

Fourth Quarter 2020 Investor Presentation, February 18, 2021

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Statement of Caution Under the Private Securities Litigation Reform Act of 1995

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to expectations concerning matters that (a) are not historical facts, (b) predict or forecast future events or results, or (c) embody assumptions that may prove to have been inaccurate, including statements relating to the advertising strategies, needs and expectations of brands and agencies, industry and market trends, expectations regarding investment strategies, and the financial targets such as revenue, Adjusted EBITDA and Adjusted EBITDA margins of The Trade Desk, Inc. (the Company). When words such as “believe,” “expect,” “anticipate,” “will”, “outlook” or similar expressions are used, the Company is making forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give readers any assurance that such expectations will prove correct. These forward-looking statements involve risks, uncertainties and assumptions, including those related to the Company’s limited operating history, which makes it difficult to evaluate the Company’s business and prospects, the market for programmatic advertising developing slower or differently than the Company’s expectations, the demands and expectations of clients and the ability to attract and retain clients. The actual results may differ materially from those anticipated in the forward-looking statements as a result of numerous factors, many of which are beyond the control of the Company. These are disclosed in the Company’s reports filed from time to time with the Securities and Exchange Commission, including its most recent Form 10-K and any subsequent filings on Forms 10-Q or 8-K, available at www.sec.gov. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company does not intend to update any forward-looking statement contained in this press release to reflect events or circumstances arising after the date hereof.

Included within this presentation are non-GAAP financial measures that supplement the Condensed Consolidated Statements of Operations of the Company prepared under generally accepted accounting principles (GAAP). Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation and should be considered together with the Condensed Consolidated Statements of Operations. These non-GAAP measures are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. The Company's management believes that this information can assist investors in evaluating the Company's operational trends, financial performance, and cash generating capacity. Management believes these non-GAAP measures allow investors to evaluate the Company’s financial performance using some of the same measures as management. However, the non-GAAP financial measures should not be regarded as a replacement for or superior to corresponding, similarly captioned, GAAP measures and may be different from non-GAAP financial measures used by other companies.

Information contained in this presentation concerning the industry and the markets in which the Company operates, including the Company’s general expectations and market position, market opportunity and market size, is based on reports from various third-party sources, assumptions that the Company has made based on information in such reports and the Company’s knowledge of the market for its platform. Although the Company believes such third-party sources to be reliable, the Company has not independently verified the information and cannot guarantee its accuracy and completeness.

What we do

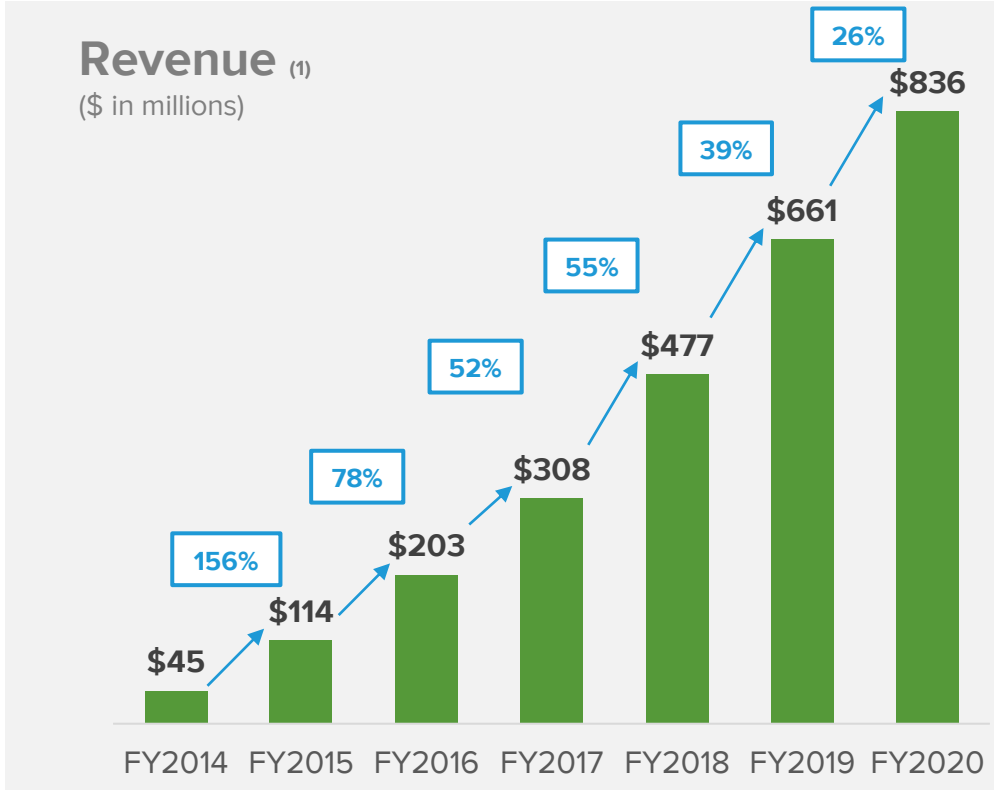
We provide a platform for ad buyers. Most buyers are ad agencies or other technology companies.

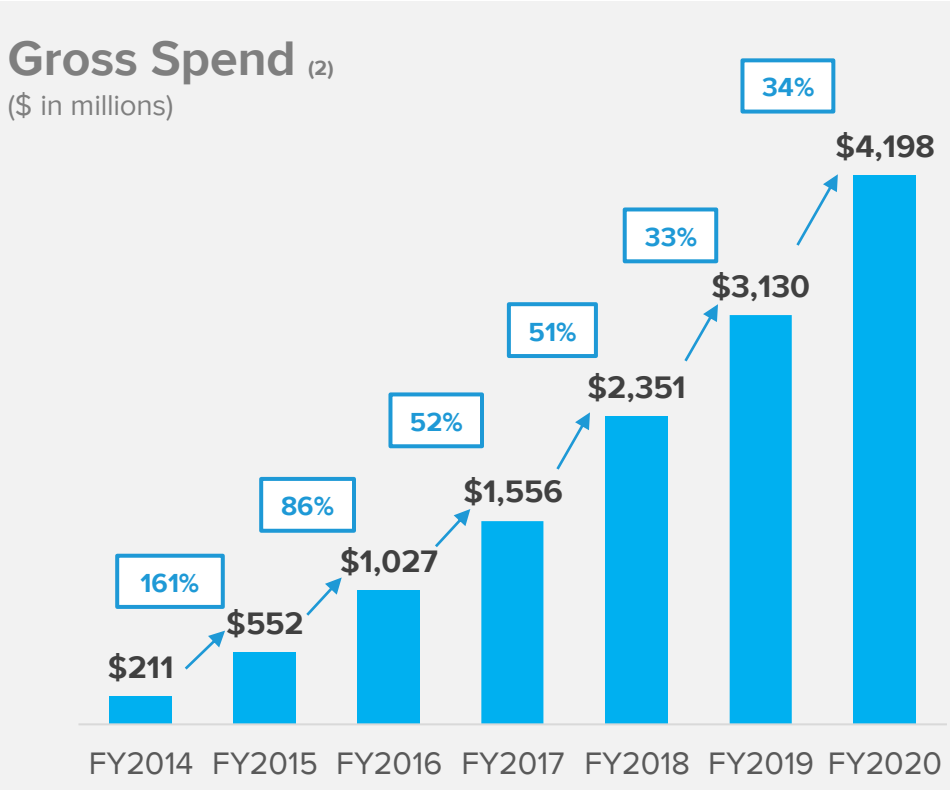
May 2011	$.08 Day*
2012	First $1M Month*
2014	First $1M Day*
2015	First $2M and $3M Day*
2016	First $100M Month*
2017	First $5M Day and $200M Month*
2018	First $10M Day*
2019	First $1B Quarter*
2020	First $1.5B Quarter*

We've been profitable since 2013.
2015: $114M in Revenue, $16M in Adj. Net Income and $39M in Adj EBITDA.
2016: $203M in Revenue, $35M in Adj. Net Income and $65M in Adj EBITDA
2017: $308M in Revenue, $70M in Adj. Net Income and $95M in Adj. EBITDA
2018: $477M in Revenue, $124M in Adj. Net Income and $159M in Adj. EBITDA
2019: $661M in Revenue, $176M in Adj. Net Income and $214M in Adj. EBITDA
2020: $836M in Revenue, $336M in Adj. Net Income and $284M in Adj. EBITDA

* Total spend on platform
Adjusted Net Income and EBITDA typically excludes items such as depreciation and amortization expense, interest expense, income taxes, stock-based compensation, preferred stock warrant liabilities and follow-on offering costs. Reconciliation for Adjusted Net Income and Adjusted EBITDA can be found in the Company's SEC Filings at www.thetradedesk.com.

theTradeDesk® by the numbers





2009 founded

$836 MM 2020 Revenue (2)

$4.20 BB 2020 Gross Spend (2)

$335 MM 2020 Adjusted Net Income (2)

$284 MM 2020 Adjusted EBITDA (2)

1,545 Global employees (2)

(1) FY2020 revenue provided February 18, 2020, at The Trade Desk's conference call for the period ended Dec. 31, 2020 and in SEC filings.

