

Criteo Analyst Update 20Q4

Industry Analyst Virtual Event

17th November 2020

 #Q4CAU

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A
Retail Media Moment
With
Nich Weinheimer kenshoo

View the video > <https://www.criteo.com/blog/video-a-retail-media-moment-with-kenshoos-nich-weinheimer/>

Criteo connects commerce data and media to change how commerce is done.



Megan Clarcken

Chief Executive Officer

Strategy and business
update+ Wrap-up



Todd Parsons

Chief Product Officer

Introducing
Criteo Commerce Media Platform



Diarmuid Gill

Chief Technology Officer

Criteo's approach
to identification



Geoffroy Martin

GM & EVP, Growth Portfolio

Retail Media
update

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Megan Clarken

Chief Executive Officer

Strategy and business update



Marketers allocate more towards digital advertising – because it works*

Brands & retailers need AdTech



- Map a **high-fidelity consumer journey** to deliver relevant customer experiences and drive **customer lifetime value**.
- **Target** and **reach** consumers at scale recommendations in brand-safe environments on the open internet.

Media owners & retailers increasingly depend on AdTech to monetise their audiences & data



- **Data deprecation badly hurts** both retailers and media.
- Big retailers depend on AdTech to **optimise the yield of their inventory** and drive growth.

Marketers need better commerce media



- Marketers heavily rely on **walled gardens** for advertising.
- But **transparency** and measurement not always up to brands and retailers standards
- Growing **privacy issues** around targeting for advertising limit open internet addressability.

Commerce media generates massive tailwinds and TAM

1 E-commerce is booming

- Ecommerce expected to grow from **16% of global sales** today to **23%** in 2023.¹
- Brands expected to **accelerate shift** with boom in ecommerce.
- **Digital advertising to overtake traditional** in 2021.

2 Open internet retailers represent ~40% of global ecommerce

- COVID has **accelerated the use of the Open Internet** for product search and shopping.
- There is **white space** for commerce media on the open Internet.

3 Trade marketing shifts to digital

- **92% of brands** say their growth depends on **retail media advertising**.³
- Digital Trade Marketing will **exceed USD 23B in global spend** in 2020, growing on average 82% each year since 2016.²

1. Source: Ecommerce share of total global retail sales from 2015 to 2023, June 2019, <https://www.statista.com/statistics/534123/e-commerce-share-of-retail-sales-worldwide/>

2. Criteo and others.

3. Forrester Consulting. "Consumer Product Brands: It's Time To Take Control Of Your Retail Media Destiny", October 2020.

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



Todd Parsons
Chief Product Officer



Diarmuid Gill
Chief Technology Officer

Product Strategy & roadmap



OUR VISION

**To be the world's
leading Commerce
Media Platform**

Megan Clarcken
CEO, Criteo



The Commerce Media Platform is consumer friendly, open & client outcome focused

Criteo mission

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

Product strategy

We are stewards of first party data, marketing decisions and ad experiences between buyers and sellers across commerce

Product values



Trust

Safer access to the diversity of the web



Connect

Scaling efficient growth



Impact

Always make a good impression

Criteo combines unique reach and commerce data assets to enable brands and retailers to optimise sales



Commerce Data

Shopper Graph

\$2B daily online transactions across 4B product SKUs in 13 languages

ID Graph

2.5B global user reach with 250M DAU's connected to non-cookie identifiers...and counting



Reach

Stewardship of 20k marketer's **1st party user and commerce data**

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

100+ ad opportunities per user/day



Retail Media

Exclusive 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 user ad exposure to sales at Product SKU level**

Commerce Insights to merge shopping and paid media data for planning and activation



Automated Incrementality

Maps complete **buyer journey**

Personalises product experience with **DCO**

Lookalikes **extend reach** while **preserving performance**

Predictive bidding **ups win-rate** and **lowers cost**

2021: Our technology & products serve the ecosystem

Stewards of consumer data, marketing decisions and ad experiences between buyer and sellers across commerce

Criteo Commerce Media Platform

Marketing Solutions
& Retail Media

Retail Media Platform

Direct Integrations
SSP Integrations

The Consumer

Consumer Controls:
Privacy and transparency
Personalised Experiences

Commerce focused technology

Commerce insights & identity
Machine learning decisions & predictions
Improved personalized ad experiences

