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LiveRamp Holdings, Inc. (RAMP)

Needham Virtual AdTech and CTV Measurement Conference

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MANAGEMENT DISCUSSION SECTION

Laura Martin

Analyst, Needham & Co. LLC

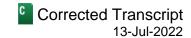
Good afternoon. I'm Laura Martin, Needham's senior research analyst for streaming and adtech companies. Welcome to the second day of Needham's Connected Television and AdTech Measurement Virtual Conference. The question-and-answer session is really easy today. You can put your questions in chat. You can put them in the Q&A, or you can actually raise your hand in the Zoom. Wall Street Webcasting will unmute you and you can ask your questions in your own voice on the Zoom screen. Any of those work.

Let's talk about conference deliverables. Many investors are hyperfocused on measurement now that Nielsen has its MRC accreditation and Google has promised to deprecate cookies as a targeting option during 2023. This conference is designed to identify measurement problems and solution from the best brands in the measurement space.

With that in mind, let me by – begin by introducing our speakers, Scott Howe and Christine Grammier. Scott has been the CEO of LiveRamp since October of 2018. LiveRamp is a technology company that represents a data connectivity platform leveraged by brands and their partners to make it safe and easy to use data effectively. From 2011 to 2018, Scott served as a CEO and President of LiveRamp's former company Acxiom, a technology services company dedicated to providing the data foundation for the world's best marketers. Scott graduated magna cum laude from Princeton with a degree in economics, and he earned an MBA from Harvard University, which I guess is the Harvard Business School.

Christine joined LiveRamp in 2018 where she is Managing Director, where she partners with the most innovative brands to weave identity into all of their marketing strategies. She coaches brands on how to use LiveRamp's platform to drive results in digital media, TV media, site personalization, message personalization, customer service applications, and analytics across all sort of channels. Prior to LiveRamp, Christine spent 15 years at Marketing Evolution, a company that provides solutions to help companies measure and optimize its media trends.

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Lauren is also going to grab us, but I didn't write an introduction for her. So we'll just let her speak when she speaks and she'll be impressive, I'm sure.

So let's start with why don't we start and tell the audience a little about LiveRamp for those people who maybe aren't as familiar with the company?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. First off, Laura, thank you so much for hosting us today. It's a real pleasure to be with you and everybody in the audience. LiveRamp flies probably a little bit under the radar. And it's because we're not necessarily a consumer company, but we work with virtually every company in the world. We solve one of the biggest problems that every company on the planet, virtually bar none, is trying to solve, and that is how do they use data to deliver better customer experiences, deliver better ROI, and just better business results, however they define it, which gets to measurement.

Where we sit in the world is really as a middleware company. Think of us as the power grid for data. We call ourselves a data enablement platform. And Lauren just shared a slide here. We do four things and all of them are really important. First off, we have pre-wired integrations with all of the major sources of data on the planet. The vast majority of those are first-party data silos. They're owned by companies like Best Buy and Nike, Citigroup, American Express. It's their own permission-based first-party data, and they want to use that to deliver better messaging to their customers, to deliver better information to their contact centers, to power better customized emails. Anything they're doing with customers, they want to use their data.

And so, we've gone and we pre-wired integrations with all these companies we have data. That's not enough, though, because the next piece is, hey, data in a silo can't be utilized unless you can look at the data and know who is the person that belongs to this data. So, it's this concept of identity. And we're the inventor of that capability. We invented the whole concept of identity technology, gosh, probably nearly 40 years ago, and we're the clear market leader in that. We're kind of the Rosetta Stone that sits underneath every other company that might be using identity some way and ties it all together.

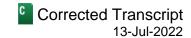
The third piece is connectivity. So the ability once you have data, you figured out who it belongs to, you need to activate it or connect it at the moments that matter. And so pushing it out to Google, to Facebook, to a contact center, to a CTV platform, any place data that can be used, we have pre-wired integrations such that companies can use it in those places.

And then, finally, this concept of permissions. So if a company wants to use their data somehow, well, they always think about what permissions are in place? Is the data secure? Who can use it? Under what circumstances? This is particularly important when big companies start to partner with one another to share data. They need to each have control of how the other party will use their data.

So let me give you a worked example of how this manifests itself. I just walked upstairs. We have one of the world's biggest banks in to see us today. And they've been a 10-year client of LiveRamp. And they use us for their first party, all of their CRM data is connected to LiveRamp, and we help them make it useful.

So they use us to do people-based search in Google, for instance. What that means is that someone who is an existing cardholder might type in into Google, lower my credit card fees, we'll see a different set of keyword copy than someone who is a completely new prospect. They use us to integrate into all of their different connected television providers such that an existing cardholder might be suppressed an ad advertising a low rate card,

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because they're already a customer. They use us to have frequency cap in television such that when we watch a show, we don't see the same ad 50 times and start to tune it out.

They use us to partner with merchant partners. So they have partnerships with Target, with Walmart and with other major retailers and they combine their data with those retailers and use us to manage the permissions.