(2) Gross Spend, Revenue, Adjusted Net Income and Adjusted EBITDA from Company 10-K and Press Release issued on February 19, 2020. Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation.


The most effective advertising is targeted.
Superdry
LEICESTER ARMS
GALLERY OPEN

There is a fundamental shift happening in advertising.

And it’s bigger than just a move to digital.

The market.

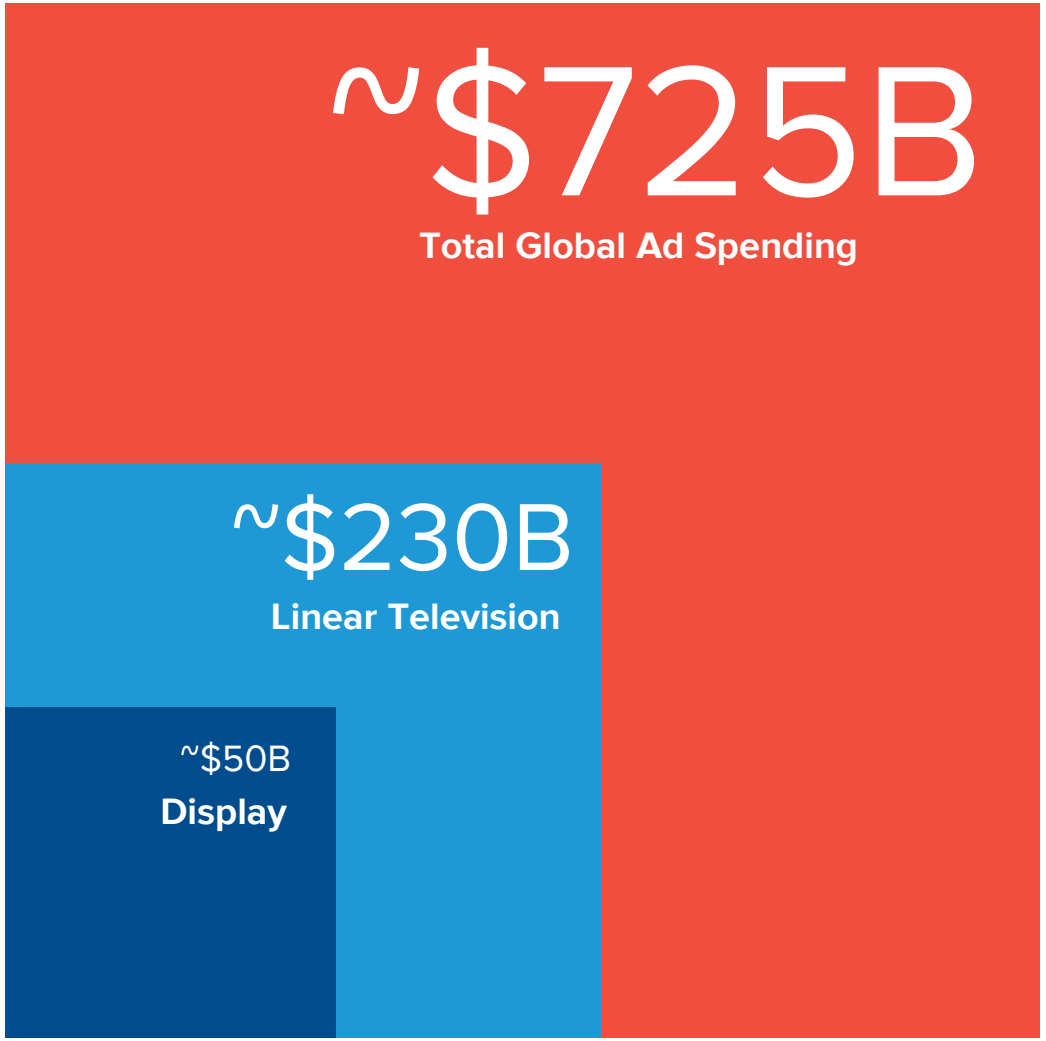


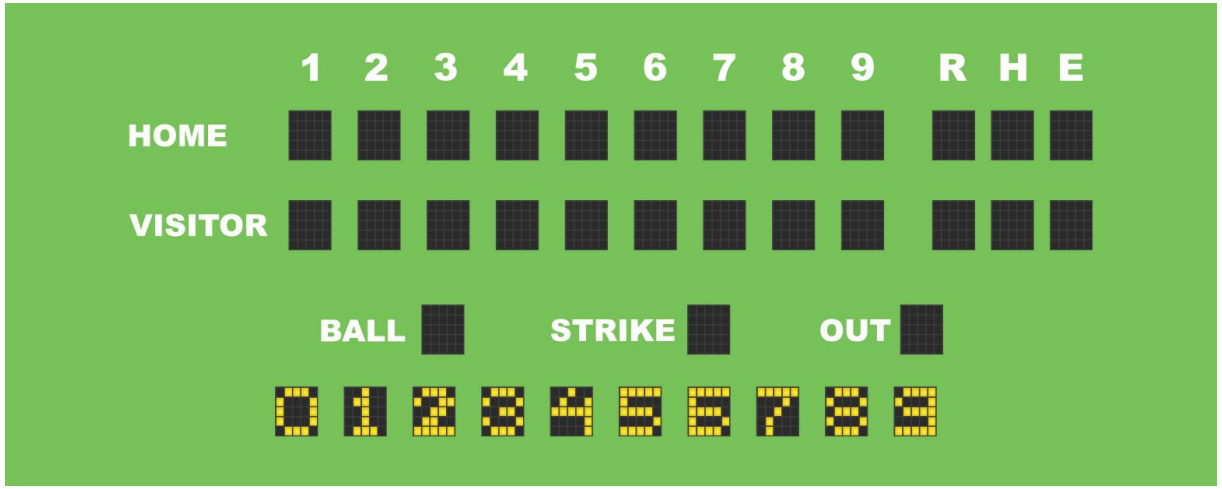
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Price discovery enables healthy markets.

