theTradeDesk®

INVESTOR DAY



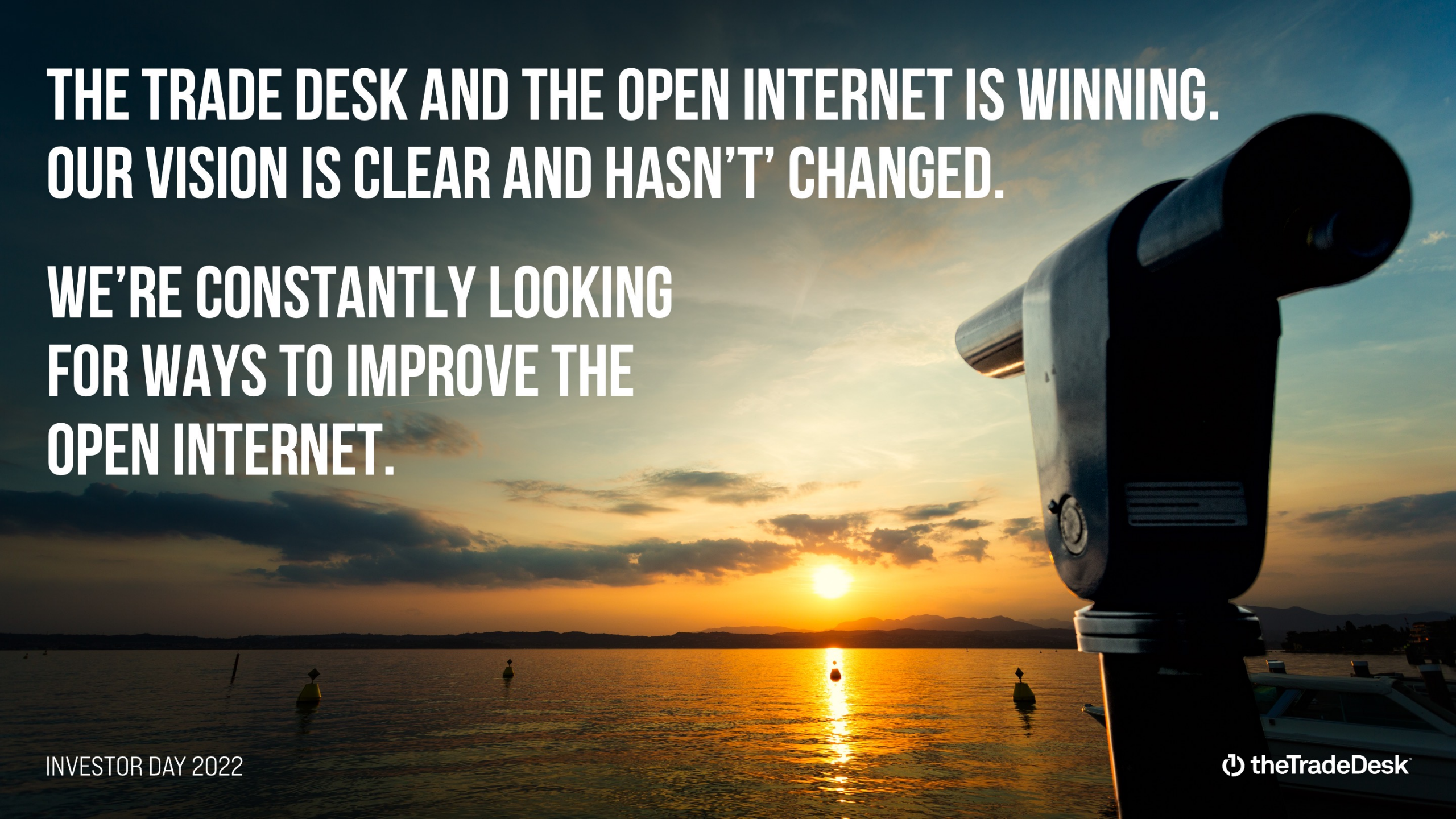
VISION + STRATEGY FOR GROWTH

Jeff Green, Founder and CEO



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THE TRADE DESK AND THE OPEN INTERNET IS WINNING.
OUR VISION IS CLEAR AND HASN'T' CHANGED.
WE'RE CONSTANTLY LOOKING
FOR WAYS TO IMPROVE THE
OPEN INTERNET.
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THE PANDEMIC CHANGED EVERYTHING.




THE TRADE DESK HAS ALWAYS BENEFITED FROM A TIDAL WAVE OF OPPORTUNITY.



A LOOK BACK TO OUR LAST INVESTOR DAY

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CTV AND VIDEO WILL BE OUR LARGEST CHANNEL.
IT ALREADY IS.
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OUR ID FOOTPRINT WILL BE LARGER THAN ANY SINGLE COMPANY'S LOGIN FOOTPRINT.

GROW DATA USAGE AT 2X THE PACE OF MEDIA SPEND.


CHINA WILL BECOME A TOP 3
MARKET FOR THE TRADE DESK.
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PRICE DISCOVERY IS FOUNDATIONAL TO HEALTHY MARKETS.

DATA-DRIVEN IS BETTER THAN GUESSING.




