



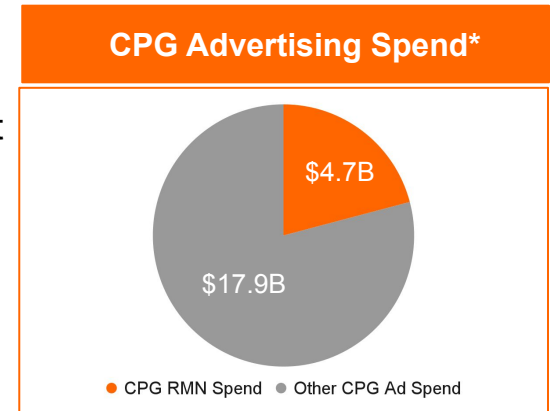
COMCAP
Where commerce meets capital

H1 2022

The Rise of Retail Media Networks

Foreword

- As the chart to the right illustrates, retail media is a big piece of the overall online advertising market. When you consider it from the point of view of a consumer product goods (CPG) company or a fast-moving consumer goods (FMCG) company, this market is even more important, because retail media generally comprises “advertising opportunities” that reach a consumer while they are in market - on a mobile app for retail, display ads on their site or promoted listings in a grocery ecommerce workflow
- This segment has expanded dramatically over the last few years, led by Amazon but representing a “too big to miss” opportunity for Google, Facebook, Microsoft as well as the new captive retail media networks of the major retailers
- A generation of technology leaders endemic to the space has arisen as well - Inmar, Instacart and Quotient being some of the most prominent, as well as darkhorse startup disruptors such as CitrusAds and Swiftly
- We think this report is particularly relevant as all of these parties are set to innovate and compete for the prize of establishing new channels to consumers, new relationships in addition to driving a virtuous cycle of advertising revenue and ecommerce differentiation
- Finally, retail media networks is one category that grew at a fast pace during the pandemic - brands and retailers leaned in hard on digital consumer acquisition while traditional media opportunities faltered - making this of great interest for investors as well as retailers and the tech providers



Aron Bohlig,
Managing Partner
ComCap LLC



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Where commerce meets capital

*Note: Contribution figures consider the the midpoint of CPG spend as a percentage of the total CPG & Consumer Products Industry Ad Spending in the US

*Source: [McKinsey CPG market research](#), Digital Commerce 360

An introduction to ComCap

- ComCap is a premier boutique investment bank focused on the intersection of commerce and capital, with key focus on B2B SaaS, B2C ecommerce, payments, mobile commerce, marketplaces and B2B services for retail technologies (IT and marketing services, in-store, fulfillment, logistics, call center, analytics, personalization, location intelligence)
- Headquartered in San Francisco with European coverage from London & Moscow, and LATAM coverage from Sao Paulo, our firm works with mid-cap public companies on buy-side initiatives and public and private growth companies on financing and strategic M&A
- In addition to being the only boutique focused on disruptive commerce models, we differentiate by:
 - Bringing bulge bracket techniques to emerging models;
 - A strong and uncommon buy-side/strategy practice;
 - Deep understanding of industry drivers and synergy analyses;
 - Deep relationships across the sector; and
 - Worldwide coverage with closed transactions in the United States, Japan, China, the ASEAN region, Western and Eastern Europe and Latin America
- Your Global ComCap team:



Aron Bohlig
Managing Partner
M: +1 415-235-8270
E: aron@comcapllc.com



Fermin Caro
Managing Director
M: +1 650-743-7825
E: fermin@comcapllc.com



Carlos Gonzalez
Director
M: +7 985-062-9894
E: carlos@comcapllc.com



Uren Dhanani
Vice President
M: +1 604-816-4989
E: uren@comcapllc.com

Executive Summary



Market tailwinds and TAM

- According to Forbes, Retail Media Networks (RMN) are estimated to be a ~\$100bn opportunity for retailers in 2021
- The growth is accelerated by the Covid-19 pandemic resulting in ~34% of total consumers shopping online, the shift to online has also resulted in rapid growth in digital advertising spends which are expected to reach \$191bn (+26% vs PY)



Latest Themes

- Big retailers are creating a media-personalization flywheel by optimizing ad targeting / messaging according to customer behaviour in stores / online by using “first party data” as well as “using loyalty programs”
- CPG player’s allocation to RMN Ad spends have increased, going forward 85% of the CPG brands are likely to switch to RMNs
- Increasing use of upper-funnel display & video ads which are ideal for upper funnel strategies geared towards awareness and consideration by retailers over bottom-funnel sponsored search ads



Deal value for M&A and key financial investors in the space

- During the year 2021, total M&A deal value was >\$5.7bn, which was +377% vs PY
- Whilst the private placement activity was stable during 2021, key investors in the space were D1 capital partners, Udata partners and Firstmark to name a few



Landmark Transactions

- Noteworthy deals during 2021 included GrocerKey’s acquisition for \$42mn in Aug 2021 and Squid Digital’ acquisition for \$32.4mn in Oct 2021
- During the year Instacart(Maplebear) raised ~\$265mn in Feb 2021 followed by cData ~160mn in Dec 2021



In the pages that follow, we summarize the RMN landscape, current themes, noteworthy acquisitions and funding rounds, as well as public comparables

The CPG Retail Media Network Ecosystem

Complex ecosystem driven by CPG spend and creation of vertical specific solutions



