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LiveRamp Holdings, Inc. (RAMP)

Wells Fargo TMT Summit

CORPORATE PARTICIPANTS

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

MANAGEMENT DISCUSSION SECTION

Unverified Participant

Good morning. Welcome to Wells Fargo's Technology TMT Summit. We're happy to have with us Scott Howe, he is the CEO of RAMP. Prior to that Acxiom, storied history with Avenue A, Razorfish, aQuantive. Fast Company named him one of the world's most creative people. So have it every year, we're a little late, so we're getting started. Scott, welcome.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Thank you.

QUESTION AND ANSWER SECTION

Q

Quick version of the history of the company. Elevator pitch for people who may not know the story so well.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Sure. I joined Acxiom, the previous predecessor of LiveRamp, about eight years ago. At the time, it was a slow growth services business that it specialized in data, but I thought there was an opportunity to really remake it into a high growth software business and fulfil a need that literally everybody in the world had, every company, which they knew that they wanted to do something with their data, but it was just too hard. So someone needed to create kind of the platform that would just connect all of the world's data sources with all of the places data can be utilized and just make that available to everyone. That's what we did. And as that division of Acxiom started to grow and we layered in some acquisitions to further build our network effect, we over time realized hey this is such a great company. We divested everything else in the portfolio and just doubled down on the LiveRamp piece, the SaaS...

Q

Yes.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...platform.

A

Q

Yeah. So, you've talked about kind of three major horizons of growth. One of them is building on the core of the business, new customers growing those...

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah.

A

Q

...relationships, 720 direct customer relationships, 300 direct brand, and agency relationships. Where do you think you can take that in terms of direct relationships with brands? How many brands are out there? So how do you think about growing that?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Well, we're just getting started.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

When we look at who our direct clients should be, there's really a couple thousand that are sophisticated enough that they should be working directly with us. And then there are a 100,000 more that we ought to work with through an Adobe or an Oracle or a Salesforce or even those that might just be going directly to Facebook or Google, oftentimes we are powering their marketing efforts on those properties.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

And so, a pretty big TAM, and again we're the category inventor, the leader, but it's still very, very early.

A

Q

Yeah. So one of the questions we get is why does a customer need a relationship with LiveRamp. Why can't they just bring their data directly to Facebook or say Google?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah.

A

Q

Could you talk a bit about the value-add that the proliferation of segments and touch points?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah. Four big main disciplines. Number one, we make someone's data just work more effectively so they can do a direct integration with say a Facebook or a Google. But if they're working with us give it all the elements of identity that we see, we will actually have a much higher match rate and make more of their data actionable regardless of which destination they're sending it to. The second thing we make data safe, and so very few major companies want to share their data directly with the Facebook or a Google or with one another. We sit in the middle and we could anonymize it, we can control permissions, and we can control the security of it, which are areas that most companies don't have the sophistication to deal with.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

They just know they don't want to do it. Third, we make it easy. So, rather than having to go and build a campaign within Facebook, build a campaign within Google, build a campaign within your e-mail provider, build a campaign at your point of sale solution, they can just do it one time with us...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...and push it out to all of those destinations.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

So one blueprint that can be activated any place that want to make you useful. And then finally but importantly, we make it accountable. And so, by virtue of sitting in the middle and being neutral, we can allow our clients to measure across all the different destinations and figure out which ones are working vis-à-vis the others and then increasingly start to do sophisticated things like message sequencing, media mix optimization...

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...and a whole host of capabilities that we can power because we sit in the middle and see all the data.

Q

So, on the proliferation of touch points, your largest customers I think you've said potentially somewhere between 300 to 500 different activations for their data. The average is 50, smallest guys are using 10 to 15, can you talk a little bit about some of those touch points and how you can expand the use of those?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah.

Q

And some of the more unique touch points that aren't being used now.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. So typical customer journey if you like pick a customer you might have heard of, a Nike, a Disney...

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

... a Best Buy, someone like that. They'll come to us and the first thing they'll do is say, hey, we're doing a lot of work with Google and Facebook whether it's search or programmatic.

Q

Yeah. Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

We want to do that better. So those tend to be used cases that almost everyone is activating. They will utilize their own permission based CRM data to power personalized experiences on Facebook or people based search on Google. They might extend that as a next step and light up other programmatic DSPs, DMPs destinations whether it's a Twitter or LinkedIn or an Oath or someone like that. They will light up their call centers because they know that having a little bit of data when someone calls in such that they can pre-populate fields or change the scripts will yield a better outcome. They might light up their point of sale solutions, their email providers; their direct mail providers such that they're sending out more targeted direct mail. And typically we'll see a client add one or two use cases a quarter and again we believe average we've been kind of mid-teens.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

We think over time typical client will have I think our biggest clients have 60 some use cases...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...now activated and we think that number should be in the 100s over time. And as they activate more use cases, the stickiness starts to really increase. I – looking back over time and I don't think we've ever lost a client that has done more than 10 use cases with us.