PROGRAMMATIC WILL EVENTUALLY POWER THE WHOLE TRILLION-DOLLAR TAM.
(PLUS, MOST OF SHOPPER MARKETING)
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EMPOWERING AGENCIES WHILE GETTING CLOSER TO BRANDS.

DO THE RIGHT THING.



BUY-SIDE WILL ALWAYS BE IN THE POWER POSITION.



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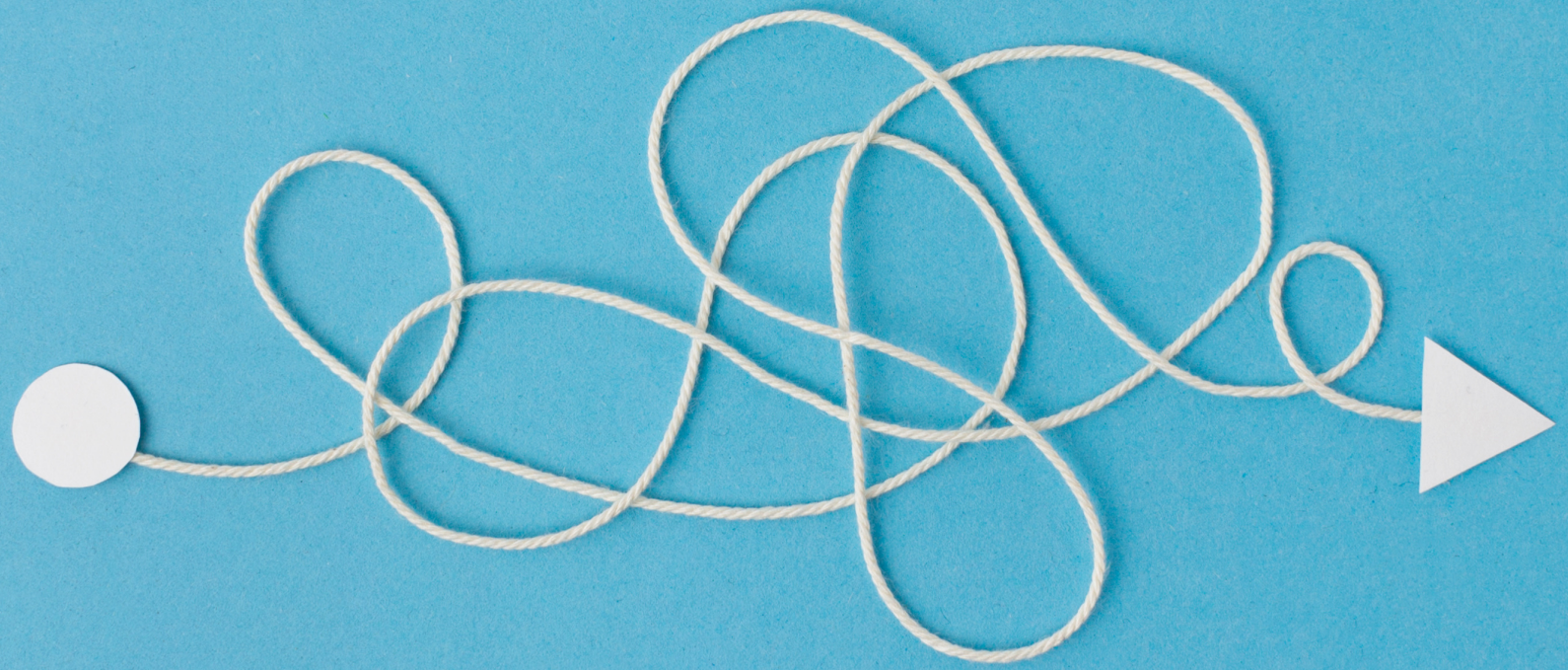
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DECISIONING IS WHERE THE MONEY IS.



SELL-SIDE WILL CONTINUE TO SPECIALIZE AND FRAGMENT.

(SPECIALIZE EVERYWHERE, FRAGMENT IN CTV)





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BUY-SIDE
AGGREGATES AROUND
3 TO 10 PLAYERS.

OBJECTIVITY MATTERS MORE TOMORROW THAN TODAY, AND MORE TODAY THAN YESTERDAY.





GOOGLE, APPLE, AMAZON, META HAVE A PLACE IN ADVERTISING, BUT NOT OBJECTIVELY BUYING THE OPEN INTERNET.



AT LEAST ONE WINNER WILL BE INDEPENDENT-- LIKELY THE BIGGEST WINNER TOO.

(ESPECIALLY IF THERE'S ONLY ONE OBJECTIVE PLAYER)