Grocery,
Pharma
and Dollar
Retailers

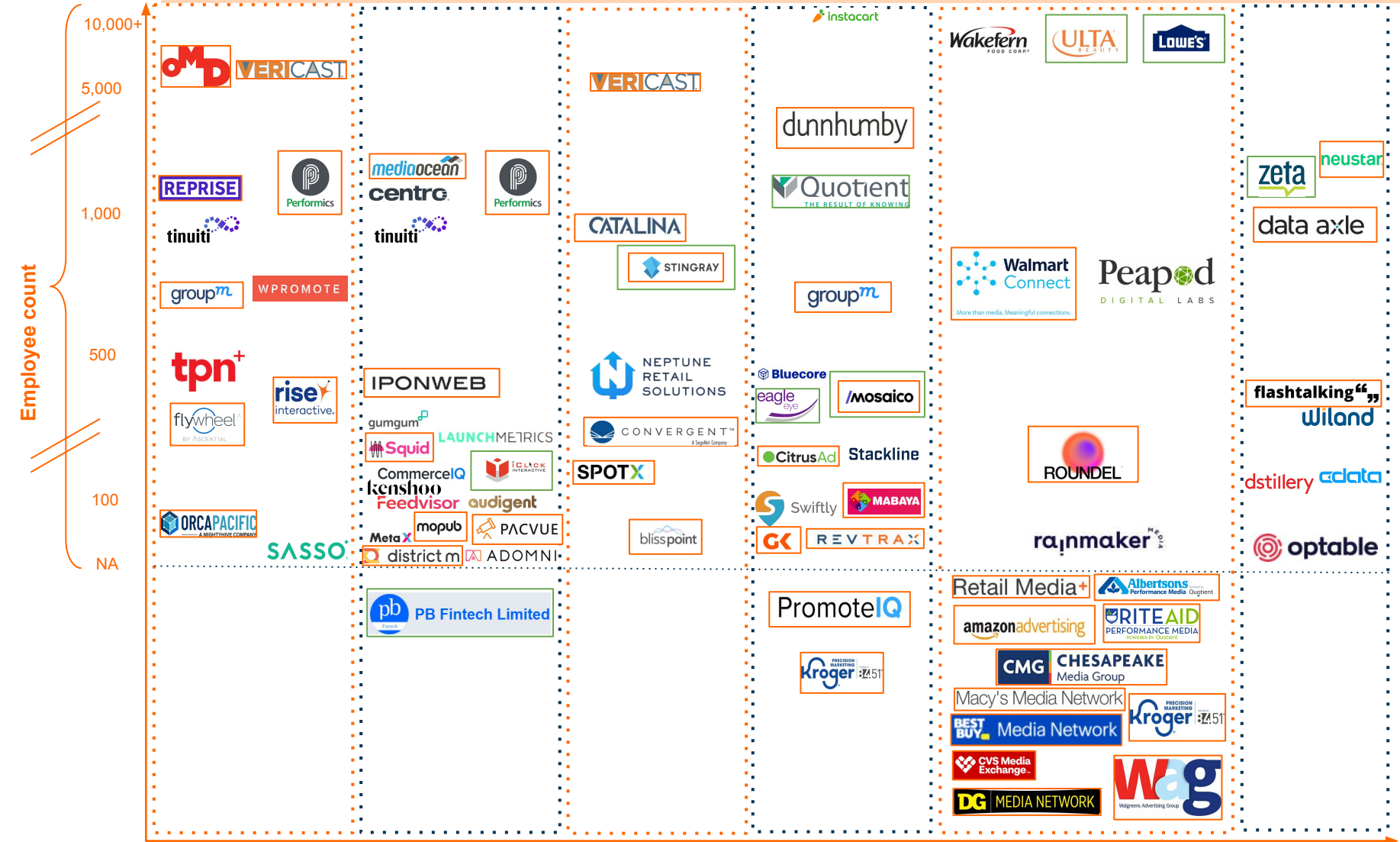
infor

Customer



ComCap's Retail Media Networks funding landscape

Comprehensive end-to-end RMN



Professional Services

Technology solutions for brands

Media Providers

Technology solutions for retailers

Retail built media networks

Data



Source: Forrester, ComCap analysis

Acquired / Subsidiary

Public

Growing number of AdTech and Media new entrants are offering and/or pivoting to offer Retail Media Network solutions



Tech providers and retailers are competing for share in RMNs for ad dollars with higher margin, as retailers are shifting strategies to become more like media companies

Retail Media Network (RMN) – Key Themes

1

According to Forbes Retail media is estimated to be a \$50bn+ revenue opportunity for retailers in 2021, with Amazon enjoying the major chunk of the share (\$26bn in mid-2021). Future growth is likely to be positively impacted by growth in e-commerce, increasing technological advancements in mobile devices and greater adoption of IoT

2

RMN is gaining prominence as an advertising tool amongst CPG players: 74% of the CPG brands have dedicated budgets for RMN, and these networks now rank fifth in budget allocation (behind digital video, paid social, digital display and paid search). Going forward, 85% of the CPG brands are likely to switch to RMNs

3

RMNs are best for personalisation strategies of CPGs / Brands: Big retailers will be able to optimize ad targeting and messaging according to actual in-store and online sales (“first party data”), thereby outperform on ROI basis for advertisers and brands

3

Growth in digital ad spending: Global digital ad spend is expected to reach \$645.8bn by 2024 from \$455.3bn in 2021 (est.). Consumer shifts toward social media and digital video are accelerating the rise of display

4

Upper-funnel display and video ads: As compared to bottom-funnel sponsored search ads on retailers’ ecommerce websites historically, an increasing use of upper-funnel display & video ads and use of demand-side platforms is likely to be seen in future

5

M&A and private placements: Key M&A in 2021 include Grocerkey, Squid Digital, Convergent Media while some notable private placements for the year include MapleBear (\$265mn), cData (\$139mn), Stackline (\$130mn) and Bluecore (\$125mn)

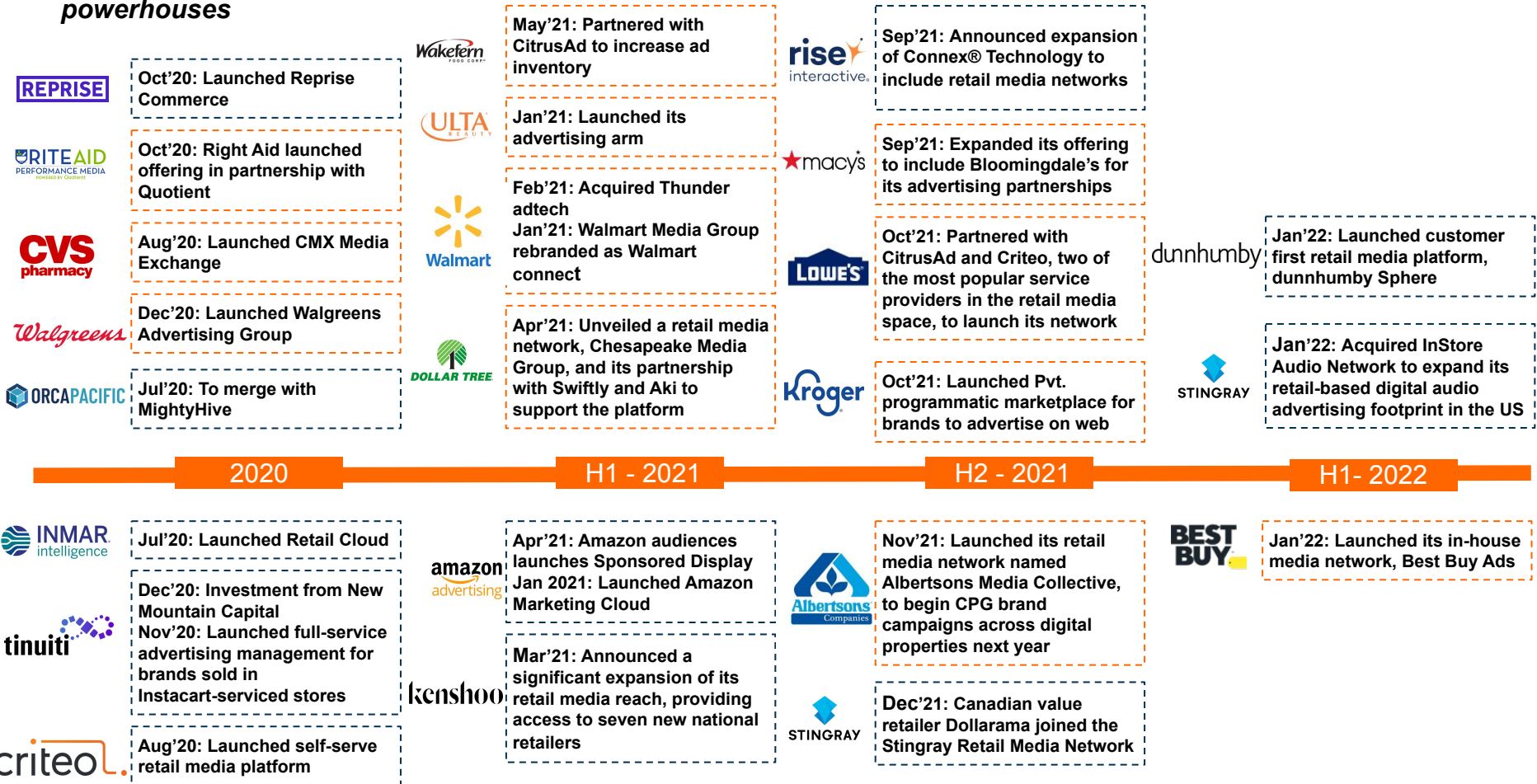
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Deal volumes and valuations remain fair and will trend upwards as strategic and financial buyers remain aggressive in the Retail media space



