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LiveRamp Holdings, Inc. (RAMP)

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Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

MANAGEMENT DISCUSSION SECTION

[Abrupt Start]

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

...for those of you that haven't been with me before, Ygal Arounian, covering Citi here at Internet, really pleased to have LiveRamp CEO, Scott Howe, with us. Thanks for joining us. And we've got, IR, Drew Borst, here too. So, feel free to jump in whenever Scott goes off track, which is often, so.

So, let's turn over to Scott. So, for people that are new to the LiveRamp story, can you just walk us through what exactly it is LiveRamp does? How it fits with the ad tech ecosystem and the broader digital advertising business?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Sure. We're probably one of the bigger companies you've never heard of, but you've heard of all the clients that we work with. And I say that because virtually every big company on the planet is struggling with the opportunity of how to harness the power of data more effectively. They know that if they can capture the right consented data and use it effectively, they can deliver better customer experiences. They can deliver better business ROI. They can unlock better collaboration with their partners and customers. So all good. But practically, it's hard to do. And what LiveRamp does is help companies make it safe and easy to collaborate with data. And there's kind of four different pieces to that, all of which are sold under a single SaaS platform called our Data Collaboration Platform.

One is allowing companies to ingest consented data easily and effectively. Oftentimes, it's just their own data. Many times, increasingly, it's the data from their major partners where packaged goods company and their retail partner, for example, Walmart and P&G want to collaborate together.

The second thing that we do is we provide a concept of foundational identity. The way to think about data is, it's just a series of rows and every row is a person. But what my database might show might be different than your database. And so, unless you have kind of a Rosetta stone that can translate across different datasets and help to comingle data elements that all you have is two disconnected silos of data.

The third piece is turnkey activations. Every place that a customer wants to use their data, major client wants to use their data, like let's take Citi, for instance, Citi is a customer of LiveRamp's and so they will activate their CRM files on Facebook, on Google, on Trade Desk, on CTV partners like Hulu or Roku within their email platforms. And all of that flows through LiveRamp's platform to get to those destinations. And then the final thing, which is really important, given where the world is going, is we manage all of the permissions and governance, and that's a big deal in a world of heightened data regulations and it's a big deal when every company is trying to collaborate with dozens of other companies. Each of them needs to know that their data is going to be maintained according to their permission controls, their requirements, and that that partner can never misappropriate the data. So, we do all of that with a turnkey platform. 80% of our revenue is SaaS. We think of ourselves as a Rule of 40 company, but we've got ways to go on both of those levers, a slow and steady progress, but still early in the journey.

QUESTION AND ANSWER SECTION

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. Great. And so that's a great overview. Let's kind of dive into some of the key things. So, you guys talked about some megatrends...

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

...on your 1Q call. But let's start with – first with the new marketing channels, retail media, CTV, just two of the big ones. They've been bright spots for you and they've been bright spots in digital advertising kind of collectively this year and poised to see a strong growth over the next five years. Why is LiveRamp well positioned to serve these markets and what are you doing to capture that market?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

I mean, it really speaks to the four criteria I just talked about, the four foundational elements of our platform. There's this concept called retail media networks that has really grown explosively. I think it's the fastest-growing element of media, that and CTV, I think, are the two top there. And retail media networks have grown so fast, because there's kind of a handful of truths. One is every company in the world is looking at Amazon and saying, wow, they have such a huge competitive advantage given all the data that they collect, they can deliver better insights and better customer experiences to their audience. How am I going to compete with that? Well, they can't, unless they partner with someone else. And so, how can Walmart compete? Well, Walmart can compete by

saying, I'm not going to just try to do it alone. I'm going to allow my data to be utilized by P&G and by Coca-Cola and by Pepsi. And so, you get this concept of this retail media network, which is really just data collaboration between the two nodes of the network. On the one hand, the retailer and on the other hand, all of their major merchant partners. And so that's data collaboration and that's what we do.