We are targeting a massive market



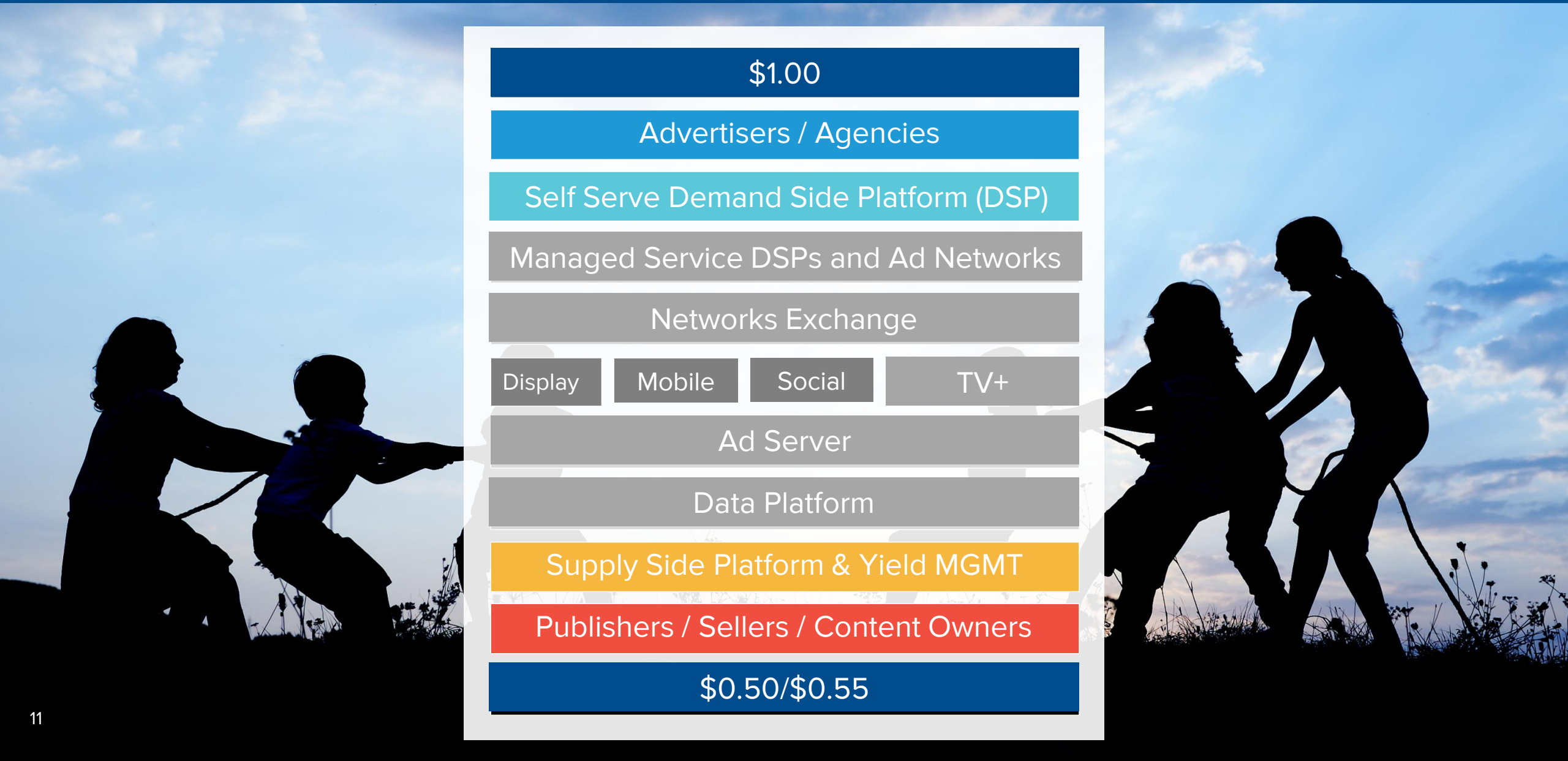


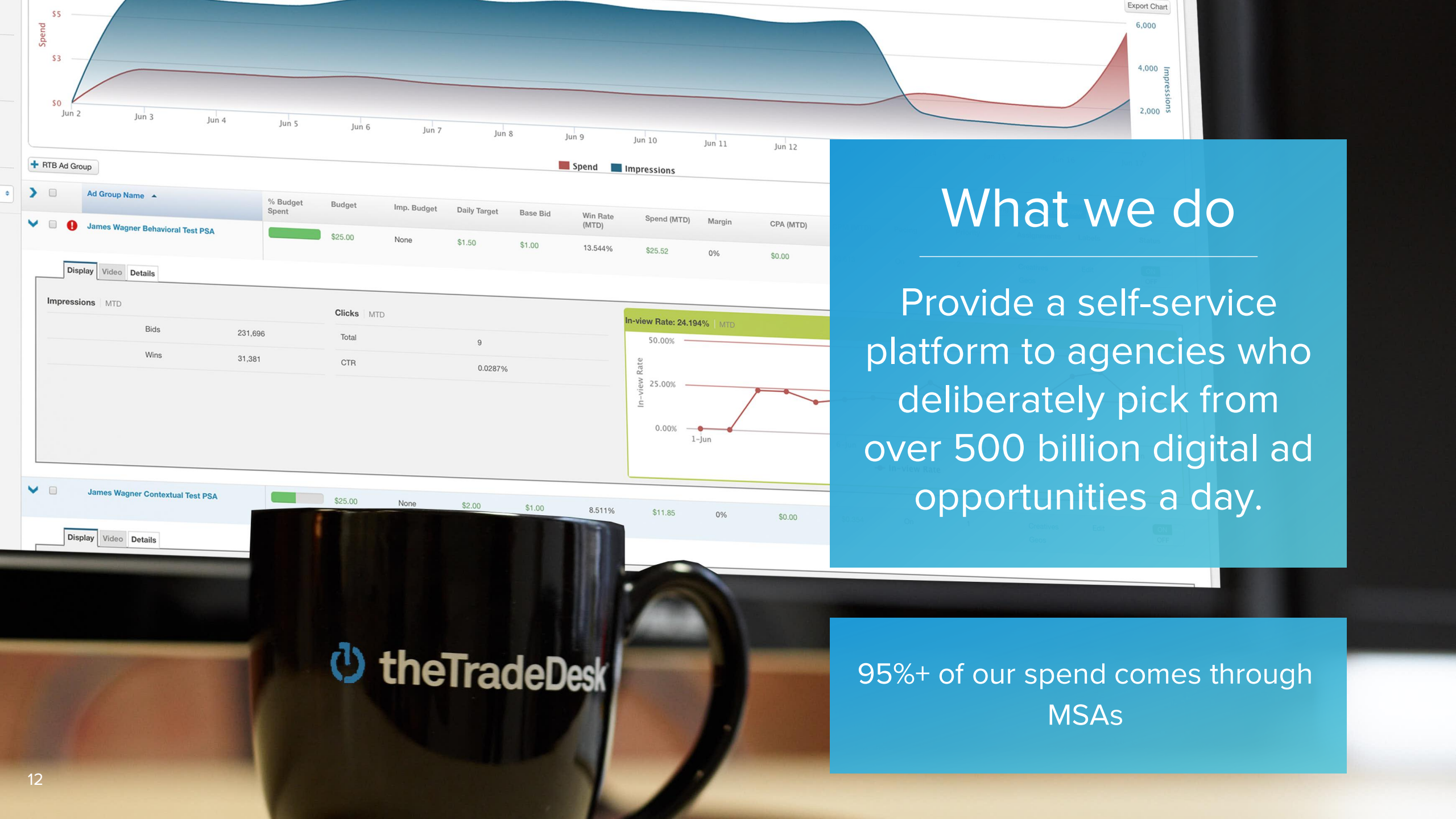
We believe advertising will be transacted digitally.

> "The future of all media is digital and programmatic… eventually all media will be digital and it will be transacted by machines."
>
> - *CEO of a Global Media Investment Management Group*

Source: IDC, Estimated 2019 Global Ad Spending

The pie is getting bigger while waste is being pushed out.





What we do

Provide a self-service platform to agencies who deliberately pick from over 500 billion digital ad opportunities a day.

95%+ of our spend comes through MSAs



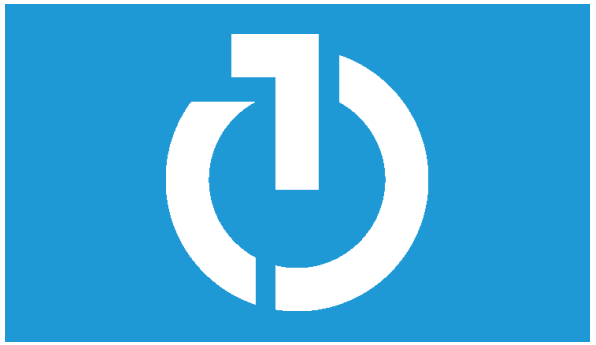
We provide agencies a

SOFTWARE PLATFORM.

We create room for
their proprietary advantage.

We are an enabler, not a disruptor.

We align agencies and their brands.

	PUBLISHER		ADVERTISER
	SELL-SIDE	MARKETPLACE	BUY-SIDE
TECHNOLOGY			
SERVICE			

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We are omnichannel.

CTV, mobile, video, audio, display, social, native.



We buy advertising and data.

We power some of the
largest brands in the world...

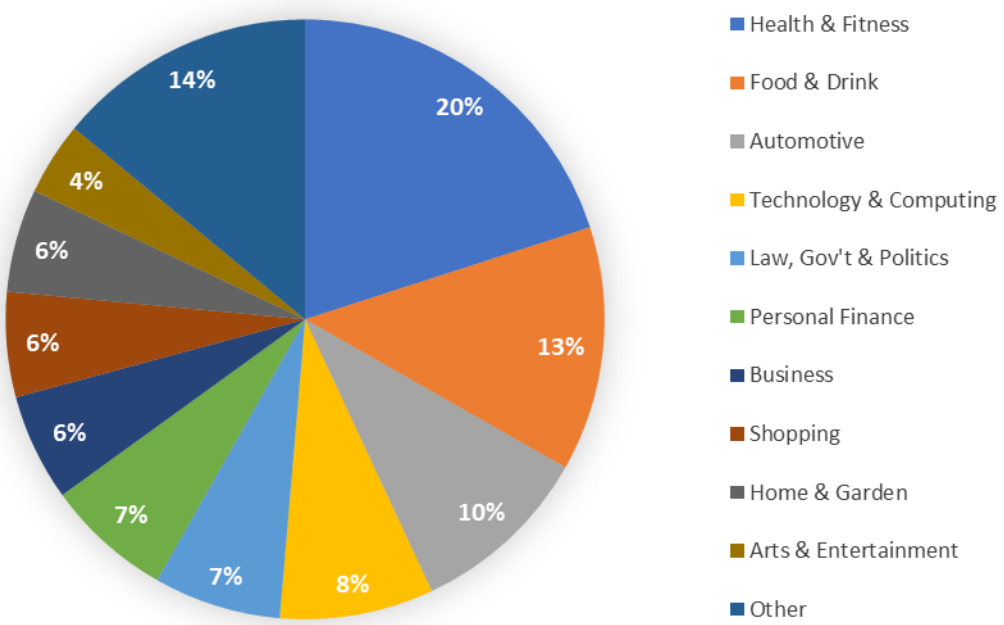


...through their agencies and
digital solutions companies.

