Good morning and good afternoon to all of you and welcome to Criteo's financial results for the first quarter ended March 31, 2015.

Joining us on the call today are: JB Rudelle, Chairman, co-founder and CEO, Benoit Fouilland, Chief Financial Officer, and Eric Eichmann, President & Chief Operating Officer. After our prepared remarks, Eric will participate in the Q&A session of this call.

Please note that the earnings release issued before the opening of the US market today, along with a live broadcast of this earnings call are both available on our Investor Relations website at ir.criteo.com. A replay of the earnings call will also be available later today on our Investor Relations website.

As usual, before we begin discussing our earnings, I would like to remind you that some of our discussions today will contain forward-looking statements. These may include projected financial results or operating metrics, business strategies, anticipated future products and services, anticipated investment and expansion plans, anticipated market demand or opportunities and other forward-looking statements. As always, these statements are subject to risk, uncertainties and assumptions.

Actual results and the timing of certain events may differ materially from the results or timing predicted or implied by such forward-looking statements. In addition, reported results should not be considered as an indication of future performance.

Also, I would like to remind you that we will discuss non-IFRS measures of our performance during the course of this call. Definitions of these metrics, and the reconciliations to the most directly comparable IFRS financial measures, are provided in the earnings press release and accompanying financial tables issued earlier today.

Last, unless otherwise stated, all growth comparisons made in the course of this call are against the same period in the prior year.

With this in mind, let me now turn the call over to JB Rudelle, Criteo's Chairman, co-founder and Chief Executive Officer. JB, the line is all yours!
Thank you Edouard. Once again, I’m pleased to announce another record quarter of profitable growth. Actually, for the sixth quarter in a row, we exceeded the high end of our guidance for both Revenue ex-TAC and Adjusted EBITDA.

In the first quarter 2015, our revenue ex-TAC increased 55% at constant currency to 105M€. Over the same period, our adjusted EBITDA grew 89% at constant currency to 28M€.

As we like to say at Criteo, performance is everything. What we mean by that, is that bringing the best possible performance to our clients is at the very core of all our actions. We believe that our continued rapid growth is the direct result of this extreme focus on generating measurable sales for our clients.

As our Q1 results show, we execute consistently on our growth plans. The investments we made in 2014 are paying off. They are actually fueling our growing leadership in the performance marketing world.

Turning specifically to our Q1 results, our strong performance in the quarter was driven by three things:

- First, the continued roll-out on all devices of new improvements in our technology.
- Second, another record in new client additions across regions while maintaining our client retention rate over 90%.
- And third, continued momentum in expanding our publisher relationships.

Regarding the first driver, we continue to roll out new Tech improvements that generate better performance on all devices for our clients. The latest generation of the Criteo Engine not only predicts the likelihood of a user to buy but also the basket value of this purchase. This new Engine was live with 22% of our client base at the end of the first quarter. During this year, we plan to further improve our Engine and to deploy this latest version with a broader base of our clients.

On mobile, we continue to be very pleased with the strong traction of our multi-screen solution. Our solution allows to seamlessly engage and convert customers across all devices and leading operating systems, both on mobile web and apps. By the end of the quarter, 84% of our clients were using our multi-screen solution. Furthermore, the strong momentum in mobile commerce continues to be a huge opportunity both for our clients and for us. As our latest ‘State of Mobile
Commerce’ report showed, in Q1 34% of global ecommerce transactions were generated on mobile. This is trending towards markets such as Korea or Japan, where already more than 50% of ecommerce transactions are now done on a mobile device.

While retailers increasingly embrace mobile commerce, they sometimes still find it hard to navigate through the complexity of marketing on various devices and platforms. Our full solution, across Apple and Android, Browser and Apps, greatly helps our clients to manage this complexity.

In Q1, we strengthened our in-app solution by launching our first mobile measurement partnership program. This exciting program has received a lot of interest from the ecosystem.

Turning now to cross-device, as you know, the ability to match shopping data across devices has become increasingly important in this new mobile fragmented world of multiple devices. Our cross-device solution is capable to take shopping intent from one device, show an ad on another one and track sales on a third device. This new ability both broadens our addressable inventory and help our clients to better calculate their Return on Investment.

