Corrected Transcript

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LiveRamp Holdings, Inc. (RAMP)

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CORPORATE PARTICIPANTS

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Scott E. Howe
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Elizabeth Porter
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MANAGEMENT DISCUSSION SECTION

[Abrupt Start]

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

...joining us for the Morgan Stanley TMT Conference. My name is Elizabeth Porter. I'm an analyst on the US software team and I'm really excited to have with us today LiveRamp's CEO and CFO, Scott Howe and Lauren Dillard. Thank you so much for joining us today.

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

Thanks for having us.

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

Thank you.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

We are going to take audience questions, so at the end the mic will go around. And before I begin for important disclosures, please see the Morgan Stanley Research Disclosure website at www.morganstanley.com/researchdisclosures.

QUESTION AND ANSWER SECTION

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

And with that, so you guys just had your RampUp user conference in San Francisco just last week.

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

A

You were there?

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Yes, I was there. It was awesome. So I'd love to run through what are some of the key themes and trends kind of coming out of the conference? And how are you guys positioning the company better to align with those trends?

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

A

Yeah, I think it's an interesting time to be an investor, not just LiveRamp, but in ad tech space actually, because there's so many existential trends happening all at once. And so that means disruption and value creation, and in no particular order, you got signal loss with the deprecation of cookies that's already started with Safari and Edge and Firefox and Chrome is kind of the last piece of that which will happen this year.

You have television tipping the trend from linear television to CTV, where everything is digital, everything is trackable. You have kind of a fear of missing out relative to companies like Amazon that are collecting massive amounts of data. And so that's fueling data collaboration amongst everybody not named Amazon. And that in turn is fueling an embrace of the cloud and clean rooms to make that data collaboration possible.

So, against that backdrop, it's really fun to be in business because LiveRamp is positioned very favorably against each of those trends. And in particular, two things we spent a lot of time talking about in our conference and had a lot of interest back, one was, how do you respond to the signal loss from Google? And we shared some case studies about the fact that consented or authenticated users perform much better than those that are on cookies. The case study that Google released with us showed a 4x lift improvement, 400%. You don't see that very often, those kinds of results, and incremental volume. So, Google was on stage two, and their big message was don't wait, it's time, it's time to switch.

And so that could be really good for us. And then the other thing was we just bought, as you know, Elizabeth, a company called Habu, which is simplicity to our scale. This combination of the two together make clean rooms really easy. You can work with any cloud with just a press of a button. And so we spent a lot of time talking about, hey, this doesn't need to be hard. All this data collaboration that you're all trying to do doesn't require deep technical integration. It literally should be as simple as pushing a button to make it happen.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. A lot of good stuff in there that I want to dig into more, but I'll first start with the signal piece and cookies. And so, right now it looks like we may be headed to the end of the third-party cookie Chrome deprecation by the end of this year. So what is your sense of how many companies are fully cookie-less today? How many are still yet to making the transition? And then how do you expect to capitalize on those that haven't transitioned yet?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah, maybe I'll start and Lauren weigh in on some of the economics, but I feel like, I mean, you and I both lived this before, most recently GDPR, more distantly Y2K. But, as an industry, marketing hasn't been quick to, like, get way out in front of the trends. Too often it seems like they wait until the 11th hour and then panic. And while I'd like to tell you that everybody's ready for a world of cookie deprecation, it's simply not true. Most of our – literally all LiveRamp advertisers are enabled to go cookieless. It's part of the technology that they have. Right now they're using that to target particular cookies. So it's seamless for them. But have all of them embraced it? No. And from a publisher perspective, has everybody embraced it? No.

That said, if you go back, like, four, five years, less than 10 of the top 50 publishers were doing authentication where you go to a site and you log in or you get to the site by clicking on a newsletter or something like that. Now it's all 50 of the top 50 sites do some form of authentication. So the world is making steps, but they're not where I'd like it to be yet. The important thing is if Google does follow through on their timing, they'll probably be a little bit of panic in the industry. And we, along with Google, want to be in a position where we can go out and say, don't worry, we got you, and capitalize on that. Any time there's disruption in industry, there's an opportunity to win. So we want to position ourselves knowing that if the timing doesn't occur according to Google's intent, no problem. We'll continue to support the industry as we do. But if it does, we think there's an opportunity for us to grab it and – yeah.