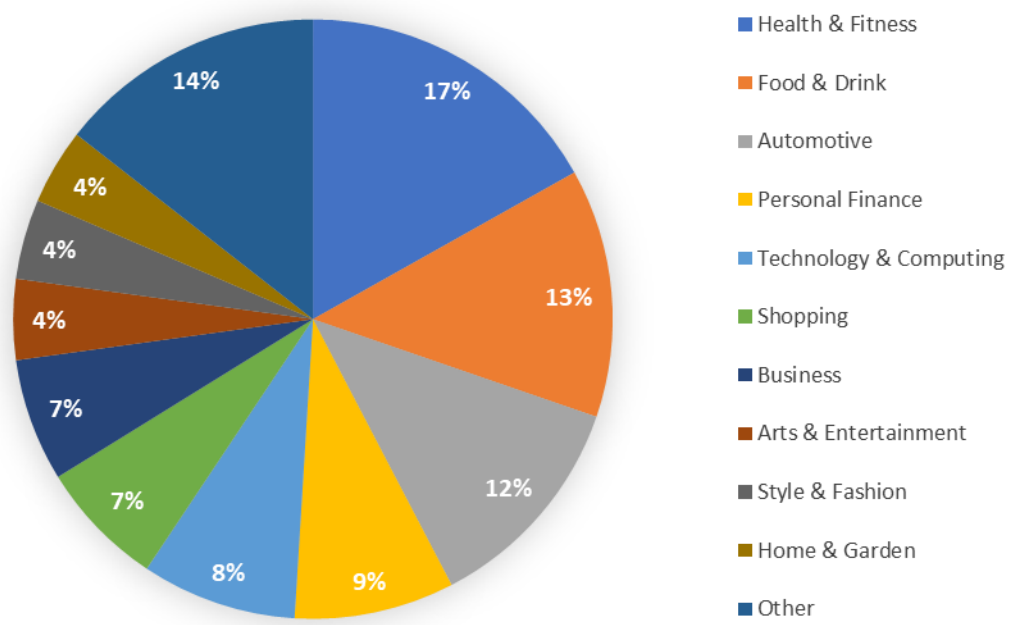
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Diversified Across All Major Verticals

2020 Spend by Industry



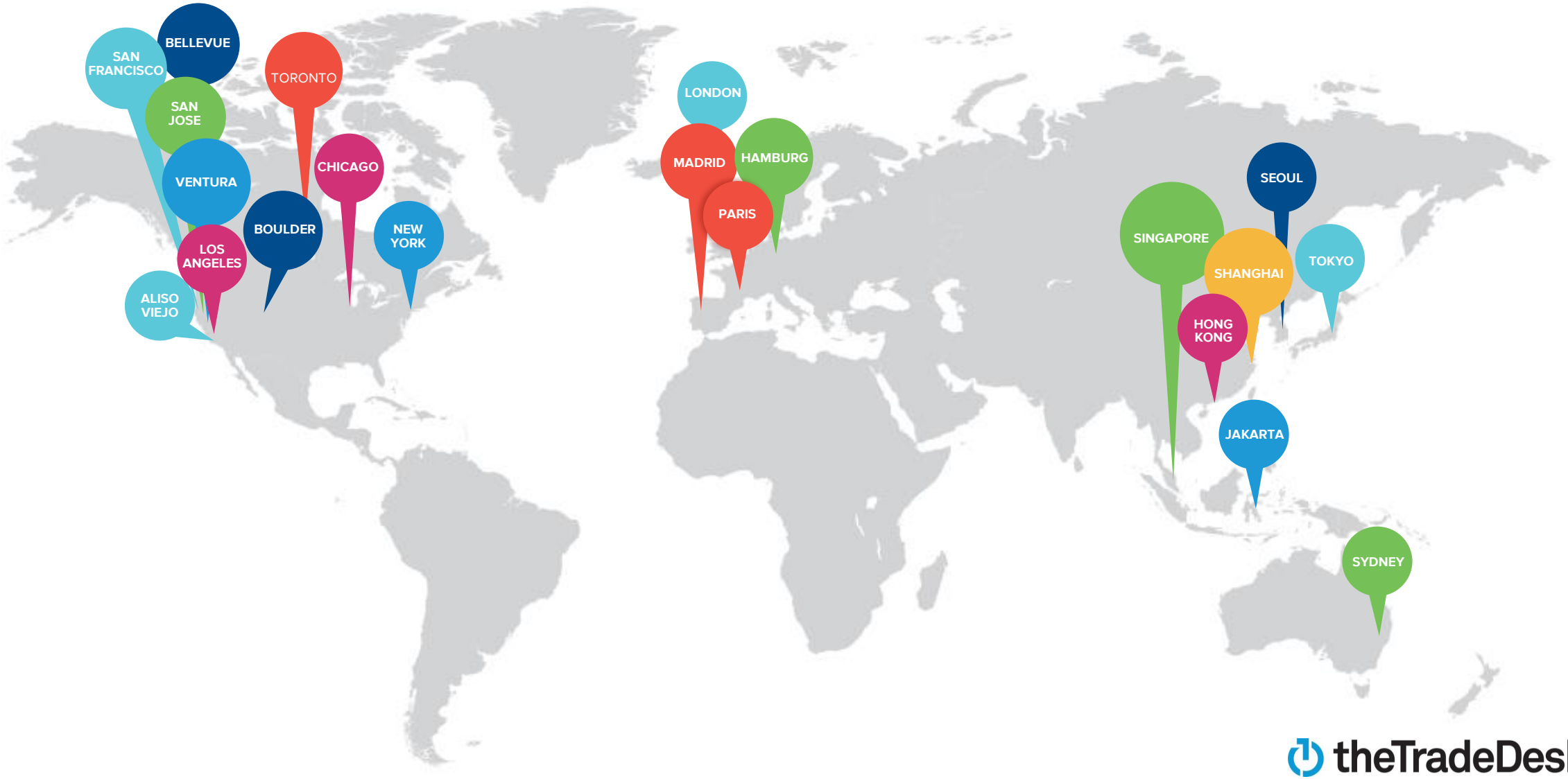
2019 Spend by Industry



In 2020, Others above 1% of spend includes Style & Fashion, Family & Parenting, Travel, Hobbies & Interests, Education, Pets, Sports
In 2019, Others above 1% of spend includes Travel, Education, Family & Parenting, Sports, Hobbies & Interests, Pets, Careers, Government & Politics,, Real Estate

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The Trade Desk is global.



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We buy the whole internet.



Even media that isn't digital will be transacted digitally, using the internet.



Agencies (and their brands) need a technology partner to trust with their data.

We need to access their data to help them.

We are the alternative to the conflicted platform providers.

We buy data to make better decisions.

We focus on being the best partner for our data providers.

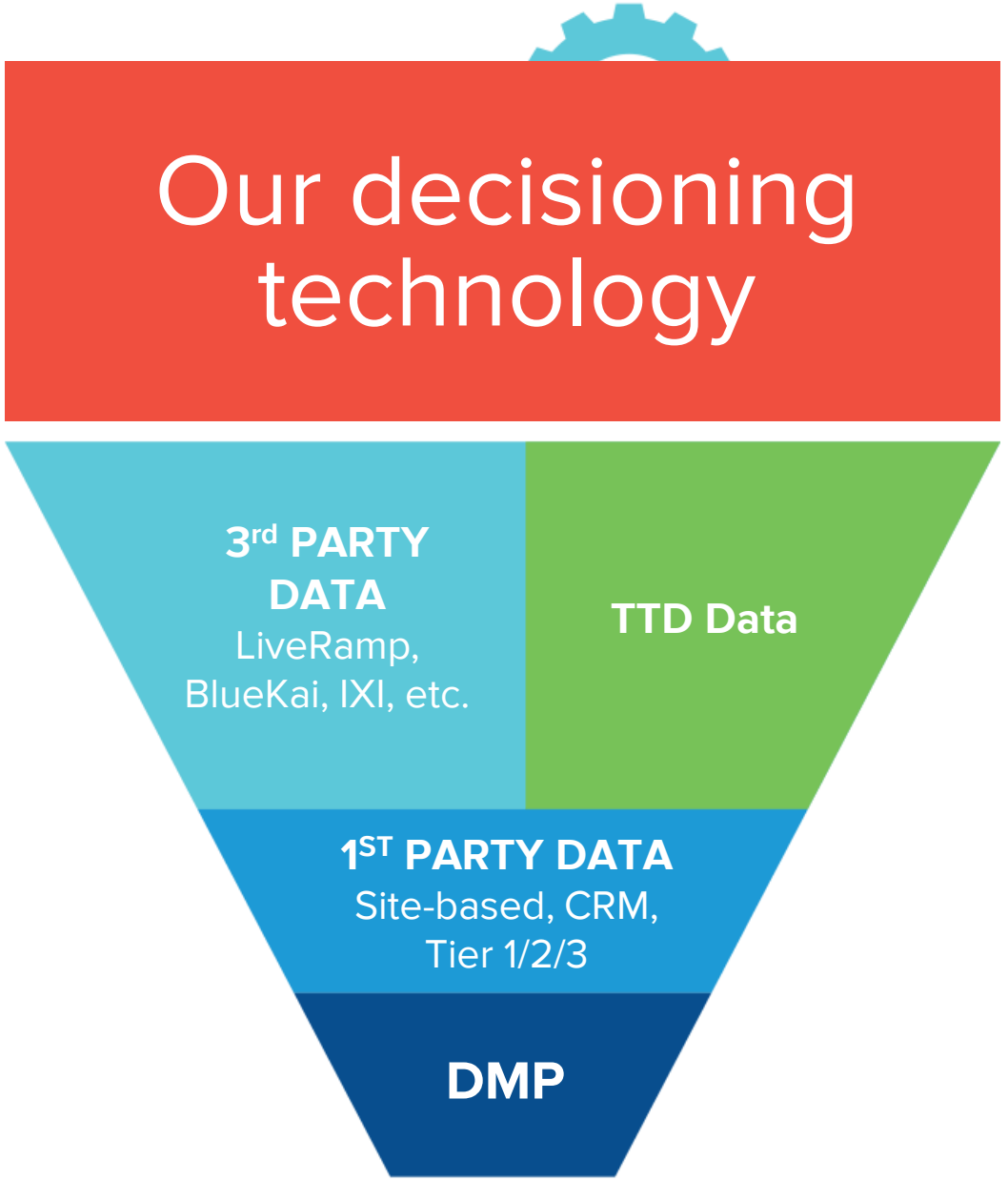


Our technology.