MACRO

10 MACRO FORCES THAT HAVE BEEN IMPACTING OUR BUSINESS SINCE EARLY 2020.


1
STARTING IN MARCH, 2020
THE WAVE GOT MUCH BIGGER.


THE USE OF DATA-DRIVEN ADVERTISING SURGED.
2
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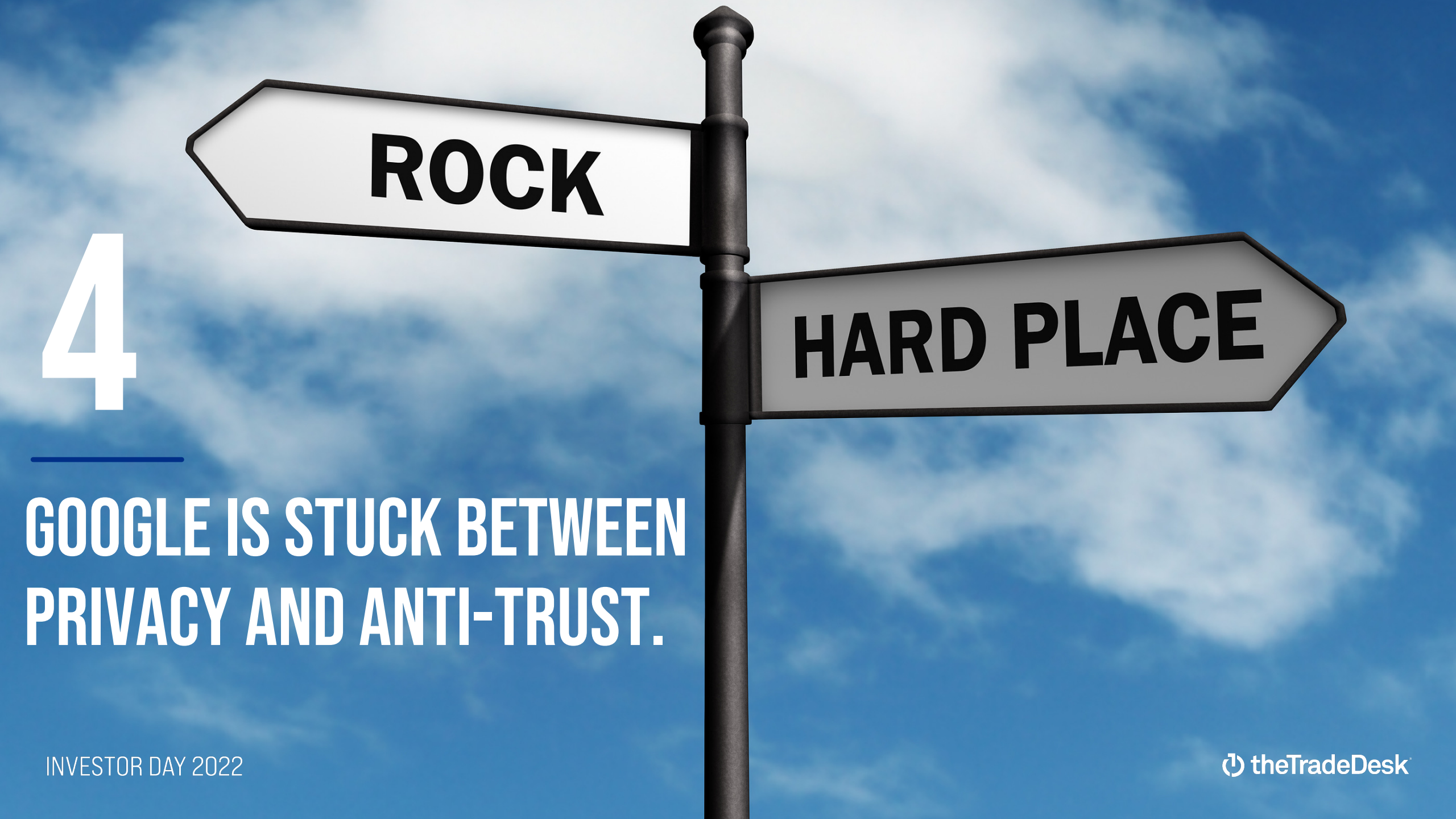


3

THE STATE OF THE ADVERTISING ECOSYSTEM:

GLOBAL ADVERTISING CONTINUES ON THE PATH TO $1 TRILLION.

~$500B SHOPPER MARKETING HAS EXPANDED THE TAM TOO.



4

GOOGLE IS STUCK BETWEEN PRIVACY AND ANTI-TRUST.

5

THE WAR ON IDENTITY IS INTENSIFYING.