Lauren Russi Dillard

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

A

Yeah, no, I mean, the only other thing I would add is, today the majority – the vast majority of the use cases we do support are already cookieless. So we are integrating data directly with walled garden publishers like Meta or TikTok or Amazon or others. And for some of the remaining use cases that have historically relied on cookies, there are cookieless solutions now available to our advertisers. And we talked a lot at our user conference last week about PAIR being one of those solutions to enable our customers to onboard and use data through Google's DV360 product.

Early kind of results and use case results we've seen have been really encouraging here where customers are seeing 3, 4 times improvement in return on ad spend when leveraging this type of technology, which we think over time could drive increased volume on our platform leading to higher ACVs as well as potentially become a channel for new logo acquisition for us.

Elizabeth Porter

Analyst, Morgan Stanley & Co. LLC

Q

And then, Scott, one of the other trends you were hitting on earlier was just data collaboration. That's like FoMo. Everybody wants to get as much data as they can. And so we've seen this proliferation of clean rooms. You guys have a clean room. We've also seen clean rooms from Snowflake, AWS, GCP. So help us understand is this competition, co-opetition? You have announced some partnerships here. So what are you guys actually doing that's differentiated with regards to the larger Snowflakes, AWS, GCPs?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah, it's – I worry about the term clean room. I think it's going to be filed right up there with CDP and DMP as things that had a lot of hype that early adopters were incredibly disappointed by. And so we've consciously talked about ourself as a data collaboration platform, which we think is much bigger than a clean room.

To me to do interesting things with data, you need to do five fundamental things. You need to ingest data from different sources. You need to have a identity spine which allows you to keep different datasets and co-mingle them either permanently or the moment in time. You need to have connections back out such that you can use the insights that you've created at the moments that matter. You need to have a data governance capability that allows if you're doing data and collaborating with other companies, you want to control that and tell them under what circumstances can they use it for how long and under what use cases. And then finally, you need to have workflow, the UI itself that allows you to manipulate the data.

Now, the first four of those capabilities that I talked about, those are all about scale, size matters a ton, because there's a network effect, and companies want to plug into the network. It's not unlike the railroad system, the freeway system, the phone system, like the power grid. Everybody should just be on the same system, because the value of the product is the fact that you can reach everybody else and you could all be governed by the same standard. So that's why we're neutral and interoperable, we made a big deal about that.

The fifth, the UI, the workflow piece, we don't care who owns that. And so, if it's Snowflake or Databricks, all the major clouds are our partners starting up their cloud data warehouses, all of the major CDPs like Salesforce, Genie, Adobe, they are our partners. All the major agencies who own CRM systems like Epsilon and Sprint, they are our partners. And so, if there was a Venn diagram of competition, where we run into them, where there's overlap is always that workflow piece, and we go in and we pitch them, a client that maybe looking at one of those alternatives, our answer is simple, like, choose who you want, we don't care. But these other four things you're going to need. And oh, by the way, those other four things make whatever you choose from the workflow, either work or not.

And we see that, like, when the clouds utilize LiveRamp in concert with their cloud stuff, they saw a 10x increase in storage and compute. So they don't have a problem bringing us in. Now, I will say some of the clients might have a problem, because one of the dirty secrets of the way clouds are architected today is they make more money if they create a single copy of all the data. And so they duplicate everything. And so if you're a client, you get a 10x increase in your storage and compute bill, that's not a good thing. So having this interoperability layer where the data can be utilized without necessarily being copied into one place is going to be really important long-term. We think the four things that we're really good at are going to be absolutely essential for anybody who wants to do things with data. And oh, by the way, who wants to do things with data? Every company in the world. Like that's how you compete now.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