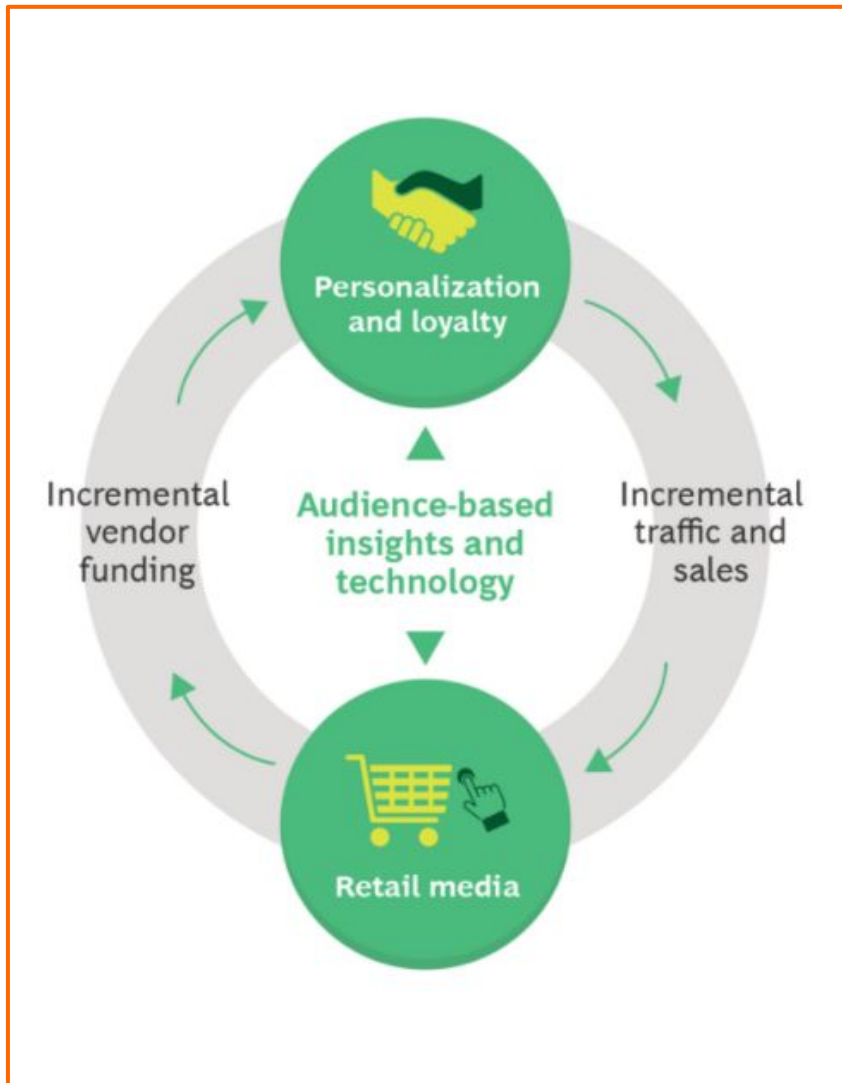
Retail media has exhibited strong historical growth and the pandemic only acted as a catalyst for further adoption

Combination of ecommerce growth with upcoming cookie deprecation sets retail media to become the next media powerhouses



Retailers have been accumulating first-party data for years. As first-party data becomes more valuable in the cookie-less world, companies that have this data will be more attractive to advertisers

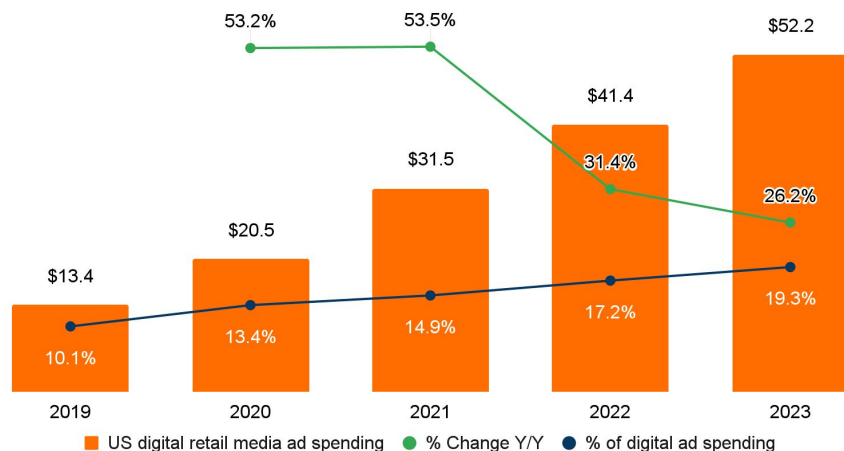
Big Retailers can create a Media-Personalization Flywheel



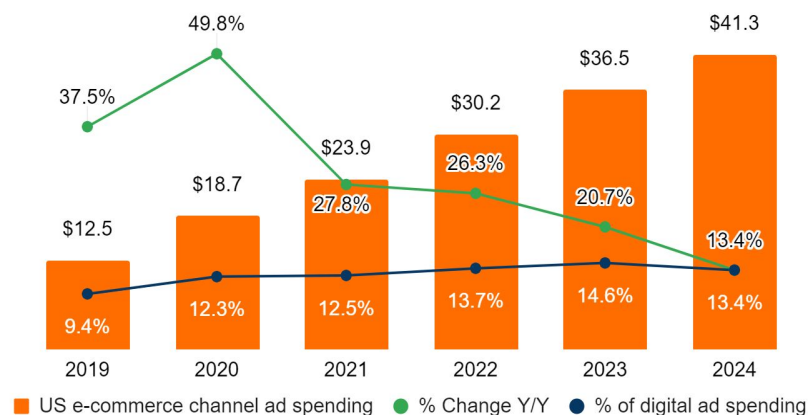
- Because of the interplay among customer data, closed-loop reporting, and real-world results that generate better data, top players in retail media will be able to outperform on return on advertising spend
- Quality of first-party data is critical to better understand consumer behavior, segments, and trends. For big retailers, the breadth of data (size of contactable audience) is never a problem
- However the depth of the data around shopping and purchase behavior is what will lead to predictive patterns that deliver the ROI advertisers will pay for
- Loyalty programs and the ability to track customers are essential to building unified customer profiles and rich omnichannel data
- Distinctive shoppers—such as those who are high on spending and hard to reach—will command a premium

Digital retail media ad spending to witness healthy growth driven by eCommerce channel

Digital Retail Media Ad Spending in the US (\$bn)



US E-Commerce Channel Ad Spending (\$bn)

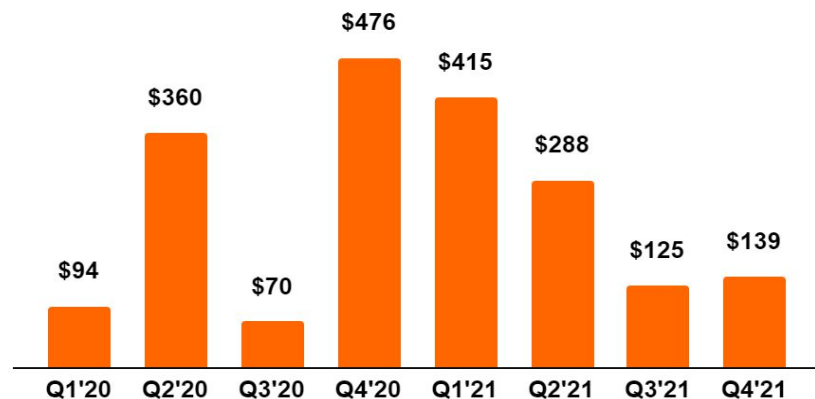


- Digital retail media ad spending is expected to witness a healthy CAGR of ~41% during 2019-23, to reach \$52.2bn in 2023
- Ecommerce channel ad spending accounted for 89.7% (est.) of total retail media spend in 2021. However, this is likely to shrink to 86.3% in 2023 as retail media networks become a high-growth opportunity
 - Ecommerce retailers are looking to shift to **monetizing off-site advertising, both on other parts of the internet and connected TV devices**
 - ✓ Amazon is a pioneer of this emerging trend, while other retailers like Walmart, Etsy, and eBay are newly venturing toward off-site advertising
 - Social commerce will continue to grow in the US over the next few years (to reach \$80bn in 2025 from \$27bn in 2020) and the way consumers shop on social platform will continue to evolve. In particular, **viral commerce will be a hot trend for the next few years and it will force all other platform to rethink and redevelop their strategies**