And ultimately, that also allows those retailers and those packaged goods partners to deliver better customer experiences, because if you're signing up for a loyalty program or a part of Walmart's CRM system, you're going to get better offers, you're going to get better in-store shopping experiences. And what's really interesting here is like we've seen explosive growth from retail media networks, but this is a secular trend that is only just starting. Because like I've had investors say, well, I've heard a lot about retail media networks, when is the growth for that kind of slow? And the answer is, it's not about retail media networks, it's about broadened definitions, commerce media networks that everyone else in the industry is looking at the success of retail media networks and saying, shouldn't I do that?

And so, you have the major travel companies, all of whom bring a turnkey major airline. They have 150 big travel partners that they've been working with for the last 20 years, and the currency has been miles. Well, no longer. The currency increasingly is going to be data. And so, Avis and Delta or American and Hertz, you can start to see how sharing data and offering better joint offers is going to improve the economics of both companies and improve the customer experience. Well, it's a short jump from like commerce networks to connected car networks. I can't remember which automotive manufacturer was actually [indiscernible] (00:08:19). They said, hey, we don't think about ourselves in the car business anymore. We're in the information. We're in the data business, because we're realizing our car is just a central point for all of this data. The car just connects you to all the places you want to go.

And why should the revenue be limited to just transportation? It should actually expand to data linkages to all those different destinations, or what I'm really excited about, this gets a little bit of CTV, which is this other big megatrend, like who has really rich commission-based data on their customers? Well, companies like Hulu or Netflix or Roku or Disney+, and they've never been able to use those data repositories effectively. All the information has been kind of monopolized by the buy side.

Well, now, through data collaboration, the sell side, the destinations, and the buy side can pool together at a moment in time and a lot better outcomes for both sides. So, early on in this major secular trend, surfing the wave that is these retail or commerce media networks, I think that is going to be so much of what's going on in media and agencies for the next five years.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Right. I think you took the excitement around CTV and retail media to a whole new level. I didn't know it was possible to do, but I think you did it. Let's go to something that's maybe a little less exciting, but very important, that's cookie deprecation.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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Yeah.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

So that was the second one you mentioned on the key themes, and so, I think Google is still looking at that 2H 2024 timeline.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah.

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Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Can you talk us about your relationship with Google, the testing process including pairs and kind of as it relates to cookie deprecation, how LiveRamp's position to benefit from this?

Q

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah. So, I'll tell you, as an investor, if I were looking at stocks, the thing that I'd often want to see is what companies are at an inflection point. And I think we're at an inflection point at LiveRamp and I say this because for the last three or four years, for many investors, their biggest concern was, hey, what happens in a world of no cookies? Is LiveRamp impacted? And we've said it all along, no, we, we're not, like we don't care what our destination is and what the kind of bridge is to that destination, whether it's cookies or mobile IDs or increasingly authenticated consented IDs. We're going to be the ones that are serving as the Rosetta stone from where data originates to where it goes to be put to use.

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Well, Google announced they've confirmed several times now that they will definitively end cookies early next year. They'll start the process early next year, finish by the end of 2024. They named three launch partners, LiveRamp is, by far, the biggest that will provide a service for them. The way that they're deprecating cookies is they're introducing a technology called PAIR, and it stands for Publisher Advertiser Identity Reconciliation. And it goes back to this concept of a clean room, a collaboration room. In the future, to advertise on DV360, that's Google's DSP, it is the biggest element on most media plans other than, perhaps, Google Search, but to advertise display on DV360, you need to have one of these clean room partners.

LiveRamp was one of the first three named. We're the only one, as far as I know, that is live. We have signed up over, I think 75 is the number I gave in the last earnings call or maybe 80, but the number is growing all the time, and we have campaigns live. And by the time that we do our next earnings call, I think we'll be in a position to have published case studies. The initial alpha case studies from this are performing better than the client expectations and, notably, the reach is exceeding their expectations.

I think this is the way, given the world privacy regulations and consumer control of their data, this is just the way that all media someday is going to be bought.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Right.