Retailers

Data Controls
Monetisation
Commerce Insights
Personalisation
Merchandizing

Brands

Data Controls
Omnichannel outcomes
Contextual outcomes
Video / CTV outcomes
Measurement

APIs

Management Center

Publishers

Data Controls
Criteo Direct Bidder
Revenue Insights

Agencies

Data Controls
Omnichannel outcomes
Contextual outcomes
Video / CTV outcomes
Measurement

API Partnerships with
demand and other
marketing applications



Identification rests on 3 complementary approaches

We have the right combination of assets and network to navigate our customers to post-cookie marketing

Addressable advertising

Expand permission data
(1P Network)
Improve Open Internet
interoperability (UID2.0)



Privacy-by-design
user-level signals

Audience advertising

Industry group* leadership
on optimised and
measurable advertising



Interest groups/cohorts
validated by 1P truth set

Contextual advertising

Machine-learning at the
intersection of contextual
and commerce



Content/contextual
signals validated by
1P truth set

“Identity-light” commerce activations for superior customer acquisition and remarketing – today and tomorrow

- Evolved addressable buying journeys
- Optimisation without universal identity
- Audience-first Measurement Solutions

Commerce Media Platform meets the needs of marketers, brands and retailers in the evolving commerce landscape

Marketer Needs

- **Grow their business** through smart marketing
- Understand their consumers and places to advertise on the **entire path to purchase**
- **Measure lifetime value of every customer**
- Execute all commerce marketing through a **single platform**

Commerce Media Platform Products

Targeted Reach

- Contextual Outcomes
- Video & CTV Outcomes
- Omnichannel Outcomes

Bridge to performance

- Measurement

Addressability (now and post cookie)

