Good morning everyone. Welcome to Criteo’s fourth quarter and fiscal 2015 earnings call.

Joining me today to discuss our results are Executive Chairman & co-founder JB Rudelle, CEO Eric Eichmann and CFO Benoit Fouilland

Before we begin, I would like to remind you that during the course of this call, management will make 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. These statements are subject to various risks, 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. We do not undertake any obligation to update any forward-looking statements contained herein, except as required by law. In addition, reported results should not be considered as an indication of future performance.

Also, I would like to remind you that during the course of this call, we will discuss non-IFRS measures of our performance. 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, I will now turn the call over to our Executive Chairman and co-founder, JB Rudelle.
Hello everyone. As announced last December, I’ve transitioned to Executive Chairman. So in my new role, I’m focusing on the long-term strategic direction of the company. So, before Eric talks about 2015 and 2016, I’d like to share a few thoughts that shape our vision.

For the billions they invest in marketing, advertisers expect to see actual sales and measurable returns. As you know, this direct link between ad dollars and revenues is what one calls performance advertising. Criteo’s big idea has always been to focus on actionable shopping intent rather than consumer demographics. Capturing and targeting actual shopping intent is the secret of effective performance advertising.

This laser focus on performance drives the value we deliver for clients. And our clients love it. For 18 consecutive quarters, our client retention has been consistently over 90%, a very rare achievement in our industry. This trust we have built with our clients makes me super proud.

Looking to the future, there are three key trends that shape our vision:

- First is one-to-one personalized marketing at scale, which is completely disrupting the way marketers are interacting with consumers. We believe we are particularly well positioned to help our clients take full advantage of this opportunity. Our very large cross-device user graph is an incredible asset. Tomorrow, a single Criteo-ID could become the cornerstone of multi-purpose people-centric marketing, enabling everything from ad personalization to solving the hard problem of cross-device sales attribution.

- Second trend: the traditional separation between online and offline worlds is quickly disappearing. This is particularly true when consumers are in shopping mode. In other words, digital campaigns can drive in-store purchases and vice versa. The first tests we’ve performed in attributing in-store sales to digital campaigns have shown very, very exciting results.

- Third, today, marketers typically manage their multi-channel marketing with an ROI objective per channel. And CMOs are increasingly aware that this silo approach is less and less effective. As you know, Criteo already covers four marketing channels: display, social, native and email. And we are looking to potentially add search to the mix. This further compounds our ambition of Criteo becoming the leading multi-channel performance platform in the market.
In December, we announced the **promotion of Eric Eichmann as our new CEO**. Eric has been steadily expanding his role over the last three years and, in his last role as President & COO, he was already in charge of most company functions excluding those reporting into the CFO. So this new step is a very natural evolution. Criteo benefits from our respective talents at best. As one of the Criteo founders, I’m focused on long-term vision. Eric brings the right leadership skills and experiences to drive the company towards our next phase of growth.

Finally, I’m obviously very pleased to report another **year of strong profitable growth**. For nine consecutive quarters, including Q4 2015, we have exceeded our guidance for both revenue ex-TAC and Adjusted EBITDA.

With that, let me now turn the call over to Eric.

**Eric Eichmann – Chief Executive Officer**

Thank you JB. I am thrilled to take on the CEO role at such an exciting time for Criteo.

I’m very pleased with our success in 2015. With 1.2BN€ in annual revenue, we reached significant scale while still growing very fast. Revenue ex-TAC increased 49% at constant currency to 482M€ and Adjusted EBITDA grew 59% at constant currency to over 130M€.

**2015 was another phenomenal year for us on all fronts**, confirming our strong position in the market and validating the unique strength of our model. Specifically:

- We added over 3,000 clients and crossed the **10,000-client mark**,  
- We **maintained client retention** at over 90%, while growing clients 42%  
- We deployed **great new products**, such as our enhanced creative platform, our “Universal-Match” cross-device solution and dynamic product ads on Facebook,  
- We grew Criteo employees to over 1,800, including an increase of 60% in our innovation capacity to now **400 engineers in France and Palo Alto**.