Q

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

And so, anybody who starts on DV360, in this very consumer-authenticated way to buy media, can extend that to every other element on their media plan. So, I think it's going to be a huge opportunity, because it will take a risk

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off the table that investors have perceived that we don't think is there, but also be a nice growth catalyst for us next year as this really starts to find traction with Google advertisers.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Great. Let's move to the third one, third theme, so that's the cloud, the shift to cloud.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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Yeah.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

LiveRamp's spends the past year, you're going to re-architecting your product to be embedded within the cloud environments, talk us through how LiveRamp benefits from the shift to cloud. I've talked about your relationships with Snowflake. That seems to be really interesting, I want to hear more on those dynamics and just where you where you might be, as kind of relative to competitors as they're working on data as well?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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Sure. Well, as you can imagine, in a world where harnessing the value of data is everything, a lot of sophisticated companies are looking at their storage and compute needs. And we've always prided ourselves that LiveRamp being connected to everybody ubiquitously, neutrally agnostic. And what we've realized is increasingly, we've always been a GCP shop ourselves. That's who we used for storage it consumed. But we realized, clients, some use Azure, some use AWS, some use Snowflake, some use Databricks. And so, we need to be interoperable with all of the different cloud providers. Then we've seen that oftentimes when someone starts to use LiveRamp, there's a real explosion in storage and compute. And so, our partners, those can realize a pretty meaningful bump in revenue, and clients benefit, because they're no longer captive to any single cloud provider and they can work with anyone.

And so, in the last six months, for instance, we announced native integrations with Snowflake. We continue to progress on our partnership with GCP. In fact, I think it was last week we were named Google's Cloud Partner of the Year. And so, it was kind of a cool announcement that most may have missed. But AWS, we've done some really interesting things with. For us, like last year, the cloud partner channels did about \$10 million for us, so off of a pretty small base, that was up from nothing 18, 24 months ago. I expect that it's going to be a nice growth driver, but again off a small base. But if I think about the next five years, one of the things that I learned when I got acquired by Microsoft years ago, so I was surprised when I went in, like how much of their revenue was actually partner-driven. And, yet, when I look at LiveRamp, less than 5% of our revenue is partner-driven and it's nothing.

I see an opportunity to get that to be much higher, and there are benefits for us when we do that because then we're not doing all of the selling ourselves. It's Google bringing us in, it's Amazon bringing us in, it's Snowflake bringing us in to something that they're already working on and we're just helping them get across the line.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Got it. Excuse me. And so, I think it's the last theme for – I think it was the last of the themes and that's GenAI.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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Yeah.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Can you talk us through the potential impacts to the top and bottom line? And what we could see those impacts on the financial – business financials?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

I think of four things that we talked about, this has probably got the longest pole, but it's a question I've been getting from investors quite a bit. And so, first, let me say, I think so often investors look at GenAI and say, hey, is this another iPhone moment that changes everything? I believe it is. But I actually think in many respects it could be the greatest tailwind that LiveRamp will have. Because what does GenAI need, a ton of data. And what is the requirement of data about people these days? You better get consent, you better have the right governance in place. And so, in some respects, increased usage of AI embeds LiveRamp even more firmly into the very fabric of the ecosystem.

Now, how will that manifest itself for LiveRamp? I would say that the kind of classic use in a marketing framework for us, I would say three Ps. One will be in product, where I would expect all of our own product development to increasingly use AI. Now, we've been doing some of this for the last three, four years. So, for instance, in our identity graph, we use machine learning, we've used that for a long time to make better decisions and have better recognition of customers.

A second important application of GenAI will be in our partnerships. So, you can imagine in a world today where every single one of the major agencies is a client of LiveRamp, how they might work with this different in future. Because I can't imagine a world where in five years' time more agency functionality isn't automated through AI. You can imagine like precision media buying or dynamic AI-driven creative. And those are things that agencies, a whole lot of startups are just starting to work on, but I think they're all going to need sources of data and they're all going to need to activate those applications at the places that matter, major publishers. And so, huge opportunity for us in those partnerships.