Overall, our improved technology and ability to convert consumers seamlessly across devices helped generate more sales for our clients. During this quarter, our clients continued to increase their spend with us. In particular, clients that were live with us in both in Q1 last year and in Q1 this year generated 25% more revenue ex-TAC at constant currency this year compared with the previous year. Our ability to maintain over 75% of our business from uncapped budgets continues also to be a key success factor of this growth.

Our second growth driver was new client additions. In Q1, we set a new record in Criteo’s history by adding over 640 net clients. We ended the quarter with more than 7,800 clients. While we continue to add large clients in all regions, our specific investments in the midmarket segment are paying off. We maintain our strong midmarket momentum in all regions, which continues to outpace the growth of the rest of the group. As we have only penetrated a small fraction of the overall addressable midmarket, we plan to further invest in this area in the coming quarters.

The third growth driver was our continued success in expanding our publisher relationships. We continue our partnership with Facebook especially on integrating their dynamic product ads to reach users on mobile. In the first quarter, we brought more clients into our solution, which utilizes Facebook’s dynamic product ads to support performance advertising on their mobile in-app inventory. As the capabilities of the dynamic product ads expand so does its performance for our ecommerce clients. In the quarter, we also further increased our ability to access inventory on mobile devices with the release specifically in the app world of our new Real-Time User Sync
technology. When implemented by partners like The Rubicon Project, it allows them for the first time to access our important demand on Apple devices.

Our publisher marketplace also continues to enjoy positive traction and is generating an increasing share of our business. At the end of Q1 overall, we had direct relationships with more than 10,000 publishers. According to comScore data, Criteo ads reached 1.1 billion unique users worldwide just on the desktop in March 2015. This is the second largest reach worldwide and represents a 15% increase compared to March last year.

Moving to our performance by region. We are once again very pleased with our consistent execution across all geographies.

Let me start with the Americas. In the first quarter, Revenue ex-TAC grew 101% at constant currency, compared to 66% in the first quarter last year. The U.S. market continues to be the primary driver of the region’s performance. In the U.S., our positive traction is driven by best-in-class performance and increasing buying power to access inventory. Client adoption of our new products continues to be strong. In the U.S., we added several important clients, including Shopbop, another Amazon company we’re working with. Our rapid ramp-up in the midmarket segment remains also a very significant growth driver in the region.

Moving now to EMEA. Our Revenue ex-TAC grew 34% at constant currency. We further expanded our client base across markets, segments and verticals. We continue to perform well in our existing markets and see further potential in early-stage markets such like Eastern Europe, Russia and Turkey. Our enhanced Criteo Engine, along with our multi-screen solution and email product, are driving incremental spend from our clients in the region. In particular, our email product represents a meaningful part of our business in France.

Moving now to Asia-Pacific. We are also maintaining rapid growth on a large scale. In Q1, Revenue ex-TAC grew 61% at constant currency, and 31% sequentially. In Japan in particular, our strong performance was driven by the adoption of new products, supported by the strong penetration of mobile devices. And also by a new sales organization focused on gaining even more new clients. On top of that, our South-East Asian markets are seeing strong momentum, and now represent a greater share of our Asia-Pacific business. Overall, we are excited about the opportunity to capture incremental growth across this very dynamic region.
Let’s move now to our priorities for the rest of 2015. We remain very focused on three key areas:

- First, continue to help our clients benefit from our multi-channel performance marketing solution. As you know, for CMOs, the ability to engage and convert seamlessly across all performance marketing channels is critical. Our solution already covers four key performance channels: display, native, in-apps and email. We plan to further roll-out this holistic approach across our client base. We are also putting an important focus to deploy on a much larger scale our cross-device solution throughout the year. Given our very large footprint both on the client and the publisher side, we believe we can create a lot of incremental value in this area. In parallel, we will continue to roll out our full suite of products, including our unique email marketing solution.

- Second, further innovate and roll out our core technology in order to generate more sales for our existing clients. Those core innovations, they all apply to all our marketing channels and create leverage in the model. The first specific area is around constant improvements to the prediction Engine focusing on conversion value. But another important area we are very excited about, is creative optimization, especially around native ads. The huge growth in mobile is quickly transforming the publisher advertising landscape. To maximize this new opportunity, we are rolling out a series of new creative capabilities both in apps and in browsers. This combines very flexible creative elements of the banner with higher degrees of real-time optimization for each of those elements.

