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LiveRamp Holdings, Inc. (ACXM)

Analyst & Investor Day

CORPORATE PARTICIPANTS

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

Anneka Gupta

President and Head of Products and Platforms, LiveRamp, Inc.

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

Allison Metcalfe

General Manager-LiveRamp TV, LiveRamp, Inc.

Grant Ries

GM-LiveRamp B2B, LiveRamp Holdings, Inc.

Dennis Ellis

Managing Director-LiveRamp International, LiveRamp Holdings, Inc.

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

OTHER PARTICIPANTS

Daniel Salmon

Analyst, BMO Capital Markets (United States)

MANAGEMENT DISCUSSION SECTION

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Hi. Good afternoon. We're going to kick things off. For those of you that don't know me, my name is Lauren Dillard and I lead LiveRamp's Communications and Investor Relations effort. So on behalf of the entire team at LiveRamp, I'd like to welcome everyone to its first ever Analyst and Investor Day. We want to welcome both those who are here with us in person, but also those following along on the webcast. We have a very full and exciting day of content for you and for those who have had the opportunity to either look around the room or who caught the big banner when you were walking into the Exchange. You may have noticed the theme next level stand out.

And so, before we get started, I'd like to play a short video on what it means to take our business to the next level. So, video please?

[Video Presentation] (00:01:01-00:02:53)

Great. So with that, a couple of housekeeping items, if I can call your attention to the Safe Harbor slide. Today's presentation will contain forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. For a detailed description of these risks, please read the risk factors section of our public filings. Our discussion today will also include non-GAAP financial measures. We refer you to the appendix of this presentation and the IR section of our website, which includes reconciliations to the comparable GAAP measures for each of the non-GAAP financial measures included in this discussion.

So here is our lineup for today, again a full afternoon of content and a really great opportunity for you all to hear from several of our leadership members at LiveRamp. And before I turn the stage over to Scott, I just want to make mention that we'll be saving all Q&A for the end. We'll have mike runners in the room and when all of our executives will be on the stage.

So with that, I'm very excited to welcome Scott Howe, our CEO to the stage.

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

Thanks, Lauren and thanks all of you for joining us today. I know that you have a lot of alternatives in which you could choose to invest your time and so I'm very pleased that you decided to spend a few hours with us today. Also, thank you because I see a lot of familiar faces out there. I know many of you have been along with us for the journey up until this point. And so, I hope that over the next couple of hours, you'll have a chance to reflect on all that you hear today, because I will tell you unequivocally that I have never been this confident and this excited about our future.

If you take away nothing else today, and my job is to set the foundation for all else you'll hear, I hope you take away these four points. Number one is we are in the network business where our industry and all the participants in it are best served by a provider that is neutral and agnostic for anyone and everyone. Everyone benefits if they standardize on a single common network. That network is us. We believe we are in a huge market and we have a very ambitious goal. We have grown at a compound annual growth rate in excess of 30% over the last five years. And as we look forward to the next five years, we see a road to becoming a \$1 billion revenue business. That is our goal.

We are the clear leader. We are the category inventor and market leader in a business where we feel the competitive moats are significant and there is significant scale advantage. Size begets more size and I'll talk a little bit about the four levers that make that happen in the coming minutes.

And importantly, and this is what fuels my optimism, we are not a single product company or a single trick company. Rather as we look forward over the next decade, we believe that we are well-positioned for a solid decade of growth and I'll talk about the three horizons that we see that playing out over as we pull short-term levers, as we start to pull some levers of \$20-million-plus products that are growing significantly, and as we explore new verticals that we think will continue to accelerate our growth. So exciting times.

Let me start with our vision. Our vision is a world where connected data makes every experience exceptional. And let me just say there's not a company on the planet that doesn't want to deliver better decisions, have better ROI, or create better customer experiences. Every company on the planet would say that they have those three goals. And all of us as consumers, because all of us in this room are consumers, enjoy that as well. We can all relate to going to iTunes or Spotify and hearing music that we never otherwise would have discovered unless they knew something about us. We could all relate to getting a marketing offer from one of our favorite brands that allows us to save money on something that we didn't know we needed, but all of a sudden realize this was the exceptional thing that will make my life better. And we can all relate to having an incredible customer experience.

Last night I checked into the Hilton up the street. And when checked in, they knew my name. They said, hey, we haven't seen you here in a while. They arranged to have my favorite newspaper delivered to the door and they gave me a room up right. All because they had some information about me. And so, to deliver better decisions, better ROI or better experiences, it starts with data. Our mission is to make that data easy to use.

We connect all of the world's ethical data with all of the people that it describes and in turn connect it to all of the places, where it can be utilized effectively. That sounds so simple, but in reality, it is such an incredibly difficult technical challenge to overcome. And that is why, for 40 years in our industry, people talked about now we want to connect the right message to the right person at the right time and no one ever did it. That is why we still have bad customer experiences. We still get bad ads and companies still generate poor results because it's so difficult to master.

How do I access all the right data? How do I figure out what it means about a customer? And how do I activate that at the time that millisecond, which I have a chance to interact with that customer. That is a hard technical challenge. That is what LiveRamp that is built around, solving that technical challenge and that's why I'm so optimistic because we believe we are uniquely positioned to solve that technical challenge for four reasons.

It starts with data access. And again, if you have to make a decision and you have no information, what are you doing? You're just guessing. And you're probably going to make a bad decision if you're guessing every time. If you even have a single piece of information as a company, you'll make a better decision than in the absence of any information, and of course, the best decisions are always created when you have perfect information. But here's the problem. No one has perfect information because data lives in silos.

Google has a treasure trove of valuable search result information. Walmart has a valuable treasure trove of retail purchase information. P&G has a valuable treasure trove of demographic information and so on and so forth. All of these companies are better served by sharing information. All of us are better served by having a mechanism where, if the right permissions are in place, we can access all of the world's information. That doesn't mean it all lives in one place. It means it's all accessible at a moment in time. And that's what we do. Because by hooking rails up to every company in the world and creating an anonymization whereby which different companies can share information with the right permissions in place, we have fostered a world where companies can access all of the world's useful information.

Now, competitively there're lot of companies that have information. We're not a data broker. We don't hold that information. We just provide the rails by which those who do have the information can upload it and make it accessible to other people. And so, anybody who has data, they're not our competitor. There our client because we make their data more useful. And on this, think about this virtuous cycle, right. Because if access to all the world's information is valuable, then by virtue of having access to a great deal of information, it creates a mechanism by which if someone has better information, they'll plug into our grid because they can marry it together with the other world's great information.

I mean it's like eBay for data, right. Why do you go buy on eBay? Because it's got the most stuff for sale. Why do you sell on eBay? Because it's got the most amount of buyers. The world needs a liquid marketplace for data and that's us, but that's not enough.

The second advantage is around identity because if all you do is collect all the world's information and it goes and sits in cans, but you can't collate it together, then it's useless. Any individual silo can optimize its information within that silo, but unless you can connect across the silos, you can't get to a better outcome. Enter identity, right. For data to be useful, it needs to be linked to identity such that different disparate pieces of data from different sources can be linked to a common individual, a common device and then you can infer from all of that information what is meaningful about that user, about that device.

Now, like data, identity is fragmented. There are a lot of companies in the world who have a thin slice of identity information. Facebook has a great social graph. Google has an online graph. AT&T has a graph of phone

numbers and the answer is that you have to get to a world in which all of those things are brought to bear, so you can determine who an individual is. Sometimes, you'll recognize them with their mobile number. Other times it will be a device ID. Other times, it will be a cookie. Other times, it will be a physical address, but you need to create a repository where all of that lives, a true end-to-end identity graph.

Now, in my past, I used to work at Microsoft and I was part of the team that launched Bing. And it was discouraging at the time to know that we had built this great product, but very quickly we realized we were playing from behind because Google had an algorithmic advantage. Even though our product was really great, by virtue of the amount of data on the publisher and the advertiser side that was feed into Google's algorithm, they were always going to make a better decision and unlock a better yield. Identity is an algorithmic equation. And so, there is a virtuous cycle because the more data that you have, the better your algorithm is, the better your identity is and then the more people that will want to plug in and share data and take advantage of the identity graph that you can deliver.

The third piece is connectivity, and so important, because even if you have brilliant insights about exactly who someone is, if you can't bring those insights to bear at a moment in time when you have a chance to have an interaction with those consumers, you might as well not have done it at all. And in reality, the average company is interacting with consumers across hundreds of touch points.

Think about any of your favorite brands. One of my favorite, because I have kids, is Disney. I see Disney's television ads. I get Disney's e-mails. I talk to Disney people when I'm booking a reservation. I talk to Disney people if I stay in their hotel. I get offers from Disney in the mail through BVHE for DVDs of kids' programs, hundreds of different touch points. And Disney needs to send a seamless experience to me across all those different touch points. They don't want to go have a different experience in e-mail, a different experience at the theme park, a different experience on direct mail and a different experience when I see their television ad. They want to look at their segments, figure out how they want to interact with customers and push it across all of those touch points.

So, there are a lot of companies in the world who own one of these activation points, these connective points. Facebook owns some of those. Google owns some of those. CBS owns some of them. DIRECTV owns some of them, call centers own some of them, e-mail providers own some of them, and none of them are our competitors. All of them are our clients and partners because we catalyze them such that instead of looking at each customer in a fragmented way, we can bring together a holistic message and a holistic experience across all touch points.

And the final piece is data stewardship, because across all these things, the world is changing. It is so important if say Walmart wants to share their information with Citigroup, each of them have conditions around how that information should be utilized. And all of us as consumers, if we want to disclose information about ourselves to our favorite brands, we want visibility into what data is utilized and why and the ability to manage that. We are going into a world of incredibly complex regulations, permissions, and data stewardship.

And in that world, rather than every company trying to manage it on their own, they're all looking for an easy button, a single place where they can come and manage their permissions, have visibility over their data, manage control, a utility if you will for anyone and everyone in the industry to manage their data effectively, and that's us. And again, a network effect, because if you use us to manage permissions and you're a single company managing permissions with another company, then all of a sudden you can decide to share data with any other company that's on the grid and vice versa, and all manage permissions around how data interacts with one another.

So one advantage again of having a single skill provider. So, a lot of you sometimes ask about who are we worried about from a competition perspective. Well, there're a lot of folks that do similar things to us, but they might have a single piece of data or they might have a thin slice of identity or they might have a portion of connectivity or maybe they do some data permissions, but to us, the network effect is a multiplicative equation. And if you don't do one of those things, you can't do any of those things at scale. And even within each of these things, everyone is siloed and so we live in a world again where everyone is either our current customer or our future customer. The world is best served by a single agnostic network provider. It is good for anyone and everyone in the industry. That's our mission.

And the other way of saying that is in the traditional layer cake description of what we do. Well, there are hundreds of thousands of companies that collect some form of data. We're not one of them. We're not a data broker. We sold our data business. We do the network. We're the power grid for data, if you will, that makes all that data usable. Likewise, we don't do the customer experience applications. We're not an agency. We're not an email provider. We're not a marketing cloud. All of those hundreds of thousands of companies that do those things, they're customers as well. Where does the grid that connects it all together and we make the data work more effectively and we make the applications work more effectively. We're middleware for the data space.

If any of you went to Harvard Business School in the last few years, you would done a case study on identity. It's written about LiveRamp. The professor is John Deighton, I had lunch with him a couple of weeks ago. And he talked about how amazing it is that the industry has evolved exactly as years ago we predicted it would, that there would be a network effect, a single player that could provide capabilities for anyone and everyone in the industry, neutrally and agnostically. In the case is this picture that originally came through Gartner where they mapped the marketing ecosystem as a subway. And the conclusion was LiveRamp's not a stop on the subway, LiveRamp's the rails because we connect it all together.

Imagine, if you will, another metaphor. At LiveRamp, we often think of we're holding the world's largest dinner party. Everyone's invited and the table to seat everybody has to be enormous right. And so, on one side of the table are all of the brands. Well we work with 17 of the top 25 in the U.S. We specialize in the most sophisticated direct marketers today because they're the most sophisticated understanding how to use their data. Over time, we think every company on the planet's going to want to come to this dinner party and get a seat on the table. By virtue of having the top brands at the table, it's natural that all the big agencies want to come to the dinner party. They want a seat at the table and so we work with all six of the top holding companies.

When you have the biggest brands and biggest agencies at the party, of course the big publishers who want to attract some of those advertising dollars from those dinner party attendees, they want to come. And so, we work with 18 of the 20 largest publishers. And if you control both supply and demand, you have a such visibility into the partners that control the ad spend on either side there. It's natural that data providers want to plug into the grid, they want to see that the table such that they can upload their data into the ecosystem such that it can be used by agencies, advertisers and publishers.

Platforms naturally Oracle, Salesforce, Marketo, Adobe and then importantly – perhaps the most important guest over time is consumers. They form the basis of our identity cloud and increasingly they will exert a very vocal presence at that table in terms of what data they want to share, with whom, under what circumstances.

One of the reasons we're so excited about the future is that we see layer upon layer of growth. It's 1998. We're Amazon. We have built a machine capable of selling books and magazines, but of course, that same machine can be used for selling cosmetics or sporting goods or automobiles. Well likewise, we have built a network, a piece of SaaS that is capable of delivering exceptional experiences anywhere within the media. And in fact, if we

look at total media spend of the U.S., it's over \$230 billion and we extrapolate the take rate that we get from current media spend to the entire market as it becomes addressable, as television increasingly becomes addressable, in other forms of traditionally non-addressable advertising, it suggests a total market size of \$7 billion. But we don't stop there because we follow our clients and our clients say, hey, if I'm doing this on media, if I'm activating personalized campaigns on Google or Oauth or Spotify, I also want to increasingly power my marketing cloud, my DMP, for instance.