And from a financial perspective, as you're working with more of these partners, how does that open kind of the top of funnel for you guys? What could it mean for new logo acceleration and what have you guys seen thus far?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Yeah, I'm happy to take that. So I think one of the initiatives we've talked about pretty consistently over the last couple of quarters and years really has been growing our channel partner strategy, and clouds are a really critical component of that. So if you think about the Snowflake relationship as an example, we have a tight co-selling partnership with Snowflake whereby you can think about them as bringing LiveRamp qualified leads that then we have the opportunity to contract on our paper and own a direct relationship with. Also in that example, a Snowflake seller has the ability to retire quota when they source a deal like this on behalf of LiveRamp. So there's financial incentive for them to pull us into opportunities when it makes sense. I would say we're probably furthest along with partners like Snow and GCP, but hope to kind of replicate that co-selling motion with some of our other cloud channel partners as well.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. And then just keeping on kind of the go to market perspective, you guys refreshed a lot of the salesforce after some attrition during the pandemic. So it would be great to just get an update on the progress you're seeing there. Any sort of metrics you can provide on productivity, kind of [ph] ramp timing (00:13:50)? And in the most recent quarter, you noted you guys had some of the highest new logo bookings in 10 quarters. Is this part of that just coming through the model?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Do you want to go, Scott, or you want me to?

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

A

Go ahead.

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Oh, yeah, I'm so happy to. And I think what Elizabeth was referring to is, coming out of COVID and entering kind of this period that was dubbed the great resignation, we did see abnormally high turnover in our sales force within a very compressed period of time. And this caused downward pressure on both sales capacity and sales productivity. And as a result, we've had to rebuild a significant portion of our sales force under the headline of never letting a good crisis go to waste. As we've rebuilt, we've really changed our approach to sales hiring and have put a much greater focus and emphasis on hiring very seasoned, experienced enterprise software sellers with deep industry expertise against the verticals we're attacking. And as Elizabeth mentioned, we have been able to rebuild capacity. Today I think we're sitting 10% to 20% above where we were in fiscal 2022. And importantly, kind of given the quality of the reps that we've rebuilt with, our productivity is also up. And so in the most recent quarter and fiscal year-to-date, sales productivity as measured by bookings per rep is up about 20%, which is also very encouraging, and I think a really strong leading indicator for future growth.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. So, want to switch over to Habu. That was a really exciting acquisition that you guys announced. So just kind of [indiscernible] (00:15:43), quick overview of, kind of, Habu? And then, what does the acquisition bring you from a capabilities perspective that you didn't have before? And what are some of the key synergies you guys expect to realize from bringing this in?

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

A

Yeah. So, I may sound ridiculous right now because 5 minutes after saying, hey, I hate the word clean room. Habu is a company that build itself as a clean room. Now they are a data collaboration platform. And they're fairly small, but they're also incredibly rapidly growing. And they were starting to move the needle with our clients.

You know what? I'm a pretty big believer, like the way you build great product and technology is you listen closely to your clients, figure out where they're trying to go and then get there before them, right. And what's so interesting is, half a dozen times over the last year, we've had clients say, hey, we really like LiveRamp. You guys are the scale leader, but my God, you're so complicated to work with. And we are [indiscernible] (00:16:56) is, where we created the category and now we're transitioning from, like, everything's complicated to, we got to make it simple such that the masses can understand it and use it without a huge cost to serve.

Well, what we heard from those clients is you're complicated. There's this company out there called Habu that makes everything simple. They don't have scale, but my God, their user interface is really slick. It makes setting up collaboration as simple as you can go to a screen and click a button. And so we started talking to them. They had all the poor sales reps, but they had really good product. And so it was just this great marriage because now we have a big sales force, the product that they built and the vision they had is very complementary to what [ph] we'd had. And think (00:17:50) about it as our scale meets their simplicity. And because the way they built their product was it was floating on top of Snowflake, it was floating on top of Azure and Databricks. It became a really easy integration, like, already we're out in the market selling. In the first month since we acquired them, we've increased our pipeline by about $30 million, and that represents 200 unique opportunities. Because we can go out, we don't have to say, hey, coming to you in August, because it's ready now, because it's such a lightweight integration.

So, we're pretty excited about it. Notably, we talked a little bit about Google PAIR earlier. Well, Google announced a year ago three launch partners for PAIR. It was LiveRamp and Habu and there is another company, well, the two biggest just merged. So we feel like together we can really capitalize on the trend to moving to cookieless.