Last thing I'll say about this diagram is think about this kind of an architecture diagram for the industry. So the clouds, the CDPs, they're in that data layer that sits beneath us. There are a whole bunch of applications, publishers, application providers, CTV providers that sit in this application layer above us. And we're just the power company that connects it all. So we're not sexy, no one ever talks about us, but yet our business is pretty sexy, because it grows high double-digit percentage points every year. We have a SaaS business model, 80% of our revenue is subscription. And we have natural economies of scale.

Each one of these four circles, as an example, is a kind of natural scale business. If you have access to all the world's data, if someone has data, they're going to use you, because you can get better distribution for them. If you have access to all this data, it makes your identity work better, which makes people more likely to give you data. And so, not only is each one of these kind of a stand-alone, scalable capability, it's a multiplicative function, because each of the four makes the other three better. So we have a really nice network advantage here. And we have – we're high-single-digit EBIT margins today, operating margins, but our fall-through rate is phenomenal.

So as our revenue scales, a disproportionate amount of every dollar falls to the bottom line. We're early in our journey, but we think we'll be a true Rule of 40, maybe even a Rule of 50 kind of company where we can be growing at 20% a year and generate 20% operating margins as well. So we think we have a nice runway in front of us. We pause there.

QUESTION AND ANSWER SECTION

Laura Martin

Analyst, Needham & Co. LLC

So let's stay with this and talk about how LiveRamp has evolved in measurement? Why does measurement matter to LiveRamp?

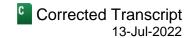
Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Well, yeah, I'll tell you. Any company that wants to use data doesn't want to just do it in a vacuum. You don't want to activate data someplace and then not know was it effective, did it actually generate an ROI? And so Laura, I just talked about all these integrations that we have to push data to different destinations. Think of those as pipes.

Well, those same pipes work two ways. So not only do we push data to destinations, we actually have the ability to ingest information back from those destinations that tell you did – whatever piece of data that was distributed, did it actually generate a meaningful return? And so, I talked about the Google example earlier of people-based search. Well, we can actually work with a client to understand did someone respond to that ad in Google, not only online, but did they actually go to a retailer and consummate a purchase? Did they see an ad on television and do anything with it? Did they interact with the ad? Did they actually visit a retailer? Did they interact with the brand that served the ad?

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So whether it's reach, whether it's interaction, or whether it's an ROI metric, we work with all of our clients. Each of them has a different measurement threshold. Each of them is trying to measure something different. But no matter what they're trying to measure, they can use us to figure out whether what they're doing actually work.

Laura Martin

Analyst, Needham & Co. LLC

Okay. Step up to the 30,000-foot level. Can you talk about the status of measurement? What are the biggest weaknesses of digital and CTV measurement today? And what needs to be fixed?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. Christine, you should jump in here.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

I think, I could say, I handle the challenges. So the - I lead our solutions team. So I lead all of our solutions engineers and product specialists. And that means that every day we hear from customers where these challenges exist. And I mean, I'll tell you in the simplest way, they want a single source of truth across screens, right? Give me all that information across screens. They want it flexible, because they want different metrics for different reasons. As Scott said, they want it future-proofed, because, my goodness, we need to see into the future. So, that's what we try to do every day. And then they want it simple. This can be so complicating with so many different ways to distribute video impressions, video data. They really want us to simplify it. So, single source, flexible, future-proof, simple, those are kind of the big three.

And the things getting in their way, the challenges really that are preventing that are the traditional methods. You mentioned Nielsen at the top of the hour. The traditional methods panel-based measurement, they really undervalue some of these new forms of measurement. And we are trying to get everything on a single kind of a level playing field. It's just not inclusive and it's too hard to do.

Right now, it's - it can be so hard to connect all these puzzle pieces, let's say, your data coming off of a Hulu ad impression, how do you compare that to data that might be seen on an ABC live linear at moment? It's too hard to bring those two things together today. And then maybe it just doesn't incorporate all the signals I need. So, you might find a way to kind of hack all that data together on an IP address, but then it leaves you stuck when you're trying to connect some audience data that you have on email or something like that.

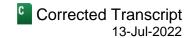
So, not inclusive, too hard to do, and really doesn't incorporate all the signals. Those are some of the big challenges we see people talking about today.

Laura Martin

Analyst, Needham & Co. LLC

So, I'm interested that your big three didn't include time, because one of the big measurement solutions on day one here is single guy is doing real-time or they're doing 24 hours. And then we've Comscore on today and they're like next month. So it feels like the market is demanding shorter time frames, which is why the five new guys are doing real-time or 24 hours, whereas the old guys were doing a little longer term. So tell me why time wasn't in your top three?

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Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

Interesting question. I think that one of the reasons that time isn't in one of the top three that I called out is that I think we see customers who are innovating in CTV, finding ways to do CTV quickly. I think this kind of comes along the question of can you do CTV alone kind of on its own and maybe do that more quickly, while understanding your linear data may have to come on a lag? So I would say that it just didn't pop for me specifically, because we do see some customers solving the time challenge, but I do think that that time and real-time is important to many advertisers.