And so think about Adobe, Oracle, Salesforce, this \$14 billion is what's the total size of their market. And if you apply what is the average spend on middleware across these sectors, about 7%, you get about \$1 billion total available market. And so our clients, who start over here on the left, are pushing us over to the right and they're saying to Oracle and Salesforce, we need you to integrate with LiveRamp. Likewise, analytics providers like Watson or Nielsen or comScore you know \$3 billion total TAM, applying that same logic. Sales could be a D&B, anything that's kind of B2B, D&B, Salesforce you get to another \$1 billion service, major call centers for instance like a Teletech, another couple of billion dollars if you light up those channels with the appropriate data.

And then, commerce providers like a Demandware you know another \$1 billion and you don't stop there and you know long-term we listen to our clients and they say things like he built this personalization engine that's really effective for my marketing, but I also have this problem with say fraud in the credit industry that every single card issuer has a \$1 billion of uninsured liability. And they're saying, if you're good at identity and marketing, can't you apply that same machine and allow me to figure out who's not, who they say they are and reduce my uninsured liability?

And so, whether it's fraud, risk, healthcare, education, the public sector, we think over time we don't know how big those markets can be, but we believe the technology we've created are equally applicable to those sectors as they are to this sector on the far left. The way we think about this business and how you'll hear us talk about it in the coming months, as we talk about three horizons of growth.

The first horizon land and expand really speaks to the far left of the graph that I just showed you. And James Arra is going to talk a little bit about this in a few minutes. We believe that we have a few years of new clients to go win, and used cases to expand to. We believe that most advertisers on average could activate 200 to 300 different use cases. On average, we're somewhere in the low-teens. So lots of growth there as to evangelize all the other tactics that our clients can light up.

Our second horizon is really around expanding from the products we have today to a larger variety. And you'll hear, for instance, from Allison Metcalfe of LiveRamp TV, you'll hear from Grant Reis on Data Store, you'll hear from Dennis Ellis about International. All of these businesses very quietly have become in excess of \$20 million businesses for us. They're all growing faster than LiveRamp is overall. And so, of a small base still, we believe that there're several years at minimum of strong growth that we expect to tap from this horizon.

And then the third horizon is really around exploring those things in the far right of the page that I just talked about, always driven by our clients' needs. As we explore those sectors, we hear time and time again that the challenges they experience; fragmented data, the need to collate it all together, the need for a single unifying ID and the need to activate that across all the touch points with the appropriate data stewardship in place, those are the problems that those other industries are trying to solve. We have the solution and our job is to take it to those industries over the next decade.

Very quickly, I'm not going to spend hardly any time on this, but I want you to at least see this. One of the things we talk about internally is well how do those growth horizons map to what we do every day? So internally, we talk

about four key strategies; delighting to growing your customers, evangelizing their successes getting to activate new use cases, growing our list of activation partners. We talk about scaling our infrastructure, our capabilities to be \$1 billion business making sure that we're always investing ahead of revenue such that our scale increasingly improves, our UI increasingly improves, our capabilities increasingly improve. Number three, ensuring that our identity is the standard of which everyone can plug into safely and securely. And then finally, building an exceptional future ensuring that we're investing enough in innovation today that 10 years from now we still have a lot of seeds for future growth.

One of the things that I am so excited about at LiveRamp is – I'll just tell you one of my favorite moments was last year at our RampUp Conference, I was walking around the hotel lobby and I realized that there were literally dozens of conversations going on between major partners and we weren't involved in any of them. It was two major partners talking about what they could do together because they both use LiveRamp. And I share that story because it mirrors how we think about our culture. There is no monopoly on innovation. Innovation comes from a thousand different points and it happens when it's allowed to blossom. And when we think about the team that we've built, and it's all about how do we collect incredible people, attract incredible people to LiveRamp and then allow them to innovate to create.

And so we have, almost without exception at our company, people in the biggest jobs they've ever had in their lives who are constantly saying what more can I do, what's the next incredible thing that I can do. And if you look at our internal ratings, I think for three straight years, we've been named one of Silicon Valley's Best Places to Work. Our retention rate far exceeds that of software norms and our kind of internal satisfaction has consistently trended incredibly high, but that incredible talent across the board has to be supplemented by a phenomenal leadership, and at LiveRamp, it is. If you look across the leadership team many of whom you'll meet today, we have over 400 years of collective business experience, and importantly, a couple of hundred years of digital experience including at some of the most respected companies in the world, companies like Amazon or Microsoft, Google, Yahoo!, IBM.

And so, this is our management team. And let me kind of tee up what you'll hear the rest of the day. Following me on stage will be Anneka Gupta. Anneka is just brilliant in terms of strategy and product. She's been one of the visionaries behind LiveRamp literally almost since its inception and she's going to talk about our product roadmap and product vision.

James Arra, our Chief Commercial Officer is going to come up on stage next. And James is everything you'd want a head of sales, head of field to be. He sees the world through a client lens. He runs our business like a process and he is marshaling the efforts of a third of our organization to always be moving forward, always be moving forward. He joined LiveRamp from TRUSTe and so he has injected some of his own data ethics expertise in our culture.

In terms of kind of the horizon, two growth levers you're going to hear from Allison Metcalfe, who runs our Advanced TV business. That business has absolutely taken off. It includes OTT, data driven linear and addressable television. And television is, very quickly, going from a world where everything was bought in upfront blindly on a broadcast basis to increasingly more and more of it is being purchased with data and we're going to be the beneficiary of that.

You'll hear from Grant Ries. Grant is one of the co-founders of BlueKai, and he joined us less than a year ago. One of the few people in the world who has an incredible expertise on data from his days at BlueKai, he is also building out our B2B business for us. You'll hear from Dennis Ellis. Dennis joined us, worked at Google. And Dennis is leading the charge on a lot of our international efforts which we've been investing in building our identity

graph, but it's really starting to take off. And then finally after a client panel, you'll hear from Warren Jenson. And for those of you who know Warren, he probably doesn't need an introduction, but he has been my co-pilot at Acxiom and LiveRamp since I joined.

We're very blessed to have a world class CFO, a man who has twice been named America's Best CFO as my partner. He is also an incredible operator. And so, at times he's run our IT efforts, he's run our international businesses, whatever our hardest challenges are at LiveRamp, we typically try to apply Warren's intellect and effort against them and he always solves the problem. He was the CFO at various points for Amazon, when they scaled to their first billion dollars and beyond. He was the CFO of EA, when they transformed themselves from shrink-wrapped gaming to the online juggernaut they are today. And we are fortunate to have him, his steadying influence behind LiveRamp as well. So he'll bring us home.

With that, let me just go back to what I started with. I am really optimistic about this business and I hope that over the course of our time together, you'll start to share my enthusiasm. It's a network business and we are the network provider, well-positioned to be the agnostic neutral provider for anyone and everyone in the industry. We see a path to \$1 billion and beyond and it's not just doing one thing, it's the fact that we have multiple levers of growth that we can pull over time. So again, many of you have known me for five, six years, many of you have been on the journey with us during that time but I have never been more optimistic about the future of our business that I am today. Thanks.

So Aneka, I give you the clicker.

Aneka Gupta

President and Head of Products and Platforms, LiveRamp, Inc.

Thank you. Hi, everyone. My name is Aneka Gupta and I am President and Head of Products and Platforms at LiveRamp. I was part of the early founding team at LiveRamp and I've now been with the company for a little over eight years. Today, you will hear about how we've built a high scale network platform. You'll hear about the ways that we've created differentiation and defensibility in our product and you'll hear about why we are so excited and we feel like our platform is poised for sustained future growth.

Let's rewind back to 2012. 2012 was the first year that Facebook introduced real-time bidding into their ad platform. It was also the year that for the first time, digital ad spend surpassed print media spend. And it was the year that LiveRamp brought data onboarding to the market. We recognized that companies had vast treasure troves of data sitting within their CRM. Companies knew what people purchased, where they lived, what they were interested in, but before LiveRamp they primarily used this data to create personalized interactions over e-mail or sending a personalized catalog or piece of mail in the e-mail.

With onboarding, a retailer was now able to run an online campaign for, let's say, their semi-annual sale and know how that campaign actually drove people to walk into their store and make purchases. An auto company was able to advertise online to people they knew how to lease expiring in the next six months. Onboarding allowed us to build the foundation of our platform and our network of customers and partners. We started out by moving data from the offline world into the digital world, but quickly evolved to move data from digital to mobile, mobile to TV, TV to offline and everything in between. This began our – and at the center of everything that we were doing and our connected network was identity.

Now fast forward to today, our IdentityLink platform does so much more than just allow brands to move data one way. With IdentityLink, brands can unify all of the data that they have about their customers. They can take that data and augment what other companies know about their customers and add that to their understanding. And

then they can activate those profiles to personalize every interaction they have with that customer, whether that's a person walking into their store, showing up on their site, visiting a mobile app, seeing an ad on TV, digital or mobile. It might be someone calling into their call center to get support as well. There're so many possibilities. Over the years, we've packaged our capabilities to serve new clients across new geographies for new use cases, and we feel like this is just the beginning. We see so much opportunity to build upon our foundation to help companies drive better decisions and serve the world better.

You've seen this slide before. Scott just presented it. LiveRamp is the identity and data foundation that sits between all the world's data and all the world's applications. If you think about what makes companies like Amazon, Google and Facebook so powerful, it's their ability to harness all this data connected back to a person and use that data to then interact with that customer or user in a much more meaningful way. LiveRamp works with all of these major platforms, but we also strengthen the competitive ecosystem. Most companies don't have access to the scale of data or identity assets as a Facebook Google or an Amazon. LiveRamp's data and identity foundation enables every organization to create exceptional customer experiences. And we do this and we built this platform off of four key pillars, data access, identity, connectivity and data stewardship.

I'm going to talk about each of these areas and how each of them is both a competitive differentiator for us as well as the defensible moats. We've built this platform and are currently operating it at massive scale. To give you a sense of the scale, Google today globally does 1.3 trillion searches a year. LiveRamp processes 4 trillion customer records and interactions per month.

So data access is the first pillar. When you think about how to start creating amazing customer experiences, it begins with harnessing data. And for a brand, that means looking at their own data, what they know about a customer. Surprisingly, maybe brands have a really hard time bringing all this data together. Any given brand may be using anywhere from tens to hundreds of different technologies both internal systems and external vendors to collect information about their customers, everything from point-of-sale system, CRM systems, loyalty card system, site analytics, ad platform, support platforms and more.

All this data that brands themselves are collecting about their customers is what's called first party data. But no company, no organization sees the complete picture of a consumer, not even a Facebook or Google, an Amazon or a LinkedIn which is why it's really important for companies to be able to augment their understanding of a customer with what other companies know about a customer. For a brand, often they want to work with co-marketing partners or other non-competitive partners. For example, an airline and a hotel or a retailer and a supplier may want to share data with each other to improve their understanding of a consumer for mutual benefit.

Then there is third-party data. Third-party data is created and manufactured by data companies who compile aggregate and model out consumer behavior about what people are purchasing, how they're spending their time and what their interests and affinities are. This data has been sold back to brands. LiveRamp does not sell or manufacture any data. Instead, we are the permission based platforms that allows the data exchange in combination to occur. And because we don't sell or manufacture data, we're the neutral party trusted by all.

Identity, when you think about the companies that are the – you may think of as the owners of consumer identity, you might think about Facebook or Google or LinkedIn, and these companies have massive scale. They can reach almost every adult in the U.S. However, they only see a piece of the puzzle. They only have a piece of identity and that identity is locked within their four walls within their platform. For instance, Facebook might know your primary email address, they might know the devices that you use to browse Facebook. Google knows your Gmail address and the devices you use to browse the internet. And LinkedIn knows your professional identity.

LiveRamp is the identity's superset. For a person, we may know multiple email addresses, 20 years of history of where that person has lived, phone numbers, user IDs and subscriber IDs for various services that they use and device IDs and device IDs beyond just your ID for your phone, laptop, iPad or desktop computer. We also have identities for smart TVs, connected TVs, gaming consoles and more. For us, we bring a level of scale that no one else can do. No one can do what LiveRamp does.

Identity data is changing all the time. People are moving. People are changing their name and getting married. New technologies are emerging and every new technology has a different way of understanding that you are you. But the data and identity alone in a silo is not enough. In order to get the real power of identity, you have to make that identity connected and portable into an entire ecosystem of applications to drive decisions and to drive personalization, targeting and measurement across every single experience.

Today, LiveRamp has 550 integrations. When we started, we started in media platforms and mobile and quickly moved on to analytics and measurement and personalization platforms. Going forward, we're heavily invested and looking into TV, chat, and call centers, direct mail and marketing automation. Our ecosystem of integrations is the way in which our customers get value from their data. It's the way that they're able to actually drive these exceptional experiences.

And in everything that we do, data stewardship is at the center. And to us, data stewardship is not just a box to tick. It is a true competitive differentiator. We are, LiveRamp is the safe haven that enables companies to safely permission, share and activate data with each other in a way that both protects and brings value to consumers. We believe very deeply that consumers should have transparency into what data companies have about them and how that data is used and they should have control and choice about when and how their data is used.

We are building our platform out to enable this level of transparency and control for consumers as well as building it out in a way that enables all of our customers and partners to provide that same level of transparency and control. When GDPR hit, many companies that were operating in our space, had to shut their doors, but LiveRamp emerged ever stronger from that. We spent years preparing and we're able to be resilient and create our business around the changing regulation. We assume and we believe that we'll be able to do that continuing and going forward. We believe that consumers should have transparency and control and therefore we are going to continue to invest in data stewardship not only because it's what we need to do for our business, but also because it's what's right.

When you look at the competitive landscape, no one can really do what we do. And if you look at these different categories of companies, we don't actually see these companies as competitors. No company in any of the categories on the slide is a neutral identity platform. No company in any of the categories on the slide offers both offline and online identity and none of the companies in any of the categories on the slide makes their identity portable outside of their ecosystem and outside of their platform. However, every single category of company on this slide is talking about the importance of identity.

Some of them are building device graphs, where they're enabling you to bring together and understand that multiple cookies and mobile IDs are really the same person. Some of them are building up capabilities to connect an email address to a device ID, but that is not an identity graph. An identity graph is really the capability to bring together all identifiers for a person and match that and understand that there's a real person behind that. And LiveRamp is the only company that's creating an omni-channel identity graph, that has scale, coverage and accuracy. We work with all of the companies in this ecosystem and on this side. We believe that we should be a neutral and agnostic provider of identity and data and we are building the identity and data foundation for the future.

