

MANAGEMENT DISCUSSION SECTION

Melanie Dambre Fioen, VP Investor Relations

Hello and welcome to Criteo's 2024 Retail Media investor update. On behalf of our entire team, I want to thank you all for joining us today.

To kick things off, I'm going to give a quick overview of the presentation and then a few disclaimers. You will have the opportunity to hear from several members of our leadership team who have exciting content to share with you today. We're very pleased to have with us Chief Executive Officer Megan Clarcken; Chief Revenue Officer and President of Retail Media Brian Gleason; General Manager of Global Retail Media Melanie Zimmermann; Executive Managing Director, Americas, Sherry Smith; Chief Product Officer Todd Parsons; and Chief Financial Officer Sarah Glickman. We'll start with some prepared comments, and will conclude the event with a live Q&A session.

Before we jump in, I'd like to remind you that our remarks will include forward-looking statements, which reflect Criteo's judgment, assumptions and analysis only as of today. Our actual results may differ materially from current expectations based on a number of factors affecting Criteo's business. Except as required by law, we do not undertake any obligation to update any forward-looking statements discussed today.

For more information, please refer to the risk factors discussed in our most recent Forms 10-K and 10-Q filed with the SEC. We'll also discuss non-GAAP measures of our performance. Definitions and reconciliations to the most directly comparable GAAP metrics can be found on our Investor Relations website or our filings with the SEC.

With that, let's begin. I'd like to introduce our Chief Executive Officer, Megan Clarcken.

Megan Clarcken, CEO

Thanks Melanie and good morning, everyone. Thank you all for taking the time to join us today.

I've been leading this incredible company for five years now, and we've accomplished so much during that time. As part of our transformative journey, we've significantly grown our Retail Media business to be our largest growth driver. Today, our world-class team will discuss how we're executing on our strategy, the ways we expect Retail Media to reach its full potential and why we believe we're uniquely positioned for this next chapter of growth.

This update is an opportunity for us to unpack how our business is evolving alongside market dynamics and why we're confident and excited about our future.

We've been at the forefront of the rise of Retail Media. Not only have we been talking about it, but we've provided the fundamental technology that enables it. Retail Media sits at the core of our overall strategy to provide solutions for brands, agencies, and marketers to reach consumers on their buyer journey from where they discover products to the transaction at the point of sale. This performance with commerce at its core is part of the Criteo DNA and has enabled us to become a leading, independent AdTech player to help retailers and brands capitalize on the highest secular growth advertising end market – which is Retail Media.

The shift toward a more digital, personalized, and integrated e-commerce experience allows for highly targeted, data-driven advertising that engages consumers along this journey. This evolution in marketing and shopping creates new revenue streams for retailers, enabling brands to reach shoppers more effectively across the right channels at the right time with the right message.

It's important to view this in the context of our broader business. For nearly two decades, our world-class R&D and product teams have developed deep expertise in commerce AI. This expertise allows us to deliver better predictions and outcomes for 17,000 clients globally across both Performance Media and Retail Media. We see over 700 million daily active users and leverage over \$1 trillion in e-commerce transactions across 4 billion product SKUs every year to fuel commerce-driven AI models.

Today, we have a healthy and thriving company that has been strategically repositioned for sustainable growth, and Retail Media now represents approximately 22% of our overall business. We entered the Retail Media space in 2016, and since then, we've cultivated a strong first-mover advantage and are closing in on being a \$250 million business that continues to grow at a rapid clip. We empower brands and agencies to find valuable commerce audiences on retailer websites and activate sponsored, display and video ads, which we call onsite. It extends to commerce audiences that exist across the open Internet, leveraging multiple channels including video and CTV, which we call offsite. Our greatest assets are our leading technology, global scale and exceptional team of passionate individuals with a customer-first mindset.

With an expected global TAM of \$204 billion by 2027, Retail Media is taking share from traditional and other digital advertising channels due to its emergence as a high-impact, data-rich channel that drives performance with measurable outcomes. Retail Media has overtaken traditional TV advertising, and in the U.S. alone, it's expected to represent about \$1 of every \$4 spent on advertising by 2027.

Two years ago, we indicated a Serviceable Addressable Market of \$42 billion in Retail Media by 2025, excluding Amazon and China. Today, we are looking at an even more compelling opportunity and growing SAM of \$50 billion by 2027. This represents a CAGR of approximately 20% between 2024 and 2027.

Trade marketing and shopper marketing budgets shifting from in-store to online continue to fuel growth in Retail Media. Retail Media is also benefiting from marketers reallocating brand budgets from TV, radio, and print to digital advertising given its proximity to product sales and its hyper-targeting capabilities using valuable first-party data. Within the digital advertising sector, search and social budgets are moving to Retail Media networks due to their high performance. We are well positioned to capture these advertising dollars both organically and inorganically.

Retail Media growth is also supported by e-commerce growth, a secular trend we expect to continue as consumers are drawn to its convenience, wide product selection, and personalized shopping experiences. Amidst this backdrop, we help retailers maximize revenue across ads and organic product sales, all while working to seamlessly connect to the largest pool of advertising demand beyond Amazon and ensure relevant shopper experiences.

We saw the rise of Retail Media when Amazon disclosed that it had built a multi-billion dollar high margin advertising business in February 2022, one that continues to grow and still dominates the Retail Media landscape.

But here are the facts: approximately 70% of Retail Media ad spend was captured by Amazon in 2023, while Amazon represents only a third of total e-commerce Gross Merchandise Value, or GMV.

Amazon currently has a disproportionate share of Retail Media investments, and this presents a clear opportunity for brands to diversify their budgets across other Retail Media Networks.

Criteo provides a platform and services for Retail Media Networks to win share of what is a meaningful opportunity for them. Together with our network of retailers, we play a critical role in shaping the future of advertising by leveraging data, best-in-class AI and technology, and innovative ad formats to drive consumer engagement and sales.

Today, we're proud to power the Retail Media programs of 225 of the world's largest retailers that have an opportunity to gain their fair share. We've become the independent hub of Retail Media since we entered the Retail Media space eight years ago. There is no other player that matches our footprint.

We help retailers monetize their e-commerce sites to become media owners, securing a fair share of media budgets and attracting additional funds, while providing top-notch, full-funnel solutions to their brands. Our services help them scale efficiently and achieve media excellence at scale.

We power Retail Media with the same standards as other media buys. Our Retail Media Demand Side Platform, or DSP, allows brands and agencies to manage investments at scale, optimizing within and across retailers and ad channels while gaining deeper customer insights. This creates a flywheel, meaning the more retailers we partner with, the more brands we attract and vice versa. This flywheel is one hundred percent powered by Criteo.

By connecting retailers, brands, and agencies across 40 countries, we sit at the center of the global Retail Media ecosystem.

We partner with 65% of the top 30 retailers in the Americas, 50% of the top 30 in EMEA, and a growing footprint of close to 30 retailers in APAC. These retailers benefit from our access to demand from 3,100 brands, 200+ agencies including the 'big 5' agencies, or Holdcos, and multiple API partners.

Our 225 retailers collectively generate approximately \$160 billion in eCommerce sales annually. We harness vast commerce data across billions of SKUs, a set of purchase and intent data that gives insight into consumer behaviors and journeys, in order to deliver personalized advertising to hundreds of millions of unique shoppers.

Our vision has turned into reality, powered by a unique flywheel effect. Securing retailers has been a strategic priority to attract brands that want to advertise on multiple retailer sites. As brand demand grows, more retailers will seek access to that demand to increase their revenue from ads. Brands get access to retailers' unique inventory and data, enabling them to reach relevant audiences and sell more products. This benefits both brands and retailers by reaching more shoppers. Brands gain insights into shopper behavior and ad performance allowing them to offer personalized recommendations and improve ad results. Through this dynamic, retailers enhance the user experience, leading to higher sales and greater customer loyalty.

Our state-of-the-art AI and valuable commerce data are the foundation of our performance, positioning us to drive higher transactions, increased revenue, and amplifying powerful network effects.

In summary, we're the leading AdTech player in Retail Media, a space set to be the largest secular growth trend in advertising over the next several years. As an independent Retail

Media business with technology leadership and unmatched scale, we're uniquely positioned to capitalize on this massive opportunity and outpace market growth while sustaining strong profitability.

The insights we'll share today will demonstrate that Criteo is a Retail Media powerhouse and a compelling investment opportunity, set to create shareholder value for many years to come.

Brian Gleason will share how we're expanding our lead over the competition with our exciting and comprehensive demand strategy. After him, you'll hear from Melanie Zimmermann who oversees our Retail Media business globally. Melanie is a fantastic addition to our team and will walk you through our strategic approach with retailers. You'll also hear from Sherry Smith, a pioneer in Retail Media, who has been instrumental in driving our success across the Americas. Todd Parsons will then showcase our cutting-edge AI and latest innovations in Retail Media. Finally, Sarah Glickman will highlight the strong financial profile and future opportunities of our Retail Media business.

I'll now pass the baton over to Brian.

Brian Gleason, CRO

Thank you, Megan, and good morning, everyone. It's been an incredible journey since I joined Criteo in April 2022, and I've never been more excited about our achievements and future opportunities.

Our client-centric approach and focus on execution have fueled substantial growth in Retail Media over the past few years. We are building on that success with a powerful demand strategy to drive scale and unlock Retail Media's full potential.

