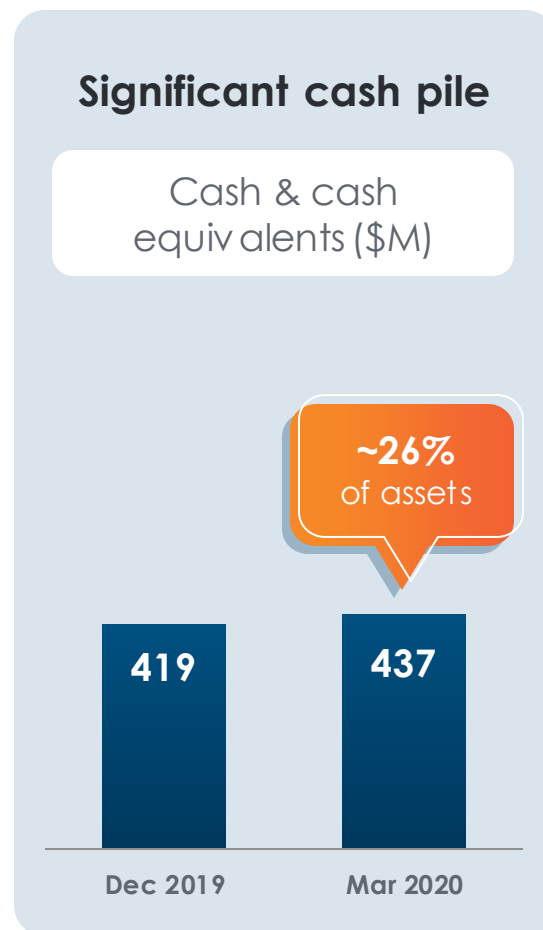
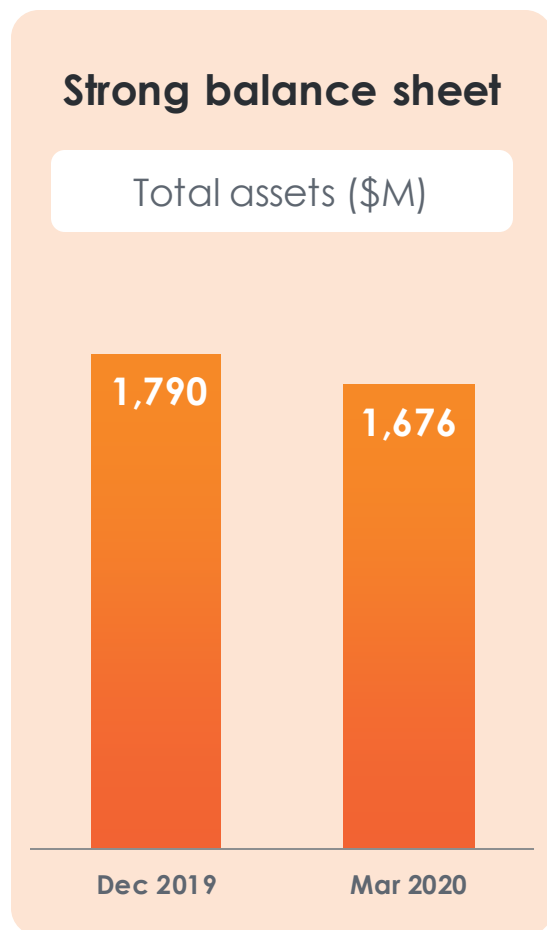
We're taking meaningful cost containment measures

We're hyper-focused on managing our cost base and protecting both our profitability and our cash

As of April 29, 2020

- In 2020, we plan to spend **\$77 Million less non-GAAP expenses** than in 2019
 - This represents about **\$46M incremental savings** compared to our original 2020 plans
- **About two thirds** of these incremental projected savings are **employee-related** and largely driven by our strict hiring freeze until further notice
- The remaining one third in savings are across
 - business travel
 - marketing spend and events
 - third-party services
 - hosting costs
- We've also planned to **significantly reduce capex** by more than 10% of our original envelope for 2020
 - We now anticipate our capex for 2020 to represent **about 3% of gross revenue**
- We prioritize the use of our cash primarily for **building and partnering** and intend to remain extremely thoughtful about any potential new M&A going forward