Today, most of the value that we offer to our clients is really within the marketing and advertising ecosystem, but we see so many industries and so many use cases and so many verticals where there's data fragmentation, identity fragmentation, technology fragmentation and regulation fragmentation. And we think that we can bring our platform to bear to solve a lot of problems for new use cases and new capabilities.

Investing and being the middleware for the customer experience is where we're going for horizon two. And over the next three years, we'll continue to look at expanding into different industries and verticals leveraging the same four key pillars that we've built our business around today. Data access, identity, connectivity and data stewardship.

So now I'm going to walk you through an example of how our product actually works for a customer. For this we'll use a generic retailer and walk through a lot of the use cases that retailers tend to do with LiveRamp.

So if you start on the left hand side of the slide, you see that a retailer will typically start by sending their CRM data to LiveRamp. That could include offline transaction data, other CRM data, customer interaction data, data about who they're emailing and what offers they're providing. Now, a retailer may come into us and want to run a campaign to – an omni-channel campaign to people that had bought boots last fall because they want to advertise across many different platforms their newest lineup of boots. So what they'll do is they'll send us a list typically tied to an email address or name and address whatever they have within their loyalty program of the people that bought boots last fall. They may include the style of boot that was bought, the color of boot that was bought. That will come to LiveRamp. LiveRamp will match that data into a variety of different ad platforms. You might match it in the Spotify for radio ads. We could match it into a variety of different display ad platforms for banner ads or TV platforms for video ads.

The data will go into these platforms as audiences will be creative. And then the advertiser will log into those platforms, they'll decide what kinds of ads they want to show to different segments of their audience. Like maybe they want to show their newest lineup of brown riding boots, if that's what I bought last fall. And then they'll start running the ads. Once the ads start running, LiveRamp will receive a feed of all the impressions for all the devices and people that saw ads.

As people start going into the store or buying online, we'll start receiving the feed of transaction data and we'll take all of this data, the CRM data from the original audience, the transaction data, the impression data and we'll pull it all together into the retailer's data lake, which they will then use to look at all the data, analyze it, do measurement and optimize the way that they're interacting with their customer.

To go one level deeper into the kinds of data that may go into the data lake, here's an example of the kind of data that we'll often see. So we might get a feed of exposed devices of who has seen a particular ad on a particular platform. You might get a feed of the CRM data, you might get a feed of third-party data that the brand has purchased to augment their understanding of a person and you might get some promotion history data.

Each of these data feeds will have a different way of identifying who I am or who a person is. What LiveRamp will do is it'll strip out all of the identifiers from each of the files and will replace the identifier with our person-based IdentityLink. This is our ID for a person. And so, if a person shows up both in the third-party data file as well as in the CRM data and exposed devices, we'll be able to know that that's the same person. The brand will then take all these feeds of data and they'll port it into there and merge these assets together within their data lake. And therefore they'll be able to create a complete profile of a person across all of these different interaction points.

As we look to our product going forward, we're looking to double down on our four key pillars. Data access, identity, connectivity, and data stewardship. For data access, we want to build the marketplace to have all the world's signal data. And when we talk about signal data, we mean what granular level about what products people are purchasing, geo-behavioral data, what content they're viewing across web and mobile, and TV.

For identity, we're looking to increase our identity graph. We want to be able to add new kinds of identifiers whether that's TV identifiers, IP addresses, professional identifiers like your work e-mail address or your work physical address.

For connectivity, we're expanding into the customer experience platforms. So we're investing in integrations in TV, in call centers, in marketing automation, in direct-mail and e-mail.

And data stewardship, we believe we can best serve the ecosystem by building a platform where consumers have radical transparency into what data companies have about them and control over how that data has used. Across all of these four pillars, we are investing in increasing our penetration globally and also making the experience that we offer our customers as seamless and easy as possible.

You've heard about how we've built a highly skilled platform, how we've created differentiation in our products and how we believe and why we believe we're poised for growth in the future. I hope you're all as excited about the future of LiveRamp as I am. Thank you.

And now I'm going to hand it off to James Arra, who's the President and Chief Commercial Officer at LiveRamp.

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

Great. Thanks, Anneka. Hi, everyone. So as Anneka said, my name is James Arra. I joined LiveRamp approximately six years ago as the company's first Head of Revenue and I currently lead all commercial efforts at LiveRamp. So for the next 15 minutes, we're really going to focus on our go-to-market strategy and really talk about the enormous opportunity we have ahead. I'm going to share with you some of the ways that we're capturing that opportunity.

Now, there's really three key points that I'd like to make sure you all take away from today's presentation. First, we have a very highly scalable SaaS platform and we have many, many growth levers that can drive its success. Secondly, we've built defensible moats around our business. Both Scott and Anneka talked about the network effects and the ubiquity that we get from our network effects. This creates real defensibility for us and truly provides a differentiation for us in the market. And finally, the growth potential that we have is unlimited. Scott said it earlier. This applies to every company that exists out there. This isn't something that can only be used by the largest brands or the largest platforms. It applies universally across all global companies.

There we go. So I'm going to start here by talking a little bit about the customers that we go after and there's really five constituencies across our customer base: Brands, agencies, publishers, platforms and data providers. Now, we look at these and one of the things that we've done is we want to really understand these customers and truly have a deep understanding of the challenges that they face. So we've organized around three distinct businesses. We have our brands business, we have our technology business and we have our data business.

Now, what we also do is overlay a matrix organization called Growth Solutions and there's a few things that this team focuses on. First, they provide subject matter expertise for our horizon two growth initiatives. Let me give you an example of this. We have a team of TV specialists that work very closely with our brand account team and

what they do is, they help the brand understand the value of advanced TV and really push the adoption of pushing more spend into the advanced TV channels that we offer.

Next, the Growth Solutions focuses on our reseller business and our channels and how we activate more business through these indirect channels. An example of how this works is our reseller enablement team. They work really closely with our technology team. Many of our resellers today are media platforms and measurement platforms. And this team will go in there, work very effectively with our technology team to drive a greater sell-through and make it easier for our technology clients to resell vibrant services as part of their offering.

And then the third area Growth Solutions focuses on is some of our newer initiatives, what we call our businesses that we're incubating. ID consortium fits into this. Other areas is – as we extend beyond the customer experience in the areas such as healthcare and fraud. They were looking out at those Horizon 3 opportunities and figuring out and trying to get that first really powerful use case.

Finally, on this side, I want to point out our marketing and how we integrate that in with our sales. We really want to have sales and marketing join together very closely and a lot of our marketing efforts, the majority of our marketing efforts are really around driving greater demand generation. This is not only for new customer acquisition, but also for our upselling our existing customers. So the model that we have here is something we've had in place for a couple of years and it's really been very effective for us.

Let me talk a little bit about the penetration in each of these areas. So currently, within the Fortune 500, we're working with roughly 20% of the companies there. Still a long runway to go, but we have a very strong base of customers to work off of. Within technology, most MarTech and AdTech companies are significant customers of LiveRamp today. And with respect to data, we're currently working with more than 110 data providers throughout the globe.

Something else that's really been effective up here is, if you look at our lifetime value to customer acquisition cost ratio, it's currently running about 4:1, so something that's very respectable for SaaS business.

So the growth that we have with LiveRamp and the key drivers that we see than what you would typically see for a SaaS business – it's land new customers, sign new logos and expand them, sell them more capabilities and drive higher revenue from each of those. But we have an additional leverage that we can push and this is around extending our revenue into new revenue streams.

Now, Warren is going to talk a little bit more about this later and how it creates a truly advantage revenue model for us. But if you think about our Horizon 2 initiatives, not only are they driving additional subscription revenue for us, but they're also driving additional marketplace revenue. So it's providing an additional revenue stream for us to go after and create a lot of scale around our business.

So let's talk a little bit about what we're doing to land more customers. So the graph on the left there shows our customer count growth over the last few years. Currently, we have a respectable growth rate of – we're adding roughly 40 new clients per quarter. And we are doing some things to accelerate this. So later today, you're going to hear Dennis Ellis, our MD of International business talk about what we're doing globally to expand our capabilities. As we expand globally that's a whole new set of customers that we can go after.

Scott mentioned earlier what we're doing with B2B and Grant Reis and Pieter De Temmerman are doing. B2B has the same applicability for data-driven marketing as our B2C clients. So by building out and enhancing our B2B identity graph, that's a whole new set of B2B customers that we can go after.

So let me talk about our target markets today. Right now, our teams focus directly on supporting the global 2,000 brands, both B2B and B2C. We also are targeting and working with the top 500 technology and application platforms within the customer experience space, and the top 250 data providers. These are the target markets that we're going after. This is where our direct efforts really focus our attention. In addition to that, we have an extensive reseller network, and currently we're supporting more than 1,500 indirect clients through our point solution resellers.

So Scott talked about earlier today in terms of how we view our addressable market. It really has to do with the applications and the software that's deployed to enhance the customer experience, and that's really how we look at our business. So what we do is we provide identity foundation for these applications and really make those applications better. So this graphic here shows the white space that we still have available across our brand clients. So if you think about it, most brands are using in excess of a 100 different marketing applications to enhance their customer experience, but the penetration rate – the number that are deploying use cases across all of those is still very, very low. So this presents us with a tremendous opportunity for growth within our existing clients.

And there's a couple of ways we're going after that. And first, we've built out an evangelist team. These are very senior marketers who can go in and talk to the CMO, and really help them understand how identity as a foundation can be utilized to drive much greater growth rates.

Now, there is a couple of things that happen when we do that. We drive more use cases and that certainly impacts or provides us a significant upsell opportunity. The other thing it does is it makes this a lot stickier with the clients, so the risk of churn becomes much lower as we deploy more and more of these use cases. And we've also have a pricing model in place that allows us to capture additional revenue from our clients as they deploy more and more use cases.

So let me walk you through how our pricing model works. I know we get a lot of questions from analysts about this. So when we work with a client and we sign a new client, we start by looking at the number of use cases they're going to focus on initially. We take that and set a minimum monthly volume commitment to them and they pay us an ACV for that. As we add on more use cases, that drives the monthly usage volume up and we get into a variable usage fee that's an incremental fee that they pay. Now, when that happens that becomes a trigger for our account teams to go in and upsell their commitment. We typically see this happen roughly after the first two quarters of us working with a given client.

Now, the way we encourage that commitment to happen is really through two methods. One's a carrot, one's a stick. So let's start with the stick. When a client is in variable usage, they're going to pay a higher rate than their committed rate. And the carrot is as they commit more and more volume usage, they get better economics per cost economics. So by doing both of those, we really have a way to drive that higher and higher commitment.

Now, later in today's presentation, I'm going to walk you through some specific customer examples. We have some great proof points of how this pricing model is working for us. So when we launched IdentityLink, little bit over two years ago, we had an objective, and that objective was to increase the value we provide to our brand clients by 10x, and we also wanted to grow the revenue we get from them by 10x as well. We have a really nice history of the evolution of how that's working for us.

So let me start with how we initially work with the brand client. Most times, it starts with some very basic use cases, typically around targeting. And the average ACV, when we're talking about these data onboarding, CRM

retargeting use cases, it's roughly \$100,000 a year. As we add on measurement and add on more use cases, we see that grow by 2.5 times. When you start to get into more sophisticated use cases, around analytics and multi-touch attribution, media mix modeling, we see about a 5x increase in the average ACV.

Then finally, ultimately, what we really try to get our clients to is this idea where we're powering their data lake with them and we become the identities for their data lake, where they're taking every single touch point, every single interaction, across every single channel they have with their customers, tying that all to our IdentityLink and utilizing that as the basis for their dataset and for their actions.

So in order to do this, it does require a lot of sophistication. And as I mentioned earlier, we've built an evangelist team to help clients move through this evolution. We're also doing other things. We're working very closely, much more closely with agencies and with the consulting firms out there to help them help the clients understand the capabilities they need to put, be put in place to really drive this. And the good news here is not only do we have a significant opportunity by adding new clients, but we also have a lot of white space here. And the line at the bottom there shows how many active brands are utilizing each of these buckets. So a tremendous opportunity for growth for us with these.

Now, one of the other ways we do this and help through this evolution is through pod-based selling. And so we've got teams that sell to a set of accounts. Let me start with account executives. Our account executives are primarily responsible for new customer acquisition, but roughly 20% of the target account list are existing customers. And what we do is we identify those customers, recent customers that have significant near-term upsell opportunity.

Now, our account directors and technical services teams, they're ultimately responsible for the success of our customers. And they're working day-in and day-out to ensure that they're getting a lot of value. They own the renewal, but they also own identifying opportunities for upsell. When they see that for some of the standard use cases that we enable, they may include one of our account executives to help drive that over the line.

Now, our strategic growth team, these are some of our most experienced folks and they understand really complex use cases, things that other clients haven't done before, and they work very closely with our solution architects and our growth solution evangelists, to figure those things out; things that clients haven't done before, use cases that it haven't been enabled. We pull those into some of the IdentityLink-powered data-like opportunities in use cases to really drive those home.

And this model is working for us. The graph here shows our sales productivity per quota bearing head over the last few years. And as you see, it's always been excess of \$1.3 million in committed bookings on an annual basis. Now, a couple of things I want to point out here. In early 2018, FY 2018, you see a nice bump there up to about \$1.7 million per QBH, that was really the result of our Arbor and Circulate acquisitions, and the ability for us to upsell a number of our clients to higher commitment levels.

One other thing I want to point out on this is in FY 2019, the decrease down to \$1.3 million. We've invested a lot in sales heads this year and we typically see about a two quarter ramp. So this is across all of our sales head, not just ramped sales heads. So our expectation is that in the second half of this year and going into 2020, we'll see that sales productivity per head increase again.