Today, I'll explain why agencies and brands select Criteo to engage high-intent shoppers along their buyer journey. Deepening our agency relationships has been an integral part of our strategy, and we continue to simplify Retail Media buying and evolve our offering to attract more brand spend.

By the end of this presentation, I hope you'll have a deeper understanding of the progress we've made and the significant growth opportunities ahead.

As the leading Retail Media AdTech player, we have a relentless focus on driving demand. We now activate about \$1.5 billion in media spend annually, representing a CAGR of approximately 32% over the last two years and largely outpacing market growth. We have seen outsized growth in verticals like Beauty, Consumer Packaged Goods and Consumer Electronics where demand continues to increase.

With our flywheel, securing access to premium retailer inventory at scale has been critical to attract brand spend. Agencies now represent approximately two-thirds of the spend going through our Commerce Max DSP in the Americas, and we've only begun to tap into this massive opportunity.

It's important to understand where the demand is coming from. More and more ad budgets are shifting to Retail Media because it performs and it scales, and these budgets are coming from multiple sources. We continue to benefit from incremental funds and the shift of in-store trade and shopper marketing budgets to Retail Media as shoppers are spending more time online. We are also seeing a clear shift of national media budgets from social media, search, TV or non-digital channels all into Retail Media.

More than two thirds of brands and agencies in the U.S. and Europe plan to increase their investments in Retail Media this year. For example, Scotts Miracle-Gro, a manufacturer of gardening products, now spends about 40% of its total enterprise media budget in Retail Media. Another client in consumer electronics now allocates about 30% of its global spend to Retail Media.

Our Retail Media full funnel offering positions us incredibly well to tap into a broader pool of budgets and help retailers capture brand spend in addition to direct supplier budgets.

We anticipate this trend will persist as 80% of agencies and brands consider Retail Media a more effective channel compared to others to drive incremental sales. With Retail media, we help brands own the digital shelf, reach high-intent consumers at the digital point of sale and, ultimately, increase sales. The ability to tie an ad to a sale with closed-loop reporting brings immense value to brands. Brands benefit from retailers' vast amount of first-party data such as purchase history, browsing patterns, demographics or loyalty data to target shoppers with a high return on their investments. The average Return On Ad Spend for our largest global brands was an impressive 3.7 times over the past 12 months.

We think that multiple key factors will drive the expansion of Retail Media in the coming years. These include helping brands reach more customers through cross-retailer campaigns, increased engagement from Chief Marketing Officers and simplifying the buying process with a unified platform. We also see omnichannel closed-loop measurement as a key growth driver.

According to the Path to Purchase Institute, more than a third of advertisers work with more than 10 Retail Media Networks at once, demonstrating the critical role we play in providing our frictionless cross-retailer planning and buying capabilities. They rely on us to bring the integrated solutions, scalability, superior performance and media excellence standards that they need and expect.

With our unified AI-powered platform, they can execute and optimize both onsite and offsite campaigns and understand the effectiveness of their spend with our real-time, SKU-level closed-loop measurement capabilities. Our platform gives brands the control and flexibility to allocate budgets and update campaigns quickly in response to performance trends.

Our global retailer footprint, demand generation capabilities, neutrality, strategic partnerships and full-funnel solutions are some of the key factors that set our platform apart from AdTech competitors that typically lack scale or only offer point solutions.

We are playing a critical role in establishing standards to drive scale and media excellence for one of the largest sources of Retail Media inventory in the world. Microsoft Advertising leaning in with Criteo validates the effectiveness of our strategy and the strength of our technology.

This positions us incredibly well to compete for advertising dollars against the walled gardens.

Now, I'd like to share more about our demand generation capabilities that have been a critical factor in retailers' decision to partner and grow with Criteo over the long term. We currently support multiple Retail Media activations and have plans to incorporate more demand sources moving forward.

This starts with our Commerce Max DSP for large global and national brands to manage their Retail Media onsite and offsite campaigns with self-service access and closed loop measurement. We also have seamless integrations with 13 third-party API demand partners such as Flywheel, Pacvue and Skai that facilitate cross digital activation for media buyers to maximize reach and impact across multiple channels including retail media, search, and social. And, we plan to continue to build integrations with other partners to connect to an even wider pool of advertiser budgets and marketing use cases. We also have direct activations from retailers into Commerce Yield.

The combination of these direct and indirect demand activations is important to capture different budget sources, from trade to national media budgets, to maximize the advertising revenue opportunity for retailers.

Starting with trade marketing budgets, retailers' direct relationships with endemic brands provide the starting point to build their media business. Our full-funnel capabilities maximize the benefits of existing trade spend shifting to digital. This drives stronger supplier relationships and deeper investments. Retailers rely on our services and insights to grow these accounts, month over month, and over time.

However, it's more difficult for retailers to gain access to national media budgets, and this is where Criteo's strong agency relationships, self-service Commerce Max DSP and seamless integration with our third-party API demand partners enable our retailers to bridge that gap. In this case, investments are brand-centric rather than retailer-centric and leverage our solutions to buy media at scale with high standards of media excellence, such as standardized and accredited measurement.

So, how can we sustain our growth and continue to grow faster than the market?

First, we have substantial growth opportunities by expanding capabilities for our brand and agency partners who are prioritizing investments in this channel.

Second, we are building from our success with sponsored ads to attract demand for our newer ad formats and channels including display ads, video and offsite advertising.

Third, we are building partnerships that allow us to access large pools of untapped demand. For example, we are building a demand integration with Microsoft Advertising to access search budgets and could expand with additional partners interested in accessing our scaled network of retailers in the future.

I will elaborate on a few of these opportunities, and Melanie Zimmermann will walk you through the specifics at the retailer level.

Our multi-year partnerships with leading agencies and brands represent hundreds of millions of spend in Retail Media. One year after launching our Commerce Max DSP, it is part of the trading desk of all the major agency holding companies, and we have reached an annual spending run rate of over \$500 million.

Our objective is to make Retail Media easy to buy for brands and agencies that use Commerce Max to access hundreds of retailers through one platform with standard workflows, optimization and closed-loop measurement. They use self-service access to manage, optimize, and report on performance. Our DSP brings together multiple formats and channels from onsite sponsored products, display and video to offsite to address the full buyer journey.

We are highly focused on innovating and recently launched a SKU-based buying tool to surface more eligible ad inventory for brands and agencies and help them seamlessly scale campaigns across more retailers. Rather than running campaigns separately on various Retail Media networks, they can use our DSP to advertise their products across any retailer in our network where they are available. This unified campaign activation enables marketers to concentrate on what truly matters – selling products. Among our largest global brands, L'Oreal and Unilever have increased the number of retailers they advertise

on by an average of 40% over the past year. This has led to a 31% average increase in their media spend and a 75% average increase in attributed product sales.

Additionally, hundreds of brands are harnessing the power of our insights to strategically design campaigns to win or defend market share, leading to an average 35% increase in their investments.

As part of our journey to bring in more demand to our platform, we're excited about our work with Microsoft Advertising to access new budgets from their 500,000+ advertisers. To put this into perspective, addressable search budgets are a subset of Microsoft's search and news advertising revenue amounting to \$13 billion today.

Retail Media is well-suited to attract search budgets as it operates like a search environment where we can leverage high-intent shopper data to elevate the user experience.

The planning and architecture design with Microsoft are well underway. We look forward to testing in the coming months and rolling this out more broadly over the next few quarters.

Later this morning, you'll hear directly from Microsoft on why they selected Criteo as a partner.

Retail Media offsite represents a complementary way to help retailers and brands expand their reach. We hear from clients that our holistic, AI-powered platform is the easiest way for them to place their advertising dollars both onsite and offsite with closed loop measurement to demonstrate the ROI on their investments.

According to our recent survey, about 50% of brands and agencies invest in Retail Media onsite and offsite. For Criteo, conversion rates increase when running integrated onsite and offsite campaigns, which leads to incremental investment from both agencies and brands.

Retailers need to grow their overall audience for ecommerce, and we have seen that they are most successful when they combine online and offline data to maximize their reach potential offsite. We currently partner with over 20 retailers for offsite campaigns, and we continue to add more tools and features like creative assets and additional performance metrics.

To conclude, we have become the partner of choice to help brands and agencies scale Retail Media. Now, let's hear directly from our clients and partners.

We are confident that our comprehensive demand strategy will enable retailers to attract more brand investments and increase their advertising revenue, representing a larger

percentage of their e-commerce Gross Merchandise Value, or GMV. Next, you will hear from Melanie Zimmermann who joined us at the beginning of this year to drive the global expansion and growth of our Retail Media business. Drawing from her proven track record at Macy's where she built Macy's Media Network, Melanie will walk you through our strategy to drive success for our retail partners.

Melanie Zimmermann, General Manager Retail Media

Thank you, Brian, and good morning, everyone. I'm thrilled to be here today as the General Manager of Global Retail Media at Criteo. Joining this incredible team at such a pivotal time in the industry has been both exciting and inspiring.

Prior to my role here, I witnessed firsthand the unmet needs and vast opportunities for retailers, brands, and agencies. I realized quickly that most retailers simply are not in a position to develop the necessary technology in-house, they need a partner offering best-in-class technology, connections to the broadest ecosystem of Retail Media demand and flexibility. That's why I'm convinced Criteo stands out as the true leader in this space, with the ability to address these requirements and reshape the entire landscape.