Elizabeth Porter Q
Analyst, Morgan Stanley & Co. LLC

Great. And going back to PAIR. For those that might be unfamiliar, can you just remind us what exactly PAIR is?

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

Yeah.

Elizabeth Porter Q
Analyst, Morgan Stanley & Co. LLC

And then from a LiveRamp perspective, how are you guys benefiting financially with PAIR?

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

Yeah. So PAIR is [indiscernible] (00:19:21) cookies. It stands for Publisher Advertiser Identity Reconciliation, which is just a complicated acronym which we love in the ad tech space. To say that any time a targeted advertiser is seen, consent is going to become really important. You got to have consent on the advertiser side. They built like their loyalty database. It might be like Albertsons' CRM database. They want to reach their users again. You got to have consent on the publisher side.

New York Times, you go there, you sign in, and so you've given consent. When consent on both sides happens, then Google sits in between and makes the match. And to make that match, they use us and we have relationships with hundreds of advertisers, about 90% line of sight to the major publishers, time spent online. So we're in a really good position to be the carriage that makes that match.

And how do we get paid for that? Well, this is technology we give away to all publishers' destinations. The way we get paid is through subscriptions with the folks that are doing something with those destinations, with their own marketing efforts. So we get paid through a marketing subscription. 80% of our business, Elizabeth, as you know, is SaaS, so highly predictable and recurring.

And if you have a subscription with us, it allows you to advertise on DV360, Trade Desk, Meta, you know, all of the top 50 publishers, marketing like text, pretty much anything that's digital, CTV. If it's digital, then you can probably deliver a more addressable experience to your user.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. And I want to get into a little bit of financials. Before kind of going too far in the forward-looking, I want to take a step back [ph] and think you (00:21:36) about some of the challenges that you guys have worked through. And one of those were SMBs. And so, my question is around how much of the tail of SMBs do you think we've worked through and kind of those coming up for renewal? Kind of why were they a challenge and how far do you think we've kind of come through that headwind?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Yeah. And maybe to address that, I would just even take a step back and remind you that the vast majority of our customers and ARR generated by large enterprise marketers. So think of Fortune 500, Fortune 1000 consumer facing brands. We do also work with some smaller companies, call them SMBs. And for LiveRamp, those companies fall into two buckets: first, our brand SMBs and the second are technology partner SMBs.

So think about these companies as the media buying platforms or adtech partners that our brands use to execute media. And it's really in this latter group where we've felt some recent pressure kind of given what's going on in the economy and some of the other kind of market dynamics impacting their business models.

What's interesting, however, is while this could put pressure on total customer count, it tends to be more or less neutral to metrics like ARR, because to the extent we work with everyone, if dollars or volume shift from one DSP to another or one media platform to another, we recapture that spend through other partnerships. All that being said, I think, today SMBs represent a low-double digit percentage of total ARR.

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

A

And just double clicking on that a little bit. So we work on the tech SMB side, for instance, with 65 different DSPs. The market shouldn't support 65 DSPs, maybe there should be five. And that consolidation is going to happen. We're insulated from it. We'll lose clients. But our revenue will remain roughly, roughly equal as the adtech ecosystem changes around us.

On the direct SMB side, there's a tremendous opportunity. So today we work with a little less than 1,000 direct brands. If you look at like Google DV360, they work with tens of thousands of brands. Their share of the DSP market is 40% and in many international markets far higher. So almost every company in the world has Google DV360 on their media plan. There's a tremendous opportunity when the cookie stops working. If you want to use DV360, they got to use PAIR.

So there's an opportunity for us to claim a lot of share with some of these kind of torso advertisers that we've never served effectively. But Google can walk us into those accounts as long as we can serve them effectively. And that's why, we're really excited [ph] when you (00:24:58) went to our conference we talk so much about PAIR. The reason we talk about it, the reason we [ph] brought (00:25:01) Google onstage is because we think it's one of the greatest new client origination opportunities we've ever seen.

Google has always been one of our biggest lead gen sources, but it's been 100 clients a year. Well, all of a sudden they're going to have 10,000 clients or more in a year's time that are going to need to do something of which we're one of the only answers to serve them effectively. And so, we got to be in a position to catch that demand.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Yeah. And how does Habu also play into that lower end of the segment, too? Because one of the key value propositions for them is simplicity.