- 1st Party Media Network (1:1)
 - Buyer Index
 - API Program

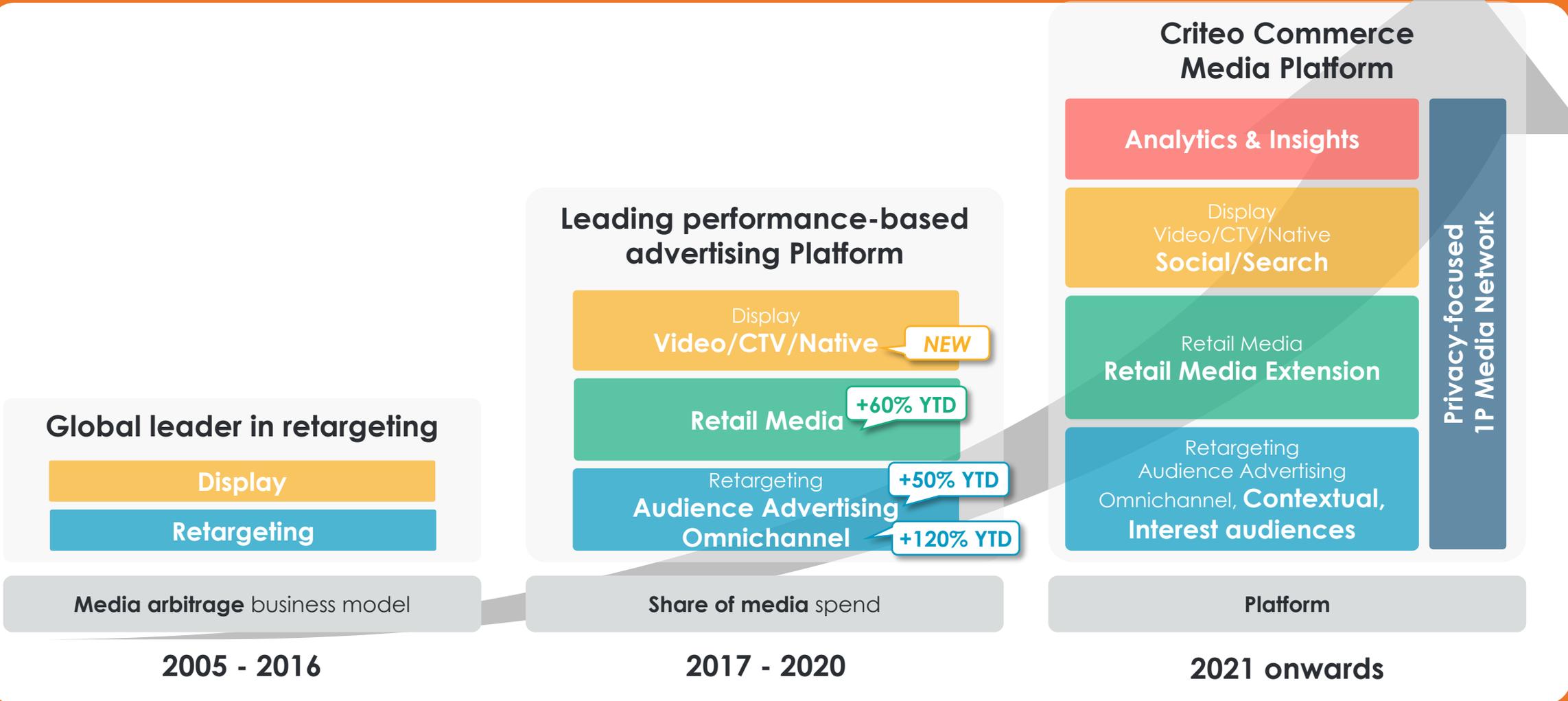
Impact

Customer Acquisition

Automated Incrementality

Customer Retention/Upsell

Roadmap 2021 –and beyond



Detailed roadmap 2021 –and beyond

Criteo Commerce Media Platform

 **Analytics & insights**

 Display, Retailer On-Site
Video/CTV/Native
Social/search

 Retail Media
Retail Media Extension

 Retargeting
Audience Advertising
**Omnichannel, contextual,
interest audiences**

 **Privacy-focused
1P Media Network**

Platform

2021 onwards

Marketing APIs to address every buyer journey

- Audience: Insights and Planning
- Ads: Bidding, Dynamic Creative, Optimization
- Measurement: Events and Incrementality

Supply/formats to reach and engage each buyer

- Video and CTV outcomes
- Social outcomes
- Search outcomes

Retailer reach and monetization

- Audience extension
- Media + store experiences
- In-store monetization

"Identity-light" audience targeting

- Privacy-by-design addressability
- Interest group targeting
- Contextual for Commerce

First-Party Media Network

- **1P audience Data:** Onboarding, Data Clean Room and CDP integrations
- **1P commerce data:** Catalog, Transaction, Buyer behavior
- **1p Syndication:** Deal ID, OSS ID, Proprietary ID

Powered by:

Commerce Buyer Index

- Buyer Journey by product, transaction, content or media
- Identity truth sets

Secured by:

Privacy Mesh

- Consumer/partner data rights management
- Across sources, destinations & marketing use cases

3-year vision: move to open Commerce Media Platform



Geoffroy Martin

GM and EVP,
Growth Portfolio

Retail Media update



What is Retail Media?

Brand-sponsored ads on retailer websites and apps.

Retail media provides new revenue streams for retailers while delivering targeted, sales-accountable advertising for brands.

Why retail media: a massive USD 20B-25B market opportunity*

Multiple factors driving Retail Media growth

- Rapid **rise of ecommerce** and **diversification of online shopping behavior**
- **Shift of trade spend** from physical retail to digital
- Desire for advertising that is **measurable against product sales** and **targetable without 3rd party cookies**



Retail Media Platform is here!

Our new Retail Media platform is live!
Transparency. Flexibility. Control.



criteo.

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AD TECH & MAR TECH

Criteo Doubles Down on Retail Media With the Launch of a New Self-Service Ad Platform

 **adexchanger**

TOPICS | OPINION | ABOUT US | EVENTS | PODCAST | CAREERS | SEARCH

Must Read

Connexity Buys Skimlinks, Adding An Affiliate Network To Its Retail Marketing Toolkit	Social Distancing With Friends: Visible CMO Minjae Ormes	LiveRamp Earnings Show It Has The Runway (And Cash) To Weather This Crisis
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Criteo Launches Self-Serve Retail Media Platform

What do clients get from Retail Media Platform?