We'll talk about our expanding retailer footprint across multiple regions and verticals, and their rising expectations as Retail Media plays an increasingly important role in enabling their e-commerce strategy and being a strong contributor to their financials.

My goal is to help you understand the strong moat we have built around our business and why I am confident in our ability to drive sustainable growth ahead of the market.

When Criteo entered the Retail Media space eight years ago, it was a nascent opportunity for retailers and marketplaces but many of them have since followed suit to emulate the success of Amazon.

The acceleration of ecommerce during the Covid-19 pandemic drove an uptick in the number of Retail Media Network launches, and we've seen other commerce players launch similar media businesses in adjacent verticals over the past couple years.

We are proud to be the Retail Media partner of choice for 225 retailers globally, including some of the largest retailers in the world in grocery, department stores, beauty, consumer electronics and service delivery.

From my experience at Macy's, I know that Retail Media is an integral part of retailers' business model and an increasingly important contributor to their P&L.

You can see that advertising revenue is an opportunity that can represent a mid-single-digit percentage of a retailer's e-commerce Gross Merchandise Value over time depending on several criteria including their maturity, geolocation, or category.

In addition, Retail Media is a high-margin business for retailers boosting the profitability of their e-commerce operations and providing an ROI on investments they have made in their digital infrastructure and loyalty programs. Currently, Retail Media contributes about 20% of the growth of a retailer's operating income. Madison & Wall predicts this will rise to over 30% in the next five years.

This brings increased focus from CEOs and CFOs and requires Retail Media executives to operate more strategically with better forecasting and planning capabilities. This means retailers need true business partners, and we are well positioned to deliver on that.

When competing during RFP processes, we've had impressive win rates as our holistic MRC-accredited platform, best-in-class AI-driven performance, global footprint, demand connectivity and media excellence truly set us apart from direct competitors. We have a proven track record of scaling successfully, unlike other AdTech players who only offer narrow point solutions and lack demand generation capabilities.

This is something we have been doing for years. It's a very specialized field with high barriers to entry requiring technology exclusive to Retail Media, deep retail expertise and economies of scale that would be hard to replicate for traditional SSPs or other Tech players. Here is why: it requires ingesting and processing massive amounts of data – everything from product-level transactions to retailer catalogs, which vary by retailer. Then, there is a need for search-like contextual relevance, but definitions vary from retailer to retailer. On top of that, we have to maintain extremely low-latency server-side integrations to ensure the shopper experience isn't disrupted. Ad auctions in Retail Media run much faster than what we see in open web programmatic. Finally, the lack of industry standards means that we have to normalize all of this complexity so that brands and agencies can buy at scale.

In short, we address everything from technology to demand connections and the services they need. I'll provide more details on the importance of our demand and services, and Todd will cover the critical role of AI and relevancy.

We provide connections to a huge pool of demand contributing to our flywheel. In addition, we are flexible in our approach to activate the demand that our retailer partners are driving directly. This means closely collaborating with them to design joint business plans and enable high ROI execution for trade budgets with their global brands. At the same time, we support standard and custom frontends for their direct activations. Retailers can either

utilize our out-of-the box white label frontend for speed to market, or we support them to build their own custom frontend in-house or contract a third party to build it for them, all leveraging our extensive API solutions.

Our offering integrates professional services and business intelligence tools to assist retailers in scaling their operations.

We have expanded our set of services to best serve retailer needs at different maturity stages. These include self-service support, sales enablement and creative assistance. For example, even retailers that have hired an in-house sales team may lack the resources to upskill them to become proficient in upselling brands year after year. We have developed sales enablement programs for this. And retailers may also want to lean on our platform experts to support their campaign management operationally, especially given the seasonal nature of their business. We believe we can do all of this more efficiently, at a larger scale, and with greater focus than individual retailers.

These services contribute to our growth while also presenting opportunities for take rate expansion. They deepen the relationship with our retailers and drive loyalty by making it more complex to switch to other providers.

In addition, we provide comprehensive Business Intelligence tools to help retailers identify growth opportunities and inform their sales efforts, including sales planning, forecasting and pricing optimization.

We are part of their extended team and provide critical tools they use daily.

There isn't a universal strategy applicable to all Retail Media Networks, as their size and maturity levels can differ significantly. We've adopted a tailored approach to meet a wide variety of needs - from retailers who need an end-to-end solution to those who need a more modular, flexible technology solution.

Regional or challenger retailers that are newer to Retail Media generally prefer the ease of a unified, out-of-box solution. They prefer having one partner that can facilitate quick revenue generation without requiring significant technical, operational or staffing lift. They also need that partner to drive demand to them.

Category leaders that have reached a certain scale in Retail Media often seek a partner capable of helping them further expand their operations efficiently, offering flexibility and connections to a wider advertising ecosystem and wide array of demand sources. They typically adopt a collaborative approach.

We serve both types of clients and continuously adapt our solutions and services to align with their needs and growth aspirations.

Challenger and regional retailers often lack in-house resources. It is tougher for them to attract budgets on their own, and they feel overwhelmed by fragmented solutions. Criteo supports them with out-of-the-box onsite and offsite tech solutions, extensive professional services, and access to demand. This allows them to launch quickly and attract national budgets. In short, we make it simple for them to get started and succeed with a unified, leading platform to monetize their key assets.

Turning to the category leaders, it's important to address misconceptions about in-housing. True in-housing is only relevant for giants like Amazon or Walmart in the U.S. Other retailers need a trusted tech partner with a flexible, modular approach and connectivity to demand sources that can help them sustain their growth beyond traditional trade. As the industry evolves, Retail Media isn't just about doing everything in-house or outsourcing — it requires a more nuanced strategy based on individual needs. Specifically for large retailers managing more tasks in-house, we provide professional services and business intelligence tools to augment their capabilities and help them scale strategically.

As media networks scale, retailers aim to create unique and unified media buying interfaces for their direct brands. They seek new demand sources for growth, enhanced site personalization, and the most efficient ways to continue to grow. At Criteo, we have developed a tailor-made, modular approach to meet these needs. Retailers can choose a customizable front-end while accessing our core technology, bringing the highest standards of excellence. Unlike ad servers, we consistently bring new demand sources through our Commerce Max DSP and multiple API partners. Through this comprehensive and modular approach, we strike a thoughtful balance between flexibility and demand connectivity. Retailers greatly benefit from being part of a global network and not bearing the risk of becoming an isolated non-scaled walled garden.

We believe that this is a sustainable competitive advantage since the demand connectivity is hard for others to replicate. It requires scale of supply and a combination of high-tech standardization and retailer flexibility. At Criteo, we bring valuable economies of scale to both our API partners and retailers who are looking to connect to them.

We have multiple levers to grow the supply side of our Retail Media business.

Starting with our existing client base, we can grow by adding new inventory, new ad formats like onsite display and video or expanding offsite. Onsite display currently represents less than 10% of our Retail Media business but it represents approximately 30% to 40% of our clients' media business, so we have an opportunity to do more with them.

Over the past twelve months, we have signed up 47 new retailers for onsite display and video. We are confident there is substantial potential to boost growth and increase share gain with a modernized onsite display solution. Similarly, we aim to assist retailers in expanding their advertising efforts beyond their own sites as they mature, by promoting their brands offsite, across the broader Internet.

We also have upsell opportunities with the professional and business intelligence services that we just talked about.

And of course, we still have significant opportunities to bring new clients onto our platform including Microsoft Advertising retailers and expanding into new verticals and regions. We're already planning the transition of several Microsoft retailers to our stack in 2025 across regions, and other RFPs are well underway.

Zooming in on onsite display, we plan to evolve our offering to address the unmet needs we have identified in the market and attract larger brand budgets. Our goal is to enhance scalability with an increased focus on performance to drive higher conversion and basket value. That means simplifying our operations and moving from impression-based to outcome-based display ads. We are working to combine the AI-driven performance optimization and streamlined self-service processes that make up our strength in sponsored ads with the creative and targeting flexibility available through display advertising.

Our objective is to enable brands to easily buy onsite display ads alongside sponsored ads using the same functionalities, automated relevancy and unified reporting for seamless campaign optimization across all onsite formats within our platform.

Focusing on our current clients, we have experienced and anticipate steady growth in the long run. Our AI has played a crucial role in scaling their Retail Media business by driving efficiency, personalization, and automation. Meanwhile, we are growing our retailer partnerships with more available placements, an increase in the average number of retailers a brand is live on, more retailers adopting multiple ad formats and higher coverage rates. For example, available placements have doubled in two years, and we're very encouraged to see that close to 60% of our retailers are leveraging multiple ad formats for their Retail Media network, driving growth as they build out their advertising offering.

Lastly, it's important to emphasize that we are experiencing robust Contribution ex-TAC growth with retailers, irrespective of whether the demand originates from the retailer, Criteo, or a joint sales effort. We are partnering with retailers to help them reach their full potential, by maximizing their access to both trade budgets and national budgets. Retailers' advocacy among their brands positively contributes to our shared success.

To conclude, we offer the industry's most comprehensive set of solutions and services and the important flexibility to help retailers scale their Retail Media business and increase ad revenue against their eCommerce GMV. Now, let's hear directly from our clients and partners.