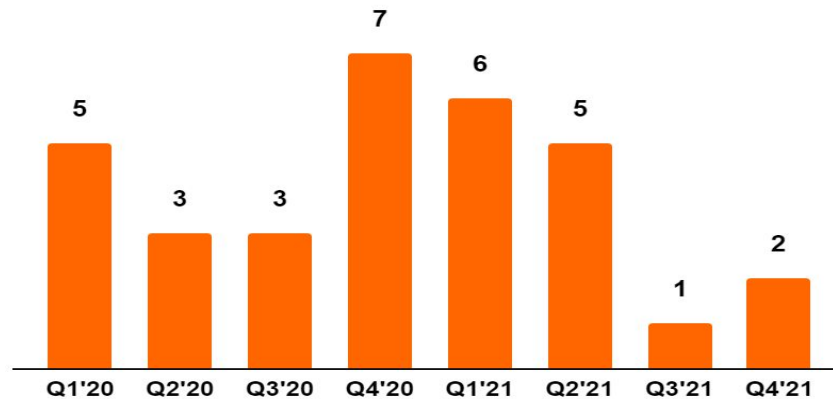
Key private placement transactions

Deal value and volume declined 3% and 22%, respectively, in 2021 as against 2020





PP by value (\$mn)



Volume of transactions




















Major deals

Target	Description	Recent Funding	Total Funding	Notable Investors
 Instacart	An online grocery platform that offers same-day delivery and pickup services for retailers and consumers	\$265.0mn 02/26/2021	\$2,918.8mn	Sequoia Capital Operations, Fidelity Management & Research Company, T. Rowe Price Associates, Andreessen Horowitz, D1 Capital Partners
 Cdata	Offers data integration solutions for real-time access to on-line or on-premise applications, databases, and Web APIs	\$139.4mn 12/07/2021	\$159.7mn	Update Management
 Stackline	A retail intelligence and software company that provides tools, data, and services for e-commerce	\$130.0mn 06/08/2021	\$180.0mn	TA Associates Management
 Bluecore	Uses predictive intelligence to automatically connect shoppers to products, content, and offers, wherever they are	\$125.0mn 07/15/2021	\$238.2mn	NVP Associates, FirstMark Capital, Silver Lake Management, Georgian, Silver Lake Waterman



Most active financial investors

Investor	Overview	Notable investments
 D1 CAPITAL PARTNERS	HQ: New York, NY Founded: 2018	 } 3 rounds
 updata PARTNERS	HQ: Washington, DC Founded: 1998	 } 2 rounds 
FIRSTMARK 	HQ: New York, NY Founded: 2008	 } 2 rounds
 Georgian	HQ: Toronto, Ontario, Canada Founded: 2008	 } 2 rounds
 T.Rowe Price®	HQ: Baltimore, MD Founded: 1937	 } 2 rounds
NORWEST	HQ: Palo Alto, CA Founded: 1961	 } 2 rounds
 tdm. GROWTH PARTNERS	HQ: Sydney, NSW, Australia Founded: 2004	 } 2 rounds
 West Street Capital	HQ: New York, NY Founded: 1986	 

Appendix

Retail Media Networks: Public Comparables

(\$USD millions, except per share amounts)

Company (FYE)	Trading Performance		FD Capitalization		EV /		EV /		Operating Statistics			LTM	LTM
	Stock Price 03/22/2022	%52W High	Equity Market Value	Enterprise Value	Revenue		EBITDA		Rev. Growth			Gross Margin	EBITDA Margin
					CY21E	CY22E	CY21E	CY22E	CY21 / CY20	CY22 / CY21	CY22 / CY19		
Retail Media Networks													
The Trade Desk, Inc. (US)	\$68.95	60%	\$32,464	\$31,790	26.7x	20.0x	NM	NM	42.5%	33.6%	34.0%	81.5%	13.6%
Nielsen Holdings plc (US)	\$22.70	80%	\$8,182	\$13,812	3.9x	3.8x	9.3x	8.9x	(44.3%)	3.2%	1.7%	65.4%	32.2%
Dentsu Group Inc. (JP)	\$40.69	98%	\$11,135	\$10,301	1.1x	1.1x	3.6x	5.5x	1.1%	5.9%	0.3%	90.0%	31.1%
Magnite, Inc. (US)	\$13.92	26%	\$1,743	\$2,322	5.6x	4.3x	16.5x	13.3x	86.8%	30.0%	51.0%	56.9%	20.3%
Criteo S.A. (FR)	\$27.45	59%	\$1,640	\$1,233	1.3x	1.2x	3.8x	3.7x	11.4%	12.4%	(23.0%)	34.7%	11.1%
Quotient Technology Inc. (US)	\$6.72	37%	\$625	\$608	1.2x	1.5x	16.7x	16.6x	10.1%	(18.7%)	(2.9%)	38.0%	1.8%
Min		26%	\$625	\$608	1.1x	1.1x	3.6x	3.7x	(44.3%)	(18.7%)	(23.0%)	34.7%	1.8%
Mean		60%	\$9,298	\$10,011	6.7x	5.3x	10.0x	9.6x	17.9%	11.1%	10.2%	61.1%	18.3%
Median		60%	\$4,963	\$6,312	2.6x	2.7x	9.3x	8.9x	10.7%	9.1%	1.0%	61.2%	16.9%
Max		98%	\$32,464	\$31,790	26.7x	20.0x	16.7x	16.6x	86.8%	33.6%	51.0%	90.0%	32.2%
Marketing Leaders													
Adobe Inc. (US)	\$469.53	67%	\$213,958	\$212,833	13.5x	11.9x	26.8x	24.2x	22.5%	13.8%	17.1%	88.2%	40.4%
Twilio Inc. (US)	\$166.65	40%	\$28,579	\$24,508	8.9x	6.4x	NM	NM	57.1%	38.8%	50.1%	48.9%	(23.1%)
HubSpot, Inc. (US)	\$491.96	57%	\$22,209	\$21,724	16.9x	12.6x	NM	NM	46.0%	34.0%	36.8%	80.1%	(2.5%)
Alliance Data Systems Corporation (US)	\$61.07	48%	\$2,970	\$18,291	4.7x	5.0x	11.0x	15.0x	(14.5%)	(6.2%)	(8.2%)	74.6%	30.1%
LiveRamp Holdings, Inc. (US)	\$39.43	67%	\$2,646	\$2,146	4.3x	3.5x	49.7x	34.5x	17.5%	20.0%	19.7%	71.2%	(12.4%)
Min		40%	\$2,646	\$2,146	4.3x	3.5x	11.0x	15.0x	(14.5%)	(6.2%)	(8.2%)	48.9%	(23.1%)
Mean		56%	\$54,073	\$55,900	9.6x	7.9x	29.1x	24.6x	25.7%	20.1%	23.1%	72.6%	6.5%
Median		57%	\$22,209	\$21,724	8.9x	6.4x	26.8x	24.2x	22.5%	20.0%	19.7%	74.6%	(2.5%)
Max		67%	\$213,958	\$212,833	16.9x	12.6x	49.7x	34.5x	57.1%	38.8%	50.1%	88.2%	40.4%