Retailers:

Leading platform to manage their entire retail media business

- **One platform** for all ad formats and demand sources reduces operational and tech management complexity
- **Flexible campaign management** – easier to create, manage, and optimize complex campaigns
- Support for sponsored product and display **ad formats**, audience targeting, and CPM/CPC pricing models
- **Full control** of media pricing and yield – retailers control their own floor prices and rate cards, regardless of demand source
- **Incremental demand** from brand and agency platform users, plus 3rd party demand sources available through API



Brands & Agencies:

Enterprise-grade tech for managing retail media investments

- Complete **flexibility, transparency, and control** across major retailers
- Enterprise-grade **self-service capabilities**, with full transparency and robust account management & user permissions
- Accountability for every ad dollar to **SKU-level product sales**
- Campaign management and reporting **APIs to integrate** with existing analytics tools and buying platforms

Criteo is uniquely positioned as the leading platform for Retail Media

- ✓ Powers the largest open, multi-retailer ecosystem – not just retailer walled gardens
- ✓ Supports every major retail media ad format – including sponsored products, native display, IAB standard display, and custom ad units
- ✓ Best-in-class shopper experience with AI-powered relevancy controls
- ✓ Trusted platform for broadest network of category-leading retailers: Support leading retailers like Target, Best Buy, Costco, Macy's, Asda, and Carrefour
- ✓ Agency-ready self-service capabilities and APIs to connect to 3rd party platforms
- ✓ Proven tech scale and global retail media experience



Strong market traction for Retail Media Platform



Brands & Agencies

- 50+ brands already live and growing
- Holding company-level technology agreements with agencies – a first for Criteo
- Unique agency partnerships: partnership with Merkle to support both their agency and retailer consulting businesses



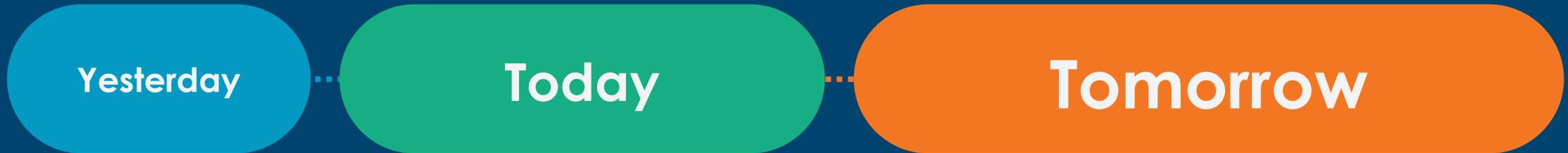
Retailers

- Target live on Retail Media Platform and more major US retailers transitioning soon
- EMEA rollout to accelerate in Q1 2021 – including major European grocer consolidating its Retail Media business onto Retail Media Platform

“Criteo’s new Retail Media Platform is hugely exciting as it reduces the silos that exist across the industry with regards to inventory, allowing brands to target consumers based on rich behavioural insights close to the point of conversion in a way that hasn’t really been possible before.”

-Stuart Johnson, Omnichannel Commerce Director, Publicis

Helping a major big box retailer evolve its Retail Media offering



- Managed service Sponsored Products offering
- Separate platforms for Sponsored Products (Criteo), display (Google), and offsite advertising

- Self-service and managed service options for brands
- Demand from 3rd party ad platforms
- 4x revenue growth

- All ad formats delivered via one platform (Criteo)
- Offline purchase data available for targeting and measurement
- Offsite advertising with 1st party targeting and measurement available via same platform

Where we go from here: 2021 Retail Media roadmap

Advanced display capabilities & retailer controls

- New targeting capabilities, including CRM and in-store data integrations
- New display ad formats and support for 3rd party verification
- New retailer controls and "deal" functionality to customize priority and price by brand, campaign, and demand source

eCommerce insights

- Advanced insights that combine media metrics with organic commerce data – unique outside of Amazon
- New metrics like true share of voice, share of category, and incrementality measurement
- Understand how product content and ads work together to drive conversion
- New budget planning and allocation tools

Offsite advertising

- Extend campaigns across the open web
- Target campaigns using 1st party retailer data
- Measure campaign using SKU-level sales data

Geographic expansion

- Launch in APAC: Australia, Japan, South Korea
- Expansion into new markets in Europe and Americas



Megan Clarken

Chief Executive Officer

Wrap-up



How Criteo works with clients



SEAT used Criteo's exclusive intent data to build an audience of 'Discount Lovers' for an upper-funnel acquisition campaign

+38% leads for dealerships



Support the launch of a new consumer electronics product

Leverage Criteo consumer intent to target users which are right in the buying process of new goods to drive them to ecommerce website



Italian agency Webranking wanted to build out their customer journey and maximize every consumer touchpoint

+80% post-click revenues



German retailer SportCheck used monetised its website to drive growth outside of product sales

14 Brands live on Criteo Retail Media generating between 1,000% to 6,00% ROAS

Retail clients leveraging the synergies between retail media and marketing solutions

La Redoute

Criteo Marketing Solutions helped La Redoute prioritise families along the full funnel, to drive loyalty, engage new users with similar profiles, all with a very competitive ROI.