And so products, processes, and then I think the third piece is, just partnerships, that there are a ton of opportunities for us to expand the partnerships we have. When someone buys LiveRamp, they're buying a SaaS product certainly, but the product itself isn't just a UI or real-time functionality or anything like that. It's a network. It's a plug in and it's access to all of this data and all of the places the data can be utilized. And so, I see an opportunity for us to really expand our biz dev efforts and find new use cases for folks to use AI technology. And so, I'm really excited about it, though, I think this is kind of a three-year poll as opposed to something you'll see immediately.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Three years at least?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. And then it'll take time for the industry to develop, but we're going to be right in the middle of it, and that's fun.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Great. Yeah. Data just becomes more important. Okay. So those are the megatrends. Let's kind of dig into some things you hit on here. So two of the key products, your identity reconciliation and then your clean room product. I've heard a lot about clean rooms originally from agencies, obviously a really important product. What's the momentum that you're seeing there and what is it about these products that advertisers need? I mean, you hit on a bunch of it, but, sure there's more you can expand on it.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. Well, first off, I think they kind of go hand-in-glove, so to speak. It's peanut butter and jelly or peanut butter and chocolate actually is better. They're just better together. And so for a long time, like when you first got to know LiveRamp, I think when we launched we called ourselves a data on border. We helped activate data. Well, very quickly, you realize now it's not enough. To be better at that, you have to have identity because increasingly identity is the glue that stitches together different disparate datasets. And in this clean room, functionality has to go with it as well, because so often the whole concept of disparate datasets, I think, that companies that are not owned by the same parent. Again, it's the Walmart and P&G example or it's the American Airlines and the Avis example. I'm making these up, but just think about companies that should go together, and as a consumer if they work together, you would get a better experience.

They have to have that clean room functionality to protect their data such that it's never misappropriated. And so, we've wrapped it into one tasty snack package. The way we sell our SaaS platform is you get both those things together. And when you choose to activate different features completely up to the client, but what we heard from our clients over time is they didn't want to buy à la carte. They wanted to buy everything together and have the ability to deploy it when and where they wanted to.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. So, let's talk a little bit more about identity. So, to start with RampID and what it is.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. So, think of RampID as the Rosetta Stone for data. And this is a little bit confusing. I'm glad you asked this because I probably get this question more than most others from investors. They say, hey, I heard about UID 2.0 or I heard about this thing called fabric. And they said, don't those compete with you? And the answer is no. We're in a world where I think we support 120 different identifiers. And Facebook needs its own identifier to power its own decisions. Trade Desk has its own identifier called UID 2.0 to power its bidding instructions. Everybody has their own identity, and that's okay.

One of the big beauty companies is launching their beauty ID; and their belief is that every consumer in the world who buys beauty products should have a consented beauty ID, that allows them to interoperate with other companies. That will be traveler IDs, and we can imagine all kinds of things. But for those to talk to one another,

there needs to be the equivalent of the power grid, the telephone grid, the data grid, so to speak; and that's RampID. We're the Rosetta Stone that sits underneath all those different identifiers. I often talk about imagine, like you're diving into a pool. Well, Trade Desk is a swim lane. Amazon is a swim lane. Facebook is a swim lane, but LiveRamp is the entire pool because we connect them all together.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay, so your RampID – let's just take RampID in UID2 (sic) [UID 2.0] (00:26:33). They're separate, but they kind of work together, so.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. UID rides on top of RampID. We supply a big chunk of their reach. They are a great partner. They're one of our top four destinations that advertisers want to utilize. Facebook, Google, Trade Desk probably will be the top three in no particular order and super important partner for us.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

And these IDs are keyed in the shift from cookies?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. Yeah. Right now, a lot of them still rely on cookies, but ours is a personal identifier, consented identifier. And so, we can activate in cookies; we can activate in mobile IDs, we can activate where we think the world is going, complete authentication. And, again...

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Which is...

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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...120 different identifiers right on time.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

I think complete authentication is logged in hashed e-mails?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Well, I think that's a start. And hashed e-mails are an easy way for most companies, but in reality they're probably not as secure as a lot of companies would like.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