There's the other reality, which is that to optimize today, a lot of them, a lot of their budgets are on quarterly cycles. So a lot of folks are – they're making decisions about how to optimize more quarterly. So some of the lag isn't top of mind always, but it is a really important advancement that I think the industry is making.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Well, I'll go a step further because, Laura, I would imagine you have a lot of different companies participating in your conversations. Regardless of what a client's looking for and what timeframe they need to measure in, our answer is yes, we can do that, because everything's digital. I think where you hear the frustrations around timely responsiveness is with some of the legacy providers where their systems were architected 30, 40 years ago, and as a result, they can't operate in real-time. That is kind of table stakes. So we don't even think about it anymore, because if a client ask for it, the answer is, of course, we do that. And my sense is, probably the majority of the companies that you're talking with are now architected to deliver in the time frames that universally every company is looking for.

Laura Martin

Analyst, Needham & Co. LLC

Yeah. Like everything in measurement, it depends. But they should all be looking for that kind of time. But I take your quarterly budget point or even your upfront budget point nine months in advance that sometimes maybe timeliness isn't the key metric.

I have a question from the audience, so let's fast pass that to the front line. How does the bipartisan privacy bill impact LiveRamp offerings? Could Safe Haven help solve the concerns raised by the bill?

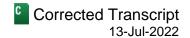
Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. I would tell you, our voice, we probably bat above our weight when it comes to legislative conversations. Since we're pretty unique and since we work with virtually everyone in the industry, we're often asked for our opinion on both the competitive aspect of regulation and also the consumer privacy aspect of regulation. What I would tell you is, it is great for the industry, absolutely terrific, if we can get to a federal privacy bill.

Right now, the alternative is that companies have to deal with essentially a tax. If you're – if you have to navigate a patchwork of different state regulations, you have to move to the highest common denominator. Otherwise, you have 50 different operational muscles and the complexity becomes overwhelming. That complexity, though, is great for us, because it makes our clients increasingly turn to us and say, help, how do I navigate all these? That said, if we can get to a federal privacy bill and I think this is a really good start. It's got good bipartisan support. Our read of it suggests there's a lot of good stuff that we like in there. And some of the things that we were really nervous about, like private right of action, well, it's softer.

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So, we think it's very business-friendly, but importantly, very consumer-friendly. And I do not think it's bad for any ethical company to give consumers visibility and choice about how their data is used. If we do that, reputable players are going to grow and the folks that are ruining the industry will get legislated out of existence. So I'm actually really bullish on this. And we – again, our voices has been heard in shaping this legislation.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

Α

And I'm going to pile on there, in that, our products are built to support this type of legislation. In fact, the scaling of our Safe Haven product, which I think that was called out in the message, really was driven originally by needing to meet the needs under GDPR in the EU and we're having a ton of success there and bringing customers along who are planning for the future here in the US on the same premise.

Laura Martin

Analyst, Needham & Co. LLC



Okay. All right. I have another question. So let's bring that to the front of the gate. What is the pace of CDP adoption that you're seeing with customers and how does that impact your business? It's a different guy, by the way. So these are both regulatory questions from different people.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.



Yeah. I could start on this, Christine, and then you should jump in, because Christine and I were just in the same conversation. And again, it was with one of the world's largest banks. We are having this conversation all the time right now. Virtually, every company that was utilizing what you might have heard of this acronym called the DMP or data management platform, all of those DMPs were architected on cookies. Cookies are going away. And there's a lot of talk about Google and their Chrome cookie deprecation. That's the last cab of the rank, because Safari – Apple's already deprecated, Firefox is already deprecated. And so the world has moved on to a consumer consent-driven world, a first-party data-driven world. And as a result, anybody who has a DMP and think about that as if it's a top 10,000 company in the world, they probably have a DMP. They have to, in the next 18 months, convert from a DMP to this concept of a customer data platform. And in every one of those conversations, there's a need for LiveRamp to sit right alongside.

So any time we hear someone say, hey, we're moving to a CDP, our answer is great. Then, we should have a conversation, because we make your CDP work better. Remember, we're the middleware that connects the CDP to everything that makes the CDP useful. So we connect the CDP to Google, to CTV, to the programmatic ecosystem, to contact centers, and to the data that the CDP ingests. So think of us as – think of a CDP as an application, it's a television, it's a microwave. We're the power grid. We're not building the applications, but we wire them altogether.

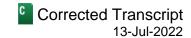
Laura Martin

Analyst, Needham & Co. LLC



Okay. So we need to stay on this before I let you talk, Christine, because I'm lost in acronyms, okay? I know that data management platform is, DMP is sort of common. Can you compare a CDP? I thought I knew what it was, and then you started answering the question. I'm like, clearly, I don't know what that stands for. And I'm an expert in the adtech space.