- Third, we remain obviously very focused on further expanding our global geo presence. We expect significant growth in major markets like the US and in early-stage markets such as South-East Asia, China, Russia and Latin America. We are also setting up new legal entities in Dubai, Turkey and Canada.

Overall, our Q1 results are consistent with our execution. Our tech investments are paying off. We have exciting new products in the pipeline. We are as committed as ever to grow our leadership in performance marketing.

In short, 2015 has begun well and we are confident it will be another exciting year for Criteo.

As we progress through the year, we look forward to updating you on our growth initiatives.

With that, let me turn the call over to Benoit, our CFO.
Thank you, JB. Once again, I'm also delighted to report another great quarter today. As usual, I will walk you through our quarterly financial performance in detail, as well as our guidance for the second quarter and fiscal 2015. I will then open up the call to your questions.

In Q1 2015, we continued to deliver **strong profitable growth**, exceeding our Revenue ex-TAC and adjusted EBITDA expectations.

I’ll start with our **revenue**, which, in Q1, grew 71%, or 59% at constant currency, to 262M€.

As we have repeated ever since our IPO, **Revenue ex-TAC** is the key financial measure we use to monitor our business performance. In Q1, our Revenue ex-TAC grew 68%, or 55% at constant currency, to 105M€, compared with 63M€ in Q1 last year. Revenue ex-TAC margin in Q1 was 40.2%, in line with our expectations and consistent with prior quarters.

Looking at performance **by region** in the first quarter:

- In the Americas, Revenue ex-TAC grew 138% or 101% at constant currency, to 35M€.
- In EMEA, we grew Revenue ex-TAC by 36%, or 34% at constant currency, to 48M€.
- In Asia-Pacific, Revenue ex-TAC increased 74%, or 61% at constant currency, to 22M€.

Overall, changes in **foreign exchange** rates represented a significant tailwind in the first quarter. Globally, our Revenue ex-TAC benefited from 13 percentage points of reported growth due to changes in forex rates. The U.S. dollar contributed three quarters to this tailwind.

Moving on to the **profitability of our operations**, we grew Q1 Adjusted EBITDA by 94%, or 89% at constant currency, to 28M€, compared with 15M€ in Q1 last year. Our Adjusted EBITDA margin as a percentage of revenue improved by 1.2 percentage point to 10.7%, compared with 9.5% in Q1 2014. Our growth in Adjusted EBITDA is primarily the result of our strong Revenue ex-TAC performance in the quarter. In addition, slightly lower than expected hosting costs, due to a temporary shift in our data center expansion program, contributed to increasing our Adjusted EBITDA in Q1.

Looking at our Q1 expenses, our **other costs of revenue**, principally made up of hosting and data costs, increased by 55% to 12M€. Excluding amortization of capex, our other costs of
revenue grew 50% to 6M€ in Q1, driven by continued investments in our servers and hosting equipment over the period.

Our operating expenses increased 61% to 79M€ in Q1, as we continued to scale the organization to support our growing business, in particular in our R&D and Sales & Operations teams. On a “Non-IFRS basis”, our operating expenses grew 61% to 71M€ in the first quarter.

As in prior quarters, headcount-related expenses represented over 75% of our total operating expenses in Q1. Our recruiting plans for 2015 are quite ambitious and we are pleased with our hiring results so far. We added over 200 net positions in Q1, which represents an increase of 17% compared with December 2014. We closed the first quarter with a global headcount of over 1,500, including 38 employees coming from the acquisition of DataPop in February. This represents a 64% increase compared with Q1 2014. We believe this bodes well for our ability to continue to execute. For the remainder of 2015, we plan to maintain a strong hiring momentum.

Looking now at our operating expenses by function. Non-IFRS research and development expenses grew 59% to 14M€ in Q1. This was largely driven by a 48% increase in headcount to 298 employees at the end of March. We plan to continue to accelerate our R&D investments for the remainder of 2015, particularly into recruiting.

Moving on to sales and operations, non-IFRS operating expenses increased 74% to 43M€ in Q1, also largely driven by a 69% growth in headcount to 966 employees at the end of the quarter. Consistent with prior quarters, we continued to grow sales and account management teams in all regions, in particular across midmarket. In the remaining quarters of 2015, we will continue to grow our sales and operations teams globally, in particular in our midmarket centers in Boston and Barcelona. We will also open new offices in Dubai, Turkey and Canada.

