Criteo Analyst Update 20Q4

Industry Analyst Virtual Event

17th November 2020

#Q4CAU
A Retail Media Moment With Nich Weinheimer
Criteo connects commerce data and media to change how commerce is done.

Megan Clarken
Chief Executive Officer
Strategy and business update + Wrap-up

Todd Parsons
Chief Product Officer
Introducing Criteo Commerce Media Platform

Diarmaid Gill
Chief Technology Officer
Criteo’s approach to identification

Geoffroy Martin
GM & EVP, Growth Portfolio
Retail Media update

#Q4CAU
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

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2. Criteo and others.
To power the world’s MARKETERS with trusted and impactful advertising
Product Strategy & roadmap

Todd Parsons
Chief Product Officer

Diarmuid Gill
Chief Technology Officer
OUR VISION

To be the world’s leading Commerce Media Platform

Megan Clarken
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

The Consumer
Consumer Controls: Privacy and transparency Personalised Experiences

Retailers
Data Controls Monetisation Commerce Insights Personalisation Merchandizing

Brands
Data Controls Omnichannel outcomes Contextual outcomes Video / CTV outcomes Measurement

Publishers
Data Controls Criteo Direct Bidder Revenue Insights

Agencies
Data Controls Omnichannel outcomes Contextual outcomes Video / CTV outcomes Measurement

APIs
Management Center

Retail Media Platform

Direct Integrations SSP Integrations

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

* W3C, Prebid, Rearc
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

Leading performance-based advertising Platform

- Display
- Video/CTV/Native
- NEW

Retail Media

- +60% YTD

Audience Advertising

- +50% YTD

Omnichannel

- +120% YTD

Global leader in retargeting

- Display
- Retargeting

Media arbitrage business model

2005 - 2016

Share of media spend

2017 - 2020

Criteo Commerce Media Platform

- Analytics & Insights
- Display
- Video/CTV/Native
- Social/Search
- Retail Media
- Retail Media Extension
- Retargeting Audience Advertising
- Omnichannel, Contextual, Interest audiences

Privacy-focused 1P Media Network

2021 onwards
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

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

2021 onwards

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**

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* eMarketer, TED, Amazon financial statements; Figures exclude Amazon and China
Retail Media Platform is here!
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

Yesterday

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

Today

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

Tomorrow

- 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

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<thead>
<tr>
<th>SEAT</th>
<th>WAVEMAKER</th>
<th>WEBRANKING</th>
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| 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

* Source: Criteo
Q&A panel

Megan Clarken  Todd Parsons  Diarmuid Gill  Geoffroy Martin
Further questions? Just contact Criteo Influencer Relations

*Ludovic Leforestier*
Director Influencer Relations
+44 7500 817 433
ar@criteo.com

*Megan Stevens*
Analyst Relations Manager
+44 75 9797 4608
ar@criteo.com

#Q4CAU
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

* Source: Criteo
A growing ecosystem of partner integrations

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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
- 3.8B Displays per day
- 1.2M Bids made per second
- $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
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.
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<th>Brands and retailers want to…</th>
<th>Criteo Commerce Media Platform brings</th>
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<tr>
<td>1. Understand every buyer journey</td>
<td>✓ Deep <strong>commerce insights</strong> through data and analytics</td>
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</table>
| 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 |
One platform for the open retail media ecosystem

Retailers & saleshouses
Manage business rules governing access to inventory and data

Brands & agencies
Create and manage campaigns via self-service UI

API partners
Integrate with other buying platforms and reporting systems
How Retail Media Platform is different

One platform to buy and sell both sponsored products and display

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

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

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