### () the Trade Desk

# INVESTOR PRESENTATION

THIRD QUARTER 2024

### Statement of caution under the Private Securities Litigation Reform Act of 1995

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to expectations concerning matters that (a) are not historical facts, (b) predict or forecast future events or results, or (c) embody assumptions that may prove to have been inaccurate, including statements relating to the advertising strategies, needs and expectations of brands and agencies, industry and market trends, expectations regarding investment strategies, and the financial targets such as revenue, adjusted EBITDA, and adjusted EBITDA margins of The Trade Desk, Inc. ("the Company"). When words such as *believe, expect, anticipate, will, outlook,* or similar expressions are used, the Company is making forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it cannot give readers any assurance that such expectations will prove correct. These forward-looking statements involve risks, uncertainties, and assumptions, including those related to the Company's limited operating history, which makes it difficult to evaluate the Company's business and prospects, the market for programmatic advertising developing slower or differently than the Company's expectations, the demands and expectations of clients, and the ability to attract and retain clients. The actual results may differ materially from those anticipated in the forward-looking statements as a result of numerous factors, many of which are beyond the company. These are disclosed in the Company's reports filed from time to time with the Securities and Exchange Commission, including its most recent Form 10-K and any subsequent filings on Forms 10-Q or 8-K, available at www.sec.gov. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The Company does not intend to update any forward-looking statement contained in this presentation to reflec

Included within this presentation are non-GAAP financial measures that supplement the Condensed Consolidated Statements of Operations of the Company prepared under generally accepted accounting principles (GAAP). Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation and should be considered together with the Condensed Consolidated Statements of Operations. These non-GAAP measures are not meant as a substitute for GAAP, but are included solely for informational and comparative purposes. The Company's management believes that this information can assist investors in evaluating the Company's operational trends, financial performance, and cash-generating capacity. Management believes these non-GAAP measures allow investors to evaluate the Company's financial performance using some of the same measures as management. However, the non-GAAP financial measures should not be regarded as a replacement for or superior to corresponding similarly captioned GAAP measures, and may be different from non-GAAP financial measures used by other companies.

Information contained in this presentation concerning the industry and the markets in which the Company operates, including the Company's general expectations and market position, market opportunity, and market size, is based on reports from various third-party sources, assumptions that the Company has made based on information in such reports and the Company's knowledge of the market for its platform. Although the Company believes such third-party sources to be reliable, the Company has not independently verified the information and cannot guarantee its accuracy and completeness.

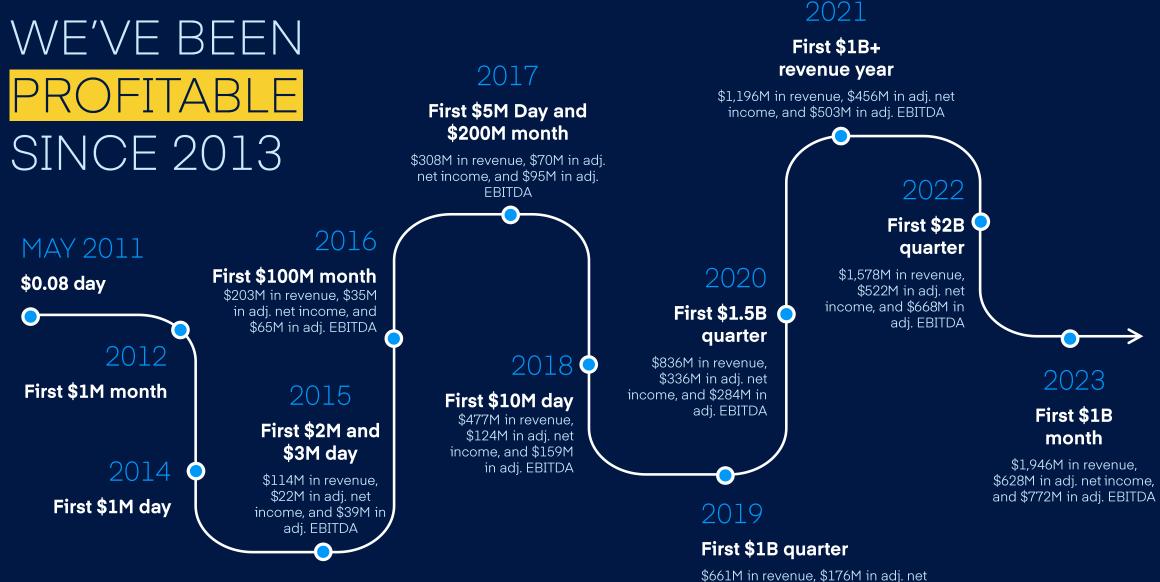


## WHAT WE DO

WE PROVIDE A PLATFORM FOR AD BUYERS.

MOST BUYERS ARE AD AGENCIES, BRANDS, OR OTHER TECHNOLOGY COMPANIES.