A

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...because we just become impossible to rip out.

A

Q

Right, right. So touch points is obviously meaningful for you for driving ACV, can you talk a bit about opportunities and challenges there, getting some customers ready for that discussion, the sale cycle?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah, I mean the biggest challenge that we have is really about evangelization in education.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

That we created a category and we need to go out and educate companies what they can do with their data, how do you secure their data, how to collect the right permissions in light of GDPR or CCPA, this is complicated stuff. And so often times we have to slowdown, we have to educate, we have to ensure that clients are doing smart secure mission appropriate things with their data and then teach them. I mean the piece of feedback; I have talked about this before were when we do our CSAT studies, our client satisfaction.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

The thing we always hear back is, hey, we love you guys, but we feel like we bought a Porsche and no one taught us how to drive.

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

And so we're SaaS. We're not necessarily the services wrapper, and so sometimes we have to pause and say okay, who do we need to educate such that they're having more success.

Q

Yeah. And maybe riffing on that same point, we cover you as the Internet group. You are clearly, strong SaaS qualities, and so when we think – could you talk a little bit about where are the areas where you think investors underappreciate that nature of your company that SaaS like quality?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah. I mean this might sound – I don't this to sound arrogant, but we feel like it's 1996...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...where Amazon, we built a platform for selling books and music, but it can be applied to so many more things. Well, we have built a platform to help companies utilize their data more effectively in a secure privacy compliant way. It just so happens the first use case is marketing.

A

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

And so people look at that, investors, they say, well this must be ad:tech. And if I think about some of the really cool growing pieces of our business, super small, but it's commerce, it's point of sale, it's measurement, it's healthcare. And these are things that like Salesforce did or like Amazon did allow us to expand.

A

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

We'll never be in and – going back to your Horizon 1, 2, 3 comment...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...like we're not just one thing. We feel like we have a five-year path to a \$1 billion in top-line revenue. But it's not just doing more of what we invented.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

It's – we've got six or seven different growth levers that range from super small \$10 million, but growing 100% year-over-year to things that are \$30 million and growing...

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...at 60% year-over-year to our core business, which is couple of \$100 million but growing in excess of 30% year-over-year. So, different horizons, different growth, different products, and we feel like that gives us a lot of optimism for the future.

Q

Right. So I don't want to get too technical but cookies have been a wonderful thing. But it's been top of mind we're at Programmatic I/O a couple of weeks ago and the room was spilling over with people worried about cookie, cookies going away. And so I wanted to ask about what's happening with Apple, what's happening with Google. But more importantly, what are your clients asking you about, hey, are cookies going away, and am I screwed and what do I do?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. I would say that we do get that question a lot. I'd say marketers themselves have understood this and for the last three years, sophisticated marketers have gone and ensured that they captured permission and a direct relationship with consumers. And that's the vast majority of business that we do. We are working with someone's first party data, their CRM file for which they have permission and a trusted consumer relationship, and we're activating that at different touch points.

On the other side of the world, the supply side, many publishers have been slower to embrace the concept of obtaining those first party consent. So if you're an app provider or you're a major publisher, if you rely solely on a Google or an Apple to be the intermediary and create those consents, well, you're in danger of being dis-intermediated. If you're an app provider or a publisher and you believe in the content that you've created, well, then you should also recognize that if a consumer is coming to your site, they're doing so for a reason. And so you shouldn't rely on someone else to capture that permission. You should do it directly yourself. And if you do that then it doesn't matter what those other companies do because you have those direct consents. And so that's what we're encouraging all of our publishers to do.

We launched about eight months ago capability called Authenticated Traffic Solution, which has gotten a lot of traction in a very short period of time. It's already I think we got 20-some, 22 DSPs signed up to use it, over 10 SSPs, and it essentially relies on that first party permission such that if cookies ever did go away...

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...all those publishers would immediately have a fall back.

A

Q

So...

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

It's a better fall back.

A

Q

Yeah, yeah. It's a segue. My next question was about ATS, and one of the questions we receive is, hey, The New York Times today they use their own login, but also use logins from Facebook and Google, just as many publishers do and then so do you see an emergence kind of a three horse race between LiveRamp, Facebook and Google to perform the cookie-less authentication.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

No. I view it as every company, every major company has their own form of identity.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

And a lot of clients have identity managed through some aspect of their CRM pile. Google uses a hashed email...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...and Facebook has an ID, mobile providers have mobile ad IDs, company call The Trade Desk has something called the Unified ID, and that's great. All of them should have whatever mechanism allows them to make official decisions within their silo of data.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

But the industry desperately needs a Rosetta Stone to help all these different companies communicate with one another. That's what we provide. And so, we're not a single swim line in the pool.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

We're the entire pool.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

And so everybody you just mentioned Facebook, Google, Trade Desk and they're all clients of ours, they're all partners of ours.

Q

Yeah. And this will be a quick answer I think, but you mentioned The Trade Desk, they're up next here. One of the questions we get is, hey, does IdentityLink compete with Unified ID? Thank you.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

No. It completely complementary and I would tell you Jeff Green and I worked at Microsoft together...