With that, I'll pass it over to Sherry who will walk you through the tremendous growth engine we have built in the Americas.

Sherry Smith, Executive Managing Director, Americas

Thank you, Melanie. Good morning, everyone. I am pleased to be here today to share more about our incredible journey in the Americas and how we are uniquely positioned to continue to grow in this region. I have been in the Retail Media industry almost since it began, and I couldn't be more excited about the path we're on.

Our Retail Media business has doubled in the Americas in less than three years, propelling Criteo to become the Retail Media hub for retailers outside of Amazon. In the U.S. alone, Retail Media is expected to represent close to half of our business this year.

We work with many of the world's largest retailers and empower them to drive unprecedented growth. Our ability to bridge retailer needs with advertiser needs has been at the core of our success, and we have continued to gain market share.

Looking back at the progress we have made over the past couple of years, we have significantly expanded our footprint. Starting with brands and agencies, we have doubled the number of brands we work with and more than doubled our activated media spend coming from agencies since 2022. This includes doubling the size of our Retail Media demand in beauty and CPG as well as entering new categories such as spirits and beverages.

Our agency partnerships have been instrumental in driving demand at scale and are expected to represent above \$500 million in spend in the Americas this year. Agencies now account for two-thirds of our Commerce Max DSP spend in the U.S. and we saw the major holding companies grow more than 60% year-over-year in Q3 following a 50% increase in the first half of the year.

On the supply side, we're now partnering with 65% of the top-30 retailers that have a monetization program in the U.S. compared to half of these retailers two years ago. We have entered new countries such as Guatemala, Costa Rica, Nicaragua, Honduras and El Salvador with aims to replicate the success we have had in countries like Canada or Mexico. We are also proud to partner with an increasing number of players in adjacent

verticals including Kinective Media by United Airlines and Ticketmaster as well as UberEats, now one of our top 15 Retail Media clients globally.

Importantly, we still have ample room to grow our existing retailer relationships, including maximizing inventory onsite, bringing highly scalable, self-service display capabilities, expanding offsite for large retailers and scaling small and mid-size businesses. We are proud to have won all our U.S. RFPs this year, and we have a strong new business pipeline across retail, marketplaces and other verticals that bring opportunities to tap into new demand categories.

Building on what Brian and Melanie shared earlier, retailers and brands have their own distinct needs which we help reconcile with our best-in-class solutions putting the consumer at the center.

Our end-to-end AI-powered platform seamlessly connects demand and supply at scale. This is critical for retailers to grow their media business and for brands to reach high-intent shoppers and boost sales. We do this by making it easy for brands to buy Retail Media across multiple retailer sites and for retailers to maximize their monetization opportunities with access to multiple demand sources. We also bring media excellence standards to retailers so they can secure greater brand investments.

We offer flexibility for retailers looking to control and differentiate their Retail Media Network and for brands looking to control their ad campaigns with self-services capabilities.

Lastly, our investments in commerce insights have been instrumental in achieving maximum success including yield optimization for retailers and digital shelf optimization for brands.

Now zooming in on our top 10 U.S. retailers, I would like to highlight our progress and how we expect to continue to scale.

Starting with onsite, we are helping our partners maximize their monetization opportunities with new sponsored ad placements and higher coverage rates. We are expanding in display and now powering display ads on the websites of half of our top 10 retailers compared to only three of these retailers two years ago. As Melanie mentioned earlier, we are modernizing our display offering with greater automation to enhance scalability and capture additional growth opportunities.

We are also making solid progress offsite as four of our top 10 retailers now use Criteo to leverage their data and extend their reach with open internet campaigns.

Finally, we are pleased with the increasing adoption of professional services which differentiate us in the marketplace and represent a complementary opportunity to support the growth of our clients.

In summary, the Americas have been a growth engine for our Retail Media business. We are fully invested in the continued growth of our clients' businesses, and we are excited about the tremendous opportunities that lie ahead.

I'll now hand it over to Todd.

Todd Parsons, CPO

Thanks, Sherry, and good morning, everyone. I'm excited to talk about our product innovation and how advancements in using AI enable Criteo to predict future behavior to enhance the buyer journey and elevate Retail.

AI has fundamentally changed over the last few years, offering significant opportunities for our company. Our deep experience in building prediction engines using machine learning - which began in 2005 - has significantly advanced to also leverage deep learning and generative AI thanks to the efforts of the Criteo AI Lab established six years ago. To put things into perspective, we have invested several hundred millions of dollars towards commerce AI models and infrastructure. Currently, over 140 R&D and product employees are dedicated to AI research and innovation in our AI Lab.

Today, I'll walk you through how we use AI to underpin our Retail Media business. At its core, our Commerce AI helps deliver personalized advertising throughout the entire buyer journey, enabling brands and agencies to measure and improve performance - in real time. What makes this especially powerful for Retail is our ability to ensure that advertising complements - rather than competes with - a retailer's organic sales strategies. And we are able to do this without compromising data which drives a retailer's success in enhancing ad relevance, effectiveness and the overall onsite shopper experience. On top of that, our use of AI is helping simplify how brands and agencies plan, buy, and optimize campaigns across multiple retailers, ensuring consistent performance at greater scale. When it comes to creative, our use of AI tailors ads to different consumer audiences, driving stronger engagement and better results.

It's important to recognize that the buyer's journey is no longer linear. Today, it spans product discovery, research, conversion, and post conversion to maximize customer lifetime value. Hence, it is essential to maintain relevance at every touch point along this journey, ensuring a seamless personalized experience that results in not only performance

for a given marketing KPI, but promotes upselling and cross-selling opportunities at the same time.

Our AI engine translates trillions of interest and intent signals into relevant product recommendations that elevate the shopping experience, increasing basket values and maximizing sales opportunities for retailers and the brands that advertise with them at each touch point in the buyer journey.

As I said earlier, the buyer journey is not linear and can take countless forms, which would be impossible to untangle and predict without AI. To illustrate, let's walk through a common, end-to-end experience. Like many consumers, Sarah begins her discovery on Instagram, finding a beauty brand she's interested in. She now turns to ChatGPT to learn more about the product itself. Later on, as she browses a premium lifestyle site, a relevant and well-timed ad powered by Criteo reinforces her brand recognition, increasing her likelihood of becoming a customer. During Sarah's journey, we are also delivering interactive ads that enable a retailer to showcase complementary products, and leveraging generative AI to match relevant products to her prompts. During each step of this journey, signals from events provide training for Criteo's AI engine to improve relevancy and the probability of conversion. Each impression being served also benefits our offsite publishing partners before Sarah eventually reaches her chosen retailer to purchase the product. During her onsite session, we use AI to predict Sarah's needs and make highly relevant product recommendations that lift the effectiveness of our retailer's organic data, helping increase her basket value for their benefit. Throughout the entire journey, Criteo uniquely connects the dots and maximizes value for the brand, retailer, and for Sarah. And as you also see illustrated here, our predictions extend well beyond Sarah's initial purchases to enhance her customer lifetime value.

In short, this example demonstrates our end-to-end ability to effectively engage consumers both on retailer sites and offsite across the open web. When combining onsite and offsite advertising, we offer a more predictable, measurable full-funnel approach that enables retailers to attract more brand spend. To understand the importance of offsite as part of our Retail Media portfolio, it is important to note that retailers have the same mindset as the marketer they serve. They want to connect touchpoints on the buyer journey to drive incrementality, something we are uniquely positioned to help deliver. This is in contrast to competitors who use offsite as a conventional traffic driver.

Now, I'd like to take us deeper into the importance of relevancy in Retail Media. Retailers depend on high relevancy, particularly in prime placements, as these positions drive the majority of e-commerce sales. Relevancy shapes the customer experience and directly impacts their revenue and customer loyalty.

We bring a holistic approach to relevancy, as our aspiration is to help retailers maximize both ad revenue and organic merchandise sales. For product searches, our technology ensures that a sponsored product ad aligns with the shopper's search intent to complement organic search results and produce optimal conversion results. For display and video ads, our best-in-class AI marries contextual, audience, and other first-party signals such as shopping cart activity or product-level sales data to drive personalized advertising and ensure relevancy is consistent across the buyer journey. Increasingly, we also leverage our retailers' in-store audience and transaction data through customer data platforms and trusted data management platforms like LiveRamp, Amperity and Zeotap, to further enhance relevancy and performance.

With that, it's important to note that Retail Media has become an obvious choice for brands because it taps more first-party data adjacent to points of sale, and operates in premium, brand-safe environments.

Earlier I mentioned that an example of our AI at work is through forecasting and planning tools that help brands easily allocate budgets across multiple Retail Media Networks in the most effective way to maximize Return on Ad Spend. In a fragmented ecosystem, with Retail Media Networks running separate auctions and enforcing unique brand rulesets, our AI optimizes budget allocations to serve ads where impressions are available, where products are in stock, and where ad placements are most likely to convert.

Simplifying planning and buying workflows is critical for brands to spend more in Retail Media, and for retailers to sell more advertising in a brand-friendly way while they boost product sales.

Our use of AI also applies to dynamically optimizing creatives that personalize the consumer experience and enhance performance. We are deeply invested in advancing auto-generation, auto-testing and optimization of ad creative elements across the buyer journey. The very simple example you see on the slide shows the different ways an ad creative can be adapted to a consumer's touchpoint. It predicts the stage of the buyer journey a consumer is in and tailors what is viewed to the mindset they are likely to have, driving a more personal experience. Our work on this goes far beyond the example, applying to the auto-generation of video creatives and the like.