\$661M in revenue, \$176M in adj. ne income, and \$214M in adj. EBITDA

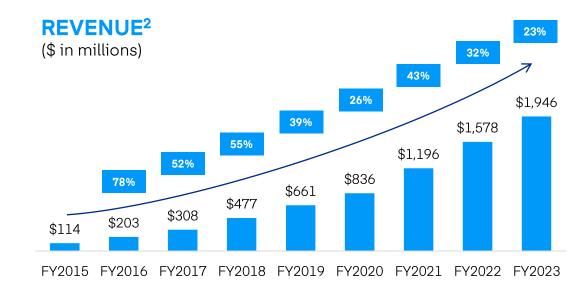
Numbers represent total spend on platform, unless otherwise stated.

Adjusted net income and EBITDA typically excludes items such as depreciation and amortization expense, interest expense, income taxes, stock-based compensation, preferred stock warrant liabilities, and follow-on offering costs. Reconciliation for adjusted net income and adjusted EBITDA can be found in the Company's SEC filings at wwtw.investors.thetradedesk.com/financials/sec-filings.

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## The Trade Desk by the numbers







1) Gross spend, revenue, adjusted net income, and adjusted EBITDA from The Trade Desk's Form 10-K and press release issued on February 15, 2024. Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation.

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2) FY2023 revenue provided February 15, 2024, at The Trade Desk's conference call for the period ended December 31, 2023, and in SEC filings.

# THE MOST EFFECTIVE ADVERTISING IS TARGETED

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## THERE IS A FUNDAMENTAL **SHIFT** HAPPENING IN ADVERTISING

AND IT'S BIGGER THAN JUST A MOVE TO DIGITAL



# THE MARKET



# PRICE DISCOVERY ENABLES HEALTHY MARKETS

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## We are targeting a massive TAM

# ~\$900B

~\$160B LINEAR TELEVISION

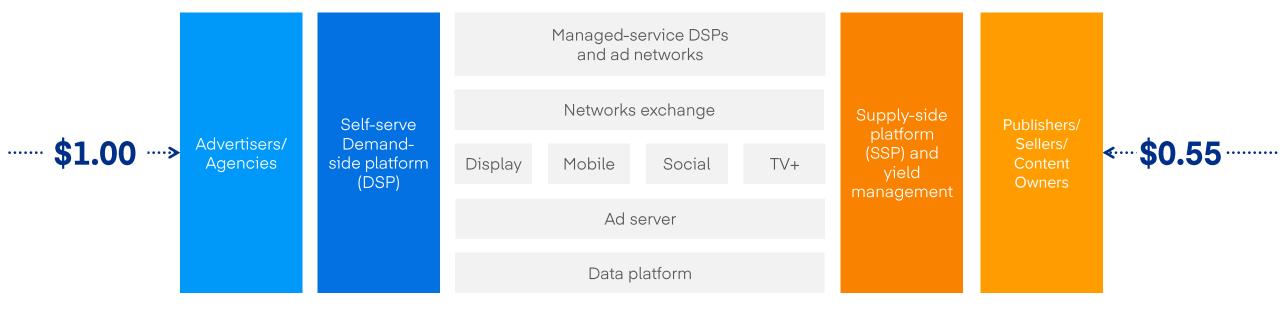
> ~\$135B digital media (ex-search and social)

We believe advertising will be transacted digitally. The future of all media is digital and programmatic...
Eventually all media will be digital, and it will be transacted by machines.

- CEO OF A GLOBAL MEDIA INVESTMENT MANAGEMENT GROUP

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## The pie is getting bigger while waste is being pushed out





### WE PROVIDE AGENCIES A

# SOFTWARE PLATFORM

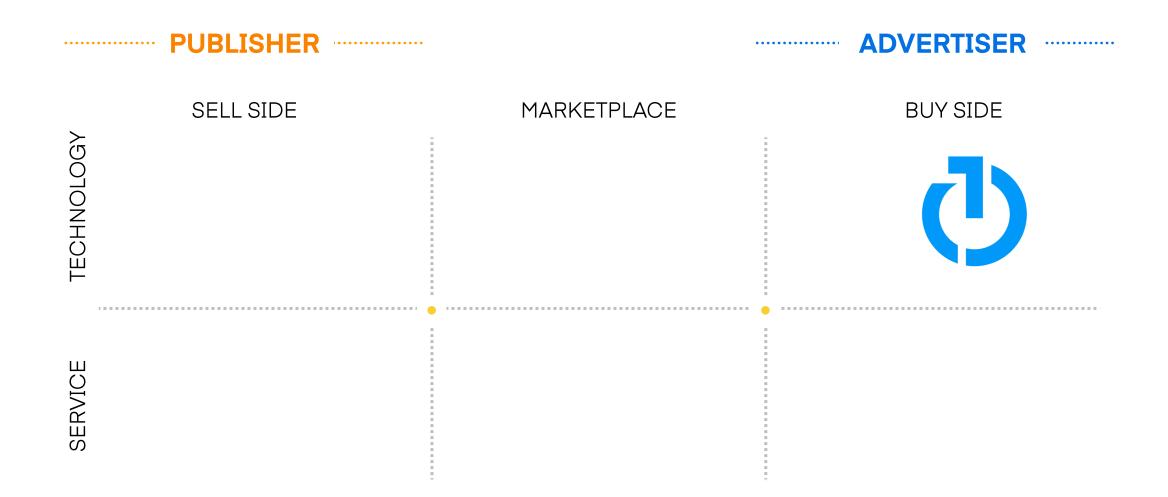
We create room for their proprietary advantage.