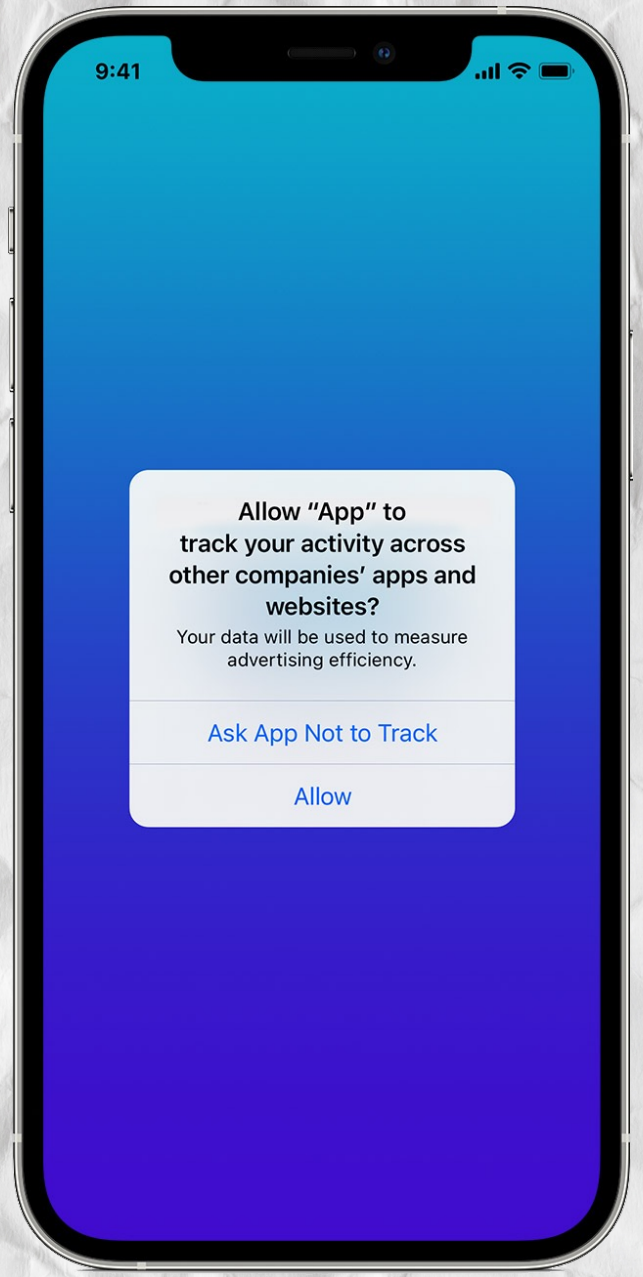


THE OPEN INTERNET

AND




THERE ARE TWO
PRIMARY APPROACHES
TO IDENTITY.



Ad

Personalized Ads

Personalized ads in Apple apps such as the App Store and Apple News help you discover apps, products, and services that are relevant to you. We protect your privacy by using device-generated identifiers and not linking advertising information to your Apple ID.

Turning on Personalized Ads increases the relevance of ads shown by letting us use data like account information, app and content purchases, and where available, the types of News stories you read.

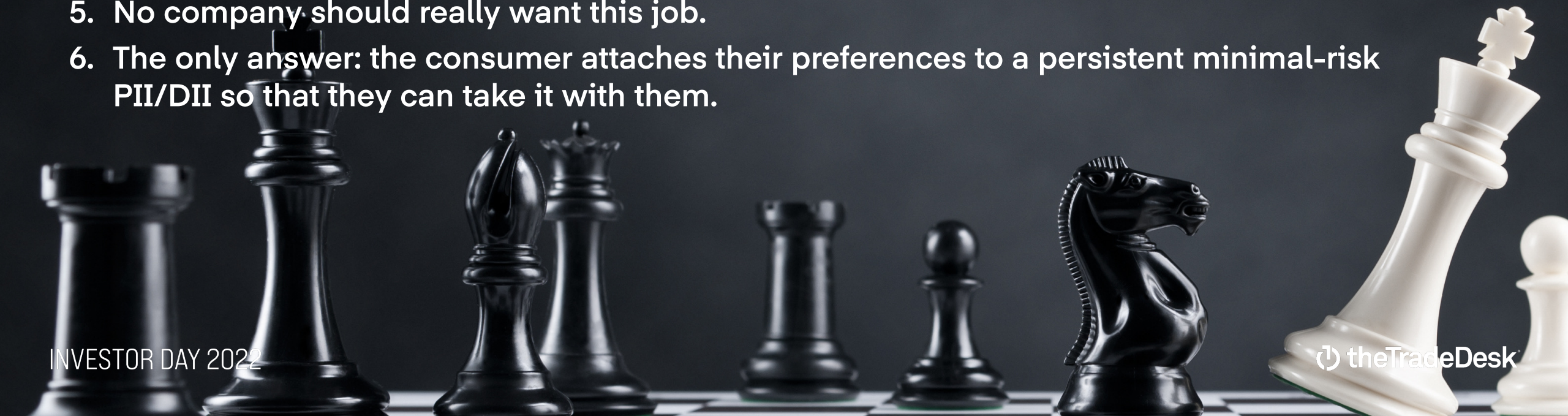
Apple does not track you or share your personal information with any third parties.

Turn On Personalized Ads

Turn Off Personalized Ads

APPLE'S APPROACH DOESN'T SOLVE THE PROBLEM FOR OPEN INTERNET

1. Apple isn't currently solving a problem for the whole internet—only their ecosystem.
2. Apple is running a marketing campaign. Its not a plan for the internet. It's a land grab.
3. They are mid-process pivoting from being anti-personalization to incorporating ads.
4. They've created perceptions that they manages privacy for the entire internet.
5. No company should really want this job.
6. The only answer: the consumer attaches their preferences to a persistent minimal-risk PII/DII so that they can take it with them.




THE OPEN INTERNET SEEKS TO DISTRIBUTE POWER.
THE WALLED GARDENS CONCENTRATE POWER.
THIS CREATES A TOO BIG TO FAIL PROBLEM, RIVALLING 2008 GFC.
812
815

Google CEO Sundar Pichai swears his company has real competition

"None of us were talking about TikTok three years ago."

By Shirin Ghaffary | Sep 6, 2022, 11:30pm EDT

SHARE



Alphabet and Google CEO Sundar Pichai speaks to Kara Swisher at Code 2022. | Jerod Harris/Getty Images for Vox Media

Sundar Pichai is the head of one of the most successful businesses in the world, one that dominates the online advertising market — but he says that doesn't mean he can rest on his laurels.