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We built a data management platform first. (data warehouse)

The buyer with the most data can make the most intelligent bid.



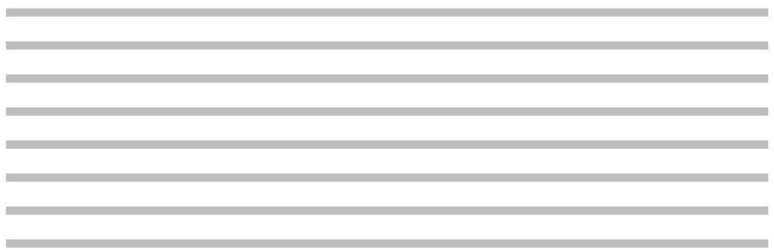


Expressiveness is central to our technological advantage.

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We're Built Differently Than Everyone Else in the Industry.

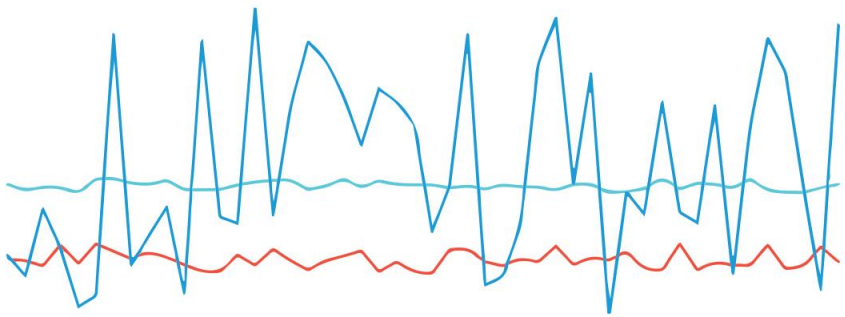
LINE ITEMS



Limits reporting granularity, optimization options and ability to activate data.

VS.

BID FACTORS

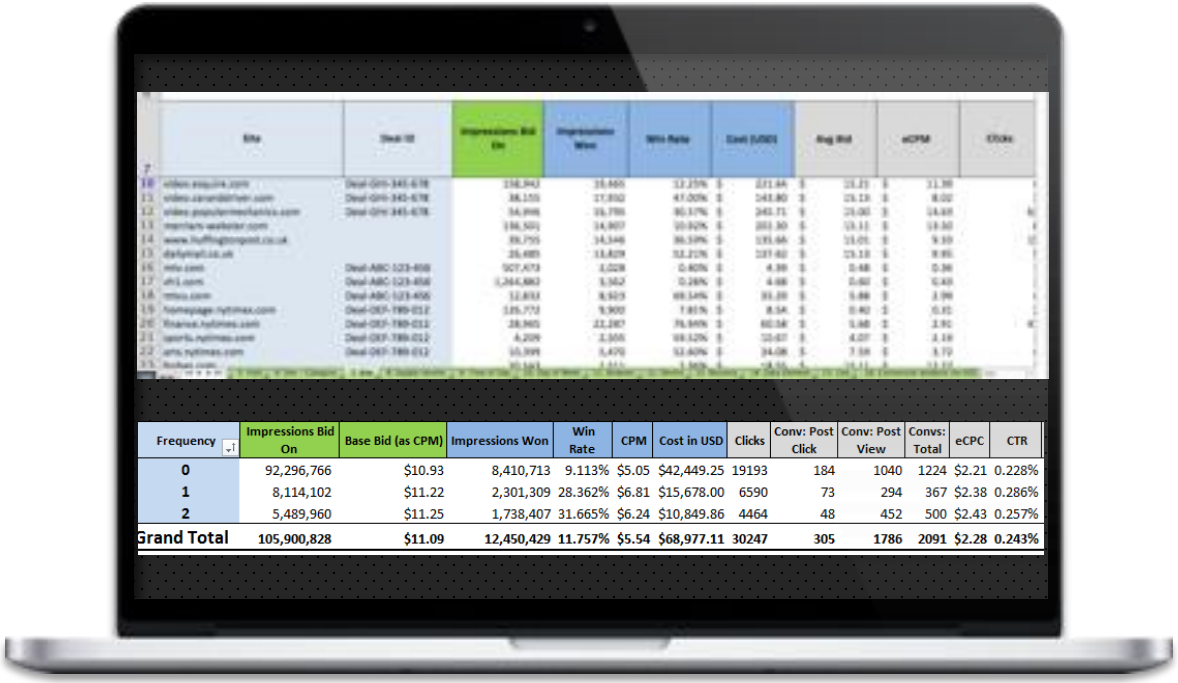


The only structure that allows for expressiveness and fine grain reporting.

Goal: The most transparent and most detailed reporting.