WE ARE AN ENABLER

**NOT A DISRUPTOR** 

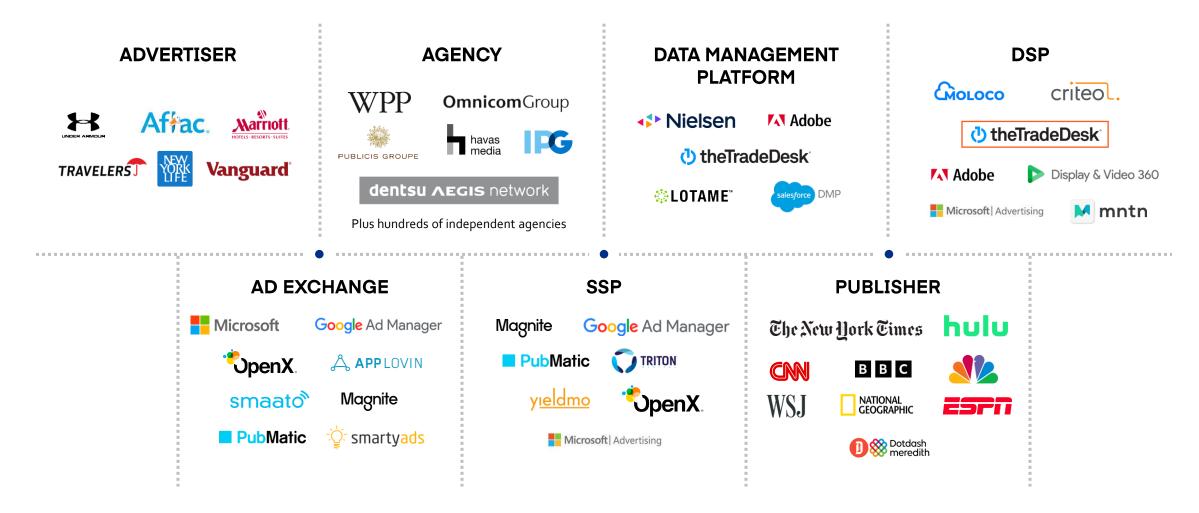
() the Trade Desk

## We align agencies and their brands



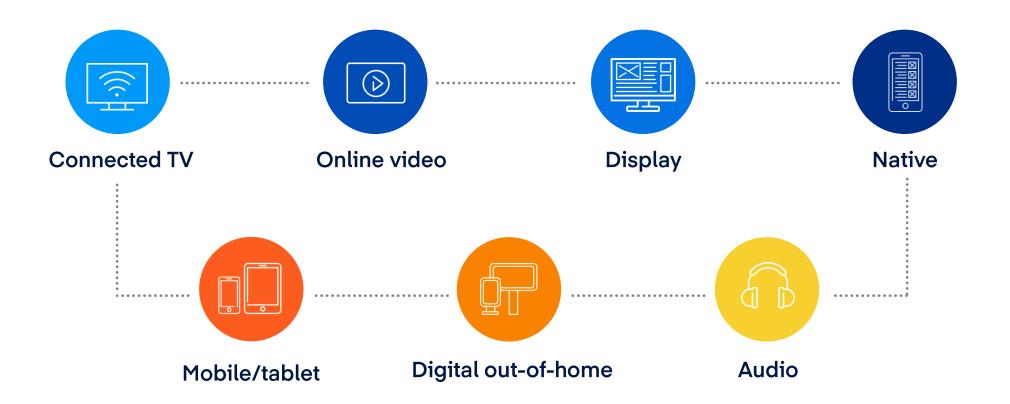


## With hundreds of different players



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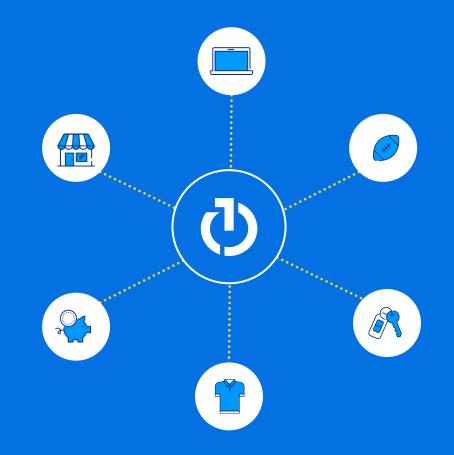
## **Omnichannel platform with global reach**



theTradeDesk<sup>®</sup>

### WE BUY ADVERTISING AND DATA

We power some of the largest brands in the world...