More than \$820M financial liquidity offers significant flexibility



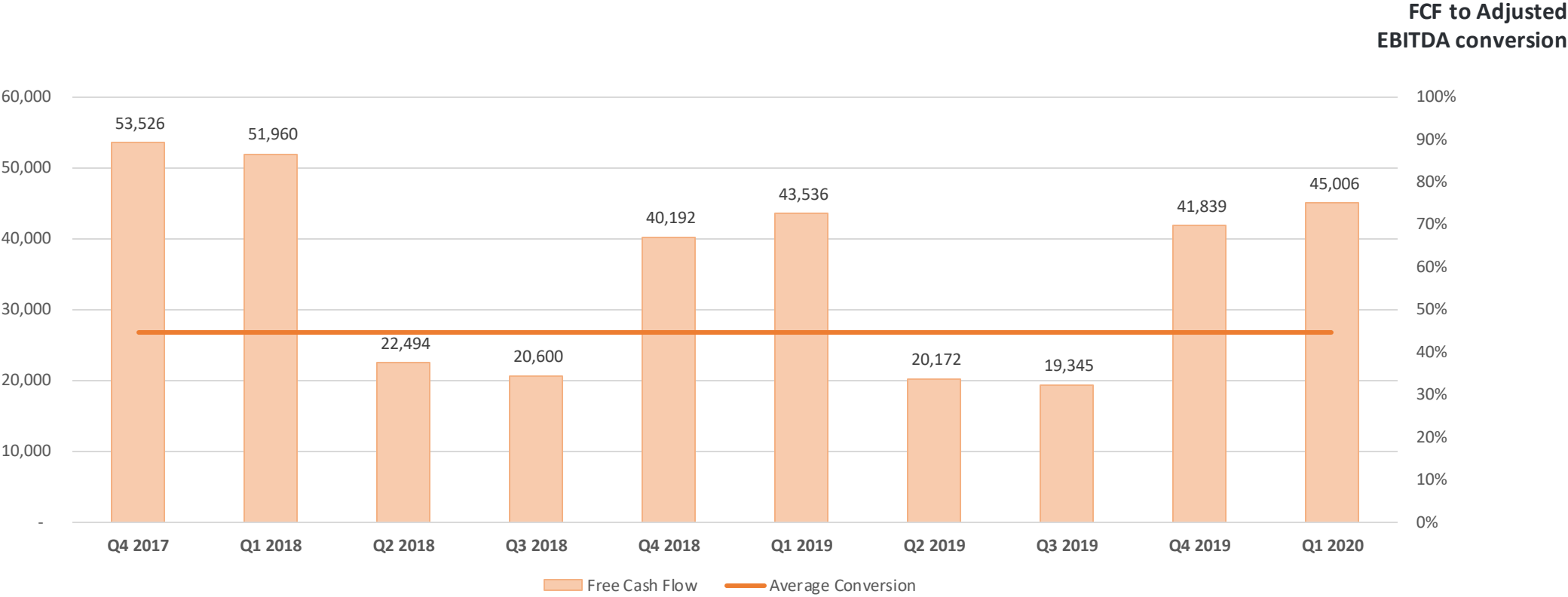
\$437M
Cash as of Mar 31, 2020

€350M
Committed financing

\$100M
equity raise capacity*

Share buyback
authorization

Robust free cash flow and strong conversion into Adj. EBITDA



FCF to Adjusted EBITDA conversion

45%

67%

33%

30%

38%

63%

36%

30%

38%

76%

Flexible capital allocation 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%)

Share repurchase program

2019 shareholder meeting provided us with
more flexibility around share buybacks

Board authorized **\$30 million share
buyback** in April 2020

We commit to **incur no future dilution**
from equity grant and vesting for at least
a year

M&A

Active yet disciplined approach

So far, acquisitions of

Adjacent **technology**

Product

Key **talent**

AD TRACKING

TEDEMIS

AQ
AdQuantic

DATAPOP

Monsieur
Drive

HookLogic



STORETAIL



manage



madyourself

Investment thesis



Compelling Mission

Power the world's marketers with trusted and impactful advertising



Large market

\$47B market opportunity across the open Internet



Competitive moats

Shopper Data
Unmatched ID Graph
AI Technology
Large client base
Broad consumer reach



Proven track-record

Close to 90% client retention for all solutions combined



Attractive financial profile

High profitability
Strong balance sheet, cash flow and financial liquidity

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Appendix

Foreign Exchange impact on actual results and guidance

Q1 2020 Actual						
USD million	@ Q1 2019 FX	FX impact	Actual	@ Q1 2020 guidance FX	FX impact	Actual
Revenue ex-TAC	\$ 209.6	\$ (3.6)	\$ 206.0	\$ 207.3	\$ (1.3)	\$ 206.0

Q2 2020 Guidance			
USD million	@ Q2 2019 FX	FX impact	Guidance Midpoint*
Revenue ex-TAC	\$ 148.7	\$ (5.2)	\$ 143.5

* Based on FX assumptions for Q2 2020 published in the April 29, 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	Q1'20
Revenue	564,164	537,185	528,869	670,069	558,123	528,147	522,606	652,640	503,376
Less: Traffic acquisition costs	323,746	306,963	305,387	398,238	322,429	304,229	301,901	386,388	297,364
Revenue ex-TAC	240,418	230,222	223,482	271,858	235,694	223,918	220,705	266,252	206,012

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

Revenue ex-TAC reconciliation

(\$ in thousands)	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	2017	2018	2019
Net income	21,090	14,707	17,948	42,134	21,401	12,537	20,557	41,474	16,428	96,659	95,879	95,969
Adjustments:												
Financial (income) expense, net	1,325	1,006	1,007	1,746	1,974	1,354	900	1,521	334	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	7,040	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	8,503	72,351	67,076	49,132
Pension service costs	434	419	419	419	394	391	388	383	538	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	24,138	90,796	103,500	93,488
Acquisition-related costs	-	-	516	1,222	-	-	-	-	-	6	1,738	-
Restructuring	(252)	199	-	-	1,890	728	303	10,661	2,209	7,356	(53)	13,582
Total net adjustments	56,842	54,067	51,643	62,628	47,454	43,862	43,662	68,025	42,762	212,925	225,180	203,003
Adjusted EBITDA	77,932	68,774	69,591	104,762	68,855	56,399	64,219	109,499	59,190	309,584	321,059	298,972

Free cash flow reconciliation

(\$ in thousands)	Q1 2019	Q1 2020
CASH FROM OPERATING ACTIVITIES	67,220	56,743
Acquisition of intangible assets, property, plant and equipment	(13,292)	(11,258)
Change in accounts payable related to intangible assets, property, plant and equipment	(10,392)	(479)
FREE CASH FLOW	43,536	45,006