So what I want to do now is walk you through some client examples about how we've been able to 10x or even greater than 10x some of their clients. I'm going to start with this one right here. This is a global 50 tech company, that we started working with in FY 2016. When we started with them, it was really around data onboarding and

targeting use cases. They were taking their CRM data, they wanted to leverage that to enhance and inform their media buys. And it started out at an annual commitment of \$350,000, relatively large deal for us, as a first transaction.

Over the course of the first year, we were able to double that to about \$650,000 just by expanding in more data and more use cases. Then in FY 2017, we added measurement, and this drove the ACV up to \$1.3 million. In early 2018, our strategic growth team engaged with this client and identified a way that our IdentityLink solution can help them learn more about their customers. And we're able to provide them or show them value that drove a \$1.7 million per year upsell, bringing the ACV up to \$3 million. And then over the past year, we've added more measurement expansion and we've added data store, bringing it to over \$4 million ACV.

We have a lot of these examples and I'm not going to walk through each of these, but I do want to highlight a few points. Here's an automaker that we started working with at \$310,000 per year, within three years, \$1.7 million; a Fortune 200 retailer grew from \$300,000 to \$2 million in a year and a half; a personal care brand that went from a \$500,000 ACV to \$650,000 ACV in four years; another automaker, \$70,000 ACV to \$2.5 million in three years.

Leading AdTech platform, this does not apply only to our brand clients, it also applies to our technology partners and clients. We started working with them, where they leveraged our IdentityLink to help inform and enhance their cost-device graph about \$480,000 opportunity per year. They then embedded our U.S. identity graph into their product, drove to \$2 million upsell, \$2.5 million ACV. Within the first year, they added EU for an additional \$1 million. And in late FY 2018, they signed a multi-year deal with this that grows this to \$4.3 million. So the same sort of 10x process and the 10x-ing our clients that we've seen on the brands, we're also seeing that on our technology providers.

So resellers, resellers have always been a big part of our strategy. And currently, we have roughly 100-point solution resellers. They drive approximately 10% of our overall revenue. Now, we've done this organically. We haven't invested a lot of resources. But as I showed you early on, now as part of our Growth Solutions team, we're really enabling the resellers and investing a lot more in it. And what we're doing is we're really trying to energize the channel and give them the tools and the training that they need to really help push higher levels of adoption within their customer base. We're also developing tighter levels of integration and removing the friction that happens, so that when a reseller is reselling LiveRamp as part of their solution, it just becomes much more seamless.

Anneka mentioned this earlier about how we're very focused on customer experience; same applies to our reseller network. We need to expand beyond AdTech. Most of our resellers today are media platforms and measurement platforms, and we're now starting to expand and enable some resellers in other areas of the customer experience application set. And finally, these resellers have very little channel conflict with our direct effort. These are really going after mid-market clients that we're not currently serving on a direct basis today.

So with that, I'd like to introduce our team to talk to you a little bit more about some of our growth initiatives, specifically, we're going to dive into advanced TV, data store and international. But before I do that, I wanted to highlight the key takeaways from earlier. We are a high-growth business with multiple growth vectors, we have defensibility around the network effects of our business and the ubiquity of our business, and our emerging growth initiatives are taking off, and we're really excited about the future here.

So let me introduce Allison Metcalfe. Allison is our GM of Television, and she is going to walk you through our advanced TV offerings.

Allison Metcalfe

General Manager-LiveRamp TV, LiveRamp, Inc.

Hello. Yeah. As James said, I'm Allison Metcalfe. I've been with LiveRamp for five years, actually five years next month. Previous to TV, I led all of our customer success efforts, so [indiscernible] (01:15:32) repeat customer success, and I've been exclusively focused on our TV business for the last year.

So I'm going to walk you through what advanced TV is for LiveRamp. Really quick before I do that, if you can remember nothing else from what I talk to you about, this is what I would encourage you to remember.

So number one, TV is huge, huge, huge. It's an \$80 billion media market in the U.S. alone. This is a media – it's the largest line item in every CMO's budget by far. It is also a media that traditionally, historically LiveRamp has not ever tapped into. So we only really been tapping into and driving revenue from TV for the past year and it's \$80 billion. Data-enabled ad spend, which I will define soon, is currently at 15% of the \$80 billion enabled ad spend is growing at a tremendous clip.

And the other thing is, there's a ton of change. TV is going through tremendous, tremendous change, which again I'll talk about. For the first time really in 70 years, believe it or not, TV has not been – the way that you buy and sell TV has not changed much in 70 years and it's now changing, and that's presenting a lot of unique challenges and opportunities that LiveRamp is very uniquely positioned to solve. So it's a really exciting opportunity for LiveRamp.

So let's just talk about the changes that I mentioned. And similar to as I said before, I'm going to say a couple of things here about some changes that are happening in the industry. But if the two things that you can just plant in your head in terms of what's changing, it's fragmentation around viewership adds demands for people-based marketing in every channel. So fragmentation in the viewership, you guys probably all know this, think about your own behavior and people are not all sitting down and watching TV at the time this television show is on live any more, we are consuming content all over the place. We're on Hulu, we're on Roku, we're watching TV on our mobile phones. Where and when we watch TV is changing dramatically. That is causing fragmentation.

Now, the content creators, the networks, they feel like they're not getting the credit that they deserve, because standard Nielsen ratings are not necessarily capturing all of that viewership, which has a direct impact on their business. So consumers are changing. Networks are unhappy.

The other thing that's happening is advertisers have now grown accustomed to the power of people-based marketing. They know it works, and they're spending a ton of money on TV, they believe TV works, but they want the same advanced capabilities that they're getting everywhere else in TV as well. So that's kind of what's happening in the industry.

This is a huge opportunity for LiveRamp. Addressable TV alone, which is only one component of advanced TV by the way, is expected to reach \$3 billion in ad spend by 2019. OTT is taking off, that is – there's no doubt about that. And even companies that would be considered traditionally digital-first are spending more and more money in TV. So Bookings.com, which is the holding company for OpenTable and KAYAK and those – I can't remember all of the companies – but they announced in a recent earnings call that they're going to increase their spend in TV by up to 55%.

And then finally, perhaps most importantly, LiveRamp, we have hundreds of brand relationships, so we sit on the CRM the first-party and activate third-party data for hundreds of brands. The top 100 brands that we have prioritized, so it's not the top 100 brands for LiveRamp necessarily, but it's the top 100 brands we believe are

most important for our TV business, represent \$20 billion in TV ad spend alone. So it's a huge, huge opportunity for us.

So what is LiveRamp TV? Well, first of all, what is advanced TV? So advanced TV is often defined as any time someone is buying or selling TV with the use of data and automation. It's traditionally or I should say it's somewhat accepted to say that advanced TV covers the five things that you see here. So addressable TV – and I'll go into each of these one by one in a moment – addressable TV, data-driven linear, measurement is really important, digital video.

The key thing I want you to take away from the slide is that we power all of these solutions. So there's a lot of companies out there that are talking about TV. TV's gotten a lot of buzz recently. It's very exciting because it is exciting and everyone is realizing what an amazing opportunity it is. Typically, the other organizations that you're hearing talking about TV are talking about one of these things, and LiveRamp has the ability to capitalize from all of them. We also work with everybody in the industry. We're a neutral provider. We work with anyone that matters and we're placed for great success here for sure.

I'm going to go into each one of these strategies a little bit, just to help you understand how they work. So addressable TV, this is by far the most advanced or most mature element of our portfolio I should say. The way that addressable TV works, I would encourage you to think of addressable TV really in the same way that you think about Facebook Custom Audiences, where you are reaching an actual – you're not reaching a person per se, you're reaching a household, but you are targeting that household based on data that you know about them.

So practically speaking, how this works is a MVPD or a cable company, for example Comcast will give LiveRamp. Because of our safe haven, they will trust us with this, their subscriber file. The subscriber file will have indicators of which households are addressable. Not every single household is addressable, households are addressable based on the technology they have in their set-top box. Currently, it's estimated that there are about 68 million addressable households in the U.S.

So now LiveRamp has the subscriber file, the advertiser will then give us their target audience. Maybe they have a list of people that they believe are yogurt loving moms in the market for a minivan. We will match that data with the subscriber file and return the overlapping IDs back to the cable company who then executes the media by. So then practically what happens is that yogurt loving mom in the market for a minivan who lives in household A is going to have a different advertising experience than the Toyota pickup truck person who's in the market for a Toyota pickup truck. And that's addressable.

The other thing that's extremely exciting about addressable on the advertising side is that business outcome based measurement is possible here. That's critical. And the reason that folks are adopting this as quickly as they are is for the first-time ever they can actually see exposed households to conversion, whether or not, that conversion be an actual sale or a website visit, or a location visit, this is all new to the advertising side. This is also possible because the cable companies while they are [indiscernible] (01:22:14) not release that exposure data to brands to put into the data lakes that Anneka talked about earlier. They will give it to us. They trust us and they trust key partners that we work with for us to process that data and enable measurement to be done. And this is growing really quickly.

Data-driven linear, this is the solution that we work with our programmers/networks for. This is very different from addressable TV. So for addressable TV, you are targeting a households based on data that you know about them. In data-driven linear, you are actually still buying television media the same way that you always do, a network or a program or a day part, but you're buying that because you've been able to use more data. So

practically speaking, we can use the exact same example I gave earlier where we have a brand that is trying to target yogurt loving moms in a market for a minivan. They will give us that data, we then by working with a viewership data source such as comScore or Nielsen, we will match that data with the viewership, and the result is a report that shows, what shows in day parts and networks, those people that you want to reach are watching. So again, what you're doing is you're still buying the media, the way that you always have, but before the only data that you were able to leveraged by that media was age and gender, and now you can really use any data that you want to make a much more data driven and informed decision.

We're really excited to say that we are working with every major network. We have signed agreements with every single one and we really seeing that this is going to be a major source of growth for us for the second half of the year.

Connected TV and OTT; so connected TV and OTT is certainly the growth in the future of television. We have integrations with the major OTT providers such as Hulu and Roku, and we are starting to see a shift where the advertising side is starting to demand people-based targeting options within those platforms. We're starting to see our brands wanting to push their first-party and third-party data to those platforms. So that's happening there.

The other thing that we are doing is building out or adding TV identifiers into our identity graph. So if you can practically imagine what that means is, you might have [ph] allisonmetcalfe@gmail.com (01:24:29), her address in [indiscernible] (01:24:31), her mobile ID, her iPad ID, and now you might have her Apple TV ID as well. There are several use cases that enables. The main ones are helping the programmers, because as we think about it, you don't have a relationship with NBC, you have a relationship with Comcast. NBC doesn't know you. If NBC is able to give us ad logs with their TV IDs, tied to the content that those IDs are consuming, and we are able to [indiscernible] (01:24:55) data to those IDs, we have just changed the game for NBC. Now, NBC has analytics on the types of people that are continuing its content, they can now offer targeted advertising, they can offer measurement. The kind of high-level vision that we have here is that we enable the networks to become people-based platforms themselves.

So why we win? Why LiveRamp is going to win in TV? So one of the major points that I would stress again is that we have the ability to access inventory of every major MVPD with every single integration that matters. We have launched a platform that we have given to the MVPDs to rapidly increase the automation in terms of how folks actually execute on addressable TV. Again, we have every single integration that matters, so we are enabling our advertisers to reach consumers across any screen they may be consuming content on. And our data store, which I know Grant is going to talk about a little bit in a moment, is a really, really big key differentiator for us. Every other company that is dabbling in TV or anyone that we compete with an addressable TV is actually a data company, with the primary focus of selling its data. We are a technology platform with a data marketplace. Our data store has so much interesting, sophisticated data assets that's enabling campaigns to be executed upon that people didn't think were possible even a couple of months ago.

In terms of how we are supercharging this business, it's fairly straightforward, it's three key strategies that we are just maniacally focused on. So the first one is what we kind of refer to internally is activating the buy side. This is where we are, as James mentioned, we are partnering with our brand's team to sit down with our brand customers and educate them about advanced TV, create business cases for them, so that they can understand why shifting 10%, 20% of their existing TV spend to advanced strategies will drive better business outcomes for them. This behooves us because the economic terms we have with our customers who are the cable companies and the networks are such that we win when they win. So we participate in upside as their businesses grow. So it makes a lot of sense for us to invest time in investing, educating that's part of the business.

And this is going really well. We recently had a major insurance company who spends \$400 million on TV, apparently a year or two ago had done one addressable TV campaign and didn't really understand it, and thus were spending zero dollars of their \$400 million on advanced TV. We have gotten in there, we spent time with them, we've created business cases, we've understood their business outcomes. The net outcome is we have executed campaigns across three MVPDs for them recently. And I think they spent about \$2 million in media, which from zero to \$2 million is pretty impressive. And we're hoping to grow that businesses as well. So that's one strategy.

The other one is – and you heard Scott say this too – we have to make this easy. The good news is what we hear across all of our customers and all the brands that have adopted advanced TV, is it works? You may recall that I talked about the fact that the measurement is now possible here so we know it works, but if it's too hard to do they're not going to do it. So we are investing a tremendous amount of resources, engineering and product resources into making this as seamless and easy for our both buy side and sell side to adopt advanced TV as possible.

And then the third you heard me talk about the TVs and the ID graph, we're spending considerable energy on that as well.

So to wrap up, what I again want to leave you with is that this is a huge, huge market; biggest line item in the CMO's budget; a line item that LiveRamp has historically never ever made money from in the past that we are now investing considerable resources; and it's a huge opportunity for LiveRamp; and we're really excited to make this be a huge growth driver for the company.

And now, Grant is going to talk about data store. Thank you.

Grant Ries

GM-LiveRamp B2B, LiveRamp Holdings, Inc.

Hi everybody. My name is Grant Ries, and thank you for taking the time to spend the next 15 minutes learning about data store.

As Scott mentioned, I've been in the data and technology industry for a long time, nearly 20 years. I've co-founded two data companies; the first one was BlueKai, as Scott mentioned, which was the very first digital data marketplace and data management platform in digital advertising. BlueKai was acquired by Oracle and then became the foundation of the Oracle Data Cloud, which was a global business unit, I help start. And the second company I co-founded was Pacific Data Partners, a leading B2B data marketplace, which LiveRamp acquired earlier this year in February. So I've been at the company for about eight months and I'm excited to talk about data and hopefully share a few of the lessons I've learned along the way. So let's jump in.