# ...through their agencies and digital solutions companies.

(1) the Trade Desk

## **Diversified across all major verticals**

### **2022 SPEND BY INDUSTRY**

Food & Drink	16%
Medical Health	12%
Automotive	11%
Technology & Computing	9%
Shopping	8%
Home & Garden	7%
Personal Finance	<mark>6%</mark>
Business and Finance	<mark>6%</mark>
Style & Fashion	4%
Travel	4%
Other	18%

### **2023 SPEND BY INDUSTRY**

Food & Drink	18%
Automotive	12%
Medical Health	11%
Technology & Computing	8%
Home & Garden	8%
Shopping	7%
Personal Finance	<mark>6</mark> %
Travel	6%
Style & Fashion	5%
Business and Finance	5%
Other	16%



### A strong global presence

Our global footprint provides our clients with localized marketplace expertise

### NAMER

**United States:** Boulder, CO Chicago, IL Denver, CO Detroit, MI Los Angeles/Irvine, CA New York, NY San Francisco/San Jose, CA Seattle/Bellevue, WA Ventura, CA

#### Canada:

Toronto



Founded in 2009 Went public in **2016** 



**Global** experience and relationships



**EMEA** 

London, U.K.

Madrid, Spain

Paris, France

Milan, Italy

Hamburg, Germany

Stockholm, Sweden



Over 3,000 employees 29 offices

Regionalized engineering resource

### APAC

North Asia: Hong Kong Seoul, South Korea Shanghai, China Taiwan Tokyo, Japan

South Asia: India Jakarta

Singapore

Australia: Melbourne Sydney



# WE BUY THE WHOLE INTERNET

Even media that isn't digital will be transacted digitally, using the internet.



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AGENCIES (AND THEIR BRANDS) NEED A TECHNOLOGY PARTNER TO TRUST

WITH THEIR DATA.

WE NEED TO ACCESS THEIR DATA TO HELP THEM.

WE ARE THE ALTERNATIVE TO THE CONFLICTED PLATFORM PROVIDERS.

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# WE BUY DATA TO MAKE BETTER DECISIONS

We focus on being the best partner for our data providers.





# OUR TECHNOLOGY



# We built a data management platform first

The buyer with the most data can make the most intelligent bid.

# OUR DECISIONING TECHNOLOGY THIRD-PARTY OUR DATA DATA **FIRST-PARTY** DATA

DMP

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# EXPRESSIVENESS IS CENTRAL TO OUR TECHNOLOGICAL ADVANTAGE



# We're built differently than everyone else in the industry



### versus

Limits reporting granularity, optimization options, and ability to activate data.

## BID FACTORS

The only structure that allows for expressiveness and fine-grain reporting.

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## **GOAL:** The most transparent and most detailed reporting

Partner viewable

CPM (vCPM)

✓ Player collapse

✓ Player skip

### **REPORTING GRAINS**

#### Report out on over 200 performance measures

- ✓ Conversion touch ✓ Total seconds in
- ✓ View-through conversion
- ✓ Average bid cost per mille (CPM)
- ✓ Partner CPM
- ✓ Win rate
- ...across over 300 measurable variables
- ✓ Ad environment ✓ Browser
- ✓ Ad server
- placement ID
- V App
- ✓ Audience
- - ✓ Site bid factor
  - ✓ Category name ✓ Third-party data full path

✓ Player audible event ✓ Win rate

✓ Small player

✓ Total audible

seconds

impressions

- ✓ Device type
- ✓ Factual proximity ✓ User day of week
- ✓ Inventory contract and hour of day

### SIMPLIFIED USER INTERFACE

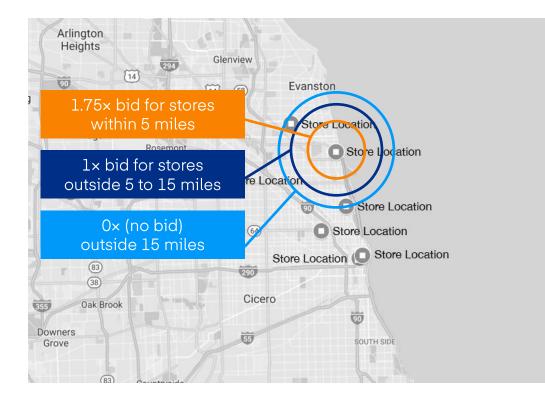
"Expressiveness" at work

Q								Search The Trade Desk Q		
	MY REPORTS RTB IMPI	RESSIONS CUSTOM RE	PORTS MEASUREMEN	IT MARKETPLACE BRAN	ID LIFT					
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	Choose a template below to generate a report. () STANDARD APP MINE ALL									
Ж Data	<b>\$\$</b>			6	*	()	<b>a</b>			
CAMPAIGNS	Basic Performance Stats EXCEL	Click Optimization Report EXCEL	Conversion Details Report TSV/CSV	Conversion Optimization Report EXCEL	Data Elements Performance EXCEL	Geo Insights EXCEL	Initial Insights Combined Pivot EXCEL	Insights Builder Data EXCEL	Inventory Performance EXCEL	
ĐĨŨ REPORTS						£		$\bigcirc$		
LEARN	Mobile Performance	Path to Conversion	Potential Spend	Reach and Frequency EXCEL	Seller Performance	Technology Performance EXCEL	Time and Day Performance EXCEL	Tracking Tag Report	Video and Audio	