You know, we would like to see something that is even more pseudo-anonymous than a hashed e-mail ID. RampID is a unique identifier that, as soon as an e-mail or other form of identity is shared, it is destroyed and replaced with something that, if it were ever hacked, it is completely unintelligible.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. Got it. Okay. You've got a number – imagine most of these, number of integrations across the market, including pretty much all the walled gardens. You got Meta, Google, YouTube, Amazon. Have you gotten these integrations? What's the value proposition that you bring into the walled gardens and do we tend to not have – or maybe be more guarded with their data than the Open Web?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. I think that's the key is; everybody has something that's valuable, and no one necessarily wants to lose control of that. And so the industry desperately needs an independent neutral player to help companies work with one another effectively. We don't have bias in media. We're not an agency. We're not a cloud provider. We just bridge them all together. And so, we're a threat to no one. It's actually really fun because I could go to almost any meeting, and say, how can we help them, because we work with so many companies and we are neutral and agnostic. But for a big cloud provider, for instance, or a big publisher, they're going to work with us because, number one, we bring them demand and we bring them demand not just in terms of an interest in buying on Facebook and Google, but rather data that can be deployed on Facebook and Google to make the purchase more effective and make the interaction with a client more meaningful to that customer. And so by virtue of us being involved, the advertiser gets better ROI, the customer gets a better experience and ultimately the publisher generates a better ROI. They can charge more. Their yield goes up. They charge more for their inventory.

Moreover, we also facilitate measurement. So like, Facebook uses us through the – they have a conversion API program that allows measurement on Facebook. Likewise, we've sat underneath Google people based search if you want to serve different copy in your search keywords like for Citi, for instance, for current cardholders versus prospects, Google will tell you, hey, we're happy to help, but you need to have a LiveRamp contract in order to do that. So Google has, I think, since our existence, been our biggest source of new client leads.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. So that kind of brings me to the next question is just on the competitive landscape [indiscernible] (00:31:22) do something feels pretty unique or there are others out there, who do you see as your biggest competitor or is it just somewhat kind of forgoing what you offer and that Citi, Google example like just working directly without.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

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Yeah. It's the last and people are going to think, yeah, it's not real but it is. Because we do sometimes lose clients. And when we lose clients – and what we do is really sticky. But when we lose clients, they tell us stuff like; yeah, I feel like I bought a Porsche, but you didn't bother to tell me how to drive stick. You're way too complicated. And all I really do is advertise with Google and Facebook and so why do I need you? And for someone who's really small and all I do is Google and Facebook, they probably don't need us, but most sophisticated advertisers, as an example, have several hundred different line items on their media plan.

And so when you get to that level of complexity, you really do need someone like us to help you keep score, to help ensure that your data is safe and utilized appropriately. And for those companies, we are an absolute must buy. And I remember going into the pandemic. One of our travel clients, a big hotel chain, said hey, we're going to cut back. We have to. We're seeing our room rates evaporate. But you're going to be the last thing turned off along with the lights and you're going to be the first thing turn back on. And sure enough, they slowed spend, and then about five months later, they turned it all back on again. Not only did they turn it on, they basically told all their partners you got to standardize on LiveRamp, because we want to make sure that everything is accountable and addressable and measurable going forward.

So, yeah, our real competition is someone saying they're not sophisticated enough to use someone like us. Do we sometimes run into our big partners? Occasionally, sure. Like our biggest partners like in the Venn diagram, there's a little, little area of overlap. And this is the case that every sales rep in the world says, well, you don't need anybody else. You can do it all through us, but as clients start to dig into that, they realize, going back to the peanut butter and chocolate analogy, we are better together.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. All right. Great. So now, let's shift at just how all this kind of flows through to the P&L. Talked about aspiring to be you're – viewing yourself as Rule of 40, not quite there yet. How does all this get you there?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. Well, I mean, I think we've been on a pretty slow, steady journey of increasing our operating profit. I mean, what, three years ago, we were losing \$50 million-plus. Now we are cash flow positive. We are GAAP profitable. And in part, it's because we have great SaaS economics. A disproportionate amount of our incremental revenue drops to the bottom line. You know, as we look forward to the next couple of years, we think we have pretty clear line of sight even this next year to generate another 500 basis points of margin improvement, long-term and let's call it long-term, kind of three-year to five-year time horizon, I'd like our investors to be able to dial in and say they're completely steady and predictable and that looks like 25% to 35% operating margins and strong predictable double digits SaaS recurring growth.