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

A

Yeah, yeah. But if you're a small SMB and when I talk about those kinds of companies, think about like a West Coast retailer, maybe not a global presence, but it's a small national retailer or a regional retailer. The last thing they want to do is spin up a lot of complexity. They can't afford that. It needs everything they do when they're buying, when their advertising has to be simple.

And so, to your point, the simplicity of kind of a one-click interface through Habu, like that makes it accessible for them to work with us. And I mean, you've heard me say this before, Elizabeth, with LiveRamp historically has had churn. [indiscernible] (00:26:26) because, our clients say, hey, we like you guys, but we feel like we bought a Porsche, but you never taught us how to drive stick. It's just too complicated.

And so, what we've realized is, yeah, we want to serve really big, sophisticated clients. Fine, let's be complicated. But if we want to expand our TAM and become the company that we feel we can become, then we have to democratize things. We have to bring things out of the domain of the data analyst to just smart business people. Make it such that smart business people can intuitively grasp what we're doing and operate. And it's not unlike the journey Salesforce took 15 years ago. It used to be 15 years ago that CRM was the domain of the chief revenue officer or the head of revenue operations.

Well, Salesforce made it so simple to use their stack that like everybody in the C-suite has a Salesforce license now. We feel like data is going in the same direction. You got to keep it safe, but you got to make it simple to use such that you can really take advantage of the demand that's out there.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. I will open up to mics in just a bit for any audience questions. But before I do a couple more, in the fiscal third quarter, you guys announced [ph] kind of one of your largest beats (00:27:54) to revenue that we've seen in quite a while. A lot of that was driven by more of the marketplace side with a healthier digital advertising market. But what are some of the takeaway that you're seeing from the subscription side of the business as it relates to churn, sales and productivity?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Yeah, happy to. And so, also in Q3, we did see underlying subscription growth also tick up. And I think this is a reflection of the improvement in sales capacity and productivity and therefore bookings that we've been generating. For our business, one of the best leading indicators of growth to monitor is ARR. And we saw really healthy sequential step up in ARR in Q3, which again, I think, highlights some of the underlying sales momentum that's been building. It gives us increased confidence in our ability to reaccelerate subscription as we move into FY 2025.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Yeah. And then, a little bit on the profitability side. Profitability has come in really nicely ahead of expectations over the last couple of quarters. And as we look into for fiscal 2024 that is ending soon, the operating income is up around near 70%. Help us understand where you are getting some of the most leverage from to drive that operating?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

A

Sure. So about half of that growth is being driven by head count and real estate restructuring actions that we took at the end of fiscal 2023. That contributed about $21 million in aggregate savings so far this fiscal year. That said, we also have a model with fairly high fixed costs, roughly 75% to 80%. So the remaining growth is coming from the inherent leverage in our model.

And I'd also just add, our teams have been incredibly disciplined with respect to expense management this fiscal year, which has allowed us to deliver the 6 point margin expansion you mentioned, but also ensure that we're investing in the things that we believe are going to support future growth. So we continue to aggressively add quota bearing head count. We continue to invest behind our channel partner strategy. And finally, we continue to invest to build engineering capacity.

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

A

I think, this is the area where investor interests are really aligned with how management is compensated. We actually implemented Rule of 40 as the driving force behind our equity grants. To earn it, we got to make progress on Rule of 40. And so, literally every management conversation we have in our monthly business reviews, we're talking about revenue growth and operating income growth and always evaluating the trade-offs across those recognizing that, we have to always make progress on both.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Q

Great. Do we have any audience questions? So going back to your Rule of 40, the company right now is at sort of a 24% or 25% rule today. What gives the confidence in kind of getting to that Rule of 40? And really what is the mix that we should have in mind between the revenue growth and the margin profile?

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.
A

Yeah. So as Scott mentioned, Rule of 40 is our medium-term North Star, something we talk about as a management team and as a company with a ton of frequency. We believe for us that that mix is going to be comprised of 10% to 15% revenue growth and 25% to 30% margins. On the top-line, I think, we think we've got a handful of near-term tactical levers. And we also think our growth over time will be supported by some of the secular megatrends that Scott just discussed.