Together with Microsoft Advertising's Creative Studio, we aim to bring even more automation to the entire creative process. Our vision is for retailers and advertisers to use generative AI to create engaging display ads in seconds from a product's URL. And our AI will ensure the creative matches each retailer's style guide, eliminating the need for manual adjustments and therefore improving efficiency.

In addition to the smart ads you saw earlier, I also shared how we are innovating with new gen AI-powered formats such as chatbot sponsored products to bring more demand to Retail Media Networks.

Chatbots and other conversational environments are likely to represent a new monetization channel for retailers and consumers rapidly adopt their use, and this is fertile ground to leverage intent signals and improve relevancy as part of the buyer journey.

We believe Criteo has a first-mover opportunity to monetize retailers' chatbots through provider partnerships in our ecosystem.

I'm sure you can appreciate this is exciting for our retailers!

Finally, I'd like to talk about the work we do to advance measurement in order to help retailers, brands, and agencies reach their full potential with Retail Media. Our AI plays a critical role to seamlessly connect and measure performance across the multiple touch points that make up the buyer journey. From this, we offer detailed reporting that shows the full path to purchase for a given product. For example, brands can see the SKU shown to someone in an ad, the SKU they ultimately purchased, how much time elapsed between the ads viewed, the locations where they were viewed and the purchase, and more.

Standardization of performance KPIs and consistent reporting are also critical for advertisers to assess and measure how their Retail Media campaigns perform. Brands need not only to compare performance between different retailers and ad formats, but also to compare Retail Media performance with other ad channels. This is why we provide media excellence standards and the required accreditations for national media buyers to consider Retail Media.

Our MRC-accredited ad server provides a top-tier solution for retailers to attract significant ad budgets without major investment. With Criteo, they can offer trusted and standardized measurement that builds confidence among their advertisers.

We've also partnered with independent third-party verification leaders to ensure that brands can trust their ads are being viewed and reaching actual users across various on-site ad formats, and that measurements align with industry standards for comparable results.

We believe that leading the way in Retail Media measurement will continue to differentiate our platform, help secure additional media investments and drive the growth of Retail Media overall.

To conclude, Criteo's AI innovation is essential in unifying the buyer journey and differentiating our Retail Media offering. We're incredibly excited to continue forging a path for responsible use of AI across brands, retailers and the consumers they serve. With that, I'll turn it over to Sarah.

Sarah Glickman, CFO

Thanks, Todd. Good morning, everyone. I am thrilled to be here with you today to provide an update on our plans to deliver long-term profitable growth and unlock shareholder value.

I will talk about our Retail Media strong financial profile, our economics and why we are confident in our growth trajectory for 2025 and for the long term. I hope you walk away seeing our impressive track record over the past few years and have a clear understanding of our multiple growth drivers that position us to continue to activate media spend at a faster growth rate than the market.

Reflecting on where we are today compared to what we shared two years ago:

Retail Media continues to be the most important secular growth trend in advertising. We are scaling our existing client relationships while also taking share by expanding our client roster across multiple verticals and geographies. We have expanded our demand sources and expect to benefit from significant AI-driven innovation going forward, and we continue to have robust take rates.

Despite tougher macro conditions resulting in lower ad spend industry-wide in late 2022 and 2023, our Retail Media SAM is now expected to reach \$42 billion by 2026 and \$50 billion by 2027, growing at a 20% CAGR. The ramp up in offsite has been slower than anticipated, as brands prioritize onsite investments given the proximity with the digital point of sale. Currently, approximately 85% of Retail Media spending is allocated to onsite campaigns, with the rest allocated to offsite, which we expect to grow as the industry matures. Lastly, and as previously discussed, our largest retailer has shifted to a direct sales model, following the model that other retailers already have, which has lowered our demand side fees.

We benefit from Retail Media being a significant contributor to Criteo's top line and bottom line.

As the leading independent Retail Media AdTech provider, we have consistently exceeded market growth in activated media spend and we expect this to continue. We have grown revenue at a 25% CAGR over the past two years, and we are on track to deliver on our

growth target for 2024. We now have a scaled revenue base of close to \$250 million and we expect to continue to grow our revenue base.

Now let's talk about how we have positioned our business for long-term sustainable growth. We have grown our partnerships with large, scaled clients while continuously adding new retailers and brands. Our client retention has remained consistently strong at close to 90%.

Starting with brands and agencies on the demand side, we have expanded our client roster every single quarter for the past four years, including tripling our number of brand partners over the last three years to 3,100. We are activating \$1.5 billion in media spend annually, which represents a year-over-year growth of 33% over the past year, and over 150% over the past three years.

We have experienced significant momentum with agencies through our multi-year partnerships with agency holdcos. In the Americas, this translated to over 50% growth in spend allocated to Criteo.

Turning to the supply side, we have built strong, long-term relationships with 225 retailers globally. Our same-retailer Contribution ex-TAC retention was 129% over the past four quarters, driven by multi-year contracts and exclusive partnerships with most of the retailer clients on our platform. We have deep integrations with retailers and our Retail Media playbook enables durable growth and scale across our network. Notably in our recent cohorts, revenue for our retailers in their second and third years grew about 40% year-over-year.

The media spend activated through Criteo's platform has grown from \$400 million in 2020 to an impressive \$1.5 billion over the past twelve months. This demonstrates our rapid scaling and highlights the vast potential ahead as we continue to light up more opportunities for our clients.

When looking at our existing client base, we continue to increase ad spend as a percentage of our retailers' eCommerce GMV. The level of ad revenue depends on a number of factors including the country, site, product category and maturity of the retailer.

While the average for our clients was below 0.5% of eCommerce GMV in 2020, it has consistently grown every year to reach an average of 1.5% in 2023 for the same clients. Experts predict that retailers have an opportunity to increase ad revenue up to a mid-single-digit percentage of eCommerce GMV over the long term, as shown by Amazon at about 5%.

With the addition of all new clients since 2020, our average is at 0.8% of eCommerce GMV for our entire client base that represents approximately \$160 billion in ecommerce sales.

As our client base matures and scales, every incremental 1% of eCommerce GMV represents approximately \$1.6 billion in activated media spend. This would result in an additional net revenue opportunity of \$200 million for Criteo.

That means that reaching 5% of eCommerce GMV for our existing retailer base would represent an incremental long-term revenue opportunity of over \$1 billion.

We benefit from ecommerce secular tailwinds, and we believe that a 10% annual growth in eCommerce GMV would drive another \$50 million to \$100 million in additional revenue over the next 3 to 5 years.

We are shaping a market that is still in its early stage, each retailer progresses at their own speed, and most are just starting their Retail Media journey. As you have seen, we are in a strong position to support their growth and capture this opportunity with them over time. We also expect to continue to benefit from the addition of new clients across multiple verticals and geographies.

We have multiple growth drivers to capitalize on this opportunity with existing and new clients. Our track record shows we have had great success with sponsored ads. The modernization of our display offering further represents a double digit million range opportunity over the next two years. In addition, we continue to see meaningful cross-selling opportunities with our retailer clients who are either using our Retail Media capabilities or our Performance Media stack. Approximately 20% of our largest retailers use both compared to 12% two years ago.

Now, let me provide more color on the economics and take rate dynamics.

As a reminder, our economic pricing model includes take-rate volume-based fees representing approximately 80% of our revenue, and additional fees for the use of our platform and for value-added services.

We typically get a supply-side fee based on activated media spend for all onsite campaigns, which represent most of our revenue today. We also get a DSP fee based on activated media spend for all onsite campaigns through Commerce Max or our demand API partners. For offsite, we get a DSP fee for all campaigns and have a data revenue share model with retailers. We also have fees for services, like creatives, insights and analytics, demand enablement, and campaign management services.

Our blended take rate currently falls in the mid-teens range. Our client mix and the diversification of our demand sources may impact our take rate over time. A significant increase in media spend volume may correlate with a lower take rate, but translates to higher revenue for Criteo. The expansion of our offsite offering and our professional services present opportunities for take rate expansion, and revenue growth. We expect that our revenue growth path will not be linear, but we are confident in our long-term growth trajectory.

We are proud of our Retail Media business with robust top-line growth and strong operational leverage. We have invested in Retail Media as a large part of our transformation journey over the past few years, while continuing to deliver strong operating margins. This was largely through high ROI organic investments in upskilling our commercial teams, and developing new platform capabilities.

While we do not calculate our adjusted EBITDA margin at a segment level, given shared resources, we estimate that Retail Media, fully-allocated, has increased to a contribution of approximately 20% of Contribution ex-TAC for 2024. This is despite Retail Media still being in its early innings and continued investments to fuel future growth.

Longer term, we believe margins will expand as our Retail Media business matures. We expect to drive higher operational leverage from scaling, upselling our services, and the continued adoption of our self-service capabilities. At the same time, we expect to continue to invest in high ROI initiatives to expand globally and maximize the long-term opportunity for growth and profitability.

Our primary focus is on organic growth through building platform capabilities and expanding partnerships. We also have a strong pipeline of M&A opportunities to continue to scale and further build our moat.

