



 theTradeDesk®

INVESTOR DAY

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Forward looking statements and Non-GAAP Financials

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Q2FY17 Non-GAAP Financials

Non-GAAP Financial Metrics

(Amounts in thousands, except per share amounts)

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

	Three Months Ended		Six Months Ended			Three Months Ended		Six Months Ended	
	June 30,		June 30,			June 30,		June 30,	
	2017	2016	2017	2016		2017	2016	2017	2016
Net income.....	\$ 18,849	\$ 7,598	\$ 23,758	\$ 6,558	GAAP net income (loss) attributable to common stockholders-diluted.....	\$ 18,849	\$ 2,392	\$ 23,758	\$ (40,651)
Add back (deduct):					Add back (deduct):				
Depreciation and amortization expense.....	1,696	834	3,189	1,653	Stock-based compensation expense.....	4,191	233	6,513	392
Stock-based compensation expense.....	4,191	233	6,513	392	Secondary offering costs.....	583	-	1,523	-
Interest expense.....	413	482	777	1,317	Premium on repurchase of convertible preferred stock.....	-	-	-	47,209
Secondary offering costs.....	583	-	1,523	-	Income attributable to convertible preferred stock.....	-	5,206	-	-
Change in fair value of preferred stock warrant liabilities.....	-	422	-	4,805	Change in fair value of preferred stock warrant liabilities.....	-	422	-	4,805
Provision for (benefit from) income taxes.....	(458)	6,176	(4,223)	5,348	Adjustment for income taxes.....	(602)	(6)	(926)	(11)
Adjusted EBITDA.....	<u>\$ 25,274</u>	<u>\$ 15,745</u>	<u>\$ 31,537</u>	<u>\$ 20,073</u>	Non-GAAP net income attributable to common stockholders-diluted.....	<u>\$ 23,021</u>	<u>\$ 8,247</u>	<u>\$ 30,868</u>	<u>\$ 11,744</u>
					GAAP weighted average shares outstanding-diluted.....	43,944	15,535	43,752	10,871
					Add back:				
					Convertible preferred stock.....	-	22,079	-	22,139
					Dilutive stock options to purchase common stock.....	-	-	-	4,667
					Dilutive stock warrants.....	-	448	-	511
					Non-GAAP weighted average shares outstanding-diluted.....	<u>43,944</u>	<u>38,062</u>	<u>43,752</u>	<u>38,188</u>
					GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.43</u>	<u>\$ 0.15</u>	<u>\$ 0.54</u>	<u>\$ (3.74)</u>
					Non-GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.52</u>	<u>\$ 0.22</u>	<u>\$ 0.71</u>	<u>\$ 0.31</u>

Q1FY17 Non-GAAP Financials

Non-GAAP Financial Metrics

(Amounts in thousands, except per share amounts)

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

	Three Months Ended	
	March 31,	
	2017	2016
Net income (loss).....	\$ 4,909	\$ (1,040)
Add back (deduct):		
Depreciation and amortization expense.....	1,493	819
Interest expense.....	364	835
Stock-based compensation expense.....	2,322	159
Secondary offering costs.....	940	-
Change in fair value of preferred stock warrant liabilities.....	-	4,383
Benefit from income taxes.....	(3,765)	(828)
Adjusted EBITDA.....	<u>\$ 6,263</u>	<u>\$ 4,328</u>

	Three Months Ended	
	March 31,	
	2017	2016
GAAP net income (loss) attributable to common stockholders-diluted.....	\$ 4,909	\$ (48,249)
Add back (deduct):		
Stock-based compensation expense.....	2,322	159
Secondary offering costs.....	940	-
Premium on repurchase of convertible preferred stock.....	-	47,209
Change in fair value of preferred stock warrant liabilities.....	-	4,383
Adjustment for income taxes.....	(324)	(5)
Non-GAAP net income attributable to common stockholders-diluted.....	<u>\$ 7,847</u>	<u>\$ 3,497</u>
GAAP weighted average shares outstanding-diluted.....	43,557	10,848
Add back:		
Convertible preferred stock	-	22,199
Dilutive stock options to purchase common stock.....	-	4,692
Dilutive stock warrants.....	-	461
Non-GAAP weighted average shares outstanding-diluted.....	<u>43,557</u>	<u>38,200</u>
GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.11</u>	<u>\$ (4.45)</u>
Non-GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.18</u>	<u>\$ 0.09</u>

Q4 and FY2016 Non-GAAP Financials

Non-GAAP Financial Metrics

(Amounts in thousands, except per share amounts)

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net income.....	\$ 10,280	\$ 5,650	\$ 20,482	\$ 15,929
Add back:				
Depreciation and amortization expense.....	1,186	705	3,798	1,828
Interest expense.....	411	425	3,075	1,141
Provision for income taxes.....	12,684	7,022	23,352	13,926
Stock-based compensation expense.....	4,008	123	5,056	374
Change in fair value of preferred stock warrant liabilities.....	-	4,799	9,458	5,961
Adjusted EBITDA.....	<u>\$ 28,569</u>	<u>\$ 18,724</u>	<u>\$ 65,221</u>	<u>\$ 39,159</u>

Q4 and FY2016 Non-GAAP Financials

Non-GAAP Financial Metrics

(Amounts in thousands, except per share amounts)

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

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
GAAP net income (loss) attributable to common stockholders.....	\$ 10,280	\$ 1,828	\$ (26,727)	\$ 8,764
Add back (deduct):				
Income attributable to dilutive convertible preferred stock.....	-	-	-	1,624
Preferred stock modification.....	-	-	-	(3,793)
GAAP net income (loss) attributable to common stockholders-diluted.....	10,280	1,828	(26,727)	6,595
Add back (deduct):				
Stock-based compensation expense.....	4,008	123	5,056	374
Change in fair value of preferred stock warrant liabilities.....	-	4,799	9,458	5,961
Liquidation fee related to prior debt facility.....	-	-	750	-
Premium on repurchase of convertible preferred stock.....	-	-	47,209	-
Income attributable to convertible preferred stock.....	-	3,822	-	10,958
Income attributable to dilutive convertible preferred stock.....	-	-	-	(1,624)
Adjustment for income taxes.....	(118)	-	(444)	-
Non-GAAP net income attributable to common stockholders-diluted.....	<u>\$ 14,170</u>	<u>\$ 10,572</u>	<u>\$ 35,302</u>	<u>\$ 22,264</u>
GAAP weighted average shares outstanding-diluted.....	43,023	14,564	18,280	16,779
Add back:				
Convertible preferred stock	-	22,110	16,268	19,320
Dilutive stock options to purchase common stock.....	-	-	4,518	-
Dilutive ESPP shares.....	-	-	36	-
Dilutive stock warrants	-	640	363	547
Non-GAAP weighted average shares outstanding-diluted.....	<u>43,023</u>	<u>37,314</u>	<u>39,465</u>	<u>36,646</u>
GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.24</u>	<u>\$ 0.13</u>	<u>\$ (1.46)</u>	<u>\$ 0.39</u>
Non-GAAP diluted EPS attributable to common stockholders.....	<u>\$ 0.33</u>	<u>\$ 0.28</u>	<u>\$ 0.89</u>	<u>\$ 0.61</u>