In G&A, non-IFRS operating expenses increased 31% to 14M€ in Q1, while our headcount grew 65% to 253 at the end of March. This was driven by the ramp-up in Finance and HR teams, and the ongoing strengthening of our IT and facilities infrastructure. While IT and facilities headcount are accounted for in G&A, the majority of the corresponding expenses are re-allocated to R&D and S&O, in line with customary industry practices. As a percentage of revenue, non-IFRS G&A expenses decreased by 1.7 percentage point to 5.4% in Q1. We expect nonetheless to continue to scale our G&A functions to support our strong anticipated growth and to prepare to potentially become a U.S. domestic filer in 2016.
Overall, while more than 115% of our Revenue ex-TAC over-achievement flowed through to Adjusted EBITDA in Q1, I want to reiterate our plans to **continue to invest** in the second quarter and the remainder of 2015 to support our current and future growth.

Moving now to our cash generation, our **cash flow from operating activities** increased by 3.2x to 36M€ in Q1, compared with 11M€ in Q1 last year. This continued to be driven primarily by strong Adjusted EBITDA generation, as well as an exceptionally positive change in working capital in Q1.

Our **capex** increased by 3x to 11M€ in Q1, primarily as a result of our investment into data center equipment and to a lesser extent into facilities and internal IT. In line with our plans, we expect our capex program to accelerate in the coming quarters of 2015. As a reminder, our total capex program for 2015 should grow to approximately 6% of revenue from less than 5% in 2014. We plan to continue to build hosting capacity in all regions, including in mainland China, and to significantly increase our redundancy capacity to strengthen our overall infrastructure. We will also continue to increase our investments in internal IT and facilities globally, including in two new offices in New York and London.

Our **Free Cash Flow** grew by 3.3x to 25M€ in Q1. Over the last 12 months to Q1 2015, the conversion of our Adjusted EBITDA into Free Cash Flow reached 75%, which illustrates once again our very robust and scalable financial model.

Finally, our **total cash** and cash equivalents stood at 294M€ at the end of March, an increase of 4M€ compared with December 31, 2014. This is primarily the result of our strong Free Cash Flow generation and proceeds from capital increases over the period, partly offset by the cash consideration paid for the acquisition of DataPop, Inc. in February 2015.

I will now wrap up with our thoughts on **guidance**. I'll remind you that the following forward-looking statements reflect our expectations as of today, May 5, 2015.

For the second quarter 2015, Revenue ex-TAC is expected to be between **105M€ and 107M€**. Adjusted EBITDA is expected to be between **18M€ and 21M€**. As a reminder, from a seasonality standpoint, the second quarter is typically the lowest quarter for Criteo in terms of Adjusted EBITDA generation. In addition, in Q2 this year, we expect a sequential increase in our expenses...
of approximately 10M€, mainly due to 1/ the full impact of our strong hiring in Q1, 2/ one-time expenses, such as our Global Summit for all Criteos employees worldwide and 3/ an acceleration in our hosting costs.

For the fiscal year 2015, Revenue ex-TAC is expected to be between 454M€ and 460M€. At the midpoint, this represents a 20.5M€ raise to our prior guidance. Also at the mid-point of the range, this would imply a 51% reported growth compared to 2014, or 41% at constant currency.

Also for fiscal 2015, Adjusted EBITDA is expected to be between 120M€ and 127M€. At the midpoint, this represents a 12M€ raise to our prior guidance. This includes the re-investment of 3M€, net of favorable forex impact.

Underlying our Q2 and fiscal 2015 guidance, we have assumed the following exchange rates for our main currencies: a euro-U.S. dollar of 1.10, a euro-Japanese yen of 135, a euro-British pound of 0.75, and a euro-Brazilian real of 3.3. This guidance also assumes no additional acquisitions are completed during the second quarter or fiscal year 2015.

In closing, I'm very satisfied with our strong results and solid execution in the first quarter. We are confident as we enter the second quarter and expect an exciting 2015 overall. As our raised 2015 guidance implies, we are pleased to re-invest a portion of our incremental Revenue ex-TAC into strategic initiatives to accelerate growth.

I look forward to continuing to build long-term trust with our shareholders and update you every quarter on our story.

With that, I will now turn back the call to the operator to take your questions.