Let me know turn to Q4. Q4 was another strong quarter. We grew revenue ex-TAC 43% at constant currency to 146M€ and adjusted EBITDA 49% at constant currency to 49M€.

Beyond a very strong Holiday season with very concentrated shopping days, our Q4 performance was driven by **three main factors**:
• First, constant technology improvements

• Second, new record client additions across segments and regions

• Third, the continued expansion of our direct publisher relationships

Let me talk about the first one. Technology improvements led to clients from Q4 2014 generating 20% more Revenue ex-TAC at constant currency in Q4 2015, in line with prior quarters. Of these in particular, we accelerated our transition to mobile. We are very pleased that in December, over 47% of Revenue ex-TAC was generated on mobile ads. This is a very significant increase from prior year.

In Q4, we generated 25% of Revenue ex-TAC from users that have been matched on at least two devices, at a time when cross device transactions represent a fast-growing share of all ecommerce. Now, over 65% of our clients share anonymized CRM data with us, which enables the exact match of users across devices and allows us to drive even more sales.

We also drive more sales by creating compelling ads. In December, our enhanced creative platform, which dynamically optimizes all components in our ads, was used by clients representing over 70% of Revenue ex-TAC.

Moving now to the second driver: client additions. In Q4, we added a record 900 net new clients, a 25% increase over Q3 net additions.

We added both large clients – which are the top 100 or top 200 ecommerce companies in every market – and midmarket clients – these are all other above 40K UVs a month - in all regions. We estimate that our midmarket penetration has reached only 10% of the addressable number of clients globally. To capture the massive midmarket opportunity even faster, we continue to automate all aspects of client integration. By the end of 2015, we shortened by 25% the median time it takes to integrate a midmarket client. Our midmarket Revenue ex-TAC grew 90% in Q4 and reached close to one fourth of our business. We are also pleased that the average Revenue ex-TAC per midmarket client continues to grow at a strong double-digit rate.

Now turning to the third driver: direct publisher relationships. In Q4, we added a record 2,000 publishers bringing us close to 14,000 publishers at the end of 2015.
In mobile, we continued to work closely with Facebook on dynamic product ads, known as DPA. At the end of Q4, we had rolled out DPA to 3,000 of our performance-focused clients. Over the last four quarters, we have made dramatic improvements to the performance of our clients’ campaigns on Facebook DPA. Recently we began testing DPA across desktop newsfeed placements which have shown performance greater than FBX. Dynamic product ads are now a mainstream product for our clients and we intend to roll it out rapidly to the remainder of our client base during the coming quarters.

In Q4, we also accelerated our move towards native. Native ads tend to drive high engagement and strong performance. We work directly with publishers to access their native inventory and also partner with fast-growing native platforms. For example, we went live with Taboola in Europe and the Americas in Q4 and are seeing a quick ramp up.

Moving now to regional performance. Americas Revenue ex-TAC grew 61% at constant currency. For the first time in Criteo’s history, the Americas was our largest region in Q4, representing 41% of Revenue ex-TAC. Large clients continued to increase their spend with us and our midmarket segment continued its triple-digit growth across the Americas.

In EMEA, which is our most established region, Revenue ex-TAC increased 22% at constant currency. All our large Western European markets continued to show double-digit growth. We signed several large new clients in the region and saw very positive impacts in markets, such as France and Italy, that were running Black Friday for the first time.

Growth in APAC accelerated to 62% at constant currency. We are especially excited about the strong momentum in South-East Asia, which now represents over 20% of our APAC business. Our export business with Chinese advertisers continued to perform well, adding incremental business outside of APAC. We launched our Shanghai data center as planned in Q4, paving the way for a stronger domestic business in China in 2016.

Looking at 2016, we are focused on a clear set of priorities:

1. **Continue to innovate**, both on our core Engine technology and on new products,
2. Scale our **global midmarket presence**
3. Strengthen our **Asia Pacific position**

Starting with **Innovation:**
• We have had great success improving our **core Engine** every year. And we have a strong portfolio of ideas to further improve it in 2016. These include significant plans to enhance product recommendation and the dynamic creative platform. Any engine improvement is key as it provides leverage across all marketing channels.