Okay. If nothing else, at the end of the presentation, hopefully you'll remember four things. One, LiveRamp created the first people-based, neutral data marketplace. That's really, really important, because people-based means that LiveRamp actually services people in the data store that you can target, not just devices, a person can have several devices and can cause a lot of confusion from marketers if they think they're targeting multiple device IDs or in frankly not people. And neutral is just as important. Neutral means that we don't own our own data assets. That's a super, super important distinction, because companies that own their own data assets can run into some conflict if they're both a marketplace and they own the data in the marketplace, which can kind of scare off some of the richest data providers from participating.

The second takeaway is that we really are revolutionizing the digital supply chain. I think what you've heard from all of the prior speakers is that we've built technology that enables identity resolution at the people level. And we're also building the grid and the integrations to move data around at global scale. That hasn't happened before in the data industry, everything's been siloed up until now.

The third point is that we're growing really quickly. In about three years, we've already seen – we're approaching \$100 million of spend coming through our data store and we're just getting started.

And then the last piece, which I think is maybe the most important is, we've already earned the trust and are working with the largest brands, technology platforms, and data companies in the world.

So let's talk a little bit about what's in the data store. So in the data store, we have over 150 data providers, spanning pretty much every data use case you can watch, so demographic which is things like age and gender; B2B, which include being able to target people in market within businesses for things like cloud services or certain types of companies in certain verticals like Fortune 500 companies or automotive companies, and decision makers within those companies; purchase data, so past purchase data like retail or CPG data; in-market data, so people for example looking for a new car; behavioral data, so that could include data on what types of applications people have on their phones, so for example people that have financial apps or several travel associated apps; and then obviously like geo-location data would be a geo-location, targeting people for example in coffee shops.

All of that obviously is tied to a common ID and we do all the heavy-lifting around protection, security, data ingest, taxonomy and classification, all the things that you don't think about in the data business that are really, really hard to do. Data providers aren't used to doing that. And then certainly the buyers of data appreciate being able to come to one place and just login and find exactly what they're looking for.

Okay. So let's take a step back. I love this slide. This to me represents the first phase of third-party data in the digital advertising ecosystem. I feel pretty fortunate that I've sort of experienced what I consider to be the first three phases. So the first phase was sort of the flea market approach. There was a lot of data, a lot of promises. If you were buying data from a 100 different publishers, you got a 100 different definitions of what data meant. So in market, automotives could be somebody that read an article with the word car in it three times and it could be in an article about a car accident. So not a lot of transparency, not a lot of trust, a lot of data misused, data being taken and used without permission, and a bunch of very, very mixed results from advertisers, sometimes it works, sometimes I didn't, they had no idea why.

The second phase of what I consider the third-party data economy was ushered in part by BlueKai, and I was really proud to be a part of that. And at BlueKai, we started to put some guardrails around data, we've created a trusted place for buyers and sellers to come and buy data.

But it was missing a few things that were – we were missing a few things and the industry was missing a few things. So one, there was no concept of really people-based identity, there was not ID resolution, it was essentially anonymous cookie-based data. And so while it was great that we started to setup an infrastructure where people can come to a trusted place to buy and sell data, even things like demographic targeting, we're super confusing. Because if you're looking at cookie-based and anonymous IDs, even demographic 50% of the data determining what was male and female was not an easy challenge. So even some of the easiest things that seem easy now for LiveRamp to do was a challenge in that phase.

Okay. So what does the future look like for data store? So a couple of things that I think are or probably the most important things to take away from this slide are: One, it's people-based, and I know you've heard that over and over, but that's really, really important, because advertisers especially with third-party data they want to target people, they don't want to target devices. That's the first thing.

The second piece is data ingest and classification and taxonomy. So data providers are not set up to build infrastructure to support other data providers. They have their own data, but we need a flexible architecture that can ingest a 100 or 200 or a 1,000 data providers, pull them into a central location and create a really easy way for buyers to come in and search for data, create models on that data and find essentially combinations of data that work for them, because no one data asset fits everybody. For example, if you are a travel company, you may want to target geo-location data, maybe you may want to target past purchase, you may want target business, certain business people for international travel et cetera et cetera. And again, one of the most important pieces that LiveRamp has built which no other company has built, is the distribution piece. So the integrations everywhere. So getting the data in is only half the challenge. Getting the data out is another huge, huge problem for most companies. And we've essentially built in for it.

And so what's happening and what we think the future of data will look like is we're going to take the Amazon approach. So we are the user interface to the buyers. We are that user interface to the sellers. We are accountable. They are our customers. And so we take that responsibility very, very seriously and we've already earned the trust with them on the first-party data. So we're onboarding the first-party data and it puts us in a huge competitive advantage to start to layer in second-party data, which Dennis will talk about, and also augment their data strategy with third-party data.

And that, as we've seen kind of from some of the changes in the ecosystem, now it's more important than ever for marketers to take a principal position in defining and in executing on their third-party data strategy, and we think LiveRamp is by far and away the best company in the world to be in that position.

Okay. Why do we win? So on the left, you see a couple of points that we're really proud of. So first of all, LiveRamp has a very rich history of innovation and disruption. LiveRamp was the first company to create scaled onboarding for the digital advertising industry. And they're still – we're still the leader in onboarding. And because of that we've built an amazing relationship with the most important brands in the world. LiveRamp is now disrupting the second-party data industry and again Dennis will talk about a really interesting case study that we're doing around second-party data and the work we're doing there.

And then last, data store is going to disrupt the third-party data industry, and we're doing that in a privacy compliant, data security, data protection-enabled approach that is already winning the support of the biggest data companies in the world, and the biggest brands in the world. And because of that, we're able to unlock a whole bunch of new use cases for data companies that they haven't been able to do before. So for example, I'll just go through two or three or so.

CPG companies like General Mills, they don't have a relationship, a direct relationship with the people that are buying Kleenex from them inside of a retail location. So we now have data so that they can create a virtual CRM system and target people that are buying competitive brands and learn more about who's buying their brand, who's buying competitive brands. Same thing for retailers, Macy's now can go and buy access to actual people that are shopping in competitive retailers and start to show them [ph] Conquest-ing (01:39:23) ads. Closed-loop measurement for automotive manufacturers; being able to tie actual impressions for people searching for automotives that are shopping for cars online and tying those to actual purchases on in dealerships.

And then lastly, I had to put a plug in here for B2B, since I also run the B2B business, but we're working with the largest B2B data companies in the world, and we're working with several of the largest technology companies and other B2B brands to provide them with global reach in turnkey data solutions for them. It's very, very complex for these B2B marketers. There are – I jokingly like to say there is only 500 Fortune 500 CTOs, so targeting can be a real problem. They can take a year to sell something into an enterprise, so a whole bunch of different problems in the B2B industry, and we're helping solve much of those problems at global scale on nearly every continent for our big B2B customers.

And so before I kick it over to Dennis, I'll go back to my very first slide, which is four takeaways. So we're the first people-based, neutral data marketplace. We're going to change the way third-party data is ingested, purchased, understood and distributed, and advertising is just one case use case. We're growing very, very quickly and we're working with the biggest brands, technology platforms and data companies in the world. Thank you very much.

Dennis Ellis

Managing Director-LiveRamp International, LiveRamp Holdings, Inc.

Hi everyone. As Grant said, my name is Dennis Ellis, and I'm LiveRamp's Managing Director of our International business. I joined LiveRamp about two and a half years ago, focusing on new products and new product strategies. I moved to London in January to focus now on our expansion into more markets and more places.

As I talk today, I'm really, really excited to tell you about where we are with our international business. We've really established kind of the close of chapter one. We've developed the model that works and developed the strong foundation that will allow us to expand quickly into new markets. Our customers are bringing us into those markets, so we have one of the most advantaged positions, because we work with some of the leading clients and I'll talk a lot about that later on.

And lastly we have – or second, third we have a – our global operations are providing us an advantage to innovate at the edges. I'll talk through a live case that we have with Carrefour in the second-party data space. And lastly, we've emerged from GDPR this year as a leader in data ethics and ethical use of data. And so partners are now looking to us across Europe to help them understand how they can continue to do people-based marketing.

Let's start with where we are today. LiveRamp has a 170 people across six markets. We have teams in the U.K., France, China, Japan, Australia and Singapore. Those teams are scaled not only to provide services in those markets, but additionally to help us expand into new markets without extensive investment in new head count. Those things are also providing us with over \$20 million of revenue in our global business today.

And as we expand into those new markets, we have three key priorities that we think a lot about; the first always starts with our clients. We want to support our global clients in the markets that they want to be in, with the products that they need. That means having a tiered product strategy and deploying the right products for the market, and growing as those markets grow in both sophistication and capabilities.

Second, connect the world's data, that's been a strong theme today. We want to continue to do that everywhere that we operate. And so what's important about that is that when we speak with our clients, we know that in many markets outside of the U.S., they simply need better access to people-based data. And we want to provide that through our data store, B2B, and second-party products.

And lastly, we want to scale quickly. LiveRamp knows that there are 10 markets today that can really support our full capabilities and product stack. But there are another 20 behind that where we want to have some capabilities

available, and we believe that we can be in each of those markets with some of our operations inside of 18 months.

This is my favorite slide, because it's why I love doing what I do in international. LiveRamp spent its time building its U.S. business and creating global evangelist. We work with the globe's largest and most recognized brands, agencies and platforms, and those platforms don't want to work with LiveRamp in just one market, they want to work with LiveRamp in every single market that they have a business. That means that they're pulling us actively into those markets and helping us to actually meet the teams that we need and the companies we need in the local ecosystems. What that does is it allows LiveRamp to extend the [ph] new and new (01:44:10) market and in fact advance the marketing capabilities of an entire geography, just by being present and being active. As we see these brands bring us into the markets as well, we truly believe that the entire ecosystem improves, as our global footprint expands.

And as we look at this, I would like to just kind of give you a sense of where we're going. And the global customer demand is so important for us that we actually use it in our two-by-two, when plotting out what markets will matter to us in the coming years. So as we look at that, we really see three clusters emerge. The first cluster is the cluster that anyone would stand in front of you and tell you, hey to be a global business we need to be in these markets, as soon as humanly possible. But that second cluster that comes in, the number two, Italy, Spain, Brazil and Belgium, those come because we know that while the local ecosystem may not be mature enough to support LiveRamp's full capabilities today, our global clients do have a presence there, and they want our capabilities in those markets. And so we see an opportunity to accelerate our implementation of our product and also build a business with faster time to revenue. Thanks to our global network and the global [ph] pull (01:45:14) that we're receiving from those clients.

And then the third bucket here tends to be the high-growth data markets. These are mobile-first markets, where marketers are increasing their data spend by over 100% year on year and capabilities are rapidly accelerating. LiveRamp will not launch its full capabilities in these markets overnight, but what we will do is begin building products like the data store and our B2B services in those markets, so that we can work with our clients and mature as our clients mature, and as the markets mature on the ground.

The other thing I want to talk about a little bit is the difference between what a mobile-first market and what I would call a U.S.-similar or a launch market might be. If you look at China, Japan, Brazil and then many of the data markets I referenced, those are mobile-first markets. They're markets where consumers engage with brands, first, foremost and almost entirely on their mobile devices. These markets have a very different need from LiveRamp, because many of them are still maturing from a digital marketing capability standpoint, and in fact one of our key players goes back to LiveRamp's early days and bringing a wealth of offline data into the online ecosystem. It's also interesting, because as we build out our identity graph, we focus less on a lot of the web-based traffic that you might see, so the cookie pools that we talk about or the integrations into the ecosystem. We focus instead on mobile identifiers and other device identifiers. This allows us to launch our graph much faster and in fact overnight in China, we've gone from almost zero to well over 30% metrics.

And another view of those same markets. So as I look at those priority markets, I just want to give you a sense of where they are in their lifecycles. The scaling markets, these are markets that have almost all of LiveRamp's capabilities and have been launched for some time now. Australia is the most recent which we launched earlier this year and have had great, great success, we've been able to roll out our products much faster than we ever have in new country. But these are countries that we expect to be profitable from a contribution margin basis inside of the next year, and then where we will continue to expand our existing clients and services. Additionally,

we'll use these markets as a platform for global expansion. So the UK and France will become the bases that allow us to expand into Northern and Southern Europe, respectively.

Investing, so the investing markets, China, Japan and Canada, these are markets that have some services and some LiveRamp revenues. China in fact launched earlier this month and has been met with a lot of success. I'll talk a lot about China specifically later on in the presentation. But as we build out these markets, we're continuing to invest in our match rates, in our network, in our capabilities and deploying new technologies. So we're still working with a lot of our products and partners and we're developing the model that will work locally.

And then the scouting markets – Germany, Italy, Spain and Brazil. These are the markets where we are just starting to build out the partnerships that will allow us to deploy our technologies. And so we're working with a lot of our global clients and partners, but then we're also meeting many different local teams and bringing new data online every day. And in fact, in some of those markets, we have some services available today, but by and large, we don't have our presence.

And if I zoom in, I'd love to kind of take us a highlight of our French market and actually give you a sense of how those three buckets define the growth of our market. So in France, we launched in 2015 with a team on the ground focused on match partner development and the integrations in their local ecosystem that would allow us to build out our local client base. In 2016, we were able to launch the LiveRamp brand and I'm proud to say we did so with four of France's largest and most recognizable brands as our clients locally in the market.

2017 was all about extending our capabilities and bringing our product stack to near parity with the U.S. This is when France was able to move from what we would consider an investing market into a scaling market. We continue to have strong growth and we continue to grow our client base in the market.

2018, I really want to highlight two things, and spend a little bit of time talking about them. Second-party data, we've launched a new platform in partnership with Carrefour in the French market, and Michel, who is here today, will talk a little bit about that on our client panel, but I'll also talk a little bit about what we're doing with them on the next slide.