Retail Media Networks: Select M&A transactions

(\$USD millions)

Date	Target	Acquirer	Transaction Size	Enterprise Value	LTM Revenue	EV / LTM Revenue	EV / LTM EBITDA
12/09/21	Iponweb Limited	Criteo S.A.	NA	NA	NA	NA	NA
11/18/21	OnCard Marketing, Inc.	Neptune Retail Solutions	NA	NA	NA	NA	NA
10/26/21	Pacvue Corporation	Assembly	NA	NA	NA	NA	NA
10/06/21	MoPub, Inc.	AppLovin Corporation	\$1,050.0	\$1,050.0	\$188.0	NA	NA
10/05/21	Squid Digital Media Channel Ltda.	Locaweb Serviços de Internet S.A.	\$32.4	\$32.4	\$18.3	1.8x	NA
10/04/21	Mosaico Tecnologia ao Consumidor S.A.	Banco Pan S.A.	\$322.8	\$95.5	\$40.3	2.2x	36.7x
09/13/21	Neustar, Inc.	TransUnion LLC	\$3,100.0	\$3,100.0	NA	NA	NA
08/26/21	GrocerKey, Inc.	Point Pickup Technologies, Inc.	\$42.0	\$42.0	NA	NA	NA
07/19/21	Bliss Point Media, Inc.	Tinuiti Inc.	NA	NA	NA	NA	NA
07/15/21	Citrus International Pty Ltd	Publicis Groupe S.A.	NA	NA	NA	NA	NA
07/13/21	Flashtalking, Inc.	Mediaocean LLC	NA	NA	NA	NA	NA
05/20/21	Mabaya Ltd.	Criteo S.A.	NA	NA	NA	NA	NA
02/05/21	SpotX, Inc.	Magnite, Inc.	\$1,141.2	\$1,141.2	\$171.3	6.7x	32.6x
02/02/21	Convergent Media Systems Corporation	SageNet LLC	\$23.2	\$23.2	NA	NA	NA
12/07/20	IMImobile PLC	Cisco Systems Holdings UK Limited	\$781.9	\$755.4	\$219.1	3.3x	25.6x
11/17/20	SmarterHQ, Inc.	Wunderkind, Inc.	NA	NA	NA	NA	NA
10/15/20	Cisneros Interactive	Entravision Communications Corporation	\$29.9	\$49.9	NA	NA	NA
07/29/20	Orca Pacific Manufacturers Representatives LLC	MightyHive, Inc.	NA	NA	NA	NA	NA
07/13/20	4C Insights, Inc.	Mediaocean LLC	\$150.0	\$150.0	NA	NA	NA
03/31/20	Neptune Retail Solutions	Charlesbank Capital Partners, LLC	\$235.0	\$235.0	\$895.0	0.3x	NA
Min			\$23.2	\$23.2	\$18.3	0.3x	25.6x
Mean			\$628.0	\$606.8	\$255.3	2.8x	31.6x
Median			\$235.0	\$150.0	\$179.6	2.2x	32.6x
Max			\$3,100.0	\$3,100.0	\$895.0	\$6.7	\$36.7

Note: Considered transactions, excluding China

Source: Capital IQ

Retail Media Networks: Select M&A transactions

(\$USD millions)

Date	Target	Acquirer	Transaction Size	Enterprise Value	LTM Revenue	EV / LTM Revenue	EV / LTM EBITDA
12/09/21	Iponweb Limited	Criteo S.A.	NA	NA	NA	NA	NA
11/18/21	OnCard Marketing, Inc.	Neptune Retail Solutions	NA	NA	NA	NA	NA
10/26/21	Pacvue Corporation	Assembly	NA	NA	NA	NA	NA
10/05/21	Squid Digital Media Channel Ltda.	Locaweb Serviços de Internet S.A.	\$32.4	\$32.4	\$18.3	1.8x	NA
08/26/21	GrocerKey, Inc.	Point Pickup Technologies, Inc.	\$42.0	\$42.0	NA	NA	NA
07/19/21	Bliss Point Media, Inc.	Tinuiti Inc.	NA	NA	NA	NA	NA
07/15/21	Citrus International Pty Ltd	Publicis Groupe S.A.	NA	NA	NA	NA	NA
07/13/21	Flashtalking, Inc.	Mediaocean LLC	NA	NA	NA	NA	NA
05/20/21	Mabaya Ltd.	Criteo S.A.	NA	NA	NA	NA	NA
02/02/21	Convergent Media Systems Corporation	SageNet LLC	\$23.2	\$23.2	NA	NA	NA
12/07/20	IMImobile PLC	Cisco Systems Holdings UK Limited	\$781.9	\$755.4	\$219.1	3.3x	25.6x
11/17/20	SmarterHQ, Inc.	Wunderkind, Inc.	NA	NA	NA	NA	NA
10/15/20	Cisneros Interactive	Entravision Communications Corporation	\$29.9	\$49.9	NA	NA	NA
07/29/20	Orca Pacific Manufacturers Representatives LLC	MightyHive, Inc.	NA	NA	NA	NA	NA
07/13/20	4C Insights, Inc.	Mediaocean LLC	\$150.0	\$150.0	NA	NA	NA
03/31/20	Neptune Retail Solutions	Charlesbank Capital Partners, LLC	\$235.0	\$235.0	\$895.0	0.3x	NA
Min			\$23.2	\$23.2	\$18.3	0.3x	25.6x
Mean			\$184.9	\$184.0	\$377.5	1.8x	25.6x
Median			\$42.0	\$49.9	\$219.1	1.8x	25.6x
Max			\$781.9	\$755.4	\$895.0	3.3x	25.6x

Note: Considered transactions, excluding China

Source: Capital IQ

Retail Media Networks: Select PP transactions (1/2)

(\$USD millions)