• We also plan to **expand our reach in social, mobile and native**. In 2016, we will focus on deploying Facebook’s dynamic product ads on desktop and mobile, new mobile apps like Instagram and new native ad platforms.

• We’ll also continue to invest in **cross-device**. Our significant reach with advertisers and publishers already allows us to match a significant portion of our clients’ customers. We believe our matching capability could become a major asset for Criteo. In 2016, we will continue to invest in the infrastructure and optimization of our cross-device solution.

• Finally, we also invest in **disruptive opportunities** such as search and offline. We are still in the proof of concept phase for a possible entry into search. We will update you on our progress in the course of 2016.

Our second priority is to **scale our global midmarket presence**. We will continue to grow our Boston and Barcelona hubs, focusing on ramping up productivity across the board, including through the automation of client integration. We plan to launch and grow new midmarket hubs in Singapore to cover South-East Asia and Shanghai to cover China.

Our third priority is to strengthen our **position in Asia Pacific**. By 2018, over 60% of the global retail ecommerce will come from APAC according to eMarketer. This offers a massive runway compared with our current APAC share of the overall business. In 2016, we will focus on three key initiatives in APAC:

1. Launch operations in India and take advantage of the country’s booming ecommerce
2. Continue to drive high growth across South-East Asia
3. Grow our domestic Chinese business with large clients

In closing, I am **very pleased with our strong performance in 2015**. We have executed according to plan, strengthened our market position and invested in future growth. We did all of this while delivering exceptional topline growth, expanding profitability and increasing cash flow generation. **2016 will be another very exciting year for us**. I look forward to updating you on our achievements and growth initiatives as we progress through the year.

With that, let me turn the call over to Benoit, our Chief Financial Officer.
Thank you, Eric, and hello everyone. I am also very pleased with our continued strong profitable growth. I am particularly happy with our growing profitability and strong free cash flow generation, which both remain unique differentiators in our space.

As usual, I will walk you through the financials in detail and provide our guidance for the first quarter and fiscal 2016. Afterwards we will take your questions.

Q4 Revenue increased 55%, or 46% at constant currency, to 362M€, growing 21% sequentially. Fiscal 2015 revenue grew 60%, or 50% at constant currency, to 1.2Bn€.

Revenue ex-TAC is the key metric we use to measure our business performance. Q4 Revenue ex-TAC grew 51%, or 43% at constant currency, to 146M€, and Revenue ex-TAC margin was 40.3%, similar to prior quarters. Fiscal 2015 Revenue ex-TAC increased 59%, or 49% at constant currency, to 482M€, and Revenue ex-TAC margin was 40.4% remaining well within our long-term range of 39% to 41%.

Compared to our guidance, changes in foreign exchange rates had a 1.6M€ positive impact on reported Revenue ex-TAC in Q4, partly driven by a stronger dollar. Compared with prior year periods, forex continued to represent a tailwind to reported Revenue ex-TAC growth of 9 percentage points in Q4 and 10 percentage points in the full year.

Moving to profitability,

- Q4 Adjusted EBITDA grew 53%, or 49% at constant currency, to 49M€. This increase was primarily driven by our strong Revenue ex-TAC performance. Nearly half of the over-achievement in Revenue ex-TAC flowed through to Adjusted EBITDA. We incurred slightly higher than anticipated expenses, primarily as a result of negative forex and variable costs. Q4 Adjusted EBITDA margin was 13.5% of revenue, consistent with Q4 2014.

- Fiscal 2015 Adjusted EBITDA grew 64%, or 59% at constant currency, to over 130M€. Adjusted EBITDA margin increased by 20 basis points to 10.9% of revenue, despite continued investments throughout the year. Excluding our investments in search, which include the acquisition of DataPop, 2015 Adjusted EBITDA margin was 12.1% of revenue, an improvement of 140 basis points compared with 10.7% in 2014. We’re pleased with our growing profitability that remains well in line with our long-term operating model.
In Q4, other cost of revenue, comprised of hosting and data costs, were 16M€, driven by increased capacity and redundancy across our data centers. On a Non-IFRS basis, other cost of revenue were 8M€.