But then GDPR, GDPR went into effect earlier this spring. And if you rewind two years, when GDPR was really first announced, our team swarms to GDPR and took – and built a taskforce focused on the efforts. And so over that time, we worked with internal stakeholders. We worked with external product teams and external partners and we worked with every legislative body under the sun, to really understand and adapt our strategy for GDPR. And as Anneka referenced earlier, the result of that work was a framework by which we were able to classify every product, every workflow and every data source that we have in ways that allow us to continue our business.

Many of the businesses in our industry in Europe this year have seen significant setbacks or have in some cases entirely exited the market. LiveRamp has continued to post strong growth rates throughout that time, and we have navigated with no significant client loss.

And as we look to next year, 2019, we expect our French market to breakeven, and to become a platform for our extension into Spain and Italy. And what's exciting to me about that piece is that if I use this graph in two years or three years and I were to layer Spain and Italy, we would actually think that that market development would be cut in half, because of our global foundation and our capabilities to extend our products and services.

Second-party data; so talking about second-party data, I want to start with the graph that you see at the top of the slide. This mirrors a lot of what Anneka was talking about, about how a brand can attach every single data source

into LiveRamp for an identity and use that for analytics, targeting and measurement. And in fact, much of the result of that then becomes its own data source back into those brands data links.

With second party, and in particular, I'll talk about this through the lens of our partnership with Carrefour, we can now unlock those same nodes on the graph, but connect two brands together and do so in a safe and permissioned way. And in doing this, what happens is that, we unlock data that has never been before been accessed by brands for other brands. Take the example that Grant referenced of a CPG company, CPGs notoriously have trouble finding really good effective data from marketing.

But imagine a CPG company, who in a self-served way can log into Carrefour's platform, see all of the people who have bought their products in Carrefour's thousands of stores across France, analyze those customers, build an audience from those customers, extend that audience to the entire French population, and then run a marketing campaign on top of that. Oh, and by the way, they can then also measure the effectiveness of that campaign on the same transaction data that Carrefour is providing them. We really, truly believe this has the opportunity to completely transform the way that data partnerships are built, not just in France, not just in the UK, but globally.

And lastly, I want to talk a little bit about our launch in China. We launched our Chinese business earlier this month, but the reality is that while the LiveRamp brand is new to China, the LiveRamp team is certainly not. For more than 10 years, our team in China has been working under Acxiom to build people-based marketing and connectivity products. And so they know the ecosystem inside and out. As a result, with our launch, we're already integrated with almost the entire varied unique ecosystem that China has for digital marketing, and we're able to do many of the things that LiveRamp can do in other markets inside of the Chinese ecosystem.

And lastly, we really have seen significant global and local demand for our products in China, since launch. And a couple of examples, I'll give you. One of China's leading insurance providers signed an IdentityLink contract with us two months ago in advance of our launch. Within six weeks of deploying our capabilities, they increased their commit by about 30%.

Another example is a Chinese mobile gaming company, and this was really about bringing the Chinese opportunity to new markets. This company spends millions of dollars on targeting in new markets for expansion for downloads of their applications. We've met with them, and we talked to them, and because of our reputation and history in China, we are able to tell a story that allowed them to commit almost all of their data spend to the data store for the U.S. market for their customer acquisition.

And so we really see this inside-out and outside-in interface when it comes to working in China, allowing our global brands to use LiveRamp as a trusted partner to bring their data into the Chinese ecosystem, while then additionally allowing local brands to use LiveRamp as both a consultant and a product suite that allows them to conquest and expand beyond their borders.

As I wrap today, I just want to reiterate a couple of things. We've closed the first chapter in our international story and we feel like we've really nailed the model. We know that we can expand faster and we'll continue to do so to support our clients and the right markets with the right products. Thank you.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

So at this point, we're going to take a quick 5 to 10-minute break. You're welcome to stretch your legs, grab refreshments. Restrooms can be found directly outside the main entrance. We will pick back up with our client panel at exactly 03:15 PM.

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

Well, thank you. Hi, everybody. I'm Warren Jenson, I'm the company's CFO, and I also help Dennis Ellis to run international. I want to give a super big shout out and thank you to John Battelle and most importantly to our customers who were on the panel over the last few minutes. Thank you.

For me, given where I am in my career and the experiences I've had, a lot of today and our client panel brought so many experiences to mine, whether it was my days back at NBC, in entertainment during the 1990s, or being part of I think one of the original big data companies, which was Delta Airlines, and the airlines to Amazon.com to EA, to now my time here at LiveRamp, one of the things that's evident is that the tide is really with us. When we think about where we are today, data is the key to customer experience and that is not going to change. And what we do at LiveRamp is foundational to the success of our customers and the success of our clients and the success they have in creating great customer experiences for their consumers. It's also key for every platform to be data enabled and our role is to help them to succeed and to be the open source of identity for the entire ecosystem.

What I'd like to do today is I'd like to spend the few minutes that I have with you today, really touching on a couple of topics. First of all, I'd like to just briefly talk about our second quarter results and then from there, dive in and talk about our model, talk about our advantage and then also our long-term outlook.

First of all, our Q2 results. As I was looking at the pages just before I came up and I was thinking about okay, what are the two or three key takeaways that I would leave you with, looking at our second quarter? There are really two words that I would bring – two words came to mind. The first word that really came to mind for me is transformation, is if you look back over the past eight or nine months, this has been a period of rapid transformation. We announced that we were looking at strategic alternatives for AMS in February; in July, we announced the sale to IPG for \$2.3 billion and just three months thereafter, we closed that transaction on October 1, less than 30 days ago; and now have over \$2.1 billion in the bank. That was a massive transformation.

The second thing though that I want to leave you with is the word acceleration, because concurrent with that transformation, that a lot of us spend a lot of time on to enable really the emergence of LiveRamp. LiveRamp didn't miss a beat. We just had another great quarter and on our way to even a better and brighter future. So when we think about the second quarter, a few things that I'd highlight. Overall revenue growth of 20%; subscription growth of 34%; and then looking at marketplace year-to-date growth of 51%. You'll notice a dip in the growth rate in marketplace for the second quarter down to 29%. That really had to do with a couple of adjustments that were made a year ago. And in reality, we think our run rate in marketplace continues to be well in excess of 50%.

Secondly, as I mentioned, thinking about the second quarter is, we really didn't miss a beat. We just had another record bookings quarter. And I will tell you that as we look ahead to the third quarter, we feel we're in great shape. As I mentioned, we expect a \$1.2 billion gain on the sale of AMS; two, over \$2 billion of net proceeds before the payment of tax, tax will be paid by the way again in the fourth quarter, which is about \$500 million; today we have pro forma cash balance of roughly \$2.1 billion.

In addition to that, we're now in a period of transformation. So as we look at the second quarter and as we also look at the third and the fourth quarter, recognize that our goal in those quarters is to stand LiveRamp up as a public company, and then as we move into FY 2020, really accelerate. So expect on the bottom-line in particular that this will be a little bit choppy over the next couple of quarters, but then we will again accelerate in terms of our overall bottom-line progress as we move into our next fiscal year, so FY 2019 a transitional year. So in the second quarter, included in the \$14 million of operating loss, is about \$3.5 million of transition-related expenses.

We also noted in our press release earlier this morning that we would have roughly \$16 million in additional transition-related spending in the back part of the year. Again, our goal is to get that transition spending behind us, have that largely complete as we exit this fiscal year, in order that we accelerate into FY 2020.

With that, let me turn to the years ahead to our model, a deeper look at our model, and then also our road ahead, and a little bit about our guidance in our long-term model. I'd like to leave you today with really four key points. First of all, our business model is working and we believe our business model is advantaged, and I'll talk about both of those facts.

Two, as Scott mentioned, our goal is a \$1 billion of revenue within five years and most importantly, this is not only an aspiration, but we actually have our initiatives in place today and we are executing on those initiatives. You've heard about three or four of them today.

Third, we expect to be profitable in FY 2021. So don't think about that as a quarter of profitability. Think about that as profitable for the full year. And then today, as we entered this third fiscal quarter, and as we look ahead to FY 2020, we believe that we are in an incredibly unique financial position.

Well, let me talk about our model and what we believe some of our advantages to be. First of all, our model is working and the trends are clear. Looking at whether we're looking at customers, today if you go back to FY 2016, we had something like 270 customers or so a little bit more. Today, we're well over 600. So progress with our customers. You've heard today a lot about the use cases that have fueled that customer demand and also fueled our revenue. Our revenue over that period has grown about 38%. Equally as important for our investors is we've demonstrated our ability to scale our model. What's kind of interesting is we went back to FY 2016 on this chart and looked at our gross margin and, again, this is fully loaded for discontinued ops. So these are fully loaded numbers, they're not segment numbers.

Our gross margin was about 59%. If you were to go back even a couple of years before that at the time we acquired or a year or so before when we acquired LiveRamp, that number was probably around 35% to 40%. So looking over a multi-year period, we have demonstrated an ability to grow and expand our margins. So when we think about where we are today whether we're looking at our operating margin or whether we're looking at our gross margin, we have demonstrated a capability to expand those margins and we've demonstrated the slope of the trend line.

What we can tell you as we look forward now in the short-term as we stand up LiveRamp as a public company, those lines will shift down, but remember the slope is not going to change. So we are committed to continuing our progress towards margin expansion and towards long-term profitability. So our model is working, the trends are clear.

Secondly, when you look at our performance characteristics across the board, whether you're looking at any of other best-in-class SaaS peers, whether it's revenue growth, whether it's dollar-based net retention, at the time of our IPO looking at sales and marketing as a percentage of revenue and/or at operating margin, we believe we

compare very favorably with best-in-class. Next, we would tell you that best-in-class for LiveRamp and for our entire management team is not simply looking at our best peers. We have the advantage of working with brands around the world from all kinds of industries and platforms around the world from all kinds of industries. So our goal and everything we do, whether it's with product, whether it's with our operations and how we run any of our functions is to be best-in-class and to adopt best practices from any and all industries.

Next, we believe we have an advantaged revenue model. On the left-hand side of this chart, you'll see a breakdown between our subscription revenue and marketplace. So about 85% of our revenue was subscription, and about 15% is marketplace.

Let me talk just for a second about subscription revenue. First of all, I would point that over this measurement period, very, very consistent growth. As a matter of fact, a 50% CAGR in terms of our growth in subscriptions. Next, this revenue was highly predictable as about 85% of it is fixed. And then third, equally as important with usage as James mentioned, we have strong customer expansion; on average, about a 115% net retention; in fact, it's a little bit over that.

One of the hidden jewels inside of our model is what Grant talked about with marketplace, and Anneka referenced it as did James, and you've heard it from all of our presenters today. Marketplace has the hidden advantage in that it really leverages our core platform. So why is that important? Well, it produces incredible leverage on a couple of fronts. First of all, it drives higher margins, immediate fall through, and then this business as we expand our client base and as we expand our offering, naturally scales, and an enormous advantage for us in terms of driving revenue growth and also expanding our margins while we're offering new innovation to our customers.

When we think about our business, we like any other SaaS business talk and think about landing and expanding. I was thrilled as James went through and talked about these terrific use cases, whether it was in automotive, whether it was in retail, whether it was in technology to listen to our presenters on the stage and in particular Michel talked about what we're doing at Carrefour and how we have worked with Nordstrom's and Samsung in order to expand our business with them. It's really all about starting with IdentityLink and then continuing to build more and to drive new use cases. So our growth in terms of landing and expanding is driven by use cases. I also think that one of the key things to think about in terms of the natural forces driving our growth is the fact that data is the key to customer experience.

I'll go back to my time at Amazon or to any other companies where I have been. Data is the key to customer intimacy and that is what we help our customers to do is to have better relationships with their customers. We help every platform around the world that embraces our technology and data store to be that much more relevant to their constituency and to their advertisers. What does that do? That naturally not only lands our business, but then helps us to expand our business. We believe however that we have a third leg to land and expand which is pretty unique, and we're going to call that extend. Why do we say that? Well, our business is not simply about IdentityLink. Our business goes beyond that. When we think about IdentityLink, we're now moving into talk about B2B, to talk about data store, to talk about TV, to talk about really the exciting things that are going on across the board and around the world with second-party data sharing. What does that allow us to do? Accelerate our growth rates, become even that much more meaningful to our customers and that much more meaningful inside the enterprise. So for us, it starts with landing, it then goes to – to land, it then goes to expand and over time, it's going to go to extend with every one of the products today which we offer and which are in development.

Evidencing that growth and how we've done are really our subscription trends. As James mentioned, and as I said just a few minutes ago, our subscription revenue is based on two things. A fixed commitment which is shown in blue and then also a usage fee. The great news is that if you go back over the last three years, what you'll see is

the quarter-in and quarter-out. Our customers use our products, and they use them in excess of that which they have committed to on a subscription level. So in essence about 15% usage revenue every year, year-in and year-out, coming on top of our fixed subscription level.

We believe that is indicative not only of a great revenue model, but it's also indicative of our customers really using our product and getting value for our product, which is obviously the most critical thing that we can do. Next, evidencing our growth and where we are is our dollar based net retention. On average, it's averaged in excess of 115%; in fact, it's been close to 120%.

In preparation for this meeting and as part of how we look at our client base, we also went back and looked at every cohort going back to FY 2015, 2016, 2017 and 2018. And we can tell you that for each of those cohorts that on average every single year our customers spend in excess of 15% more with us year-in and year-out. A proven ability to land and expand, and then on top of that going forward we look to extend our product offering into every one of our customers.

As we think about our path to \$1 billion, I'm going to go back to something that Scott introduced and we talked about on our last earnings call and that's Horizon 1, Horizon 2 and Horizon 3. And my way of thinking about Horizon 1, Horizon 2 and Horizon 3, it's short-term growth levers in your base business, it's growth levers that in the near to medium-term will fuel your growth, and then also making sure that you are making the necessary investments today that you can sustain your growth rate out three years to five years. So in the short-term, it's land and expand with IdentityLink. As we think over the next two to three years, it's take advantage of these businesses that today are now getting to meaningful scale, whether it's international, whether it's data store and/or whether it's TV. Today, those three businesses together are in excess of \$70 million of revenue.