Date	Target	Buyers	Deal Size
12/07/21	CData Software, Inc.	Udata Management, LLC	\$139.4
10/15/21	Maplebear Inc.	NA	NA
07/15/21	Bluecore, Inc.	NVP Associates, LLC; FirstMark Capital, L.L.C.; Silver Lake Management, L.L.C.; Georgian; Silver Lake Waterman	\$125.0
06/08/21	Fuelcomm Inc.	TA Associates Management, L.P.	\$130.0
06/04/21	CommercelQ, Inc.	Insight Venture Management, LLC; Madrona Venture Group, LLC; TVL Management Corporation; Shasta Ventures Management, LLC	\$60.0
05/27/21	Predictive Pop, Inc.	Ben Franklin Technology Partners of Southeastern Pennsylvania, Investment Arm; Lauder Partners, LLC; Broadscale Group LLC; AperiamVentures; The Global Opportunity Philadelphia Fund; RiverPark Ventures; Raised In Space Enterprises	\$19.1
05/05/21	Optable, Inc.	Brightspark Holdings, Inc.	\$3.6
04/08/21	GumGum, Inc.	West Street Capital Partners	\$75.0
03/15/21	PB Fintech Private Limited (nka:PB Fintech Limited)	Falcon Edge Capital, LP (nka:Alpha Wave Global, LP)	\$75.0
02/26/21	Maplebear Inc.	Sequoia Capital Operations LLC; Fidelity Management & Research Company LLC; T. Rowe Price Associates, Inc.; Andreessen Horowitz LLC; D1 Capital Partners L.P.	\$265.0
02/09/21	District M USA Inc.	NA	\$14.9
01/27/21	Adomni, Inc.	NA	\$12.1
01/26/21	iClick Interactive Asia Group Limited	Baozun Inc.	\$17.2
01/18/21	Shanghai MetaX Software Co., Ltd.	Lightspeed Ventures, LLC; Sequoia China Investment Management LLP; Jingwei Venture Capital (Beijing) Investment Management Consulting Co., Ltd.; TEDA Venture Capital Corporation Limited; CTC Capital; ZhenFund Inc.	\$30.8
12/02/20	Tinuiti Inc.	New Mountain Capital, L.L.C.	NA
12/14/20	SiteWit Corporation	NA	\$4.1
11/30/20	Shanghai Xinzhayang Information Technology Co., Ltd.	Tencent Holdings Ltd., Investment Arm; Lightspeed China Partners; Shanghai Binfu Investment Management Co., Ltd.	\$15.2
11/12/20	Fuelcomm Inc.	West Street Capital Partners	\$50.0
11/06/20	istyle Inc.	Locoguide Inc.	\$20.2
10/22/20	Rokt Pte. Ltd.	TDM Growth Partners; Square Peg Capital Pty. Ltd.	\$80.0

Note: Considered transactions, excluding China
Source: Capital IQ

Retail Media Networks: Select PP transactions (2/2)

(\$USD millions)

Date	Target	Buyers	Deal Size
10/08/20	Maplebear Inc.	Valiant Capital Partners; D1 Capital Partners L.P.	\$300.0
09/09/20	Vpon Inc.	STIC Investments, Inc.; Beenos Partners; Cool Japan Fund, Inc.; TripLabs Limited	\$40.0
08/19/20	iKala Interactive Media Inc.	Pacific Venture Partners; Hotung Venture Capital Corporation; Wistron Digital Technology Holding Company	\$17.0
07/15/20	SiteWit Corporation	NA	\$13.2
06/17/20	iClick Interactive Asia Group Limited	VGI Public Company Limited	\$22.0
06/11/20	Maplebear Inc.	General Catalyst Group Management, LLC; T. Rowe Price Associates, Inc.; DST Global; D1 Capital Partners L.P.; General Catalyst Endurance Fund	\$325.0
06/08/20	Stirista, LLC	Wavecrest Growth Partners, L.P.	\$13.0
03/31/20	Citrus International Pty Ltd	Moelis & Company, Investment Arm	\$4.0
03/23/20	CData Software, Inc.	Udata Management, LLC	\$20.2
02/20/20	Bluecore, Inc.	NVP Associates, LLC; FirstMark Capital, L.L.C.; Georgian	\$29.9
02/13/20	GumGum, Inc.	Upfront Ventures Management, LLC; Morgan Stanley Private Equity; Morgan Stanley Expansion Capital; NewView Capital Management, LLC	\$22.3
01/22/20	Buzzvil Co., Ltd.	LB Investment Inc.; SBI Investments Ltd.; Korea Development Bank, Investment Arm; Company K Partners Limited; Shinhan Bank, Investment Arm	\$17.6
Min			\$3.6
Mean			\$65.4
Median			\$22.1
Max			\$325.0

Note: Considered transactions, excluding China
Source: Capital IQ

Appendix

Criteo's unified Retail media platform enhances the partnership between retailers and brands to deliver value



One unified platform

- Buying and selling retail media with ease**
- ☐ Sponsored products and display ad formats
 - ☐ Flexible targeting and media pricing options
 - ☐ Access to broad advertiser demand for retailers

Transparent & Open

- Maximizes revenue for retailers and flexibility for brands**
- ☐ Standardized workflows and metrics across retailers
 - ☐ Run multi- or single retailer campaigns
 - ☐ Full visibility and pricing control for retailers

Robust APIs

- Manage campaigns and access reporting from tools**
- ☐ Campaign management via chosen tools
 - ☐ Data manipulation via third-party platforms
 - ☐ Incremental demand for retailers from Criteo API partners

AI optimization

- Improve experiences and results with the power of AI**
- ☐ AI and manual controls to manage budget
 - ☐ AI-powered relevancy controls protect the experience
 - ☐ Flexible optimization models to meet KPIs

Enhances the partnership between retailers and brands to deliver more product sales and create value

Retail Media for Brands

Sponsored product ads
Boost product visibility and sales with native product ads

Commerce display ads
Reach shoppers with highly engaging creatives

Offsite ads
Target retailer audiences as they browse the open web

Retail Media for Retailers

- Target on-site audiences with native and display ads purpose-built for retail**
- Show ads that blend seamlessly with site content
 - Provide brands with flexibility and options for ad formats, audience targeting, and ecommerce-based reporting

Enable brands to bring audiences back to your site with offsite ads

Participating brands and retailers driving more sales with Criteo



Facebook has evolved from social networking company to social commerce company

Facebook Business: Transforming into a worldwide social commerce platform

- Allow companies to post Ads on users' social walls or FB Marketplace
- Allow companies to prompt Ads to targeted market segments, based on behavioural targeting studies and worldwide demographic information
- Provide in-house social network "Workplace" for companies
- Support multiple languages
- Allow users to browse for more company information on the official company Facebook pages

Key Benefits

Drive omnichannel sales

Attract new online shoppers

Build brand awareness

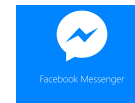
Re-engage loyal customers

FACEBOOK

Offers Facebook pages & ads and video ads
~1.8bn people use Facebook every day



50% are interested in a brand when they see a ad on Instagram



Acquire customers, enable transactions and drive awareness and satisfaction



Interact with customers with Business APIs & apps to automate and respond to messages



Run campaigns across publishers and environments using Facebook targeting capabilities, ad formats and management tools



A division that produces VR headsets, including the Oculus Rift and Oculus Quest lines



A communication tool that connects everyone in an organisation

Building an end-to-end Retail Media Business with Google

Brings together the power of ad serving capabilities, holistic measurement and end-to-end campaign management for retailers to improve their offering and get more value from their first-party insights

- Google provides technology and guidance to help build a retail media business
 - Its privacy-centric solutions can be customized for organization, and are built to scale
 - As customer business grows, other tools can be integrated, keeping retail media business flexible and customized to meet customer goals

How Google can help power retail media business



Data
Licensing



Analytics



Order Mgmt



Reporting



Audience
Management



Media Buying



Ad content
Management



By integrating analytics solution with Google's advertising and marketing platforms, Best Buy's campaign reporting showed that conversion rates improved by as much as 45% among shoppers who saw the ads and resulted in a 10x return-on-ad-spend

Nectar360 partnered with Google to maximize the value of its first-party data, helping brands and agencies to offer more relevant, targeted and personalized digital advertising. This partnership has doubled the reach and enabled a measurable impact on omnichannel sales.

N E C
T A R
3 6 0

Inmar is powering Retail Marketing 3.0

ShopperSync™ mobilizes SKU-level transaction data and other shopping-related behaviors, sourced from point-of-sale systems and consumer touchpoints, for personalization and activation across Inmar's marketing portfolio

Inmar's Retail Cloud offers retailers a full suite of media, promotions and commerce solutions powered by their 1st party data via our intelligent data platform, ShopperSync™.