At Vox Media's Code Conference in Beverly Hills, California, Pichai talked about facing a "hyper-intense" market in tech during a period of economic uncertainty. The idea that Google is struggling could also serve as a useful argument at a time when Big Tech critics like Sen. Amy Klobuchar are pushing antitrust legislation that would target the company.

"Competition comes from nowhere," said Pichai, the CEO of Google as well as its parent company Alphabet, which also owns YouTube. "You know, none of us were talking about

6

TTD, TIKTOK, GOVERNMENT AND GOOGLE ARE CURRENTLY THE BIGGEST THREATS TO GOOGLE.

GOOGLE HAS CREATED THE ILLUSION OF COMPETITION ON THE SELL-SIDE.

7



Opinion

THE SELL-SIDE HASN'T FRAGMENTED AS PREDICTED.

GOOGLE HAS A NEGATIVE IMPACT ON THE ECOSYSTEM AND COMPETITION.

1. Header Bidding was moving the market towards competition and greater transparency in 2017.
2. IMO, Google OB enabled bid bias, front running, and lower ecosystem transparency.
    1. Its biggest victory was pacifying SSPs to stop publisher development for a 5% take rate (instead of 15% in AdX). This creates the illusion of competition.
    2. Project Bernanke was a program to capture the spread between bid and ask that didn't benefit advs or pubs, but expanded Google margins.
3. Google's strong market position in Search (the majority of ad demand for GAM comes from search advertisers) makes it so SSPs and Ad Exchanges can't compete.
4. Google has stopped calling any part of GAM an exchange. Exchanges enable transparency, price discovery, and fairness. What is left, doesn't do any of that.

IF TTD HAS DONE WELL IN AN UNFAIR MARKET, IMAGINE WHAT WE CAN DO IN A FAIR ONE.

OPINION: GOOGLE TACTICS INCLUDE WHAT WOULD MAKE OTHERS CLAIM FRONT RUNNING, OBFUSCATION, AND SHILL BIDDING IN MORE REGULATED MARKETS. DUE TO MARKET AND REGULATORY PRESSURES, GOOGLE WILL LIKELY MAKE THE MARKET FAIRER. THIS IS ALL UPSIDE FOR TTD.

‘Jedi Blue’ ad deal between Google and Facebook sparks new antitrust probes in EU and UK

AD TECH

Yahoo and Amobee DSPs Remove Google Open Bidding as a Source of Supply

PLATFORMS

Google Ad Manager Builds A Bridge To Prebid – But Don’t Call It A Two-Way Street

Google's Jedi Blue ad deal with Meta goes scot-free from antitrust claims

Is This The End For Open Bidding?; B2B Software Co’s Are Getting Into News And Video

Two More DSPs Remove Google Open Bidding

Google Defends Meta Deal, Ad Tech Empire From Antitrust Threat

8

JOURNALISM IS STRUGGLING MORE THAN EVER.





9

THE DATA ECOSYSTEM GOT CLEANED UP AND ITS BEST DAYS ARE AHEAD.



10

EVERYONE STAYED HOME AND STREAMED.

TV LANDSCAPE SHIFTING

10 YEARS OF TV EVOLUTION COMPRESSED BETWEEN 2020-2022.

TV LANDSCAPE SHIFTING

1. Covid accelerated consumption of CTV
2. Pandemic accelerated the decline of linear/cable (sports were less of an anchor)
3. Competition for content accelerated (CTV content became the intra-company leader)
4. Netflix and Disney+ and HBO hit ceilings without AVOD offering
5. Privacy woes (including Cookies and IDFA changes) of Social and Mobile are tailwinds in CTV

TV LANDSCAPE SHIFTING

6. Google pressure (regulatory). Brands seeking more symmetrical relationships
7. Data pipes have been re-plumbed. Largest influx of data into advertising EVER
8. Inventory has gone up. Q1 will be an even bigger influx.
9. Shopper data is changing the measurement of TV dramatically
10. Bottom line: CTV is enabling the open internet to get the first dollar


NETFLIX



ADVERTISING FUELS AND LEADS GLOBAL GROWTH.

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HIGHLIGHTS FROM THE LAST 3 YEARS AT THE TRADE DESK

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TTD: HIGHLIGHTS FROM THE LAST 3 YEARS

1. March, 2020 to now. Stock up about 300%
2. Closer to Advertisers and Brands and agencies than ever before.
3. Moving from MSAs to JBPs
4. 34%, 3-year CAGR (2019-2022E based on consensus Estimates in 2022)
5. Premium Video (which includes CTV) has become our largest channel



TTD: HIGHLIGHTS FROM THE LAST 3 YEARS

6. UID transition to UID2
7. Launched OpenPath and stopped participating in Google's OB
8. Solimar – launched 7/7/2021 and at 100% 1-year later
9. Data Marketplace – more transformation in the last year than in the last 12 years
10. Managing culture through a pandemic



OUR PATH FORWARD

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OUR DATA
ADVANTAGE
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OBJECTIVITY WINS TRUST WITH FIRST-PARTY DATA