Simplified User Interface

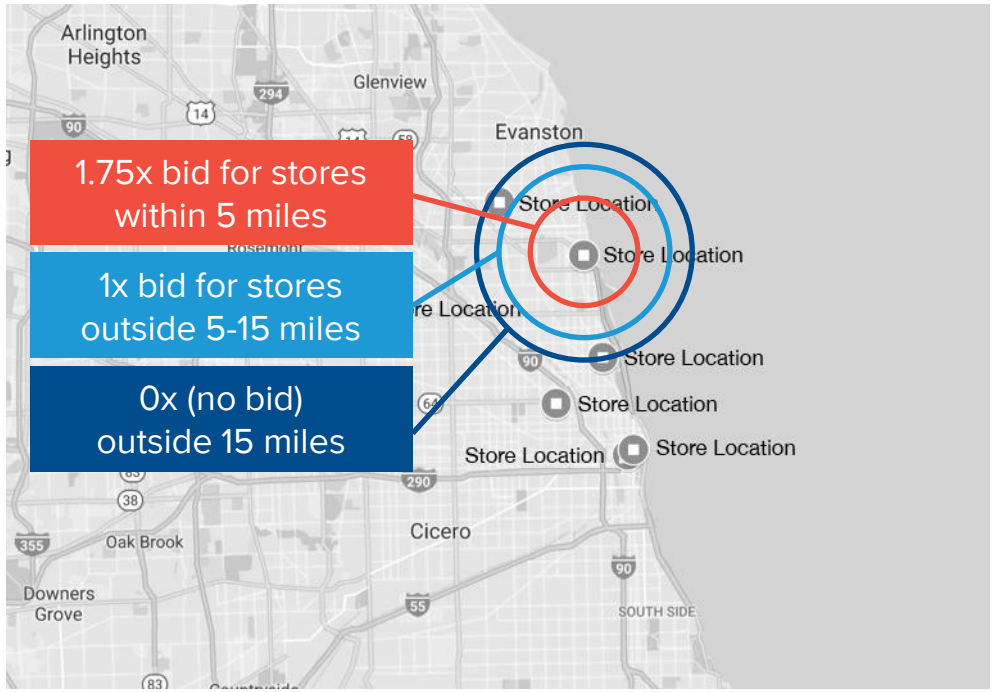
"expressiveness" at work

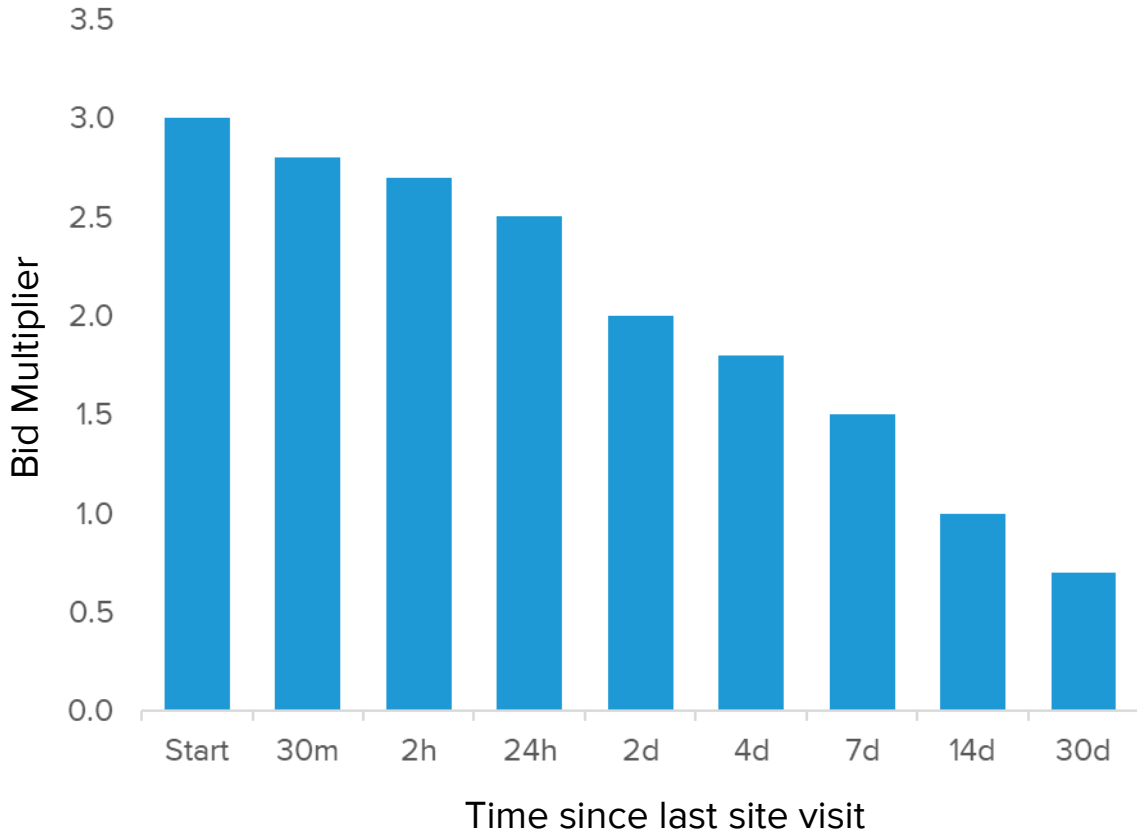


Frequency	Impressions Bid On	Base Bid (as CPM)	Impressions Won	Win Rate	CPM	Cost in USD	Clicks	Conv: Post Click	Conv: Post View	Convs: Total	eCPC	CTR
0	92,296,766	$10.93	8,410,713	9.113%	$5.05	$42,449.25	19193	184	1040	1224	$2.21	0.228%
1	8,114,102	$11.22	2,301,309	28.362%	$6.81	$15,678.00	6590	73	294	367	$2.38	0.286%
2	5,489,960	$11.25	1,738,407	31.665%	$6.24	$10,849.86	4464	48	452	500	$2.43	0.257%
Grand Total	**105,900,828**	**$11.09**	**12,450,429**	**11.757%**	**$5.54**	**$68,977.11**	**30247**	**305**	**1786**	**2091**	**$2.28**	**0.243%**

Transparent Reporting

TTD + Agency reduced client's booking costs by half.

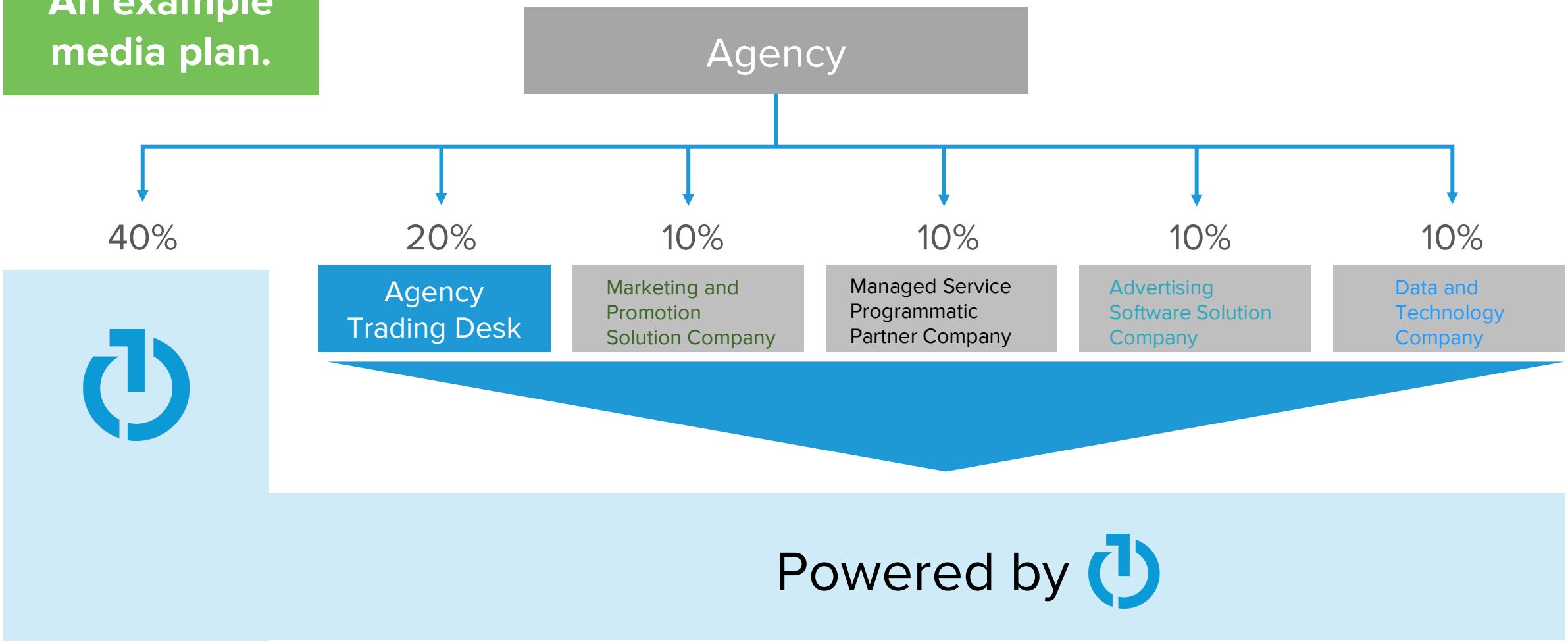




Expressiveness = 15,360 Bid Permutations

Our platform approach wins more of the budget.

An example media plan.



Illustrative Example

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Unified iD 2.0

The what and why...

Collaborating with industry organizations to operate UID2 for the open internet

Built an open-sourced technology to convert email address to anonymized IDs

Dedicated internal resources to build the technology

Believe the open internet must continue to thrive

UID2 is non-proprietary and available to advertisers, publishers, DSPs, SSPs, SSOs, CDPs, CMPs, identity provider and data and measurement providers that are in compliance with a code of conduct.

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Significant Growth Drivers



CTV and TTD

The convergence of the internet and television



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The future of TV is ad funded.

The cost of no ads is too great for most consumers.

(Cable costs are according to the Leichtman Research Group, Inc.).

Our story in CTV is resonating

You are missing
out on a core audience if
you're only buying
broadcast TV.





Source: The Trade Desk estimated reach in the US for the full year 2020E from Q12020 conference call script May 7, 2020

Our reach in the US is HUGE



80+ million
households



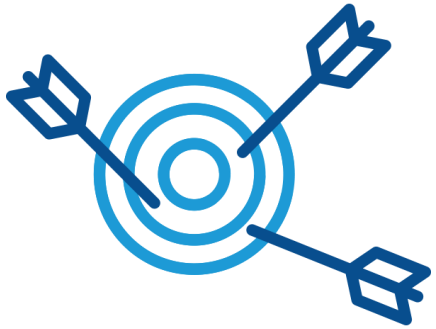
120+ million
CTV devices

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Decisioning improves TV buying

Traditional TV Buying

$10 CPM



Targeting is limited to DMA, schedule and dayparts

Connected TV buying

$20 CPM



1:1 targeting of valuable customers & their households in real time

Connected TV Measurement

Measure and analyze the impact of your Connected TV campaigns to inform future strategies.

TV & Cross-Platform Metrics and Reporting

Key Reporting Metrics Include:

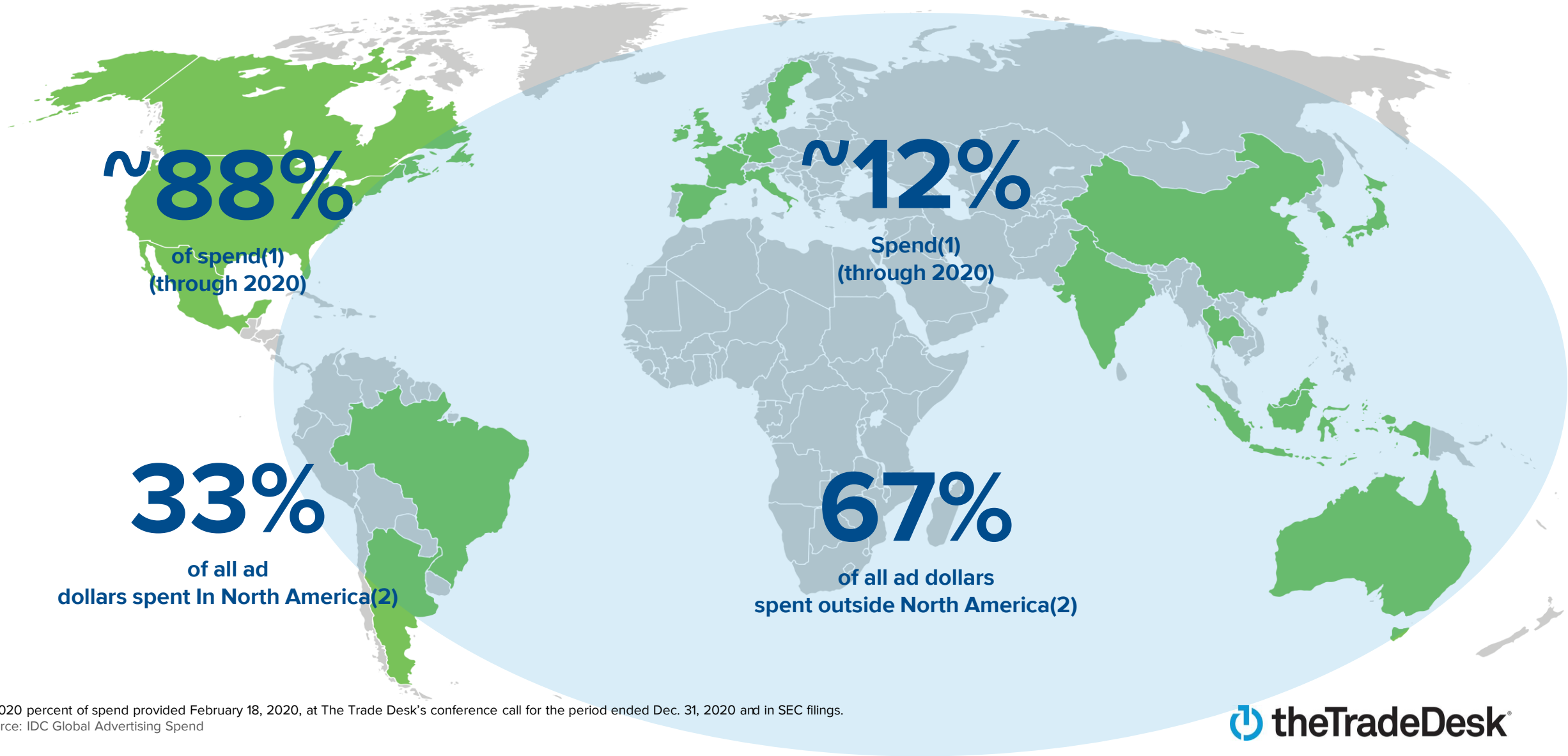
- Report across video screens (OTT, desktop, mobile)
- Attribution across devices
- Impressions Delivered
- Reach and Frequency
- Video Completion Rates
- Audience Reporting
- Nielsen GRPs / DAR
- Sales lift driven by CTV

Growth Outside North America

2.

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Top 20 Worldwide Advertising Markets



1: FY2020 percent of spend provided February 18, 2020, at The Trade Desk's conference call for the period ended Dec. 31, 2020 and in SEC filings.
2: Source: IDC Global Advertising Spend

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Non NA grew from 6.5% to 12% of our business from 2015 to 2020

Shopper Marketing

3.

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Walmart Connects With TTD

Part of Walmart Initiative to launch a Media Business

Enables brands to power ad campaigns with shopper audiences

Ability to measure the impact of in-store and online sales

TTD marketplace not limited to Walmart.

Worldwide, shopper marketing budgets estimated at over $200b

Our focus for the future...



1. Unified iD 2.0
2. Connected TV
3. Global expansion
4. Shopper marketing
5. 2021 Platform Update: “Solimar”
   - New “goal-based” User-Experience
   - Upgrading AI tools
   - Measurement marketplace

Objective, Independent, Transparent

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How Do We Manage Our Business?

- Focus on culture
- Customer Retention
- Spend Growth
- Efficiency

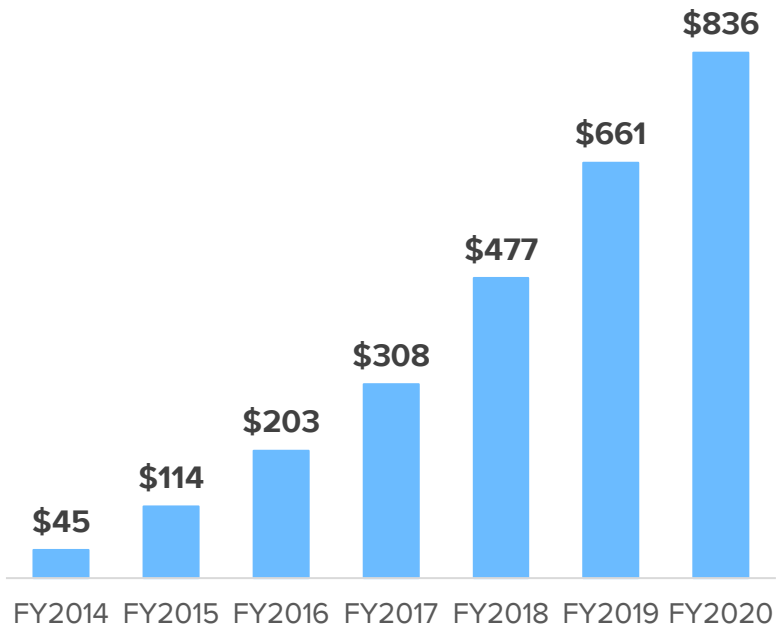
Strong financial model.



- Exceptional **top line growth**
- **Master Services Agreement -based** model with **ongoing, established** customer relationships
- **Self-serve** software model drives strong **operating leverage**
- Proven **profitability**

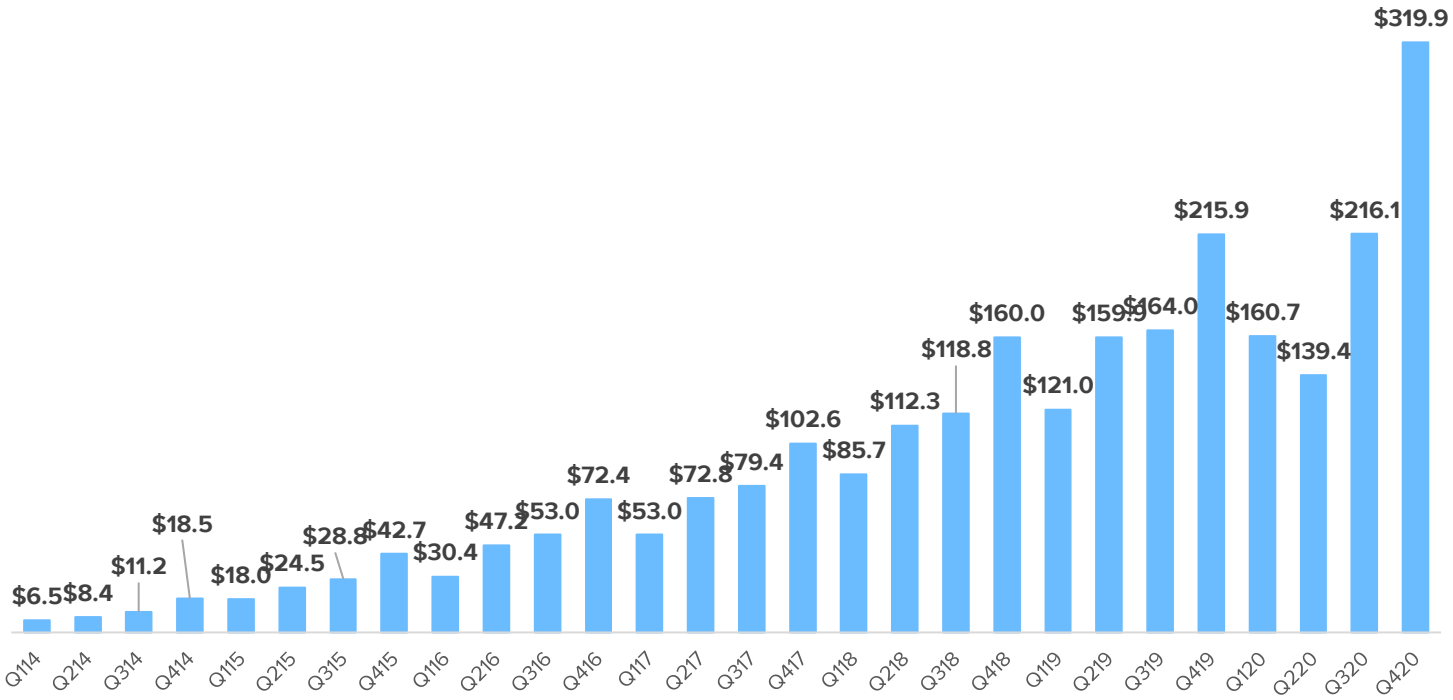
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Robust revenue growth...