ADVANCED SEGMENTATION

REAL-TIME
ATTRIBUTION AT UPC LEVEL

SALES DRIVEN OPTIMIZATION

DIGITAL OFFERS



LOYALTY PROGRAMS



RECEIPT REWARDS



ONSITE MEDIA



PROGRAMMATIC



INFLUENCER



MESSAGING



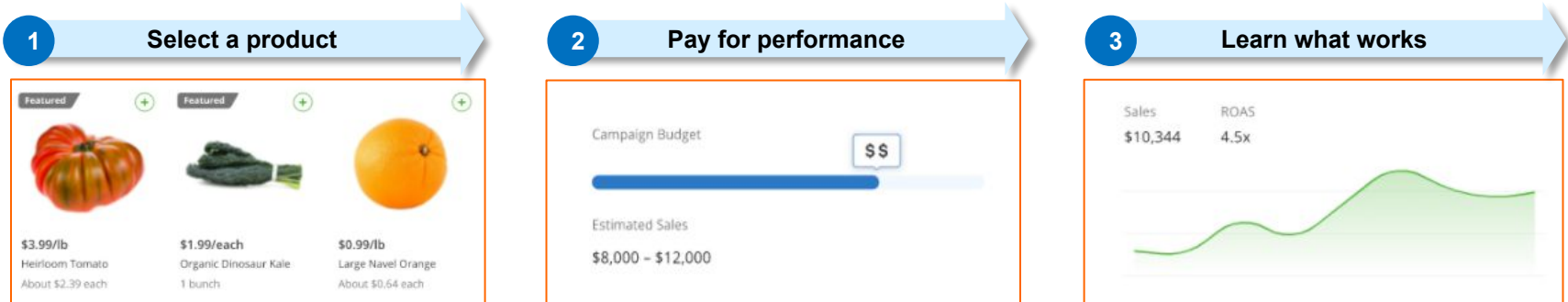
IN-STORE



Instacart Provides an Ecommerce Platform, Last Mile Delivery and a Self Serve Advertising Platform

Instacart entered into the RMN space with its self-service advertising platform

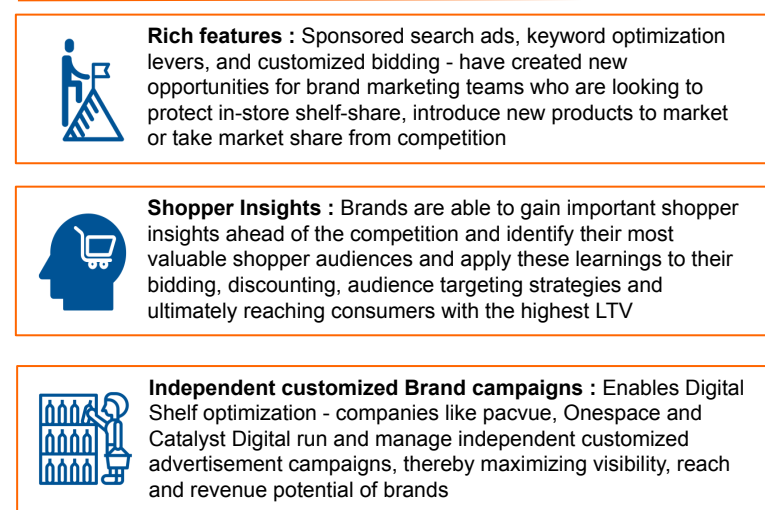
- In Q1 2020, Instacart launched a self-serve advertising platform that lets marketers promote products in search results
- Enables brands to choose products they want to promote, set a budget and pay when users engage with those products



Basics of Instacart's advertising platform



Value proposition for brands



Key Brands who tested the platform

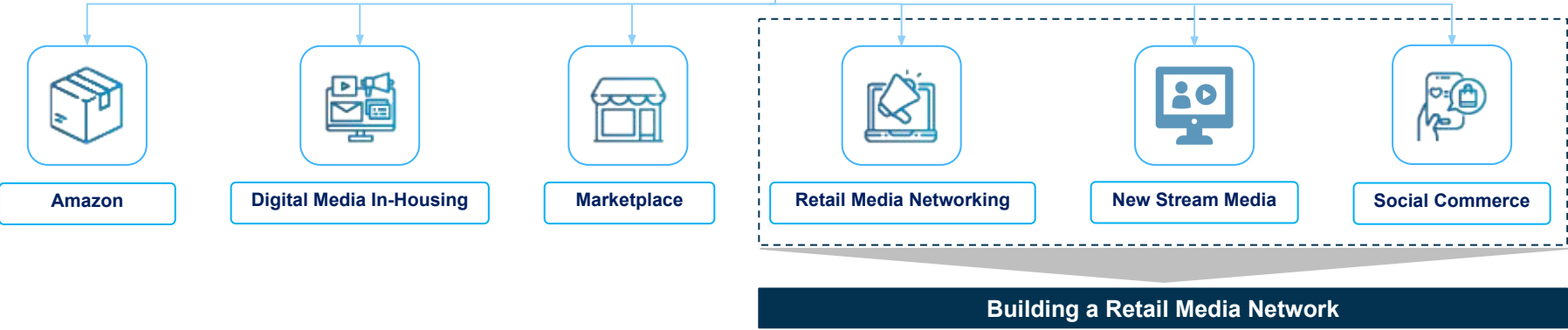


Source: *ad.Instacart website; marketdrive; mediapost*
 Note: * winner pays \$.01 more than the second-highest bidder

Merkle is applying an audience-first approach to Amazon, Marketplace, and Retail Media Network initiatives

Merkle connects the unique needs of retailers, brands and shoppers in performance media by leveraging real data, to grow their business and to put people first.

Key Practice Areas : E-retail media solutions



New Stream Media is enabling ad revenue growth for retails

Merkle matches vendors with shoppers via right media channels, it enables retailers to deliver personalised experiences for its shoppers, form unique partnerships with other retailers/technology players and grow revenue via digital ad space

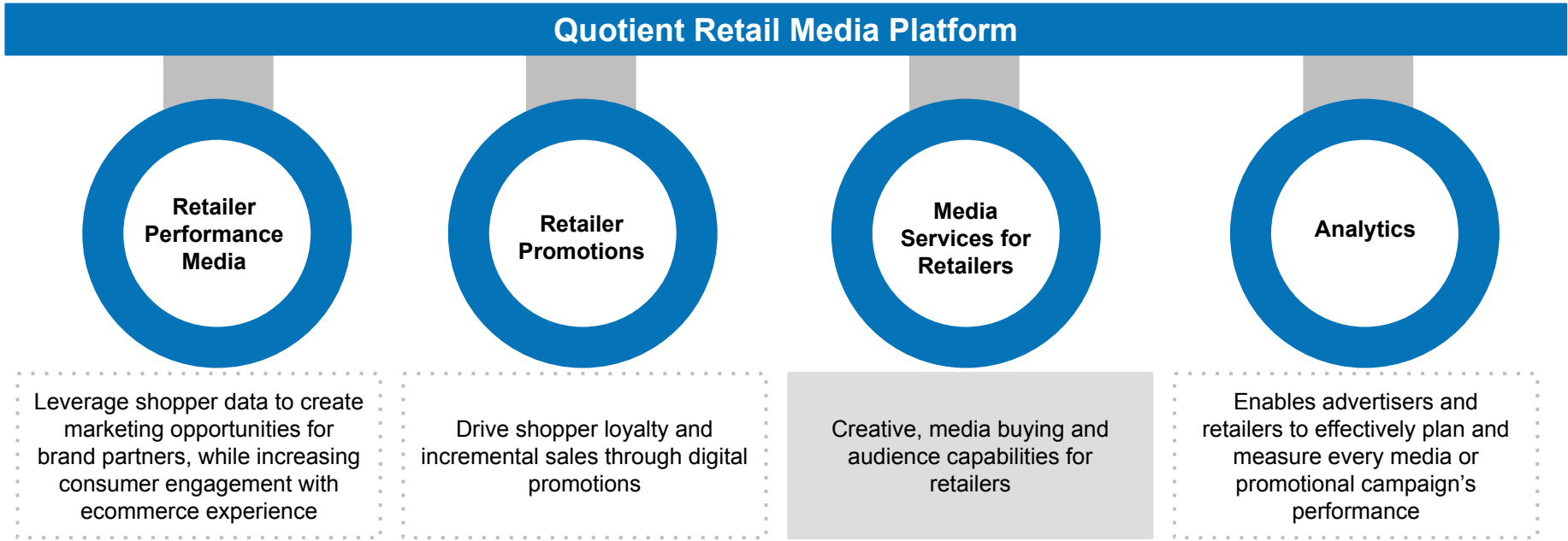
New Stream media can be implemented as a total solution or a flexible service adopted to retailer’s unique needs. It offers below three capabilities