#### STANDARD REPORT TEMPLATES

### (1) theTradeDesk

### The Trade Desk and agency reduced client's booking costs by half



### EXPRESSIVENESS = 15,360 BID PERMUTATIONS

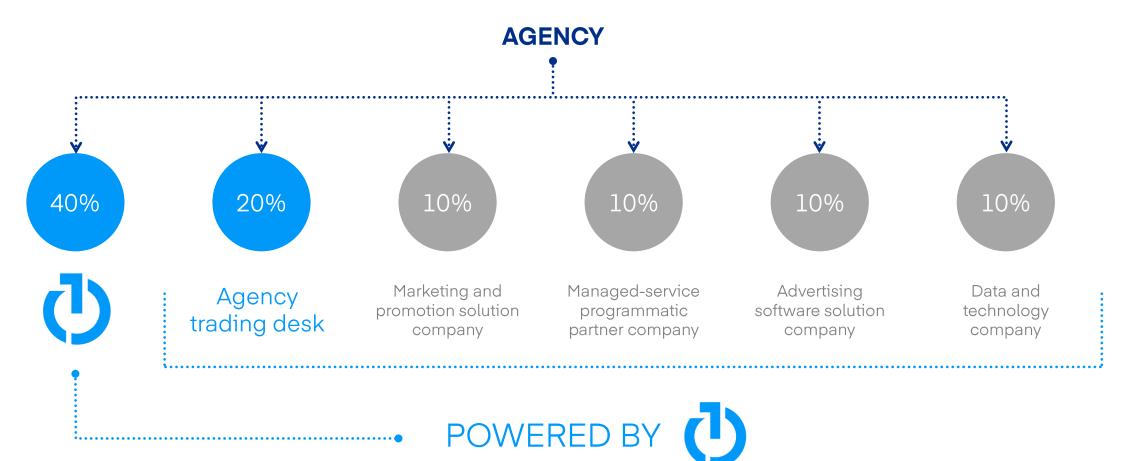


TIME SINCE LAST SITE VISIT

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## Our platform approach wins more of the budget

An example media plan



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# Unified iD<sub>2.0</sub>

## The what and why...



We collaborate with industry organizations to operate Unified ID 2.0 (UID2) for the open internet.



We built an open-source technology to convert email address to anonymized IDs.



We dedicated internal resources to build the technology.



We believe the open internet must continue to thrive.



UID2 is non-proprietary and available to advertisers, publishers, DSPs, SSPs, single sign-ons (SSOs), customer data platforms (CDPs), CMPs, identity providers, and data and measurement providers that are in compliance with a code of conduct.



#### **IDENTITY MATTERS**

## **Because the future of** identity matters

A better foundation for identity

### IDENTIFY

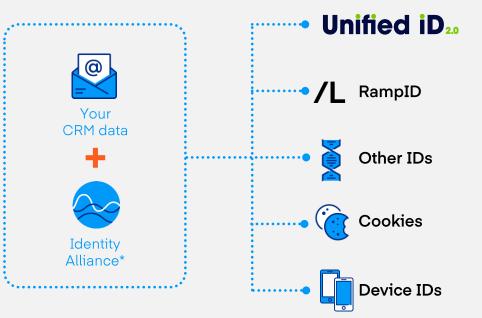
**Unified iD**<sub>2.0</sub> Represents an upgrade, not a cookie replacement.

.....

- Consistent identifier across devices and browsers ٠
- Interoperable



### ΔCTIVΔTF



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\*Our proprietary cross-device graph.

# SIGNIFICANT GROWTH DRIVERS



# CONVERGENCE OF THE INTERNET AND TELEVISION

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# THE FUTURE OF TV IS AD FUNDED

The cost of no ads is too great for most consumers.

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## Our story in Connected TV is resonating

You are missing out on a core audience if you're only buying broadcast TV.





## OUR REACH IN CTV IS HUGE



90M+ HOUSEHOLDS

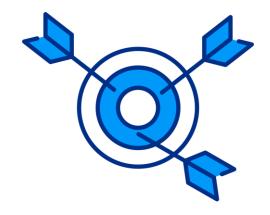




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### Decisioning improves TV buying and increases CPMs for publishers

### TRADITIONAL TV BUYING \$10 CPM



Currently targeting broad metrics, i.e., designated market areas (DMAs), schedule, and dayparts.

### CONNECTED TV BUYING \$20 CPM



DSP targeting includes one-to-one targeting of valuable customers and their households in real time.