La Redoute also relies on Criteo Retail Media's solutions to activate premium and native Retail Media ads for big and small events of everyday life.



myToys Group is partnering with Criteo Retail Media.

Criteo is supporting myToys:

- to monetize the inventory in their online shop (mytoys.de) and
- to win brand budgets for onsite (native & display) as well as offsite campaigns.

myToys thus benefits from additional revenue streams and an increase in brand engagement.

Criteo is in a good position for 2021, tracking on our four strategic pillars and ready to grow over time

1

Strengthen the core

- ✓ **Overachieved expectations** despite Covid_19
- ✓ Introducing a **strong C-level** set to accompany Criteo's transformation

2

Expand product portfolio

- ✓ Strengthened **product roadmap** to revive growth and address identity challenges
- ✓ Launched new **Retail Media Platform** in NA and EMEA

3

Explore strategic game changers

- ✓ Expanded **ecommerce exposure** through Retail Media
- ✓ Invest in compelling opportunities for **growth** to address huge commerce media **opportunity**

4

Drive tech & operational excellence

- ✓ Invest in **DSP, insights and identity**
- ✓ Strong balance sheet and **reinvestment strategy** to further transform our business



Q&A panel



Megan Clarcken



Todd Parsons



Diarmuid Gill



Geoffroy Martin

Further questions? Just contact Criteo Influencer Relations



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Appendices



Global reach with 20,000+ advertisers across 100+ countries



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

Criteo is in a good position for 2021, tracking on our four strategic pillars and ready to grow over time

1

Strengthen the core

- ✓ Overachieved expectations despite Covid_19
- ✓ Introducing **multi-year MSA contracts** with large clients
- ✓ Introducing a strong C-level set to accompany Criteo's transformation

2

Expand product portfolio

- ✓ New solutions **+43%** YoY, **+53%** YTD to 19% of total
- ✓ Launched new Retail Media Platform in May in NA and October in EMEA: **~+60%** YoY, **+62%** YTD

3

Explore strategic game changers

- ✓ Expanded ecommerce exposure through Retail Media
- ✓ Launched **CTV campaigns**
- ✓ **Criteo/The Trade Desk partnership** on UDID2.0

4

Drive tech & operational excellence

- ✓ **Invest** in DSP, insights and identity
- ✓ Ahead of **cost control** plan
- ✓ We have financial strength to support growth investments

A growing ecosystem of partner integrations

Audiences



Measurement



Offline



Ecommerce Platforms



Tag Management



Supply Quality



Feed Management



Dynamic Creative Optimization



We are the world's leader in supply access

Ensure complete access to every eligible user and adapt to a changing landscape and shifting user behavior



\$5.1B

Paid to publishers
in the last 5 years



1.2M

Bids made per
second



3.8B

Displays per day



\$1.2B yield

Publisher spend for
2019

Global supply

156 team
members
across 20 offices

Criteo has direct partnerships with over 5,000 publishers globally

The Washington Post

RetailMeNot



Daily Mail.com

The Weather Channel

Discovery

Forbes

ebay

Benefits of Direct Publisher Partnerships



Better pricing

- Removing SSP fees to get you more value from your budget
- Preferred deals drove 5% lower CPMs in Q4 2019 vs. open auction



Better depth of supply

- Unique inventory sources e.g. AMP, Adblock
- Exclusive placements e.g. Native, High impact



Preferred access

- ~40% of our Americas supply has advantaged access
- Criteo Direct Bidder drives 30% higher win rate on average vs. open auction

Our future online identification solutions will require/benefit from a direct relationship with publishers. We believe that having direct connections to publishers will be an asset in the future.

Commerce Media Platform addresses marketer/retailer needs

Brands and retailers want to...