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So let's go back and can you compare and contrast DMP like a data and not the acronyms, but the actual thing that a CDP versus DMP – compare and contrast how they're similar and different, the things, not the acronyms?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

A

Yeah. That's a great question. And you're humble, Laura, because I know you know the difference between these. A data management platform, all of the data is anonymized and tied to a cookie. In a customer data platform, that data is tied to a real customer. And so it starts with PII, personally identifiable information that is collected. Think of, I went to Safeway yesterday to buy some groceries. I used my Safeway loyalty card. And so they captured what I purchased. They gave me a discount on those purchases, and that went into Safeway's customer data platform as information on one of their customers. And so think of a CDP as a DMP but with a lot granularity. It's always permission-based, has to be. And typically, we'll have a lot more information in it than a DMP could possibly hold.

Laura Martin

Analyst, Needham & Co. LLC



That's super helpful. Okay. So does this where your UID person-based information sits? Your UID 2.0, which is another acronym. Does your Universal ID is like people management sit in this? The CDP, let's just use the real words. It's consumer data platform, let's just use that. It is that where your UID 2.0 stuff sits?

Scott E. Howe



Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. So UID is a product of a company called Trade Desk and they're a partner of ours. Again, think of us as the Rosetta Stone. Every company in the world, Laura, has their own identity that they use to power whatever algorithms they operate with. So Trade Desk, which is the big programmatic data exchange, they have this capability called the UID and it's basically a string of code that anonymizes an individual and allows them to make decisions.

Google has their own identifier. Facebook has their own identifying hierarchy. There's a company called Merkle that has its own identity hierarchy. There are thousands of companies that have an identifier, but they all need to talk with one another. And so think of us, again, I call this middleware. You can think of us as the telephone switchboard. You could think of us as the Rosetta Stone. The analogy that I often use is that all these different industry identifiers are one swim lane in a pool. We're the entire pool, because we tie them altogether and allow everybody to connect with one another in a non-threatening way.

Laura Martin

Analyst, Needham & Co. LLC



Okay. Okay. So, I guess your answer is that UID data, those emails don't sit in your consumer data?

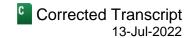
Scott E. Howe



Director & Chief Executive Officer, LiveRamp Holdings, Inc.

No. No. Those sit – those would sit with Trade Desk. The information sits with the companies we work with. It sits with Disney, it sits with Citi, it sits with Trade Desk, it sits with Amazon. We're just the wiring and cabling that connects it all.

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Laura Martin

Analyst, Needham & Co. LLC

Okay. Okay. Interesting. Okay. I have another question from the floor. We're going to keep putting those forward. Oh, this is an interesting one. I haven't had one of these before. Okay. Why are so many top executives leaving LiveRamp, if the opportunity is as bright as the management suggests it is? We have seen several top ladder departures over the past couple of years.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. It's a great question, and I would actually turn it around, which is we've become a talent magnet. We've been [indiscernible] (00:27:21).

Laura Martin

Analyst, Needham & Co. LLC

Which is not responsive to the question, by the way.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. I mean, we've been so successful developing young talent that we really become a destination for recruiters looking to fill key roles. And we hate losing, we hate losing top people. But we're not going to be able to compete with a lot of companies that are looking to buy one of our executives. So instead, we've taken the approach of, we got to be really great at developing young talent and putting them in positions where they can succeed spectacularly. But if you look at the people that have been poached, so many of them have spent their entire careers with LiveRamp.

And so, we're really good at that, of developing talent. And I don't know, particularly, in today's market, potentially going into a recession, the last thing I want to do is disrupt our compensation structure to hang on to a few folks. That both destroys your economics and it also introduces tremendous unfairness within an organization. So, we congratulate the folks who get hired elsewhere and then they come and hire us as LiveRamp clients. So it's worked out pretty well for us.

Laura Martin

Analyst, Needham & Co. LLC

Well, and maybe your recession helps you with this. I think turnover everywhere is about to slow dramatically with hiring freezes at seven companies I cover right now.

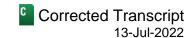
Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. Well, I'll tell you Laura, on that point, two things I would say. We have seen our attrition rate really fall recently in the last quarter and our acceptance rate for offers has gone up. But I think, more importantly, there are certain businesses that I would say are recession proof. And I think we're one of them. We saw it in 2001. We saw it, again, in 2007. What happens, Laura, in a recession is the CEO turns to the CMO and says, how do I know your marketing is working? It's back to measurement, right?

Every time there is a recession, marketing dollars get cut out of above-the-line brand advertising that's not measurable and things that are measurable tend to take off. So, who was the winner in 2001? Well, amongst

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them was Google, because search was addressable and had clear ROI against it. Who was the winner in 2007-2008? Amongst them was Facebook, because they did a really nice job developing ad packages that showed that Facebook performed better. Who was one of the winners a couple of years ago? Well, it was Trade Desk, because money flowed into programmatic.