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### Connected TV measurement

Measure and analyze the impact of your Connected TV (CTV) campaigns to inform future strategies.

#### **KEY REPORTING METRICS INCLUDE:**

- Reports across video screens (over-thetop, desktop, mobile)
- Attribution across devices
- Impressions delivered
- Reach and frequency
- Video completion rates
- Audience reporting
- Nielsen gross rating points (GRPs)/dayafter recall (DAR)
- Sales lift driven by CTV

## GROWTH OUTSIDE NORTH AMERICA





## ABOUT TWO THIRDS OF GLOBAL ADVERTISING SPEND IS OUTSIDE OF NORTH AMERICA

#### **Top 20 worldwide advertising markets**



TTD spend in North America<sup>1</sup>



of *all* ad dollars spent in North America<sup>2</sup>

### ~11%

TTD spend Internationally<sup>1</sup> (in 2023)

## 67%

of *all* ad dollars spent outside North America<sup>2</sup>

1 FY2023 percent of spend provided at The Trade Desk's conference call for the period ended December 31, 2023, and in SEC filings. 2 Source: IDC Global Advertising Spend.

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# SHOPPER MARKETING

Activating retail data today

## **()** theTradeDesk<sup>®</sup>





Data from #1 retailer

Tech from #1 independent DSP

FAMILIAR TOOLS & WORKFLOWS



HOLISTIC FREQUENCY CONTROL



# Retail data is the solution marketers have been waiting for



Deterministic and future-proof



Customer lifetime data



Increase market share



Manage frequency holistically



#### Our focus for the future...

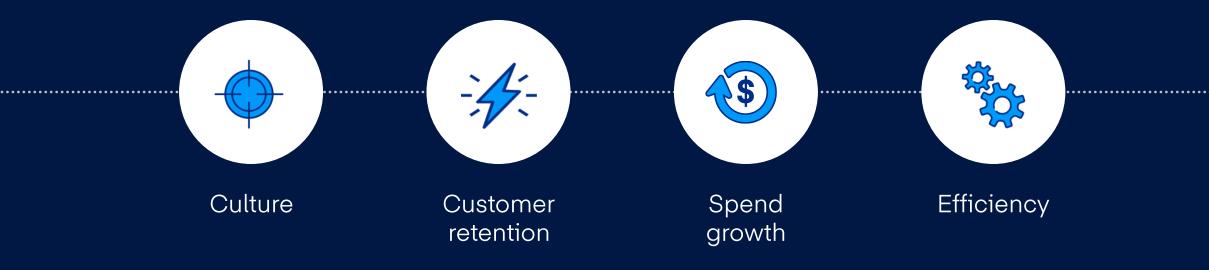
- 1. Connected TV
- 2. Shopper Marketing
- 3. Kokai
- 4. Global Expansion
- 5. UID2
- 6. Data marketplace
- 7. Supply Path Optimization

OBJECTIVE. INDEPENDENT. TRANSPARENT.



## HOW DO WE MANAGE OUR BUSINESS?

WE FOCUS ON:



#### Strong financial model

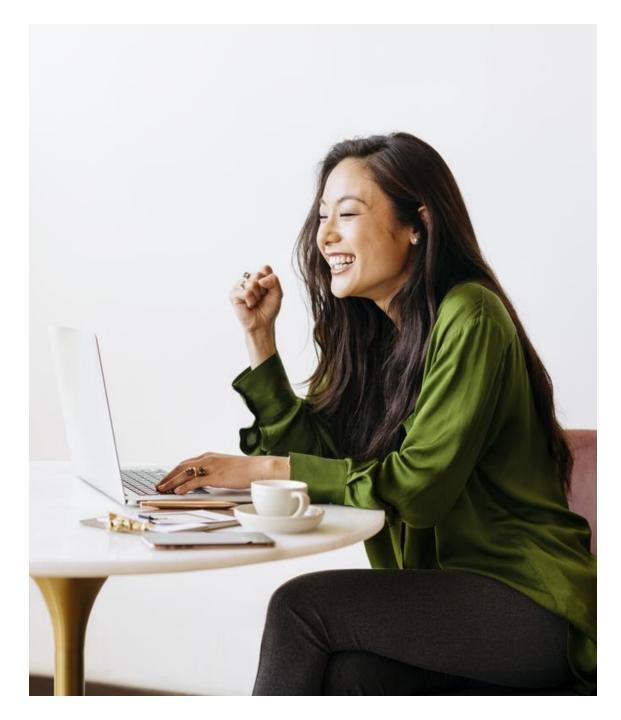
Exceptional top-line growth

Joint Business Plan and MSA-based model with ongoing, established customer relationships