In summary, we expect sustained momentum in 2025 and for the long-term, and we are highly focused on execution to deliver for our clients and maximize shareholder value.

Brian Gleason, CRO

Thank you, Sarah, and thank you all for your focus during this presentation. The objective of the presentation was to explain our multiple growth drivers on both the demand and the supply sides that will contribute to increasing activated media spend as a percentage of e-commerce GMV.

The flywheel is definitely turning and you're starting to see that through our results. We are well positioned to win the platform game in Retail Media as more demand channels

through Criteo. Our offering and client base are expanding. This is a specialized field, and we believe we have a head start with a unified, holistic platform set up for scale.

Importantly, Retail Media is a key part of a broader, strong business that is positioned for a promising future. And we are focused on driving continued momentum across our entire business.

So, we want to leave you with the following takeaways.

We've established a leading Retail Media platform to unify a fragmented ecosystem and simplify the process of buying and selling Retail Media at scale beyond Amazon. Our multi-faceted demand strategy helps brands and agencies scale, while our modular approach and professional services support retailers' growth in the fastest-growing advertising channel. Just as publishers struggled with in-housing ad servers, true in-housing is not a viable option for most retailers. Instead, our flexible strategy and services enable them to achieve their full potential while maintaining control.

Our success in the Americas proves the effectiveness of our strategy, and our ability to unify the buyer journey sets us apart in the marketplace.

Our priority is to create shareholder value, and we're well positioned to drive strong sustainable, profitable growth, ahead of the market, for years to come. The future is wide open for Criteo.

Now we will be happy to take your questions.

QUESTION AND ANSWER SECTION

Melanie Dambre Fioen, VP Investor Relations

We will now begin the question-and-answer session. All attendees can submit questions at any time using the Q&A box on the left side of your screen. For analysts joining us today, please follow the instructions we provided and we will take your questions directly via audio. With that, let's jump into our first question.

The first question comes from Richard Kramer with Arete. Can you speak to what Microsoft learning might mean for incremental spend and the opportunity going forward?

Megan Clarken, CEO

Thanks, Richard. Thanks for the question. I'll just reiterate some of the things I've said before, and then I can pass it across to my colleagues here for a little more color across some of those areas. Firstly, we are thrilled to have formed a partnership with Microsoft for

retail media. And you will have seen on the video just the excitement between Lynne and the team here at Criteo on that opportunity and the work that we're doing with them.

It came in three stages. One of those was to take the supply side retailers that they have and move them across to the Criteo stack if indeed they choose to come across. And so that is us going through a process with each one of those retailers to work out what they want to do going forward, and then, if they want to come across to the Criteo stack, is to move them to that stack. We already have a number of those clients on their way to come to that stack, and we see that happening in 2025.

The second part of that relationship was, of course, to form a demand relationship directly with Microsoft Advertising. And we talked about that on the earlier comment, so I'm going to pass that across to Brian in a second to talk to in a bit more detail.

The third part, which is also incredibly exciting, is to work with Microsoft on the GenAI capability that they, plus us, bring to the table to create really exciting, intuitive and world-class advertising opportunities for our consumers.

So, with that – so it's in three parts. With that, I'll pass it to Brian to talk about the demand and then across to Todd.

Brian Gleason, CRO

Thanks, Megan. As you said, it was amazing to think about Microsoft this year. We started the year with Microsoft as a competitor, and now we've got such a strong relationship. When you listen to Lynne in our video or in our presentation, she highlights a few things. What we're doing on the demand side is an industry first, nobody's done it before. And between our two companies, it's the opportunity to unlock the demand potential that I outlined, which further accelerates the category. But it is an industry first, and with that, we're in the early stages, but we've done a lot of great work around the architecture and design. Todd, if you want to take a step further on that?

Todd Parsons, CPO

I would just add to that, Microsoft has recast its advertising business as an AI business, and that's a perfect fit for Criteo and the way we think about building the marketplace. So, the opportunity is not an uncomplex one to architect, but from a product perspective, it is relatively straightforward. You want as many demand dollars flowing seamlessly from 500,000 advertisers into the retail media supply footprint that you've heard Megan and Brian say that we're successfully turning over. So, that's a process. It's going to take time. I mentioned in my presentation that the way that supply is made available to demand is something that's still being normalized. There is no true sense of open RTB that applies to

the retail media space, and that means we have to think differently about how we progress marketers inside the Microsoft platform into our space, and we're in the process of that right now. It's a very exciting time, and I would just say the Microsoft team has leaned in in a variety of different ways, not just creative as we outlined, not just supply, as we talked about, but also in terms of how we use data and AI to bring models together to make that performance work for all those advertisers as we get online.

Melanie Dambre Fioen, VP Investor Relations

Great. We'll take our next question from Tom White with D.A. Davidson. On the slide showing Amazon and the share of retail media and their share of total e-commerce GMV, what are two or three factors that could cause those percentages to converge at an accelerated rate or through the convergence?

Megan Clarcken, CEO

This is a slide that is showing the top end of the 5% GMV. And if you think about our clients, they range from 0.2% of GMV to 5% and everywhere in between. Brian, do you want to talk about how you'll start to continue to move them up towards what their potential is?

Brian Gleason, CRO

Sure, we're starting to see it now. When you look at our activated media spend, which Sarah highlighted, we're growing at over 30% CAGR for the last two years, which far outpaces anything in the market. And what we see is the maturity cycle of our retailers when they reach year two and year three, we see an acceleration. I think it's upwards of over 40% growth.

So, if you look at our scaled base of 225 retailers globally, as more and more brands come in, and they start to realize the potential beyond Amazon and they see the things that could come to the surface, whether it's beauty, whether it's consumer electronics, or CPG, we're just seeing more spend come into the space. And just as Amazon built within their walls, we're building that out across the entire ecosystem. You see with our brands we went from – I think we doubled the size of our brands over the last two years. I think it was last year. And you see in the Americas. Americas is a growth vector, amazing what we've seen. So, more agencies, more brands coming in, realizing the full potential, continues to scale.

Megan Clarcken, CEO

Melanie and Sherry, do you want to add anything to that? It's a very big question.

Melanie Zimmermann, General Manager Retail Media

I'd love to add. I think we are really at a pivotal time. At this point, many retailers have jumped into launching their own retail media network, and many of them have leaned into the direct relationships they have with their suppliers as a natural starting point to their journey. But they are also increasingly realizing that in order to sustain their accelerated growth rates, they need new sources of growth. And so, as we move forward, I predicted that retail media will become a form of media that will be bought differently than it has been in the last few years. And it will be increasingly important that brands and agencies have tools that allow them to buy retail media across a larger footprint of retailers, which is exactly what Commerce Max is designed to do.

Sherry Smith, Executive Managing Director, Americas

What I would add to that is that our agency partners, Brian touched on it, but that is an increasingly important differentiator that we have for retailers. They have strong brand connections, and as you see more trade and shopper moving over, really we're focused on those national media dollars. So, we're making it easier, we're providing more services, but also to that scale capability. And then we talked about this, but our 13 API partnerships are critical in helping us scale. So that is what is helping transfer more of those dollars over and seeing that scale for the rest of retail.

Megan Clarcken, CEO

Yeah. It's a great question. Thank you.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Tim Nollen with Macquarie. Agencies are now an important component of Criteo's revenue. What do you do differently from brand advertiser clients through agencies working versus working directly with clients? Which provides the higher take-rate and which is the better revenue opportunity?

Megan Clarcken, CEO

Brian?

Brian Gleason, CRO

Sure. It's a great question. For us, agencies and brands alike are the unlock for retail media. And if you look at some of the metrics we've had over the last year, I think, in Q2, we did 50% growth with agencies. That's up of 60% growth. You heard on the videos, the key for agencies is making it easy, give them a platform that connects them to the opportunity and give them the things they want. Media excellence, standardization, the same tools that they have with other platforms is what's going to pull it over.

In terms of brands, the same is true. Brands, what they need, is an awareness of these multiple, where is their SKU available? Where can they sell their products? And if we look at it, for us, such a key metric is how many retail media networks are these brands taking advantage of. And if you look at our stats, I think we saw from our top category are now spending upwards, I think 50% of them are spending with over 60% of our RMNs, or retail media networks.

In terms of take rate, it's all coming through Commerce Max. So, Commerce Max is our front-end, the unified tool. And again, going back to the video, because our clients say it so much better than we can is, you heard it from HP, you heard it from Dentsu, you heard it from EssenceMediacom and others, Commerce Max is that unifying front-end that brings it all together.

Sherry, I don't know if you have, because you spend so much time with agencies in the US. Is that the trend that you're seeing as well?

Sherry Smith, Executive Managing Director, Americas

Absolutely. Again, the more tools that we bring, the more we listen. And I think what a big differentiator for us is, is that as we're thinking about our future road map, we're building with our retail partners, we're building with global and national brands, and we're building with our agency partners. And so, all of this in mind, because it is that flywheel that really is helping us scale and reach that point of differentiation.

Megan Clarcken, CEO

And that relationship building as we go here is what's creating the moat as well. The flywheel is the moat. And those relationships and building to what their need and a world where retail media is, we're paving the way forward, is creating something that's unique to us that is built with all of our clients in mind, from the supply side to the demand side to the consumers, creating the flywheel and creating that moat around our business. It's powerful.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from the line of Ygal Arounian at Citi. You highlighted multiple growth drivers between the supply and the demand side, some of which allows for better monetization like professional services. How should we think about how the growth comes through? While sell-side is the majority of revenue today, what does that mix look like going forward?