And so, everything we do is designed to make media addressable and measurable. And so, we hear this from clients. In a recession, they say you're one of our most important tools, because it allows us to hold everybody else accountable and ensure that everything we do works.

Laura Martin

Analyst, Needham & Co. LLC

And you don't think the reason they were recession-resistant was Google was brand-new in 2001 and Facebook was brand-new in 2008. Trade Desk was brand-new three years – I mean, it's only eight years old. So, I mean, of course, they grew because they were starting with zero.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Well, if that's the case, I mean, at \$500 million, we fit into that category, because we are not the company that we will someday grow to be. So, we're going to use any recession to our advantage. Would we prefer that there's not a recession? Absolutely. Recessions are bad. But never let a good crisis go to waste. We're going to get out there. And even in a down-market, we're going to continue to hire sales reps and we're going to make sure that everybody knows our story.

Laura Martin

Analyst, Needham & Co. LLC

Okay. Yeah. I have another question. Why is Ramp's alternative ID solution better than others in the marketplace?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. I would tell you, because we're not a competitive – we're not a competitor with those other ID solutions. We sit underneath them. And in fact, Lauren and I looked at this the other day. Lauren, it was – I want to say, it was over 400?

Lauren Russi Dillard

Senior Vice President, Finance & Investor Relations, LiveRamp Holdings, Inc.

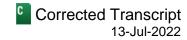
Correct. Yeah.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

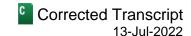
Yeah. So, we work with over 400 different identity providers. So any time you hear that Trade Desk is doing something, you should think, well, that's good for LiveRamp. Any time you hear about Amazon doing something in identity, you should think, oh, that's good for LiveRamp, because we sit underneath almost everybody else in the industry.

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Laura Martin Analyst, Needham & Co. LLC	Q
Okay. So you're just saying that you – like you have access to 400 IDs and you're resolving the	em?
Scott E. Howe Director & Chief Executive Officer, LiveRamp Holdings, Inc.	А
Yeah.	,
Laura Martin Analyst, Needham & Co. LLC	Ω
Essentially, you're making them talk to each other?	<u> </u>
Scott E. Howe	А
Director & Chief Executive Officer, LiveRamp Holdings, Inc. Yeah. We tie them all together. We're the central switchboard that makes them all interoperab	ole.
Laura Martin Analyst, Needham & Co. LLC	Q
And the reason they have to exist is because cookies deprecation. It used to just be cookie. N But now that cookies is going to get deprecated in theory, somebody needs to have all these I other. That's the idea?	•
Scott E. Howe Director & Chief Executive Officer, LiveRamp Holdings, Inc.	A
Well, yes and no. What I would tell you is in the cookie world, Laura, we've still tied everybody what's happening is instead of tying companies together with all these different cookie identifies tying them together with all the new identifiers that are emerging. So, we're just swapping one another.	ers, now we are
Laura Martin Analyst, Needham & Co. LLC	Q
Okay. Cool. I have another question. How do publishers such as Disney having their own clear LiveRamp? Clean rooms, yay, this is the second time I've heard about clean rooms. I'm excite clean rooms, again.	•
Christine Grammier Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.	A
You want me to take it, Scott?	
Scott E. Howe Director & Chief Executive Officer, LiveRamp Holdings, Inc.	A
Christine?	
Christine Grammier Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.	А

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Yeah.

Scott E. Howe
Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

Okay. So if you took, and I won't speak specifically about any customer because that's not fair, but I'll speak in generalities here just a little bit. So a lot of the products and capabilities that Scott talked about, we actually help brands such as Disney build their own first-party graphs. So, when you hear a brand like Disney or a brand like, I'm trying to think of another recent one, NBCU come out and talk about their graph and that they have built a consolidated view of consumers, you can often assume that LiveRamp helped them build that graph that they're starting with.

So, we help them connect all their data points. If they have some data that's coming on cookies and some data that's coming on CTV IDs, and some PII that's first and last name and some PII that's email, oftentimes we're helping companies like this actually consolidate their own data to really understand their single view of a customer and build their own graph. And then if they evaluate or build something like a clean room, really wherever they build it, we are then often the ID that helps them interoperate or share with somebody else in that clean room.

So, as an example, Disney is public about saying that they facilitate a clean room specifically in Snowflake and I think another one in InfoSum. We have capabilities, which you've probably seen in the press around providing our RampID as we've talked about it, that identifier in those clean room infrastructures to help Disney partner with brands, or to help Disney partner with a measurement company or a third-party company.

So, those announcements are actually really exciting for us. Oftentimes, we're underneath them in different places. And again, none of that is going to be specific to Disney, but the example is just how we're helping folks operate in many clean rooms using our infrastructure.

Laura Martin
Analyst, Needham & Co. LLC

I totally get that those big publishers do not have the tech or data scientist to do this themselves. Nor, they probably don't even actually have access to the data they need. But even if they did, they don't have the technologically and data people to be able to do it. So I would guess you would get most of that business from Discovery and Fox. And these big publishers have a lot of value in advertising kinds of assets, but they cannot do this data resolution you guys are doing for them.