In fiscal 2015, other cost of revenue came in at 29M€ on a Non-IFRS basis, representing 2.4% or revenue. In 2016, we expect to grow other cost of revenue on a non-GAAP basis closer to 3% of revenue, as we plan to increase our investments in data, as well as in hosting capacity.

Looking now at our operating expenses:

- In Q4, operating expenses were 99M€ or 89M€ on a Non-IFRS basis. We continued to scale the organization to support our growth.
- In 2015, opex came in at 356M€ or 322M€ on a Non-IFRS basis, representing 27% of revenue, down 40 basis points compared with 2014. Excluding our investments in search, Non-IFRS opex were at 25.7% of revenue in 2015, down 170 basis points compared with 2014.

Headcount-related expenses represented over 75% of operating expenses, both in Q4 and the fiscal year. We had ambitious recruiting plans in 2015. We added over 540 net new employees in 2015 and closed the year with more than 1,840 employees, an increase of 42% compared with December 2014.

Looking at Q4 operating expenses by function on a Non-IFRS basis:

- **R&D** expenses came in at 19M€, largely driven by a 60% increase in headcount to approximately 400 employees.
- **Sales and operations** expenses were 50M€, also largely driven by a 35% increase in headcount to over 1,120 employees. Quota-carrying headcount, which includes both Sales and Account Strategists, grew 47% to close to 530 employees. Approximately 60% of this growth was in midmarket.
- **G&A** expenses came in at 19M€, while headcount increased 47% to 318 employees.

On a full year 2015 view, also on a Non-IFRS basis:

- **R&D** expenses were 65M€, or 5.4% of Revenue, up from 5.1% in 2014. Excluding our investments in search, R&D represented 4.8% of revenue.
Sales & operations expenses came in at 191M€. Sales & operations expenses decreased 30 basis points to 16% of revenue, despite our significant investments, in particular in the midmarket. Excluding our investments in search, sales & operations expenses were at 15.4% of revenue, down 90 basis points from 16.3% in 2014.

And G&A expenses were 67M€, decreasing 50 basis points to 5.6% of revenue.

In 2016, we plan to continue to invest in our growth priorities, although at a slightly slower pace than in 2015. We expect those investments to be mostly in hiring, in particular in R&D and Sales & Operations. While we expect to invest in new talent across the board, we also plan to deliver continued operating leverage in G&A and Sales & Operations. In particular, we expect to generate productivity gains in our Sales & Operations organizations for large clients and midmarket in North America and EMEA, while continuing to invest heavily in our midmarket organization in Asia-Pacific.

Moving now to our financial income. Q4 financial income was 0.6M€ compared with a 4.7M€ loss for the nine months to September. In fiscal 2015, our 4.1M€ financial loss was driven by a 5.4M€ forex loss, primarily the result of the negative impact on our intragroup positions of the Brazilian real’s significant fall against the euro in 2015.

Q4 net income increased 101% to 35M€. As a result of recognized deferred tax assets in our U.S. and other subsidiaries, we had a positive provision for income taxes in the quarter. Q4 net income was also impacted by the reversal of a 2M€ acquisition-related deferred price consideration charge. Fiscal 2015 net income increased 60% to 57M€. Our effective tax rate was 13% in 2015, largely driven by the recognition of deferred tax assets in Q4.

Moving now to our cash flow generation:

- Q4 cash flow from operating activities increased 53% to 60M€, primarily driven by strong adjusted EBITDA generation and a seasonal positive change in working capital.
- 2015 cash flow from operating activities grew 41% to 124M€, representing 95% of full year adjusted EBITDA.

Now to our capital expenditures:

- Q4 capex was 18M€, primarily made of data center equipment.
- 2015 was an exceptional year for capital expenditures, when capex reached 67M€, driven by data center equipment for increased capacity and redundancy, as well as
leasehold improvements in new facilities globally. Capex represented 5.6% of revenue compared with 4.7% in 2014, and was below the 6% guidance we had provided for 2015. We expect capex to be back to approximately 5% of revenue in 2016.