1. Understand every buyer journey



✓ Deep **commerce insights** through data and analytics

2. Grow business through smart marketing



✓ State-of-the-art user matching technology
✓ Commerce-friendly ads, retailer on-site media
✓ **Single platform** for targeting and retail media

3. Execute all digital marketing through single partner



✓ Large, privacy-focused **1st-party media network**
✓ Preferred access to over 5,000 media properties
✓ Exclusive access to large **retailers onsite media**
✓ **Video and CTV** campaigns enablement

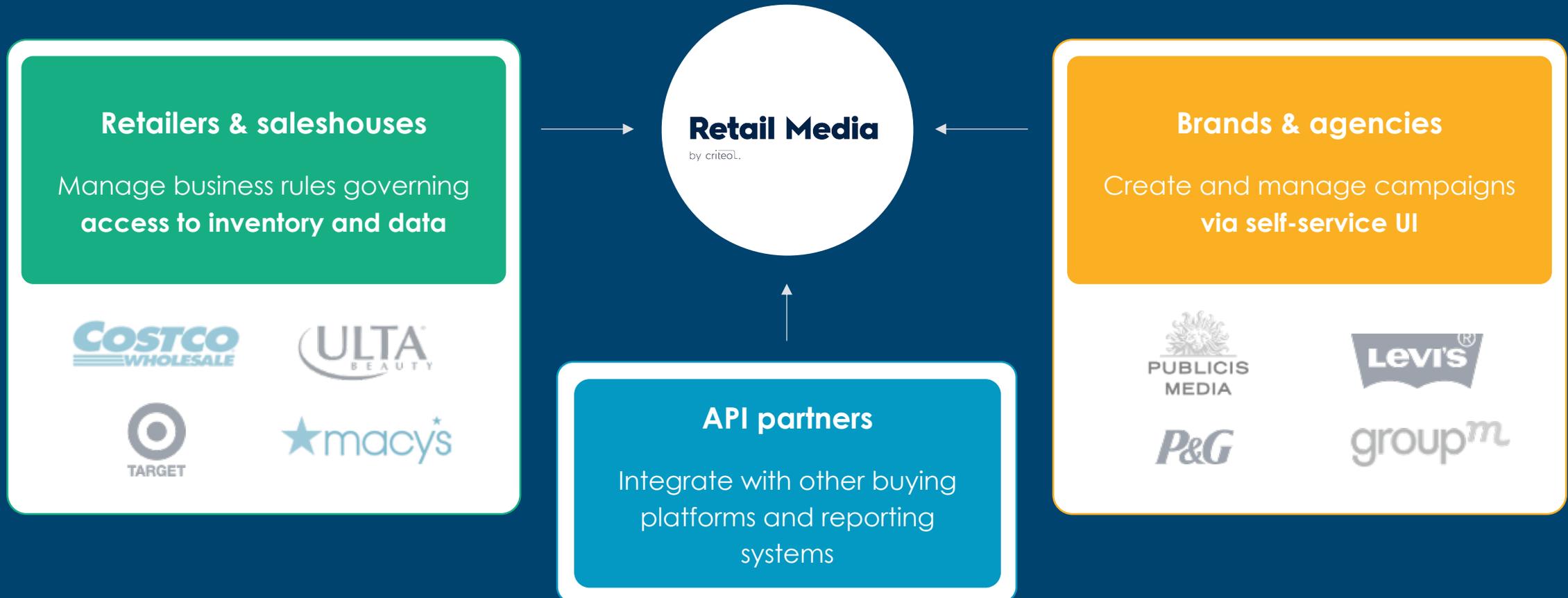
4. Measure lifetime value of every customer



✓ **Linking offline and online** outcomes
✓ Measurement along entire buyer journey

Criteo Commerce Media Platform brings

One platform for the open retail media ecosystem



How Retail Media Platform is different

One platform to buy and sell **both sponsored products and display**

Robust APIs support unique **API Platform Partners** program and integrate with 3rd party campaign management and reporting tools

Powers a **transparent, open ecosystem** – not individual walled gardens – to maximize revenue for retailers and flexibility for brands

Proven **scale and global footprint**

Retail Media Platform helps retailers realise their retail media potential

Make it easier to buy and maximise demand

- Manage their direct sold sponsored products campaigns with one powerful platform
- Enable demand from Criteo plus 3rd party API partners

Support more retail media use cases across the funnel

- Support upper-funnel goals through IAB standard display ad formats and unique, native Commerce Display formats
- Extend campaigns offsite leveraging 1st party shopper data and sales measurement

Gain share of wallet and preserve the shopper experience

- Help brands plan with advanced insights beyond ROAS such as share of voice and share of category
- Ensure a great shopper experience through granular relevancy controls

Thank you

criteo.