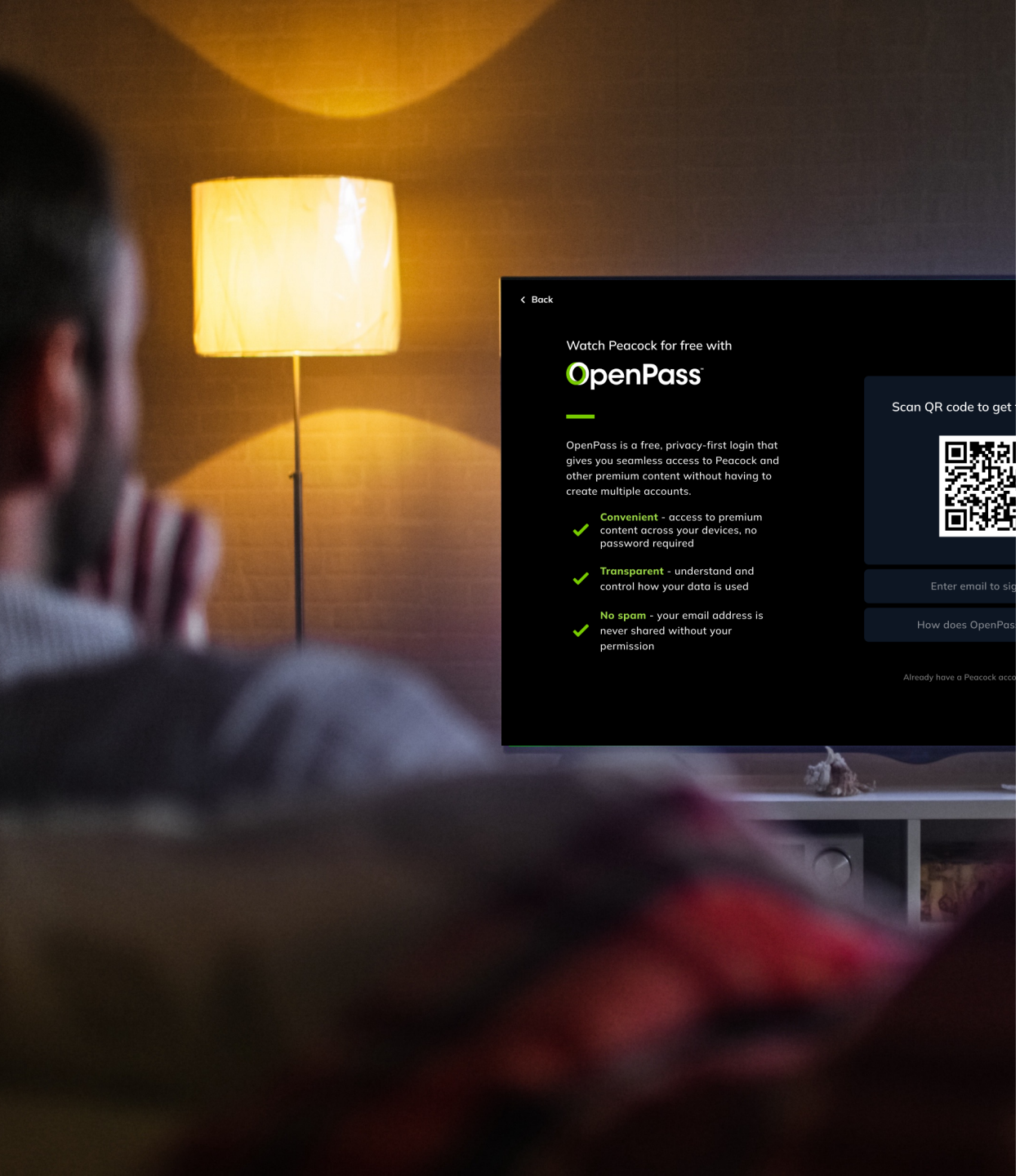
IDENTITY PLANS AND UID2 EFFORTS ARE WORKING

Unified ID 2.0


668
20
Prebid
nielsen
aws
snowflake
P&G
Procter&Gamble
Disney
salesforce
LiveIntent
INFOSUM
comscore
THE INFRASTRUCTURE OF THE INTERNET HAS CHANGED.
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THE OPEN INTERNET IS MOVING TO OPT-IN



Why OpenPass?

Gain Independence (especially for publishers):

Leverage a scaled SSO solution for the open internet

- Walled gardens are not incentivized to share addressability
- OpenPass pairs with existing solutions, not "zero-sum"

Futureproof Revenue:

Chart a path forward for a cookieless future

- Add OpenPass as an independent SSO alternative or...
- Make OpenPass your first step toward monetizing first party data

Build on a Foundation:

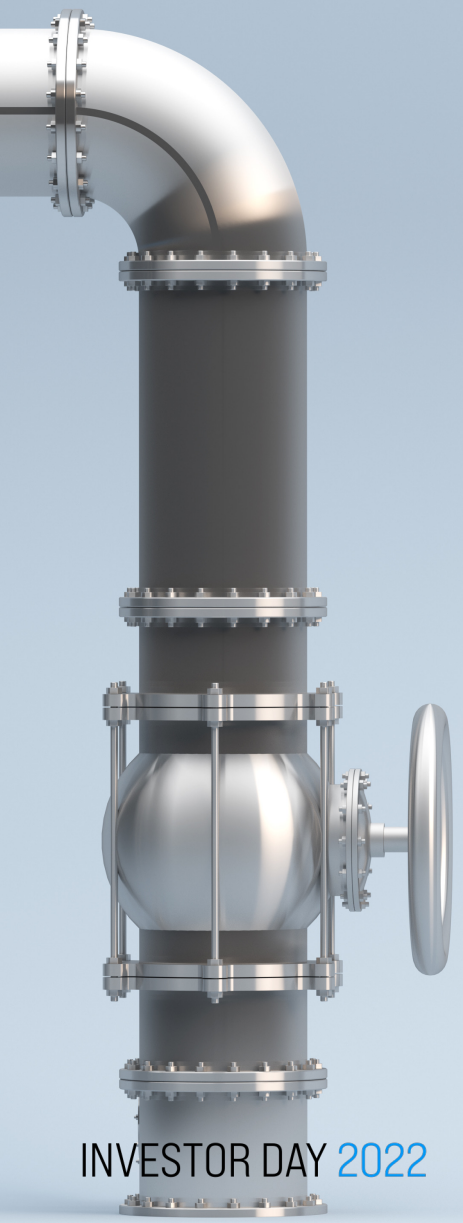
Leverage insights and awareness from the OpenPass community

- Align with a shared vision and message promoting a fair value exchange
- Benefit from existing research and best practices

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DATA MARKETPLACE

PROBLEM	MATCHING MATH	SEGMENT ANDING & SIZE	SELECTION
SOLUTIONS	IDENTITY CURRENCY	FRACTIONAL PRICING	AUTOMATED PERFORMANCE BUYING.



DATA MARKETPLACE REMODEL

1. The math, pipes, incentives created an anemic market -- until recently.
2. UID2 is foundational.
3. Matching problem is being solved.
4. The scrolling problem is being solved.
5. The efficacy problem is being solved. (Grain and usage)
6. The privacy discovery problem is next.
7. Data driven-decisioning has gone up dramatically.

MORE ON SUPPLY CHAIN INITIATIVES


THE OPEN INTERNET IS WINNING
WHAT HAPPENED WHEN WE TURNED OFF OPENBIDDING...
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THE OPEN INTERNET IS WINNING... CONTINUED

- Walled gardens do not have a monopoly on CTV, Audio, or Immersive Gaming
  - But they are trying to get in.
- Authentication is common; expected in these formats. Huge advantage.
  - Value exchange is explicit and a case study for the open internet.
- Perfectly fragmented.
  - Plenty of choice but list is finite.
  - Premium is atop value chain.
- The best way to reduce advantage of walled gardens is to make identity a standard.

Introducing OpenPath™

Your pipeline to the open internet

Simplified, direct connection between The Trade Desk and participating publishers

- **Highly transparent** path to premium inventory with minimal hops and incremental fees
- **New option** available alongside existing paths
- **Integrates seamlessly** with PreBid's open source header bidding solution



The Washington Post · café media · ADVANCE LOCAL · McCLATCHY · CONDÉ NAST · nexstar DIGITAL · MediaNews Group · TRIBUNE PUBLISHING · BuzzFeed · MEDIAVINE · LA Times · GANNETT | USA TODAY NETWORK · CNET · healthline

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SHOPPER MARKETING — CAN BE ONE OF THE LARGEST DRIVERS OF INCREMENTAL GROWTH OVER A 5-YEAR PERIOD.



SMB REQUIRES AN 'M' STRATEGY (NEW SERVICE TIER) AND AN 'S' STRATEGY (GET CLOSER TO THE CONSUMER)

TO BE ONE OF THE 10 AT THE FINISH LINE.

1. Global.
2. Omni channel (TV most important).
3. Each will have a unique data advantage.



OUR 2023 ROADMAP:

1. FORWARD MARKET GROUNDWORK IS LAID
2. PARTNERS CAN BUILD
3. CTV DECISIONING ENHANCES
4. DATA ENRICHMENTS



CTV'S BEST DAYS OF MONETIZATION ARE COMING IN 2023.