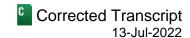
Scott E. Howe
Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah.

Christine Grammier
Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

[indiscernible] (00:36:21)

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Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

I think we work with over 80% of the Comscore top 50 publishers in the US, and then worldwide, I mean, it's tens of thousands of different websites across 40-some different countries. And so, yeah, your intuition is correct here. Publishers need help.

Laura Martin

Analyst, Needham & Co. LLC

And the more – the bigger they are, the more help they need. One of the questions I have is, one of the things you said in your commentary, Scott, is that you like the privacy regs that are currently in front of the US regulatory bodies, because you think that it will put fraudsters, maybe less reputable, smaller websites out of business. I guess my question is, does it also just put smaller websites out of business who can't afford to invest in these requirements that the federal government is now going to impose on companies?

So what happens is you basically create winners by guys who have already won, that are big enough to have the cash to hire the lawyers, to certify that they did everything, and the technologists so that you actually make the industry smaller and less competitive and more centered on those who have already won. What's your point of view on that?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. I actually don't agree with that, Laura, and I'll tell you why, is that I think there are winners and losers, but I don't think it's going to be dictated by something as simple as small versus large. There are plenty of small niche websites where as a user, I am happy to give them consent. So think of a runnersworld.com or a woodworkersjournal.com, they have a small niche audience. Maybe there's 100,000 loyal visitors to woodworkersjournal.com every month, it's a home hobby audience. But they're very passionate about woodworking. And so they are happy to give their consent to Woodworker's Journal. That concept of collecting consent and building that database, that's not expensive. You just got to do it.

The losers here are actually a little bit different. So, anybody who's building good content and it could be from Google to woodworkersjournal.com. It's the – and somewhere in between, it's Disney, it's ESPN, it's the Wall Street Journal, it's New York Times. It's all the publishers we've heard of and all the brands we trust.

The ones that lose are the clickbait companies, the ones that you visit and the next thing you know, you have clicked on a string of 40 different see next, see next. Because they're reliant entirely on cookies or device fingerprinting, nefarious ways of collecting and identifying — collecting identity and serving you a custom ad. There's no way if you visited that site that you'd be willing to authenticate, that you'd be willing to even give them an email to see their content, because their content is worthless. And so those companies are going to go out of business, and I would tell you the world is going to be better when that content goes away.

Laura Martin

Analyst, Needham & Co. LLC

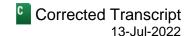
Okay. I'm not sure I agree, but that's okay. Next question, who are the main competitors to LiveRamp?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

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I would tell you the main thing that we face is a company not doing anything. So often when we go talk to companies, they say, hey, it's really hard. I don't know what to do. And boy, it feels like you're selling me a Porsche, and I don't know how to drive sticky yet. So because we're a category creator, we have to do a lot of education and a lot of evangelization to teach people what all of our capabilities enable. And that's been the hardest part for us of COVID that getting front of clients face-to-face is so much – you have so much more credibility when you're trying to teach them things.

Laura Martin

Analyst, Needham & Co. LLC

Yeah.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

And we saw during COVID that going in, our business was running about 60% new logo and – sorry, 40% new logo and 60% upsell. Well, at the height of COVID, it was 80% upsell. And that new logo effort really – was really hit, because we weren't out there able to talk to new prospects face-to-face. So as travel restrictions ease, as our sales reps can get out there, as we continue to hire more sales reps, which we desperately need to do, I hope that works to our advantage.

Laura Martin

Analyst, Needham & Co. LLC

Okay. Well, maybe wait until the recession is over, then they'll be cheaper at the end of the recession probably. So did you – were you responsive to the main competitors? So, basically, you don't have competitors in the marketplace. Your competitor is just not really a competitor, a guy who just done nothing.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah.

Laura Martin

Analyst, Needham & Co. LLC

You don't have competitors. It's just some guys who've done nothing, and really what you need is cookie deprecation to force those guys to do something, right?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

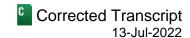
Yeah. I think cookie deprecation is a tremendous shot in the arm for us and tremendous opportunity for investors, because right now, I think one of the things that overhangs us from a stock perspective is just the uncertainty around what happens with cookie deprecation. And every time Google pushes out that date, it just prolongs the uncertainty. We feel like we're really well positioned, but we can't wait to actually demonstrate that and finally put that concern to rest.

Laura Martin

Analyst, Needham & Co. LLC

Yeah. Do you feel that Google will actually deprecate cookies in the second half of next year as they've promised?

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Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

I don't know. I think given the regulatory scrutiny they're under, it wouldn't surprise me if they prolong. What I would tell you is, at this point, it doesn't matter as much, given the fact that so much of the rest of the world, whether it's Safari or Firefox, has already deprecated cookies. And what we've seen is our technology works so much better than cookies. We were named Microsoft's Partner of the Year, for instance, for our work that we did with them replacing cookies with authenticated, consented consumer permissions.