Brian Gleason, CRO

So, if you think about our growth drivers, there's really three. The first of which is the existing 225 retailers. How do we maximize the potential with each one of them, whether it's increased placements, new services, making sure that we're surfacing up these amazing opportunities to the full extent. The second is, if we're thinking about the brands and that new demand partners coming in, I think it was HP who mentioned joint business plan. That's incredibly important because a joint business plan is an agreement to think about all of the potential and how we work together to surface up on an annual basis based on a commitment. And as those extend, both between agency and brand, I think they're incredibly important.

And services, this came across in Melanie's presentation. Not every retailer or agency or brand has the resources available to be able to take advantage of these. So, making sure we have that available to them, I think, is a key area of growth. And I know this is a passion point for you, Melanie. Do you want to share anything additional on that?

Melanie Zimmermann, General Manager Retail Media

Yeah. Having been on the retailer side, I can speak firsthand of the fact that even when retailers' in-house teams, they still have needs. For example, they may need sales enablement because they may have in-house sales teams, but they need to upscale them in terms of being actually media sellers or self-service. Retailers are increasingly launching self-service platforms, but then are realizing that self-service isn't no service, so, they need support resources for that as well. And so, we have a comprehensive offering, enabling the retailers to run their business as they choose, whether they choose to have in-house teams or outsource to us, we're here to support them.

Melanie Dambre Fioen, VP Investor Relations

And there is a quick follow-up for Sarah. Sarah, you mentioned that growth won't be linear. Can you expand on that? What that means for 2025? And also, what are the puts and takes on the take rate over time? What is the right level as you scale?

Sarah Glickman, CEO

Perfect. Yeah. Well, first of all, we feel like we're in the best position to benefit from all these secular growth trends in advertising. This is the fastest growing trend. So that's a starting point.

In terms of 2025, as you know, we're not providing guidance. So, we typically do that during our Q4 earnings, which will be February 2025. So, we're very excited to share at that point.

The way that we think about our growth story here is we look at Retail Media as a Rule of 40 Business, and we actually look at the top line as well as profitable growth on the bottom line, too. When we look at the linear path, we are transitioning the change of our largest client from a Criteo sold to a retailer sold model, all coming through and our backbone of our platform. And that has, as we know, an impact coming in, particularly into the end of this year.

We do expect it not to be linear. However, we're focused on the long term and we're focused on continuing to drive all these incremental growth drivers that everyone's talked about here quarter-on-quarter, year-on-year. I'm very excited for the long-term sustainability of a huge growth driver for our business as the largest independent adtech player in this space.

Melanie Dambre Fioen, VP Investor Relations

And a follow-up on the take rates.

Sarah Glickman, CFO

For the take rates, it's a mix. So, we have exclusive arrangements with over 70% of our 225 retailers. Most of those are in a renewal cycle around about two to three years, and many of those we've locked in. We have a retention of about 90% on both sides, from retailer and the brands. The brands we've doubled over time

We do anticipate that with scale, there will be some change and reduction in the take rate over time. However, that being said, we also see other opportunities to continue to bring that up from professional services and other capabilities.

So, all in all, yes, that will be a mix impact of not only our retailers, but also the services that we provide. And with scale, all of these become incremental dollars coming into our P&L.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Mark Zgutowicz at Benchmark. Can you discuss how the hesitancy for retailers to leverage offsites, given that data sharing consideration has perhaps improved over the past year?

Megan Clarcken, CEO

So, retailers leveraging offsites using their own data, has that improved over the last few years. I think we spoke about that in the video. And I think it was you, Melanie, that had the insight into that.

Melanie Zimmermann, General Manager Retail Media

Yeah. I think what's really exciting is that when retailers work with us, they can be trusting that their precious data is contained within the Criteo ecosystem. They can monetize their audiences through multiple platforms with us as a single partner, which is very compelling to retailers, particularly given that their first-party data is so precious to them.

We see that the role of offsite varies across industry verticals. So particularly in grocery, where the majority of consumers still shop in store, the value of audience monetization is particularly valuable to those CPG brands that are more data poor compared to other industry verticals. We're very excited that we recently launched offsite with Costco as a partner and are looking to further expand.

Todd Parsons, CPO

I was just going to say what sets Criteo apart on this is a very long heritage of making offsite work for performance outcomes. I think everyone on the call knows that we've invested a tremendous amount in making sure that addressability for a retailer's data is maintained offsite in a contiguous way, so that whatever the platform is, that we're able to not only provide reach for that data to that audience, but also to make sure it performs. So, in many ways, we've been setting ourselves up to ensure that offsite is successful for our partners for years before retail media showed up. And our investments in the last few years and addressability have really locked that in.

Megan Clarcken, CEO

Yeah. We think that the two pieces coming together, that convergence of what we do and the legacy of our business on performance and conversion is helpful to offsite to the Retail Media business and then vice versa. We do also believe in a future of advertising, which you saw Todd talked through in terms of the buyer journey, where conversion and performance becomes more important than reach, and particularly in retail media or commerce media, where it's really a focus on how can I get a sale, right? It's not just about getting to as many people as possible, how can I get a sale? And so, for us, we're focused on that, how do we give them a sale.

Melanie Dambre Fioen, VP Investor Relations

The next question from the webcast is for Brian. If you look back at your current tenure at Criteo, which would be the two to three key hires that were made to strengthen the team moving forward?

Brian Gleason, CRO

One is easy because she's at the other end of the queue here. So, I am so fortunate to work with such a talented group of individuals, and it's probably too long of a list to single out any particular. But what I can say is when you look at depth of experience in different categories, so having Melanie, who sat and built a retail media network from the ground up, was critical. We have a gentleman by the name of Stephen Howard-Sarin who works in the US. Stephen was at Walmart, Instacart, Brilliant, and Sherry brought Stephen over to our team and has such a good track record in terms of understanding the ecosystem and brings tremendous value.

Marc Fischli, who's over in EMEA, Marc was at Dunnhumby and came over. So when you think about the question prior, understanding how data is utilized throughout this environment, Marc brings a tremendous amount of value. And I could talk about this all day.

When we look at the depth of knowledge that we have within our walls and this does extend far beyond the Client Solutions team, the talent that Todd and Diarmuid, our CTO, have inside of our product and R&D organization, when you think about things like ARML, when we're able to go into a retailer or to a brand and actually show what the buyer journey is and comes to life, that's amazing. And for agencies, the same is true. All agencies are looking to think about how do they plan for this new media. And each and every time, we show up and even myself, I'm sitting in these meetings, like, oh my God, these people are so good in terms of what they do and they're so passionate about what they do. Everybody has the same mission in mind, which is - how do we accelerate this? How do we take advantage of everything in front of us? So, it's far beyond the three that I mentioned, but we're very fortunate to be where we are.

Sherry, you've built such a good team. So I came in to work with Sherry, I've got a long history with Sherry, and I think we sat at the pioneer of retail media. Sherry, you have built in the US such a good team. Is there anybody you would highlight or call out in your team?

Sherry Smith, Executive Managing Director, Americas

Steven would have been one. I'm going to call out someone, Erin Lastra. So, Erin runs our retail supply team and without her and her team, quite honestly, she's a secret weapon for us. She loves working with a retail partner. She's so consultative in what she does. She cares tremendously. And she has a way to bring all facets of our organization together, to really listen to the retailer, to listen to our partners, and to help us on that journey of how we should build and where we need to go next. So, she's top of the list for me.

Brian Gleason, CRO

Yeah, top to bottom, to brag on Sherry for a second, who built one of the best teams across the industry, you don't just double from what we were in 2022 until we are today without Sherry and her team.

Sherry Smith, Executive Managing Director, Americas

Thank you.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Mark Kelley at Stifel. Is the Microsoft planned RFP process longer than what you typically see? And are those clients at a similar tech rate relative to your current roster?

Megan Clarken, CEO

Whilst I don't think that the RFP process is any longer, I think it's a normal RFP process for each client. I can't say how many exact clients that Microsoft had on their platform, but I think it was sort of south of 20, of which some are able to move across to the Criteo platform. And those processes can take a while. There's always a number of people stepping up to the plate. They have to go through that process with them. They have to test them. It's just the normal business. We expect them to run now through the end of the year and through probably the first half of 2025 and we're doing everything we can to make sure that we're in the pole position.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Alec Brondolo with Wells Fargo. In Sarah's section, you indicated that the demand side of the Retail Media business accounts for about a third of contribution ex-TAC. Once you are through the largest retailer transition, do you expect demand contribution ex-TAC to grow?

Megan Clarken, CEO

I mean, we expect the full business to grow. So, for us this is around ensuring that we have the right partners on one side that we provide many services to, and on the other side with our suppliers that we expect that to continue to grow. So, we're expecting, I would say, kind of the tide lifts all boats. We're expecting all our clients to continue to contribute. Brian, do you want to add specifics?