So on the tactical side, we continue to monitor and expand capacity, sales capacity, productivity. We'd like to see more of our demand gen activity come through in direct partner sales channels over the next handful of years and reducing contraction, which for us we talk about is the combination of logo churn and down sell is also a near-term lever we have to support our path back to double-digit growth.

And then, over the medium to long-term, we believe these megatrends like signal loss, as Scott discussed, the shift away from linear to CTV, the rise of cloud computing collaboration, kind of the increased data accessibility with walled gardens like all of this we believe will support sustained double-digit growth for the business.

And then, on the margin side, as we mentioned, you know, we have inherent high incremental margins in our model. We've also kicked off an offshoring initiative to shift a portion of our workforce over to India over the next two to three years, which we believe is going to be another lever for bottom line expansion.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC
Q

And then, on some of those megatrends, you have privacy kind of being one that is always constantly changing. And when we think about LiveRamp, what makes the company so resilient in kind of the face of kind of a constantly changing marketing landscape?

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

Yeah. I would say, above all and you've heard me say this before, Elizabeth, fragmentation and complexity is our [ph] brand (00:33:57), because our clients don't want to set up 50 different clean room campaigns with every walled garden nor do they want to have to navigate 20 different state detailed regulation, nor do they want to figure out how is the privacy legislation different in Australia than Great Britain.

And so, the more regulatory complexity, the more data complexity, the more destination complexity, the more essential it is for a platform like us that just operates agnostically and neutrally at the highest common denominator. We can guide our clients through all that. And from a regulatory perspective, I'll tell you what I tell everybody, which is, [ph] listen, (00:34:59) the days of opacity and tricking consumers and technology black boxes, those days are over.

The winners are going to be those folks that are transparent and above all, recognize that consumers should have transparency and choice. If you respect your consumers, then you can do a lot of interesting things and provide a value exchange back to customers, you can do a lot of interesting things. If you to try to trick customers, you've got a pretty short shelf life.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC
Q

Great. Let's see if there any more audience questions before I wrap up. So we have a lot of interesting things as we look ahead, whether it's the industry changes that are going on, you kind of are entering with a refreshed salesforce showing kind of productivity improvements. Habu is going to be really interesting to watch. So as we look forward into the next year, what would you say are kind of the one or two strategic priorities [ph] at your (00:35:59) top focus?

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

A

Well, I think, number one is ensuring that we prepare our clients and the ecosystem for the post-cookie world, whether that arrives in six months or a year, I don't know. That's really up to Google and the regulators, I think. But we'll be ready, but we'll ensure that our clients and partners are ready for it.

Second is just making everything simple. I mean, for so long our Achilles has been our complexity. I think, it's limited to our growth. And so, to really take off ourselves, I think, we need to broaden our appeal to companies that may not be the most sophisticated. And so, that Habu integration that can power clean room adoption regardless of where the clean room sits which cloud that can power really easy turnkey publisher integrations that can power data collaboration with complementary data partners, our retailer and a packaged goods company. We think that's pretty, pretty powerful.

And then, a third that I'll throw in there is that, I am yet to talk to one of the top couple of thousand companies in the world and have them say, hey, global is not important to us and we are way way underpenetrated globally. [indiscernible] (00:37:43) look at our global revenue, it's what 7% to 8% of our total. But if you look at the size of the total markets, the non-US markets are bigger than the US market. So if we were just, getting our fair share, it would suggest that our international revenue would be about 50% or more of our total.

So we have a long to go there. And increasingly we're getting big clients. It's the beverage companies, the packaged goods manufacturers, some of the major retailers who are saying you're going to be with us in international markets. And when we partner with Google or Meta, they're like, yeah, this is a US partnership we want you to be everywhere in the world with us. And so, we have to capitalize on that.

Elizabeth Porter
Analyst, Morgan Stanley & Co. LLC

Great. Scott, Lauren, thank you so much for joining us today.

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

Thank you, Elizabeth.

Lauren Russi Dillard
Executive Vice President & Chief Financial Officer, LiveRamp Holdings, Inc.

Thank you. Yeah. Thank you for having us.