What we found is that when they use that, they generated 40% better yields in their publisher inventory, so better pricing. But advertisers typically generated the same or more 40-plus-percent improvement in ROI as well. So this is one that getting rid of cookies is good for everybody in the industry. It's good for advertisers. It's good for publishers. And importantly, it's good consumers, because they have more safety. So I think that megatrend will start to become more important than what Google decides to do.

Laura Martin

Analyst, Needham & Co. LLC

Yeah. I hope you're right. I mean, it does feel like it'd be a catalyst for your business growth if cookies actually got deprecated. But I do worry that Google won't – the industry won't allow them to deprecate cookies in the second half, because they don't have a substitute yet...

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah.

Laura Martin

Analyst, Needham & Co. LLC

...that's been tested and vetted. And so – and they get a lot of legal challenges the minute they try to change anything because, by definition, there's a loser of what in some way that they change and then they get sued and then they backtrack. So – and they have to get the EU to go along, like they're flocks. The EU was like hard no. So, until they roll out something else – and the EU says yes, because the EU is sort of the leading – the tip of the spear here. Till the EU says yes, then America will probably follow along, it seems to me.

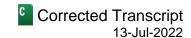
Okay. So, one of the questions I have is, e-commerce, like, I sort of feel that there's this closer and closer link between advertising and e-commerce sales, which is sort of a – you don't need measurement if you're doing – if you're going to like what Snap did, which is advertise app downloads, you get 40% of the profit type of thing. And I sort of feel like there is a consensus emerging that e-commerce and advertising are going to be more closely linked, because it's a clear deliverable. So you don't need proxy measurements like reach or attribution, because you actually sold the product on that day. Is it your point of, A, what does that do to your business? And B, does that shrink the overall advertising pie, because it's not really ads? It's almost like rev shares of sales. What's your point of view on that?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. I would tell you, complexity is almost always our friend. And what you're describing here, I think, is one piece of a trend that we're seeing, so a trend from traditional advertising to rev sharing commerce models. There's also a trend from traditional advertising where the measurement is an online result, someone clicked on an ad, to much more sophistication around, what do they do a day, a week from now? Do they actually go to a physical

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store? Do they buy something? And closing the loop between the actual store scanner information and the original ad seen.

So, there is a wave of complexity that's starting to occur. And depending on the company, they might be looking for very different things. So retailers versus entertainment companies versus travel providers, all of them have different visions of what ideal measurement and ideal reporting would look like.

The one common denominator is that we can help tie it all together. And so, if you remember the layer cake slide I started with, there was that circle that was connections. Think about all of those different destinations, whether it's the application, the CTV, programmer, the point-of-sale cash register, those are things that we integrate with and we can enable. So the kind of trend that you're describing is pretty interesting for us. We think it's an opportunity.

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Analyst, Needham & Co. LLC

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So it doesn't like disintermediate you, is that what you're saying?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

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No.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

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Yeah. I think, as an example, the – just – Facebook needed to deal with [ph] the depth AT&T (00:48:55) and the changes of not being able to run a Facebook pixel or SDK on conversion events. We power almost all conversion analytics now into Facebook for our customers. So we – like, we push the conversion events right back to Facebook for them to measure the things like app download or et cetera on their side. So we think those things actually help us.

Laura Martin

Analyst, Needham & Co. LLC

So, sort of sticking with that, what do you think the most important metric to measure is?

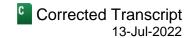
Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.



Oh, maybe I'll take it. Just to start with that, we really – we believe that there are different advertiser needs, different media needs. And so to not to answer your question, it depends answer, but there's going to be budgets that are very lower funnel focused and are very focused on immediate return. We saw this in digital display. We saw it in mobile. There's going to be some budgets that are going to be very lower funnel focused, and it's interesting to see that happening in CTV right now. And it's fun to see data scientists running propensity models that can not only drive search conversions or display, but also put a big ad on a TV screen. So I think there's going to be budgets that are focused there. But there's still a lot of the biggest advertisers in the world that are in the school of Byron Sharp, which is that you do need to deliver reach and you do need to have your message out there. And you don't know when someone's going to – their refrigerator is going to break down or it's hard to predict exactly when they're going to need to buy diapers, although that one is probably pretty good. It's maybe [indiscernible] (00:49:55). But really this idea that there is going to be different objectives where you have the opportunity to measure and optimize against a business outcome in a real short term and then you also want to

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know if you are reaching and managing frequency against a strategic audience that eventually is going to buy your product. And we help in both cases.