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...many moons ago. He's brilliant and I'm very bullish on what they're doing.

A

Q

Good.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

There are huge destination for our clients.

A

Q

Perfect. So stepping out of the weeds a bit maybe wanted to spend a bit of time on some of your longer term growth horizons and TV is a big one, you acquired Data Plus Math. Can you tell us a little bit more about how that's helping your clients address advanced TV and the response from the customers?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah. Fantastic. So, first off, the reason we did the acquisition was.

A

Q

And they were client of yours for a while.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Well, yeah, a partner of ours and so many of our clients said hey you should buy these guys, and we've listened to our clients. They know who they like and they also knew that they'd been buying television the same way for 40 years based on TRPs and VRPs. And they didn't necessarily have much granularity in terms of the audience they were buying. They didn't have much visibility into the outcomes that it was creating. Well, Data Plus Math turns the world on its head because all the audience creation and distribution that they've been doing in programmatic or e-mail or direct mail or what have you, clients can now view that in television.

And as importantly instead of just measuring based off of panel based reach, they can measure off real reach where they can measure off real responses, and that's good for the advertiser because it tightens their ROI. It's great for the content, the programmers as well because oftentimes they can help the advertiser optimize, get paid quicker for their campaign and generate higher yields on their ads sold. So it's just a more efficient way of doing television. I think early stages but it is it is growing; it's exceeding our expectation.

Q

So there is interesting article in ad exchange or – last week and they talk about potential starting points for markers getting more involved with connected TV, do you go to the seller directly. do you go to an aggregator like who do you go to an aggregator of aggregators maybe like a Roku and Amazon or do you lean into your DSP more. So how do you see your clients managing that? How do you make sure that LiveRamp is a part of that mix as they address connected TV.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Well, I mean the short answer is we don't care.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

We just want clients to do something.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

We aren't any one of those solutions that you mentioned, we're just the pipes and wiring that...

Q

Okay.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...sits underneath them all.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

And so, the important thing is some clients are going to test data driven linear television, others are going to test OTT, others are going to test connected TV. Some might go to an aggregator like Trade Desk because it's a one stop shop and it doesn't matter what they do. What matters is that they increasingly embrace data driven

television. Today, if you add up all of like advanced TV, it's, yeah, even by most aggressive estimates 10%, a \$70 billion to \$80 billion overall market in the US.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

So 90% of it doesn't reach the tipping point and so we're at that stage where we should start to be some accelerated adoption in this. And regardless of what they choose it will benefit us because we're the wiring.

Q

Right. Roku plus Dataxu, Amazon has Seismic. AT&T Abnaxis clipped, lot of M&A happening.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah.

Q

Is that good or bad for you.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Well, I think it's good. Because instead of having to focus on tens of thousands of partners.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

We can really go deep with a smaller set of more sophisticated partners. It's certainly good for our industry because the more money that's available to spend in productive ways as opposed to being desegregated across the supply chain.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

It's going to increase ROIs and it's going to make advertisers even more excited to do interesting things with their data.

A

Q

Okay. I wanted to touch a bit about your third horizon kind of growth vectors and you've talked about...

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Yeah.

A

Q

...public sector and risk in healthcare. Can you unbox that a bit and is there any one in particular that is more near term or that excites you more in the interim?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Well, I tell you personally, I'm so passionate about healthcare because I love having examples where what we do helps people live longer.

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

And what I would say like the Truth Initiative, which is the, that's the settlement at a big tobacco...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

...they came in and spoke at one of our Town Halls...

A

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...to all of our staff a few months ago and they shared some of the data about how they are working with us and the number of lives that it's saved. And like that is the food that nourishes our organization because our people have created the category but they want to change the world.

Q

Right.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

And so when they see how data can be utilized for the greater good, to improve educational outcomes, help people live longer. Marketing is great, but some of this other stuff makes people like our team feel great about going to work...

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

...every day. And it certainly expands our TAM. So that to us to all of us at LiveRamp is super fun.

Q

And then maybe one last quick question on international expansion. How would you summarize where you are there, and I think you phrased it scaling versus investing versus scouting, how is international, how is China?

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

Yeah. International for us is less than 10% of our overall revenue.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

A

I mean, realistically, if I had a \$100 more to spend \$99 of that would be on improving our product and scaling with our partners in the US. So it's a lower priority, but it is a priority for us because our clients and partners expect us to be international.

Q

Yeah.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

So the way we'll do that is we'll go where they tell us to when they tell us to do that.

A

Q

Okay.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

It will be much more organic. You won't see us do anything sillier or invest heavily, disproportionately in international in the coming years, it'll be much more step-by-step.

A

Unverified Participant

Great. Well, I think we're out of time. Scott, appreciate it.

Scott E. Howe

Chief Executive Officer & Director, LiveRamp Holdings, Inc.

Oh, it's pleasure. And thanks to all of you for joining us.

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