Revenue[(1)]

($ in millions)

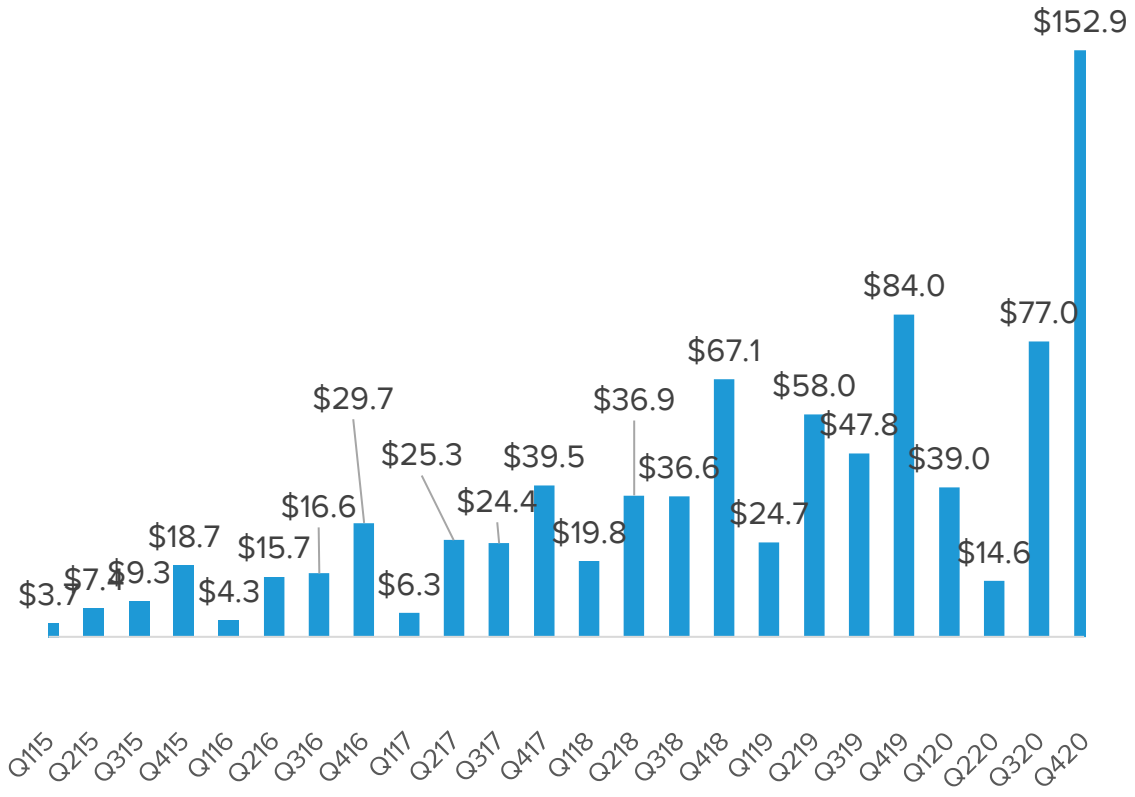


(1) Source TTD SEC Filings

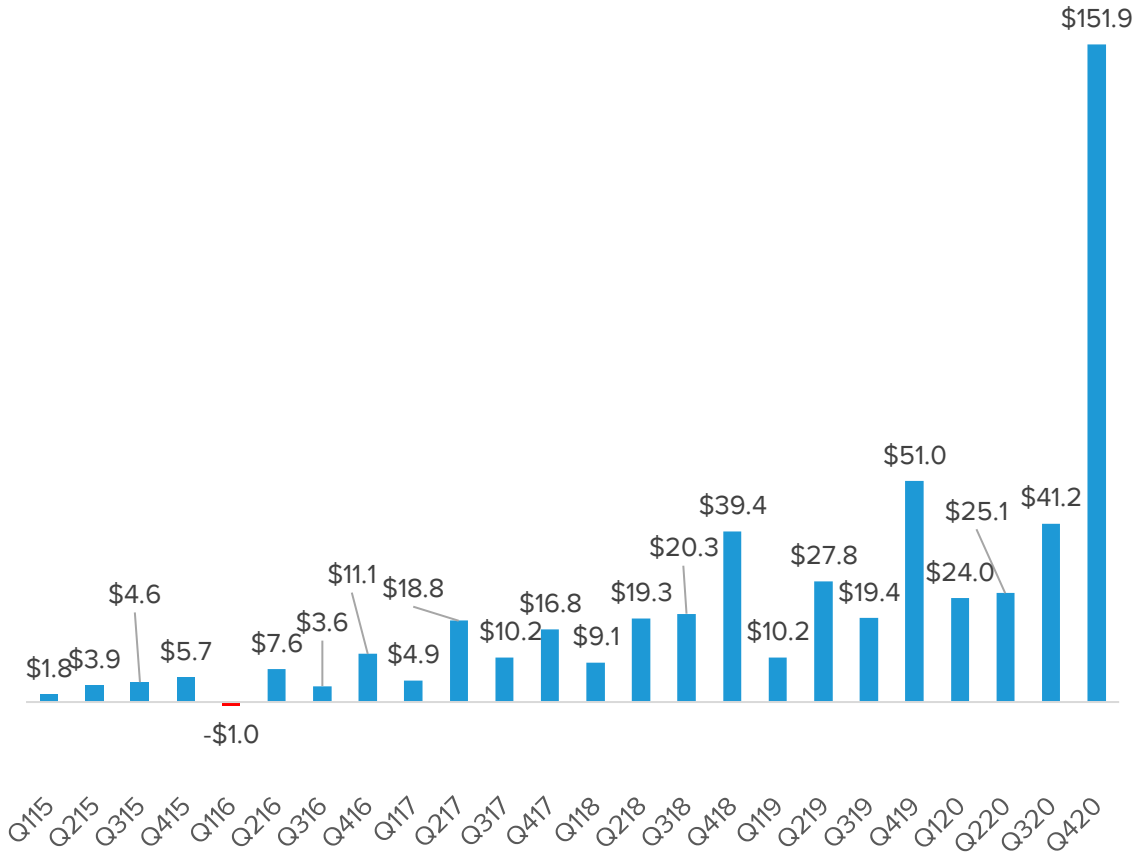
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...delivering substantial profitability

Adj. EBITDA ($ in millions)



GAAP Net Income ($ in millions)



Source: Company Filings. Adjusted EBITDA excludes depreciation and amortization expense, interest expense, income taxes, stock-based compensation and preferred stock warrant liabilities. Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation.

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Investment highlights.

1. Q4 revenue grew 48% y/y
   - Political spend was a high single digit percent of spend
2. 2020 revenue grew 26% y/y (impacted by Covid)
   - CTV more than doubled; Political spend was mid-single digits
3. 95%+ of our spend coming through MSAs and is relatively predictable.
4. We're self-service omnichannel (all decisioned digital).
5. Our tech is measurably better at decisioning.
6. We have a massive TAM only getting bigger.
   - Eligible for shopper marketing budgets starting Holiday Season 2021
7. We align our interests with our customer (buy-side only, not network).
8. We've been GAAP profitable since 2013.

TTD is an investment in the whole internet.

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Q4 and FY2020 GAAP Financial Information

THE TRADE DESK, INC.

CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Revenue	$ 319,905	$ 215,944	$ 836,033	$ 661,058
Operating expenses (1):				
Platform operations	51,645	47,267	178,812	156,180
Sales and marketing	58,740	42,931	174,742	132,882
Technology and development	48,723	32,803	166,654	116,752
General and administrative	54,365	40,293	171,617	143,048
Total operating expenses	213,473	163,294	691,825	548,862
Income from operations	106,432	52,650	144,208	112,196
Total other expense (income), net	(529)	(1,045)	305	(4,024)
Income before income taxes	106,961	53,695	143,903	116,220
Provision for (benefit from) income taxes	(44,941)	2,750	(98,414)	7,902
Net income	$ 151,902	$ 50,945	$ 242,317	$ 108,318
Earnings per share:				
Basic	$ 3.24	$ 1.13	$ 5.24	$ 2.43
Diluted	$ 3.05	$ 1.06	$ 4.95	$ 2.27
Weighted average shares outstanding:				
Basic	46,917	45,036	46,287	44,533
Diluted	49,754	48,034	48,988	47,806

STOCK-BASED COMPENSATION EXPENSE
(Amounts in thousands)
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Platform operations	$ 3,335	$ 1,456	$ 8,794	$ 5,350
Sales and marketing	11,177	7,675	29,726	20,769
Technology and development	12,327	7,974	36,672	26,553
General and administrative	11,185	7,285	36,583	28,086
Total	$ 38,024	$ 24,390	$ 111,775	$ 80,758

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Supplemental Non-GAAP Information

Non-GAAP Financial Metrics
(Amounts in thousands, except per share amounts)

The following tables show the Company's GAAP financial metrics reconciled to non-GAAP financial metrics included in this presentation.

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income	$ 151,902	$ 50,945	$ 242,317	$ 108,318
Add back:				
Depreciation and amortization expense	7,855	6,416	28,632	21,662
Stock-based compensation expense	38,024	24,390	111,775	80,758
Interest expense (income), net	84	(956)	(656)	(4,719)
Provision for (benefit from) income taxes	(44,941)	2,750	(98,414)	7,902
Adjusted EBITDA	$ 152,924	$ 83,545	$ 283,654	$ 213,921

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
GAAP net income	$ 151,902	$ 50,945	$ 242,317	$ 108,318
Add back (deduct):				
Stock-based compensation expense	38,024	24,390	111,775	80,758
Adjustment for income taxes	(5,119)	(3,783)	(18,460)	(12,768)
Non-GAAP net income	$ 184,807	$ 71,552	$ 335,632	$ 176,308
GAAP diluted EPS	$ 3.05	$ 1.06	$ 4.95	$ 2.27
Non-GAAP diluted EPS	$ 3.71	$ 1.49	$ 6.85	$ 3.69
Weighted average shares outstanding—diluted	49,754	48,034	48,988	47,806