And then as we think out into the third Horizon and growth for the next three years to five years, U.S. investors should understand that we are not holding back in investing in our long-term opportunity. Those long-term opportunities for us are things called B2B, called second party, and then also new categories that we hope to be talking about in the months and years, or in the quarters and years ahead. So we've got obviously a lot of work to do. We have a tremendous opportunity, but you should walk away from this meeting knowing that we have the growth vectors in place to drive toward a \$1 billion of revenue over the course of the next five years.

Let me next talk about the power of the platform and go back to my chart where I talked a little bit about marketplace. And if you remember, on the chart there were a couple of points and it talked about it leverages the platform producing high margins. Here's exactly again the hidden advantage of our marketplace revenue. We start with a base core platform, we layer on top of that TV, data store, B2B and second party. And guess what? Because they leverage our core technology, because they leverage our core identity graph, the contribution margin that comes from each of these alternatives is significantly higher than that of the core platform.

What does that mean for our business? I'd argue number one, it means a much richer offering for our customers, it means continued innovation for our customers, it also means higher margins, and then ultimately higher cash flows and a higher return on invested capital for you, our shareholders.

Let me wrap-up my presentation before opening it up, to bringing my colleagues back on stage and taking questions, to really talking about a couple of things. I want to talk about our unique financial position, and then, I'd like to get in just to a few guidance items.

What's really interesting. I think it was either Saturday or Sunday afternoon, we were going through our presentation today and we had this chart actually up on the wall and we looked at each other and we said, you

know what, if we could have sat here two years ago and written this chart, what would we have wanted to put in it and can we have ever written a chart that looked like this? And the reality is, this is the result of a lot of work, a result of a bold transformation that took place, and a lot of work at LiveRamp to create this network of business that we're in. But what it's created for all of us today? It's creating a great day one that can lead to an awesome future for this company.

We're starting with the strong starting point, \$2.1 billion of cash, next followed by financial flexibility. We have no debt. Unlike most new IPOs, we have no need for a dilutive financing. We have low CapEx requirements, about 6% of revenue in FY 2019 and probably less than 5% on an ongoing basis. Again, what does that all add up to for you investors, is a potential for high returns and a very, very strong return on invested capital. We're at an incredibly beneficial position and an incredibly unique position.

We have a balanced capital allocation strategy. Our capital allocation strategy is not something new to our leadership and management team. We would tell you to look no further than to our track record for what we're going to do in the years ahead. First of all, when you think about where we've been, we have just completed a bold business transformation. We've made a few acquisitions along the way, some were bold, but you know what, they had big payoffs whether it was live LiveRamp, Arbor, Circulate or PDP.

We've also returned significant capital to you, our share owners, over \$420 million of share repurchases to-date. When we think about our future, again it's more of the same. On funding our future and focusing on their business, that's our number one priority. We want to capitalize on the network effect of our platform, the needs of our customers and the importance of what we do in the health of the global ecosystem and then also constantly maintaining our financial flexibility. When we think about acquisitions and partnerships, we think about leverage. We want to leverage and continue to leverage our core platform and our core competencies whether that's global identity, ethics and/or a global network. In other words, go after things that leverage the platform just like we did with B2B or just like we did with Arbor and Circulate.

And then finally as a team, we're committed to returning up to an additional \$1 billion of capital to you, our shareholders. We expect in the next several weeks to launch a \$500 million tender and our board of directors has approved an additional, on top of that, \$500 million addition to our existing share repurchase program. So we are committed to returning up to an additional \$1 billion of capital to you, our shareholders, over the next two years all the while funding our future, securing our future, going after our right to win in this marketplace and keeping our eyes wide open to look for the best acquisition opportunities that can accelerate our growth and take us to the place we want to be.

Our long-term model, here's a look at what we think the future looks like for LiveRamp. One of the things that we feel too and in terms of statements that we can make. All of us have been around different businesses and we've seen different things and a lot of times you can have a long-term model and you kind of have to make about six turns and kind of look over about five hills before you can possibly see the type of margin or the type of growth that might be an aspiration for a company. We can tell you flat out that by line item, whether you're looking at our gross margins, whether we're looking at R&D, sales and marketing, G&A, the scalability of our infrastructure that we have line of sight to our long-term model.

Now let me come back to where I started my presentation. The slope of our trend lines are 100% clear and 100% demonstrated. Given the fact that we now have to set LiveRamp up as a public company, our lines are going to shift downward a bit, but make no mistake, the slope of our progress will not change. That is a commitment our management team is making to you. Line of sight to our long-term margin trends, line of sight to this model, this is what we're gunning for over the next three years to five years.

We have five initiatives in place in order to make this happen. First of all, number one, delight our customers and continue to innovate, land and expand. We're going to add a new initiative every year, leverage our platform and then scale our OpEx expenses with the growth of the enterprise, again, line of sight to our long-term model.

When we look at FY 2019, we wanted to put this chart in front of everyone, just so that you could see how we're thinking about our business in particular in this transition year. The biggest thing that I can leave you with and we want to be really clear about is I guess two things. First of all, as we mentioned on our last earnings call, this is going to be a little bit of a choppy year on the bottom-line because we are standing up this company as a public company and we do have transition spend.

We have spent to standup the enterprise, we have transition service agreements in place with IPG and other related spending. Our goal and our objective is that by and large that transition spending will be behind us at the end of this fiscal year, so that when we move into FY 2020, you're not going to hear about transition-related spending. This is about getting this done and set up over the course of the coming quarters.

Couple of things just to think about. First of all, take a look on the gross profit line. You'll see that for the first half of the year, gross profit was roughly 71%. And what we did with these percentages is we just tried to take the midpoint in our guidance range, just to give you an idea of where things might go. Now, again, you're going to see a step down in gross margins, but about 3 points of that has to do with transition related spending. The other drop in gross margin is really associated with the [ph] bit (02:18:03) addition of AbiliTec and some other additional related costs, again, to stand up to a public company. Going to shift downward, some of the transition spending will go away. Other part of this spending will now create a new base and then start to scale our gross profit up from there.

The second thing is on OpEx. We also have transition-related spending. So in the back part of the year, as we mentioned again in our press release, would estimate in the next two quarters about \$16 million of transition spend, but again that will go away as we leave the year. I think it's also worth noting on this chart that we continue to scale as a business. So if you look at our OpEx as a percentage of revenue, for the first half of the year, it was about 84% of revenue. For the second half of the year, we're already showing our OpEx, it's 74% of revenue in the back part of the year. So scaling, yes, trend lines will remain the same, the shift downward in our margin structure, given the fact that we are standing up LiveRamp as a public company.

A couple of guidance markers for everybody in the room. First of all, we are confirming our FY 2019 guidance and then as I mentioned at the outset, we are committed as a management team to be profitable for the full year of FY 2021.

Let me then conclude before bringing my colleagues back on stage for some question and answers exactly where I started. We couldn't be any happier than to be with you today and to have had a number of our wonderful customers on stage, talking about how we work with them and the opportunities that we've had together and the opportunities that we anticipate having together to innovate even further. We believe that our business model is advantaged and we believe that our track records demonstrate that it is working. Our goal of a \$1 billion of revenue within five years, we believe, is in reach and the growth levers are in place. We expect to be profitable in FY 2021 and we start this next leg of our journey in an incredibly unique financial position.

Thank you for your time today. I would now like to invite my colleagues to join me on stage and we'll take a few of your questions.

QUESTION AND ANSWER SECTION

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Great. So we're going to spend the 25 minutes or 30 minutes with you answering your questions. We have two or three mic runners in the room. So if you have a question, please raise your hand, we'll get a mic to you. Our ask is that you ask the question in the mic so that those listening on the webcast can hear.

Daniel Salmon

Analyst, BMO Capital Markets (United States)

Q

Thanks everyone for the presentations today. I may come back with some bigger questions in a moment, but Warren I'm going to go right to nitty-gritties on guidance just for a moment. The \$1 billion target over five years, is there just as – for those of us who are going back and marking models and things like that. Do you have a starting point in mind for that five years? Do you think of that purely as organic growth? Do you think that there may be acquisitions layered into that over time? And then maybe just a big picture one, I know you've talked in the past especially about moving beyond marketing. Does it have some of that in the thinking as well or are we looking at largely the businesses that we've gone through today? And then just a real quick one. You mentioned profitability in fiscal 2021. Just we've got a few profit metrics going down the model. Just exactly which do we mean, EBITDA, adjusted EBITDA, GAAP, et cetera?

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

A

Okay. Let me first go to the question about what is year one? FY 2019 is year one. Secondly, as we think about our growth targets, we don't bank on M&A as something that's going to happen. We have plenty of growth initiatives and levers are in place that will allow us to get to that target. Now what we would say Dan is that clearly we're not going to shy away from great opportunities that can accelerate our revenue progress with acquisitions. So we would tell you; one, we'll look for acquisitions but at the same time, we fully intend to be equally as disciplined going forward as we have been in the past. There's no change in philosophy, no cash burning a hole in our pocket whatsoever. This is all about fund our business, we have an incredible opportunity with incredible clients and a greenfield of opportunity in front of us. If acquisitions can to work to help us out, then great.

Secondly, as we think about, and I want to make sure your next question is about leverage and guidance on...

Daniel Salmon

Analyst, BMO Capital Markets (United States)

Q

[Inaudible] (02:23:34-02:23:39)

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

A

That is operating income. So we're looking at operating income. It's not lost on us that it doesn't go from A to B all at once. So we would tell you as you think about FY 2020 even though we're not giving guidance, recognize that we would expect just as we have done over the course of the past quarters and years. We expect this progress to be – we expect to get better every quarter. Growth will never be perfectly linear, but this is about a constant journey and a constant march toward profitability. So the entry point won't be sudden. You're going to know it's coming well ahead of time.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Great. Next question.

A

Q

All right. Thank you. As you were talking about the TAM earlier, I just wanted to ask you talked about in terms of take rate as applied to your current media activities. As you expand into additional media channels and marketing activities, I'm kind of wondering how you expect that to hold up. Specifically as you're expanding into addressable TV, how is that analogy holding up so far? And then, secondly, I wanted to ask about DoubleClick deprecation. What kinds of conversation that is driving with your clients currently? And if you could talk about the opportunity we might see there? Thank you.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Scott, why don't you?

A

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

Maybe I'll take the first and you want to take the second on the DoubleClick ID?

A

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

Sure. Yeah.

A

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

So in terms of take rates, it is all over the map. And the numbers that I gave earlier are broad brush averages. The way that we think about how the market might develop over time is essentially back of envelop math. The numbers that I shared with you, we've shared with Gartner, we've shared with Forrester, we've shared with the analysts and scrubbed them, sense-checked them. The real takeaway in our mind is, is the opportunity a big one or a small one? And we believe that whether the take rate is 5% in one channel or 8% another, that when you add it all up, it actually is a very significant opportunity.

A

Going back to the question earlier around how we're going to go after that. We're going to be driven in large part by what our clients tell us. We use them as a guide. As a general principle, we think that companies that listen to their clients and really think about what they're saying and then try to go act on that, succeed. And those that ignore what their clients are saying, fail. So what that suggests is as we expand from media into some of these adjacent sectors, if our clients say light up the marketing cloud or addressable television, that's what we'll go do even though the take rate in television might be 100 basis points less than something else we could do.

Likewise, as we think about these very distant adjacent sectors, you should expect that the way we'll approach those is by dipping a toe in the water typically around a client or handful of clients that will set us up for kind of a beta test as opposed to use that as a basis of crazy, ill-founded acquisitions. That's just not how we're all here. I'd say in any given year we look at hundreds of things, and in our time together, we've executed against three, four, if you count, PDP which was really an acquire.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

James, do you want to address the question on the DoubleClick ID?

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

A

Yeah. Sure. Just so everyone is aware, most of you are. So Google announced, I guess a couple of quarters ago now, deprecating some of the data associated with DoubleClick IDs and the ability to leverage it at the impression level. We've been working very closely with Google on this. And in fact they delayed the roll out of this for the U.S. I guess they recognized how this is being used by our joint customers. There's a number of options that we're exploring with Google around as data hub as well as options outside of that. Nothing that we can announce at this point, but we're very comfortable in how Google is approaching this so that it doesn't cause pain for our joint customers. So stay tuned. A lot of work being done behind the scenes with Google. We have a great relationship with them. We don't see this changing it. And the fact is that this solves real problems for the clients and they're approaching this from the right way which is working with them to figure this out.

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

A

The only thing that I would add is that work that we're doing with Google is happening globally.

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

A

Yes.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Next question.

Q

Yes I'll go then. Firstly, Warren, as you grow through the guidance for the future, how are you looking at the free cash flow for the next few years?

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

A

We should be in – when you look in our model, it's so beautifully simple as we look primarily first at EBITDA, then we look at CapEx which should be pretty manageable. Our CapEx we think will be less than 5% of revenue and the only time we get a blip and we've got a little bit of blip now is, if we have to build out facilities. For example, we're building out a new floor this fall in San Francisco given the accommodation of head count. So if you assume, if you think about CapEx as being roughly 5% of revenue, keep working capital pretty constant which it should be, I would just focus on EBITDA and that should, EBITDA less CapEx, and you're going to get a pretty good idea of free cash flow.

Q

And then a little bit bigger picture for you guys. As you look at other use cases, and you discussed briefly what other sectors you can go in like healthcare, where do you think will be first, where do you think you're going to start focusing as you know to build those sectors up, in other use cases?

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

A

Yeah. I would say in some respects we're already dipping our toe into the water. It's not necessarily always going to be because of something we decide to do. And in fact in some of these adjacent sectors, what we'll do is we'll look for partners to help drive the efforts. It's much lower risk way. We're kind of indifferent whether we're catalyzing someone else who's using our technology or whether we're driving it. And so in healthcare, for instance, I'm working with a partner who has licensed our technology in very early stage, but very little work required on our part because the partner is doing the efforts. Likewise, we – for the last four months or so, maybe a little bit longer, we've been exploring the fraud space. I would say with each of these initiatives when I talk about exploring, we're talking about typically one to three people that we would deploy on that effort and we'll not put significant spend against something until we have proof-of-concept.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Okay. So another question.