Designing a Retail Media Network

Enable team by upskilling current staff or providing a turnkey team

Deliver growth through activation, audience and analytics

Quotient provides the technology and addresses demand to power retailers' performance media and promotions platforms



In 2020, Quotient expanded into new verticals and business offerings through partnership

KPIs delivered

Retail partnership	
Business Partnership	

120M Deterministic shopper approach	2K+ Relationship with leading US brands	20B+ Media impressions delivered daily
50M Digitally active consumers	300 Offers delivered per week on average	85% Annual spend by shoppers

dunnhumby Sphere: To help retailers maximize ad revenue and enable massive scale

<u>Complexity</u>	<u>Cost</u>	<u>Capability</u>
<ul style="list-style-type: none"> ➤ dunnhumby Sphere: An end-to-end platform that covers everything from booking to billing ➤ It's everything retailers need in one place, tackling the complexity that system fragmentation brings 	<ul style="list-style-type: none"> ➤ Operates on an "as-a-Service" basis, bringing advanced technologies at a fraction of the cost 	<ul style="list-style-type: none"> ➤ With the ability to more easily integrate Retail Media technologies, dunnhumby Sphere fundamentally reduces the need for external support allowing retailers to in-house operations

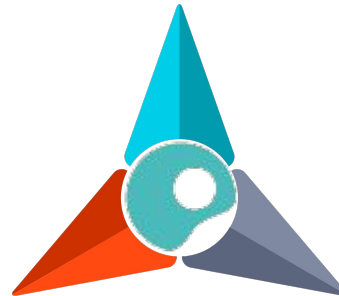
dunnhumby Sphere's Triple Edge Benefits

Efficient workflow

- Everything from insights to billing is controlled via one intuitive interface
- Provides an overall representation of their customers across every channel and campaign
- Help retailers to access larger brand budgets, with access to new revenue from agencies

Customer centric measurement

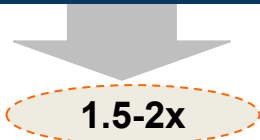
- Helps retailers track the long-term impact of retail media on the shopper experience
 - Retailers can monitor the impact on customer lifetime value, loyalty, and basket size
 - In-depth measurement helps to maintain campaign relevance as shopper needs change, while transparent closed-loop measurement gives advertisers the proof of incremental performance



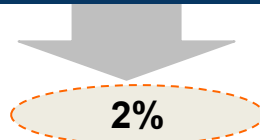
Access to simple but powerful AI powered audiences

- Helps retailers and brands save time by making complex workflows easier
- Assists AI-enabled retailers to enhance Return on Ad Spend
 - Predicts the customers likelihood of purchasing any product in a much better way when compared to legacy systems

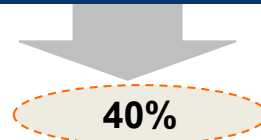
Potential tangible benefits of dunnhumby Sphere



Uplift in ROAS



Increase in like-for-like revenue



Cost savings

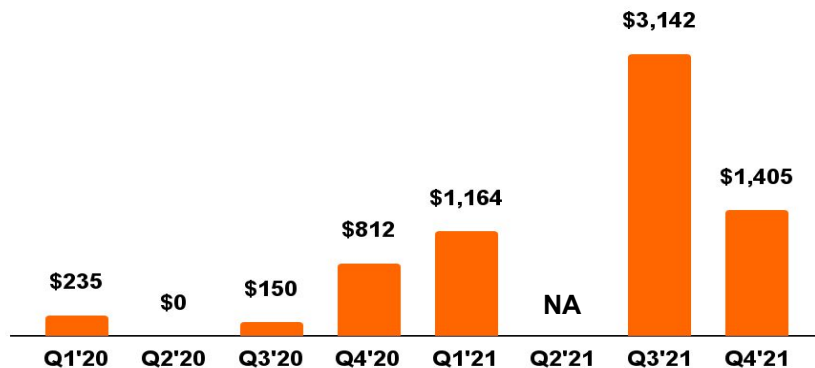


Source: [dunnhumby](https://www.dunnhumby.com)
 Note: dunnhumby Sphere is already used by Tesco in the UK

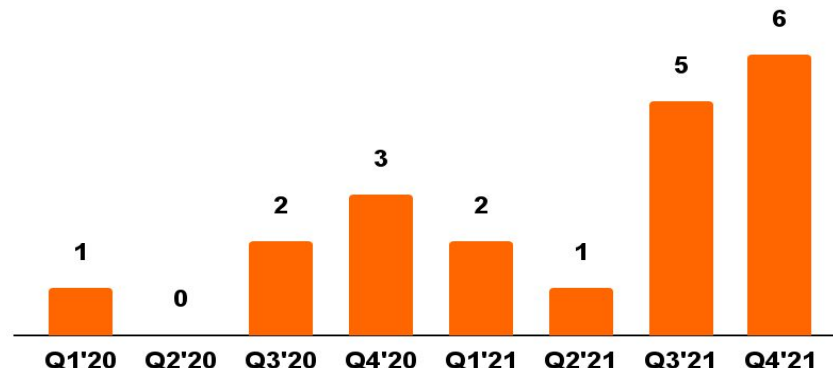
Key mergers & acquisitions transactions

Retail Media Networks' deal values accelerated 377% in 2021 as compared to 2020

M&A by Value (\$mn)



M&A by Volume



Major deals

Target name	Acquirer name	Deal value (\$mn)	Deal date	Rationale
neustar	TransUnion	\$3,100.0	Sep 13, 2021	The acquisition expands TransUnion's powerful digital identity capabilities through the addition of Neustar's distinctive data and analytics, enabling consumers and businesses to transact online with greater confidence
SPOTX	Magnite	\$1,141.2	Feb 05, 2021	SpotX will bolster Magnite's video and connected TV business against rigid competition from walled gardens
mopub	APPLOVIN	\$1,050.0	Oct 06, 2021	The transaction aims to yield a robust solution for mobile app publishers through increased revenue opportunity via more demand, and for mobile advertisers through access to millions of more consumers
/mosaico	BANCO PAN	\$322.8	Oct 04, 2021	The deal accelerates Banco Pan's plans to launch a marketplace for its 12.5 million clients, while Mosaico, was also planning to add financial services to its platform, which has 22 million unique users
GK	POINT PICKUP	42.0	Aug 26, 2021	Point Pickup can now provide an end-to-end solution that extends from pick and pack to last-mile delivery via its plug-and-play modules that easily integrate into retailer's current eCommerce platforms