We have a ways – I'd like to think we're on the track coming out of the pandemic and on the rebound of getting back to that double digit growth. We still got some work to do on our operating margins, and that quite frankly is probably what gives me the most encouragement as an investor, is that like, we look in the mirror every day, and our company and never like what we see. Because we always see the bad. We always see like, are there opportunities for us to get better? And yes, we think we can get better in selling execution. Yes, we think we can get better with general partnerships. Yes, we think we can get better in operating margins.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Q

Okay. On the margin side, R&D is one of those areas where you got big investments, it's about 30% of revenue. What are the key areas where you're investing in and presumably that's an area of margin leverage, too.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. I'd say there's two things that I think about all the time right now. Number one is our cloud integrations. And so I talked about our native Snowflake integration. Our work in deepening our partnership with GCP, with AWS. All that has to become drop dead simple. Companies that have succeeded in the technology space don't always just have the best technology. Oftentimes they don't, but they are almost always easy to use. And so everything we do has to be simple and intuitive for the user who's deploying our technology. And that means UI enhancements, platform efficacy, more real-time quicker processing, so there's a whole host of things in terms of cloud.

And then the other big piece, particularly as we go into next year and start thinking about how do we really super scale things like payer, got to be self-service, right? Like, I can't lose clients in future who say I don't know how to drive a stick. Like we have to make it so simple for them that they don't need to talk to a person and we don't need to throw service at the opportunity, but rather it is just turnkey software. And I think that allows us to scale from the sophisticated advertisers we serve today to more mid-tier kind of mid-funnel, mid-torso kind of clients that we haven't historically served effectively.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.



Got it. I want to see if there's any questions from the audience, take a few.



Great. Thanks. It's [ph] Steve (00:38:28). Can you just talk a little bit more about the implementation of payer? You said it starts in early 2024 and you know, good cookies will be deprecated by the end of 2024 and agree you're one of three of the largest – of the providers. So give us a little more insight on how you're thinking that might play out?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.



Yeah, I think it's going to be – yeah, it's a trust. I feel like I've seen this movie before and I know how it ends. It doesn't mean I like the plot. And more specifically, I lived through this phenomenon in 1999-2000 called Y2K, where everybody had to upgrade their computer systems and there have been others as well; like GDPR more recently where there was kind of a drop-dead date and it was like I can't remember the date. I think it was like January 1st, 2019 or something like that, that everyone had to be GDPR-compliant. And in both instances, there was a ton of lead time and people said, I don't know, this isn't really real. And then kind of like, Thanksgiving, December 1st, panic set in because, in both cases in GDPR and in Y2K, companies said, oh, my gosh, this is happening and am I ready.

And, right now, I would tell you that, if you had five people on stage and say, hey our cookie is really going to be deprecated next year, half of them – two of them would say yes. Google says they're going to go away and I believe Google; and three of them would say, oh regulators might step in. It's an antitrust issue, and so, who knows? But I know that, right now, Google is pushing really hard to roll this out. And on the other side, the advertisers have been kind of slow to embrace it. The big advertisers are testing, but there's a big chunk of mid-tier advertisers saying that's not going to happen. I'm not going to worry about that.

And I think, it'll be really interesting in December. I'm predicting. This is why I think the self-serve piece is going to be really important. I'm predicting that all of a sudden, everybody's going to panic and go, oh, my gosh, this is the most important thing on my display media plan. It's the biggest place where I'm spending dollars. I'm not ready.

And there'll be a wave of adoption and trial. So we need to get out in front of that. Now, Google has helped by saying, they've announced a very slow timeline. It starts in Q1 really, officially. Right now, it's in alpha. But they'll start to deprecate come next January and I think they're finished by like Q3 of next year or maybe early Q4. So we'll see. I mean, the bet I'm making is that they're going to go through with it, but I will also say if they don't. We don't really care because we'll support cookies as long as cookies exist.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Great. Okay. Thanks, Scott. Thanks, Drew. That's our time. Thanks so much for joining.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Thank you.

Ygal Arounian

Analyst, Citigroup Global Markets, Inc.

Appreciate that.

Andrew M. Borst

Vice President-Investor Relations, LiveRamp Holdings, Inc.

Thank you.

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