Q

Yes. James I think you mentioned during your presentation that you're bringing on about 40 clients per quarter on average, but you want to accelerate that. today, what are the bottlenecks that have been keeping you at that level as it's an issue of needing more sales people, of more people to do implementation or is it something else entirely?

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

A

Sure. Well I mean we can always use more salespeople. And as I mentioned, we have expanded our sales team this year. You got to remember we're creating a category here and we're still creating that. Some of the more data onboarding use cases and these are areas that we may have a little more competition with some of our partners that we actually enable in the market. That's a little more known, but we're really out there positioning identity as a foundation and there's still a lot of market education that needs to happen. And with that, it does require some work. That being said we are very bullish in our ability to continue to drive customer expansion, net new customer acquisition for quite some time.

Q

And sorry a follow-up it's unrelated, but you also mentioned that kind of LTV to CAC ratio, you guys were doing about 4 which is great. You know over time you might expect that to come down, I guess just broadly speaking for the management team. At what point does it become an unacceptably low ratio? What ratio is too low to be unacceptable use of capital, just as we're kind of trying to frame how you guys think about deploying capital as the business grows?

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

James, you want to take this one?

A

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

Sure. So you know we're at 4 right now. And one thing I want to point out, when we calculate that we only base it on our subscription revenue. So we don't include marketplace revenue in that. So it's actually even higher because the same theme is supporting those additional revenue streams. We don't necessarily expect to see it go up. We're highly confident that we're creating more scale in our business and not less, and as such we feel pretty good that we're going to be able to manage and create more scale out of that.

A

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Great. Next question, Dan.

A

Daniel Salmon

Analyst, BMO Capital Markets (United States)

I'll come back and maybe one for James and then one for Grant and Allison and afterwards. But James, just to follow-up on – and I know you touched on this before in your presentation and I was a little late, missed some of it. But just sort of following on that client growth acceleration, just what your opportunity is to create more of a reseller program? And I know you touched on this a little bit before but you maybe just help us a little bit with who those type of organizations might be? I think maybe IPG is probably a certain one to start. But you've been doing that a little bit more lately. Just help us fill out what that sort of reseller program might look a little bit more like?

Q

And then for Allison and Grant, I'm just curious as the sort of two new additional use cases, I'd love to hear a little bit more on how you get pulled into an engagement. Is it, say Allison, you're aware of a certain big TV brand that James' organization has started to engage more a big CPG or an auto and so naturally featuring a TV solution probably might makes more sense there. Likewise, in B2B, categories like enterprise software, stuff like that. Is it being tied in with the sales even knowing those key categories where you come in, I'm sure you're generating your own conversations as well. I'd just love to hear about the interplay of sort of core LiveRamp and the new use cases?

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

So for B2B, we actually have our own demand team, so we have actually a sales team and account management with [indiscernible] (02:35:14) of experience of selling specifically third-party data into B2B, part of that came through the Pacific Data Partners acquisition, as there was a built-in team there and then we've just expanded it. So there's actually marketing and we got to market and so that's a nicely operating little business unit. We're also building a B2B ID graph. So that are the B2B pieces.

A

For the rest of the – the rest of the data categories that include Allison, we view data as horizontal, so we want to inject third-party data into every part of the business whether it's platforms, TV, brands, subscriptions. And we have actually on the data team, people assigned to those different constituents, even inside of LiveRamp. So we have for example Dennis Ellis at international; we've got a guy named Jeff Smith who runs brands; we've got

Allison on TV; even we've got people dedicated to helping make sure that they're up to date on all of the data offerings that we can inject into those different businesses.

Allison Metcalfe

General Manager-LiveRamp TV, LiveRamp, Inc.

A

Certainly for TV, it's certainly both a push and a pull. So in my team, we have three people that are a 100% focused on, we use the word demand gen as well, so they don't have account manager responsibility ownership. They are there purely to support our colleagues in the brands team, and they actually have a hit list. So we've gone through every single brand that we have, we've researched the TV ads spend, who their agency is, what they're doing, and we've prioritized them, and then we proactively go to the brands team and say we want to get in front of these brands, so how are we going to do that?

And then conversely, if TV comes up in one of their conversations, they'll pull them in. And those subject matter experts are tied. They have revenue goals. It's not fluffy at all and with their very black and white objectives of how much revenue they are expected to drive, granted that we're getting paid by Comcast in this case, [ph] right not the gap (02:37:12), but we can still check all that. So it does both, but it certainly we're being highly [ph] ahead and proactive here (02:37:21).

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Great. Next question.

James Arra

President and Chief Commercial Officer, LiveRamp, Inc.

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[indiscernible] (02:37:24), I think Dan had an additional question about the resellers. So let me talk real quickly about that. Clearly IPG and Acxiom are a very important strategic resource to us and we see a lot of growth opportunity within that. What I was talking about earlier in my presentation are what we call point solution resellers and these are resellers that service a use case or a set of use cases. So think of a media platform. Media platforms want to be able to offer first-party data onboarding or CRM retargeting as part of their offering. And we have dozens of media platforms out there that are selling our services, integrated in with their media buys and enabling this. We see opportunity to really expand that. As I mentioned earlier, it's become about 10% of our business to date, really through very little effort and we're now through our Growth Solutions team, putting a little more emphasis and focus and how do we really energize that channel? How do we get significant growth from it?

So that's one area that we expect to see higher growth from it. The other area is beyond AdTech, it's very AdTech-centric today, our point solution resellers. We're developing integrations throughout the entire customer experience stack. And as such, we're starting to sign some resellers that were on those – very similar to what the trends that we saw within AdTech, applicability of data is it creates a lot more value for these platforms, and we're going to be able to drive a lot more revenue through that.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Go for it.

Q

Thanks. It's [ph] Tim Nolan from McCormick (02:38:56). A couple of questions, please. One is on competition. I appreciate where you are and where you've come to now. I just wonder what makes your moat so large and sustainable. Why can't somebody else come in and build some things, especially a lot of big players out there?

And then a couple of questions on TV probably for Allison. First off, you talk about 15% of data enabled ad spend on TV. I just wonder if you could define that a little bit further. My understanding is so much that the market is still Nielsen led in terms of ratings and I guess you're meaning any other form of data that works into the system, I was wondering if you could describe a bit more. And then maybe the other side of that would be it seems to me your – all the work you're doing onboarding data into the TV ecosystem means you build yourself a position where you can start reporting back on that. Could you become more of a player in the media measurement space over time?

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Anneka, why don't you address the first question on competition?

Anneka Gupta

President and Head of Products and Platforms, LiveRamp, Inc.

A

Sure. So from a competitive standpoint, when we think about what really differentiates our platform, it goes back to our four pillars, but really within that there's the neutrality of our platform. So the fact of matter is if you look at any other player out there they're building a business. They may be building identity, they may be leveraging us for identity, but they're using that to accelerate some other part of their business. And when you're neutral, that means that we can integrate everywhere. And you heard from our customers that they don't want to be forced into choosing which platforms that they're going to use.

For a lot of the other players out there, they have other platforms that are competing with them and those platforms are not going to allow them to integrate. Same thing from a data store perspective, if you're not neutral, you're not going to get all the world's data into your data store, so I think that's a really key piece.

And then the second piece really comes out to our identity assets. When you look at other players out there they just don't have the same identity assets that we have. We can connect email address, name and address, phone number, connect all of that to the digital IDs as well, and everyone else out there really only has a piece of the puzzle. Now, could they go invest in it, and build some of those assets? Yeah, maybe, but it will take them a very long time to do, especially in the offline data assets, the AbiliTec product that we brought over and the IP that we brought over into LiveRamp has been built over the course of 20-plus-years, so it is not easy to replicate.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Allison, do you want to take the couple of questions on TV?

Allison Metcalfe

General Manager-LiveRamp TV, LiveRamp, Inc.

A

Sure. So the first one was, what does data-enabled actually mean, and you're right, it is anything that's beyond basic Nielsen age and sex demos. So anytime people are using – so that – it's really predominantly going to be audience-based buying/data-driven linear or addressable TV where you're using data beyond those two things. Does that answer the question? Okay. Perfect.

And then I think if I interpret your second question correctly, you're wondering – what I heard you say is you're getting all these insights and whatnot, is there an opportunity for you to create more reporting tech products and maybe you're thinking about measurement, maybe you're thinking about analytics. And I would say our general position that we kind of philosophically maintain at LiveRamp has not changed that we are enablers of those things and we really prefer to rely on partners that have deep experience and expertise. For TV measurement for example, we're getting very close to a company called Data Plus Math, and we made an announcement about that, we're enabling Adobe, and other partners like that, and that's the trajectory that I think we'll stay on. We're always evaluating and listening to our customers of course, but at the moment that's still the path we're on.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Great. Next question?

A

Q

Hi. You guys have a ton of great growth opportunities that you've talked a lot about today, that's really exciting. But I also want to – I'd like to ask about match rates and talk – and if you guys could just go into maybe some more detail on the things you're doing today to continue to improve match rates for the existing customers, using the existing products, which is both ultimately what drives the efficacy of the product for customers and also is kind of what I would say the KPI that I would look at for relative to competition?

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Anneka, do you want to take that one?

A

Anneka Gupta

President and Head of Products and Platforms, LiveRamp, Inc.

Yeah. So I think the effort that is the most important for us and continuing to build match rates and also create defensibility around our match rates is our Smart Reach co-op. So Smart Reach for those of you that don't know is our co-op where customers can contribute identity match data and this can be online to offline matches, online to mobile, offline to offline, any kinds of matches they can contribute that into a pool that's only accessible and usable by other people that are contributing. And when clients contribute to the pool it's not discoverable. So it doesn't mean not like because you contribute people can tell who your customers are. No, they're just contributing the match data to improve match rates.

A

We've been building the Smart Reach co-op for the past two years. We have over 100 customers signed on to Smart Reach and many in various levels of implementation. If you look at how much Smart Reach is contributing now, it's about 15% of our matches are coming from Smart Reach and we expect that to grow substantially over time.

Scott E. Howe

Chief Executive Officer, LiveRamp Holdings, Inc.

Let me add one thing to that and expose kind of the dirty myth in the industry which is match rates actually are kind of the competitive war. Match rates are the biggest ton of baloney in the industry, and what I would ask is that all of you help us cast a spot light on this. If we wanted to improve our match rates, we could do it like that. All

A

we need to do is dial down our relevance. And so there are plenty of fraudulent competitors out there saying we have 90% match rates but they're not deterministic, accurate match rates, it's garbage.

And so if you actually do an analysis on the matches, you'd find that the people they say are women aren't that the people they say live in California live on the East Coast, and the people that they say are interested in buying a car, probably clicked on a car article six months ago. So you can turn the dials up or not to create the perception that you want, our belief is that it is all about the accurate number of deterministic matches and in head to head competition, we are so materially far ahead of anybody else in the industry, most of whom I would say are buying our match data wholesale and using that to private label with their own efforts. So don't believe everything you hear on this. Talk to clients and I think they would tell you that our data is more ethical and more accurate.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Okay. We have time for one last question.

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Q

Snuck it in, thanks. On the connected TV, clearly you've got some foundational partners. The business is beginning to move, but how long will it really take for that business to takeoff? Is it one year, two years, three years away? And what are maybe like one or two things that really have to happen for that business to inflect?

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

Allison?

A

Allison Metcalfe

General Manager-LiveRamp TV, LiveRamp, Inc.

Great question. I think that there is kind of two signals that I can reference that inform what I think it's going to happen is, one is, industry reporting trends like eMarketer and things of the like that are making certain predictions about where OTT is going and that is where a lot of the numbers you saw that I showed around OTT, that's where that's coming from.

The other data point that I do have it's a little bit more tangible and closer to home is the brands that we work with are starting to demand that they want to start pushing their data into the likes of Hulu and Roku much more than ever before. And so, for example, a lot of the OTT partners we have are data store buyers, they're buying that data to be able to sell better ad solutions to their clients and we're seeing tremendous uptick in the consumption of that data. And again that is, they're only using that data to sell better products at targeted advertising to their clients and we're seeing an uptick in first-party distributions as well.

So I'm very confident in the number that I showed you which side we were looking to OTT spend getting up to \$8 billion by 2020 based on those two data points. But again that is where someone at the whim of the market adopting those things.

Q

Great, thank you.

Lauren Russi Dillard

Head of Communications & Investor Relations, LiveRamp Holdings, Inc.

A

Thanks, everyone. I will now turn it back over to Warren to take us home.

Warren C. Jenson

Chief Financial Officer, Executive Vice President & President-Axiom International, LiveRamp Holdings, Inc.

Great. So let me conclude on behalf of my colleagues on the stage and all of LiveRampers here today to thank all of you for joining us. Would like to conclude with just a few thoughts. And I'd like to go back right to where Scott started our day off today. We believe this is a network business and fundamentally we are the network. We think we have a tremendous opportunity and we have our sights on a \$1 billion within five years. We're the clear market leader with significant share and we believe significant competitive advantage and our focus is not on growth simply in FY 2020 or in 2021, but it's on a decade of growth.

And then, finally, before asking you to join us for a drink or a refreshment up on the 7th floor, I'd like to end with one final thought. Again, as we've gone through this period over the last several years and in particular this past year, a lot of our talk and a lot of our discussion with many of you has been on transformation, it's been on how was the sale going, it's been on how were you going to deal with separation, what is the business going to look like. One of the things that you should recognize is that as of October 1, all of that collective energy, which over the last five years has been focused on transformation is now 100% focused on growing LiveRamp.

We look forward to reporting our results in the coming quarters and our dialogue and to sharing more time with you this evening. Please join us on the 7th floor for a cocktail. We look forward to talking it again. Thank you for joining us.

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