Moving now to our free cash flow:
- Q4 free cash flow grew 45% to 43M€, representing 88% of adjusted EBITDA.
- Free cash flow for 2015 increased 8% to over 57M€, or 44% of adjusted EBITDA, despite a very material increase in capex. I am very pleased with our high free cash flow generation, which continues to demonstrate the robustness and scalability of our financial model, quite a unique feature in our space.

Finally, total cash and cash equivalents were 325M€ at the end of December, up 35M€ compared with December 31, 2014. This increase is primarily the result of our 57M€ free cash flow generation and €6 million positive cash flow from financing activities. These were partly offset by the cash consideration paid for the acquisition of DataPop, as well as a 5M€ negative impact of forex changes in the year.

I will now wrap up with our guidance. The following forward-looking statements reflect our expectations as of today, February 10, 2016.

As from January 1, 2016, Criteo began reporting under U.S. securities laws as a U.S. domestic registrant and will file its Annual Report for 2015 on Form 10-K. As a U.S. domestic registrant, we are now required to present our results in U.S. dollars and in accordance with U.S. GAAP. As a result, we are now providing our guidance in U.S. dollars. We believe our new financial reporting in US dollars and US GAAP will make it easier for US investors to read our results in comparison to other US companies in our industry.

We expect 2016 will be another year of growth, investment AND operating leverage for Criteo. As outlined earlier, we plan to invest in R&D and hosting as well as in our midmarket Sales & Operations, in particular in Asia-Pacific. In parallel, we expect to generate continued leverage in Sales & Operations, especially through productivity gains in our large client organization in most established markets, and the continued scaling and ramping of our midmarket organization. We also expect to deliver incremental leverage in G&A.

In view of our change in reporting currency and as a result of the company tripling the scale of its business since going public, we are taking a new approach to our annual guidance. Going forward, we will provide new metrics for our annual guidance: a projected annual
growth range at constant currency for Revenue ex-TAC; and an Adjusted EBITDA margin improvement outlook for the year. We previously provided absolute ranges in our annual guidance for Revenue ex-TAC and Adjusted EBITDA. As a result of our larger scale, the ranges we will provide for our Revenue ex-TAC growth will translate into **broader dollar ranges** than previously provided.

We believe this new approach will establish a **more stable guidance framework** for investors. Now that we report in US dollars, we believe that providing estimated growth at constant currency will make it easier for investors to **focus on our operating performance** against prior periods. We also believe this new guidance approach will help investors **better assess our operating performance against our mid to long-term outlook for our business.**

On a quarterly basis, we will continue to provide a dollar range for both Revenue ex-TAC and Adjusted EBITDA.

We expect Q1 2016 revenue ex-TAC to be **between $153M and $158M (or between 139M€ and 144M€)**. At the midpoint of the range, this would imply **36% growth at constant currency** compared with Q1 2015. We expect changes in foreign currency rates to represent a headwind of 4.5 percentage points to our reported growth in Q1 2016.

And we expect Q1 2016 adjusted EBITDA to be **between $36M and $41M (or between 33M€ and 37M€)**.

For fiscal 2016, we expect Revenue ex-TAC growth to be **between 30% to 34% at constant currency.**

And we expect our fiscal year 2016 Adjusted EBITDA margin as a percentage of Revenue to **improve between 60 basis points and 100 basis points** compared to fiscal year 2015, directionally in line with our long-term operating model. As a percentage of Revenue ex-TAC, this would mean a margin improvement between 150 basis points and 250 basis points compared to fiscal year 2015.

Underlying our Q1 2016 guidance, we assume the following exchange rates for the main currencies impacting our business: a dollar-euro rate of 0.905, a dollar-Japanese yen rate of
117, a dollar-British pound rate of 0.69 and a dollar-Brazilian real rate of 4.0. This guidance also assumes no acquisitions are completed during Q1 or fiscal year 2016.

In order to help you compute our growth at constant currency in fiscal 2016 compared with fiscal 2015, we are also providing the average exchange rates for full year 2015 for the main currencies impacting our business: a dollar-euro rate of 0.902, a dollar-Japanese yen rate of 121, a dollar-British pound rate of 0.65 and a dollar-Brazilian rate of 3.29.

Overall, I’m very happy with our 2015 achievements and enthusiastic about our upcoming initiatives as we enter 2016.

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