Self-serve software model drives strong operating leverage

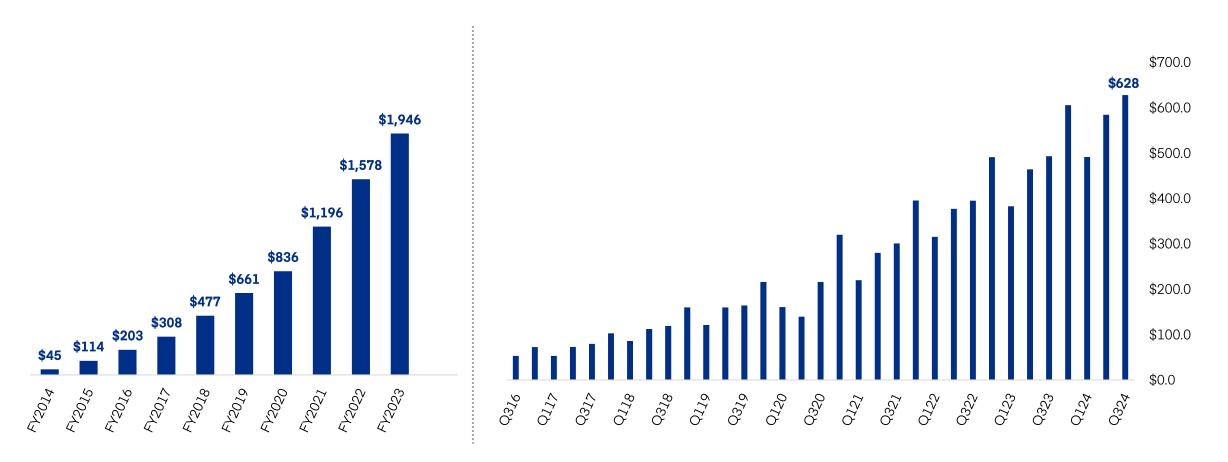
Proven profitability

Significant free-cash-flow



#### **Robust revenue growth...**

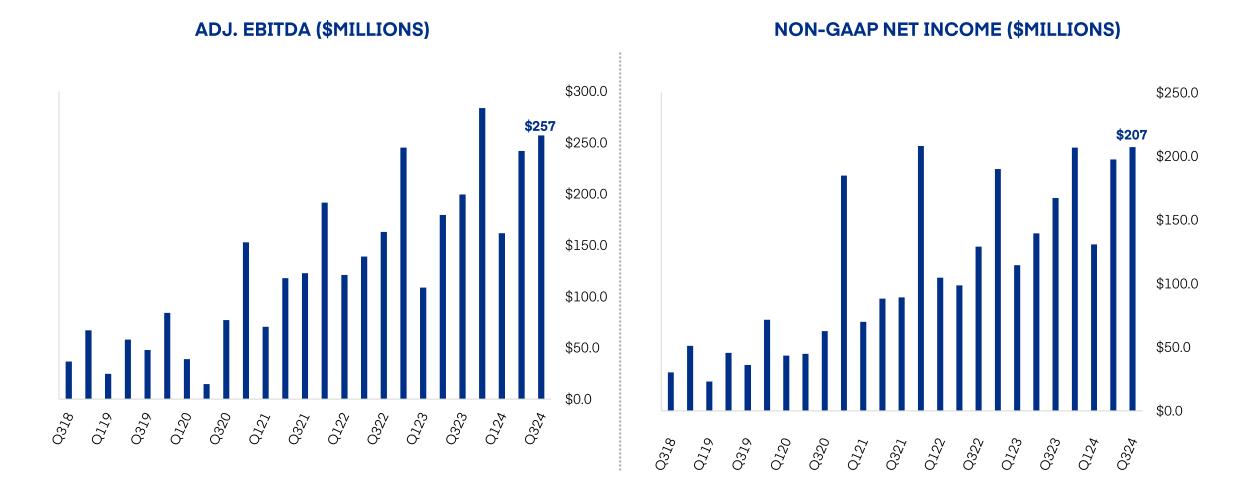
REVENUE (\$ IN MILLIONS)



Source: The Trade Desk SEC filings.

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#### ...with substantial profitability



Source: Company filings. Adjusted EBITDA excludes depreciation and amortization expense, interest expense, income taxes, stock-based compensation, and preferred stock warrant liabilities. Reconciliations of GAAP to non-GAAP amounts for the periods presented herein are provided in schedules accompanying this presentation.



## Investment highlights

- 1. Q3 revenue grew 27% year-over-year
- 2. In addition to high growth, continue to produce strong EBITDA margins and free cash flow generation.
- 3. Total advertising TAM is heading toward \$1 trillion.
- 4. CTV is our largest and fastest growing channel and will be for the foreseeable future.
- 5. Still early in tapping into the large Retail Media opportunity.
- 6. Significant opportunity for international growth.
- 7. Objectivity is our greatest asset: we align our interests with the buy-side

#### THE TRADE DESK IS AN INVESTMENT IN THE OPEN INTERNET.

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#### Q3 2024 GAAP Financial Information