Brian Gleason, CRO

On Commerce Max we absolutely expect it to grow. And a couple of things came out today I think that are important. Melanie talked about what we're doing with display and display

opens up an incremental inventory opportunity for us. And the work that the team is doing is to really advance what we're doing with display that doesn't exist in the marketplace today. The majority of that spend, if not all of it, will come through Commerce Max, our front end DSP. So, we're incredibly excited about that. And I think the same is true with our agencies in terms of continuing to evolve. And as agencies mature and more and more spend goes from what we've seen with Melanie coming into National Digital away from those other channels, I know we'll continue to see that continue to scale not only in the US but around the world.

Melanie Zimmermann, General Manager Retail Media

I have an incredible amount of confidence in that opportunity. Having been with a retailer, there is so much opportunity for modernization of onsite display advertising. If you look at the market outside of Amazon and Walmart, the majority of retailers are still leveraging traditional impression based ad servers or content management systems for their onsite display business. At the same time, it represents 30% to 40% of their total advertising business, and so there is an entire chunk of the market that's ripe for innovation.

And when I was on the retailer side, I was craving more solutions for self-service. I was craving automated relevancy. I wanted to bring more standardization of measurement to brands so that they could run sponsored products and onsite display in a single platform, and compare apples-to-apples rather than comparing apples to oranges. So, I'm incredibly excited about the innovation we're going to drive next year.

Megan Clarken, CEO

And display is one part of a page sitting alongside sponsored. For them both to be working together as a driver for a retailer, using the same set of data and the same set of tools, and the same sort of focus on performance that Criteo brings to the page, and the innovation around the ability to change ads using GenAI, this whole thing creates a massive opportunity, I think, for retailers to, as you said, modernize this page using same set of data, same toolset, same adtech platform, and really take themselves into the future. So, we're bullish on it.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Brian Pitz with BMO. Although early innings, can you talk to the demand you have seen from advertisers for personalized AI created products and how it will help drive growth going forward?

Todd Parsons, CPO

Yeah, I mean, we see a lot of demand for personalization. Of course, the thing that's most important is that AI has to be used in a way that isn't disruptive to the customer experience. I mentioned it in my presentation. The idea that anything that disrupts the point of sale experience and the onsite customer journey is something we watch out for. And we want to make sure that anything that we're doing to utilize AI and to serve the interest that our clients have in it is not disrupting that experience and does connect to the offsite experience that we talked about earlier. So, people are excited, but they are also very wary about making mistakes. And it's our job and responsibility to make sure that both agendas are satisfied. So, and of course, we're doing this. It's a huge part of our business and product and R&D focus.

Melanie Dambre Fioen, VP Investor Relations

Our next question comes from Doug Arthur with Huber Research. Can you elaborate on your growth with the large ad holding companies, particularly as some of them have some in-house capabilities?

Megan Clarcken, CEO

The holding companies. Okay, Doug. Brian.

Brian Gleason, CRO

Yeah. I'm incredibly excited about the progress that we've made with the holding companies. We have relationships with – we talked about Commerce Max. We're working with all the major agency trading desks across the whole coast. And that's important to note, because as a platform, the first thing you have to do is to make sure that you get approved by the holding companies. The next is in education, to make sure you have a toolset available for them to learn to be able to use the stack efficiently. The third component of that is building out long-term joint business plans with that. But in terms of overall lean in, it's been immense. But I think, Sherry, you can probably dig into this a bit.

Sherry Smith, Executive Managing Director, Americas

Yeah, I mean, one of the things I go back to is key hires. Mike Balabanov, who joined us on the US team, has done quite a bit of work, not only in the US, but also globally, working with our partners in the EMEA as well as in APAC to sign these JVPs and really work and collaborate across our agency partners. And I will say what is the secret sauce to that as well is that it is Retail Media that is front and center, but it is our total One Criteo solution. So, we're talking to them at a much higher enterprise level and working on ways that we can customize, and not only offer them the scale opportunities, but also what's important to their business and how do we help them grow, and that could be through services, it

could be something that is more custom to one particular retailer, or something that we work on together to co-collaborate. That I think has been a really big differentiator in addition to the JVPs that we are signing.

Sarah Glickman, CFO

I mean, and just to add, we've clearly been agnostic to all our agency players.

Sherry Smith, Executive Managing Director, Americas

100%.

Sarah Glickman, CFO

It puts us in such a big position of strength. We're working with them, alongside them and learning kind of with each partner how we ensure that we continue to drive innovative solutions for our retailers and brands.

Megan Clarcken, CEO

It' was nice to see them speaking on the videos from Dentsu to Omnicom to the independents, and just all of them saying the same thing about the importance of the work that we do with them and the importance of the consolidation of retailers into one place with a set of tools that makes it easy for them to access those retailers and to give them some other optionality from an Amazon buy or something that they may feel like they're restricted to in this area. To come through the Criteo platform is incredibly important to them. And to the comments we made before, for us to be building to their needs as we build out our moat is just critical to bringing them in and servicing them to drive the demand side of the equation.

Melanie Dambre Fioen, VP Investor Relations

Another question from the webcast. What impact will Retail Media have on total company EBITDA margin over the next two years and is there accretion potential?

Sarah Glickman, CFO

Yes, it does have. We talked about Retail Media. We anticipate it represents about 20% contribution today, now that's obviously all fully loaded. But as we expect to continue to scale Retail Media, we do two things. First of all, we will always reinvest in growth. Having just gone through the investment cycle for 2025, these are all very high ROI investments and they're incremental to a platform that's already scaled. Retail Media is also relatively asset light, which is a great place to be, too. So, we do anticipate that the operational leverage will, once we've looked at those high ROI investments, will drop down to the

bottom line, so it's certainly a big driver for us over time. We will always, always first look at what is the right reinvestment in our own platform and then continue to drive that leverage for the company as a whole.

Megan Clarcken, CEO

Yeah. We make smart investments in that area. Hopefully something that came through in the opening remarks was the sheer sort of capability that we have and continue to build in that area in a market that is really just starting to flourish. And being there at this time and being ahead, if you like of the curve and ready to take more volume, take more demand, take more supply as it comes as the market is made, is a really important part of our strategy but not overinvesting there, making sure that we're investing the right amount for the right time for a business that we know that over time is incredibly exciting for us and should be for our shareholders.

Melanie Dambre Fioen, VP Investor Relations

Next question from the webcast, you alluded to a stronger M&A pipeline. What sort of gaps are you aiming to fill and how does that balance with the future buyback?

Megan Clarcken, CEO

Well, look, as we've always said, without capital allocation, we look for a build, buy, or partner scenario as we build out capabilities across all of our business, including Retail Media. In the Retail Media space, there's a few areas that we're interested in that are outside of our build capability. So, it could be a buy or it could be a partner. And some of those are tuck-ins and some of those are potentially much, much larger.

But if you sort of look at the scope of Retail Media and the sorts of things that we ask those questions about, it's around our ability to get access to more demand. It's about our ability to expand very quickly in the area of measurement. It's all those sorts of things that just build out this capability that we have to reinforce this moat or to speed up those sort of inputs into the moat, and that's what we spend a lot of time thinking through - what are the right assets to look for? We've just come of a week of pretty intense planning, but we've gone through a list of some really interesting potential plays for us. So, we're active in that area.

Sarah Glickman, CFO

And just a comment on the share buyback, so we did speak about the share buyback being increased to \$180 million for 2024. I mean, it's a huge part of our overall capital allocation strategy. We anticipate continuing with the shareholder buyback going forward.

Melanie Dambre Fioen, VP Investor Relations

Next question from the webcast. Around take rates, if you could elaborate on take rates, puts and takes over the next 24 months.

Sarah Glickman, CFO

I mean, I would say the first thing is our take rates have been relatively resilient over the last few years. And that really is indicative of the value that we continue to drive to our retailers, so we feel very good about that. Our expectation is with scale that that will, over time, reduce with the scale with incremental revenue. We don't see a significant change in our take rate, it will be incremental over time, again, with scale. So, no big, I would say, huge driver there, especially because most of these contracts are now locked in for the next couple of years.

What we do look at is what are we giving to that client, making sure it's a win-win. We want to ensure that we're driving their retail media networks for the long term. We want to make sure that the value that we drive – many, with these items we're looking at giving to them, these new capabilities tend to have an industry take rate alongside them. So, it will depend on the mix. But display clearly is a big area of growth for us, likely a lower take rate than some other areas, which are more very focused on that conversion to a buyer's intent and to a sale. So, we look at the overall portfolio and we see there's many, many drivers, many, many more drivers for growth in this space on the top line. And the take rate simply will be as we activate massive scale with that, with activating media scale, that we get our fair share and that our clients see that as a win-win for the long term.

Melanie Dambre Fioen, VP Investor Relations

And we will take our last question. Have you begun to see brand spend come back post the US election cycle or any comments or any update there?

Sarah Glickman, CFO

I'm laughing because Sherry and I had this conversation this morning, so I think I should hand this one over to Sherry.

Sherry Smith, Executive Managing Director, Americas

We are, absolutely. And I would say we're seeing that across our business, but mainly on our performance marketing side of the business. And post-election, just brands that were maybe being more conservative decided to increase their overall buy. And so, we're very optimistic.

Melanie Dambre Fioen, VP Investor Relations

This concludes our Q&A session. On behalf of the entire Criteo leadership team, thank you for joining our Retail Media Investor Update today. As always, if you have any additional questions, please reach out to us in Investor Relations. Enjoy the rest of your day.