HBO max

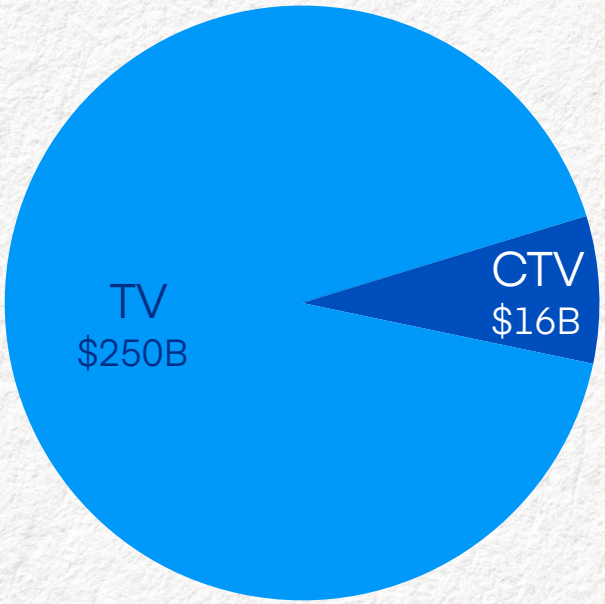
Disney+

NETFLIX

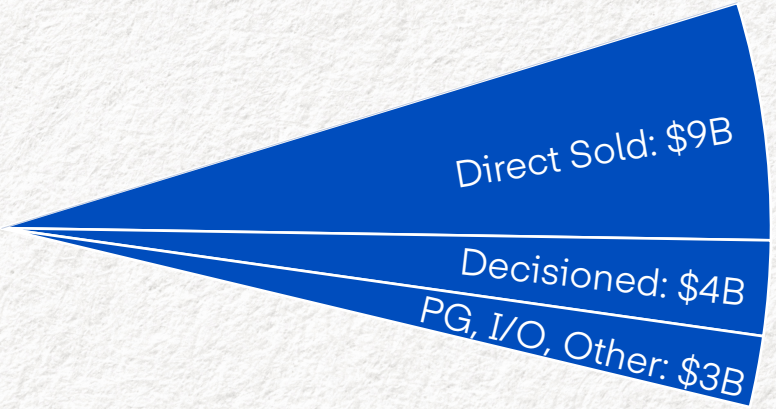


THE SHIFT TO CTV IS JUST GETTING STARTED

TV ADVERTISING SPEND



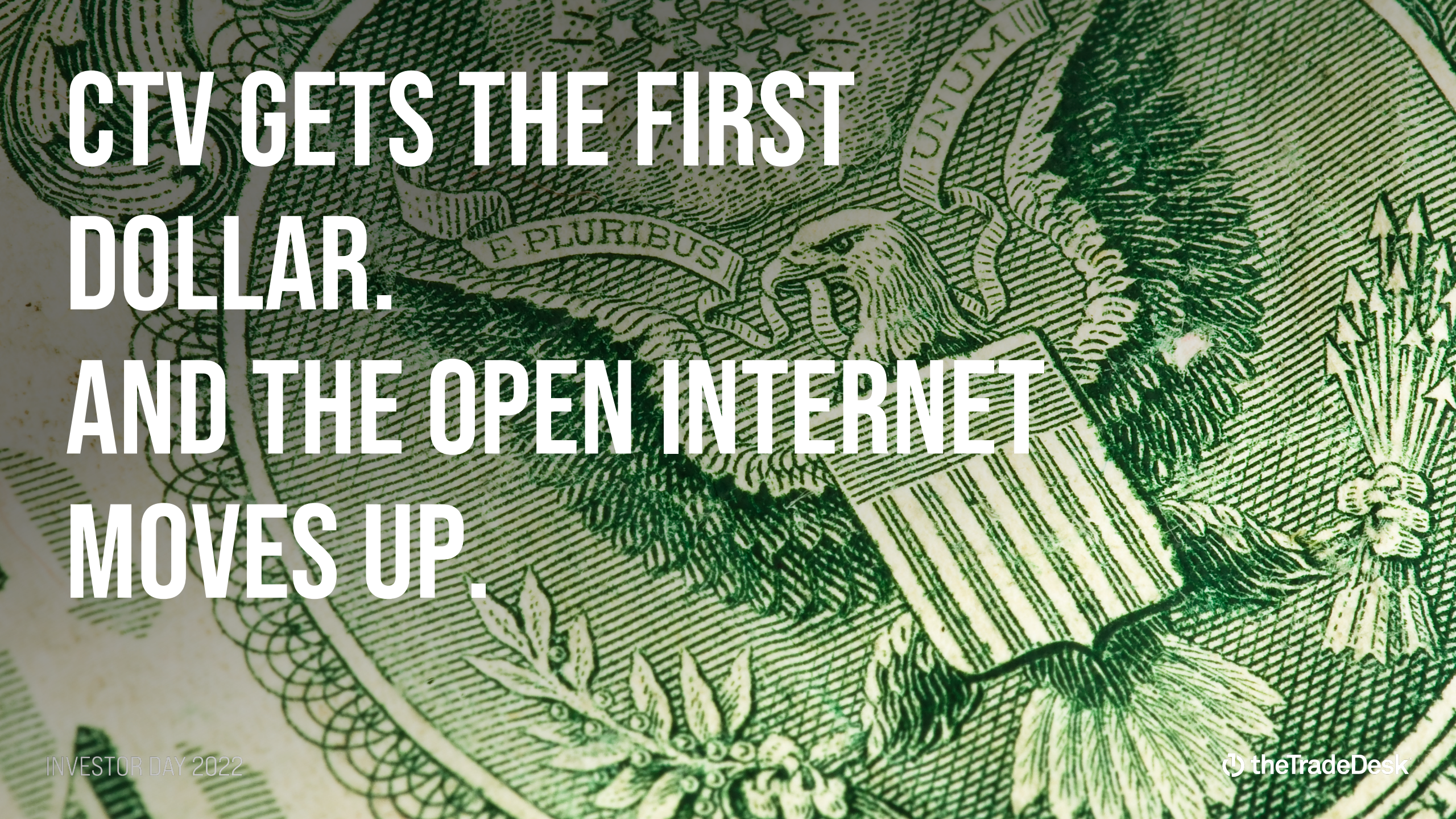
CTV BREAKDOWN



INVESTING IN OUR CULTURE




THE WAVE OF OPPORTUNITY IS
GETTING BIGGER FOR TTD.



CTV GETS THE FIRST DOLLAR. AND THE OPEN INTERNET MOVES UP.



ADVERTISING FUELS AND LEADS GLOBAL GROWTH.

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THANK YOU

JEFF GREEN, FOUNDER AND CEO