#### THE TRADE DESK, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Amounts in thousands, except per share amounts) (Unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,				
	 2024		2023		2024		2023		
Revenue	\$ 628,016	\$	493,266	\$	1,703,819	\$	1,340,323		
Operating expenses <sup>(1)</sup> :									
Platform operations	122,656		93,382		336,745		264,903		
Sales and marketing	140,296		112,466		395,888		321,177		
Technology and development	117,705		117,772		335,426		309,790		
General and administrative	138,878		131,969		403,902		388,411		
Total operating expenses	 519,535		455,589		1,471,961		1,284,281		
Income from operations	 108,481		37,677		231,858		56,042		
Total other income, net	(18,697)		(19,323)		(53,845)		(51,277)		
Income before income taxes	 127,178		57,000		285,703		107,319		
Provision for income taxes	33,020		17,648		74,856		25,702		
Net income	\$ 94,158	\$	39,352	\$	210,847	\$	81,617		
Earnings per share:				_					
Basic	\$ 0.19	\$	0.08	\$	0.43	\$	0.17		
Diluted	\$ 0.19	\$	0.08	\$	0.42	\$	0.16		
Weighted-average shares outstanding:									
Basic	491,614		489,447		489,845		489,195		
Diluted	 502,563		501,880	_	500,273		500,348		
						_			

(1) Includes stock-based compensation expense as follows:

THE TRADE DESK, INC. STOCK-BASED COMPENSATION EXPENSE (Amounts in thousands)

(Unaudited)

	Three Months Ended September 30,					Nine Mon Septen		
	_	2024	2023		2024		2023	
Platform operations	\$	7,617	\$	5,729	\$	20,444	\$	14,642
Sales and marketing		25,294		21,116		70,654		54,039
Technology and development		36,958		43,727		97,441		91,283
General and administrative (1)		58,641		69,061		176,931		210,222
Total	\$	128,510	\$	139,633	\$	365,470	\$	370,186

<sup>(1)</sup> Includes stock-based compensation expense related to a long-term CEO performance grant of \$30 million and \$48 million for the three months ended September 30, 2024 and 2023, respectively, as well as \$102 million and \$156 million for the nine months ended September 30, 2024 and 2023, respectively.

#### theTradeDesk

#### Non-GAAP Financial Metrics

(Amounts in thousands, except per share amounts)

The following tables show the Company's non-GAAP financial metrics reconciled to the comparable GAAP financial metrics included in this release.

	Three Months Ended September 30,				Nine Months Ended September 30,				
		2024		2023		2024		2023	
Net income	\$	94,158	\$	39,352	\$	210,847	\$	81,617	
Add back (deduct):									
Depreciation and amortization expense		20,754		20,530		63,378		59,889	
Stock-based compensation expense		128,510		139,633		365,470		370,186	
Interest income, net		(19,408)		(17,626)		(53,886)		(49,556)	
Provision for income taxes		33,020		17,648		74,856		25,702	
Adjusted EBITDA	\$	257,034	\$	199,537	\$	660,665	\$	487,838	

Three Months Ended

Nine Months Ended

September 30,					September 30,				
2024		2023			2024	2023			
\$	94,158	\$	39,352	\$	210,847	\$	81,617		
	128,510		139,633		365,470		370,186		
	(15,441)		(11,742)		(40,739)		(30,566)		
\$	207,227	\$	167,243	\$	535,578	\$	421,237		
\$	0.19	\$	0.08	\$	0.42	\$	0.16		
	502,563		501,880		500,273		500,348		
\$	0.41	\$	0.33	\$	1.07	\$	0.84		
	502,563		501,880		500,273		500,348		
	\$	Septem       2024       \$ 94,158       128,510       (15,441)       \$ 207,227       \$ 0.19       502,563       \$ 0.41	September 3       2024     94,158     \$       128,510     (15,441)     \$     207,227     \$       \$     0.19     \$     502,563     \$     0.41     \$	September 30,       2024     2023       \$ 94,158     \$ 39,352       128,510     139,633       (15,441)     (11,742)       \$ 207,227     \$ 167,243       \$ 0.19     0.08       502,563     501,880       \$ 0.41     \$ 0.33	September 30,       2024     2023       \$ 94,158     \$ 39,352       128,510     139,633       (15,441)     (11,742)       \$ 207,227     \$ 167,243       \$ 0.19     0.08       502,563     501,880       \$ 0.41     0.33	September 30,     Septem       2024     2023     2024       \$ 94,158     \$ 39,352     \$ 210,847       128,510     139,633     365,470       (15,441)     (11,742)     (40,739)       \$ 207,227     \$ 167,243     \$ 535,578       \$ 0.19     0.08     0.42       502,563     501,880     500,273       \$ 0.41     \$ 0.33     \$ 1.07	September 30,     September 3       2024     2023     2024       \$ 94,158     \$ 39,352     \$ 210,847     \$       128,510     139,633     365,470     (15,441)     (11,742)     (40,739)       \$ 207,227     \$ 167,243     \$ 535,578     \$       \$ 0.19     0.08     0.42     \$       502,563     501,880     500,273     \$       \$ 0.41     \$ 0.33     \$ 1.07     \$		

### Supplemental Non-GAAP Information

🕛 theTradeDesk