Laura Martin

Analyst, Needham & Co. LLC

And so to factor – so one of the things we're finding about connected television or the shift towards connected television is that it's going to – it feels to me like it's going to be predominantly walled gardens, either walled gardens by the OEM like LG, VIZIO, Roku, or LG by the publisher like Discovery or NBC or what's the other one, Disney. So it's going to be mostly – most of the value in CTV to me is going to come through these walled gardens. How does that – like if the open Internet dollars from the old world sort of move to connected television and that's primarily walled gardens, how does that affect your revenue growth?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

It doesn't, unless it's a single monolithic world, which we don't see happening. There's a real need for someone like us. And I say that, because no company wants to share what they perceive to be one of their most valuable assets, their own customer information, with another company.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

That's true. Yeah.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

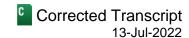
They need someone like us to sit in the middle and anonymize it to ensure it's secure. And Google doesn't want to share with Amazon, who doesn't want to share with Walmart, who doesn't want to share with Target. But they all use us. And so as a result, they can all communicate with one another when they want to and know that their data is secure. And so, again, unless Google rules the world for everything, which I don't see happening, I don't think we're going to move towards a single monopoly. But rather, we're moving towards an oligopoly world where there are probably 50 companies that really matter in terms of destinations. But that means that there's enough fragmentation that you have to work with someone like us. Because no company wants to have 50 different biz dev relationships with each one of those different destinations and do the operational complexity 50 times over when they can just work with us and get a single turnkey activation with all 50 things that matter.

Laura Martin

Analyst, Needham & Co. LLC

I just returned from Dubrovnik in Croatia, and 800 years ago they made a fortune, because the Muslims refused to barter with the Christians. And Dubrovnik said, we'll sit in the middle and we'll talk to both. And that's the only way the other one could get money to do something else. They had too much fish and the other got too much grain. And so that actually is a role, because you're right, boy, Disney doesn't want the NBC to have its data and Google doesn't want Facebook to have its data, and the world is getting more competitive. So I totally hear that that's a really legit role to sit in the middle and protect their information, which is their most valuable asset, especially if it's consumer information, they'll have liability. Not just that it's important, they'll have actually legal liability.

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Director & Chief Executive Officer, LiveRamp Holdings, Inc.

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100%.

Laura Martin

Analyst, Needham & Co. LLC

We're sort of up against time. Let me see if there's another – looks like there's another question. Let's just see if it's new. Yes. Okay. So we'll ask – this is our last question, because we have 5 minutes. If a customer uses Ramp to connect with third-party data, are they also – will they also be required to share their own first party data into

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

the data pool, but anonymously?

No. And I think that's super important. No company would work with us and they should unless they have control and visibility around how their data is utilized. And so, we work with a lot of companies willingly do want to share their data in controlled circumstances with a small group of partners. It's the card marketer who wants to work with the five biggest retailers or it's the major CTV publisher that wants to work with the 100 biggest brands, but always in a controlled environment and with restrictions around how their data is utilized, by whom and where it's stored. We're seeing a real trend towards something, I would call, the non-movement of data.

Companies don't only want to...

Laura Martin

Analyst, Needham & Co. LLC

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It needs a better name, I just got to tell you. The non-movement of data movement is really confusing.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

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Yeah. But what it means is that companies want their data to sit within their four walls or on their cloud and never be transported somewhere else, because they don't want to have security problems with that. And so they can use a company like us who can encrypt it, turn it into complete anonymized gibberish, such that if ever were hacked, it wouldn't yield anything meaningful. So it allows data to sit in the places that it's best protected, but yet the value of the data to be extracted across partners.

Laura Martin

Analyst, Needham & Co. LLC

And how does the clean room relate to that? Like, does that – are you a substitute for the clean room? Is Disney willing to put its data in a clean room and then that obviates the need for you or no?

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

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No, we're the connective tissue to the clean room.

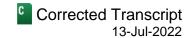
Laura Martin

Analyst, Needham & Co. LLC

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Okay.

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Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

So clean rooms don't work without someone like us to connect them to the places that matter.

A

Laura Martin

Analyst, Needham & Co. LLC

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Okay. Yeah. This clean room thing to be – seems to be all the rage. So it's good for that.

Scott E. Howe

A

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Yeah. Particularly, for the clouds, I think that's a big idea, because clean rooms [indiscernible] (00:55:52) storage and compute. We're not in the storage and compute business. We're in the middleware connectivity business. We just connect the world.

Laura Martin

Analyst, Needham & Co. LLC

We just connect the world, you're Dubrovnik. You can make a lot of money being Dubrovnik. Okay. I'm going to call it there, because we're up against time. Really appreciate you guys coming on stage today. Really interesting conversation. Great questions from the audience. It's really interactive client base you have here. And so thank you, everybody, for your great questions from the audience and we will call it there. Thank you very much. Thanks for showing up.

Scott E. Howe

Director & Chief Executive Officer, LiveRamp Holdings, Inc.

Thanks, Laura.

Christine Grammier

Head of Solutions & Head of Measurement, LiveRamp Holdings, Inc.

Thanks, Laura.

Lauren Russi Dillard

Senior Vice President, Finance & Investor Relations, LiveRamp Holdings, Inc.

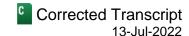
Thanks, Laura.

Laura Martin

Analyst, Needham & Co. LLC

Bye.

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