



Leading the Automation of Advertising

○ ● ● Q4 and FY 2015
Financial Highlights

February 23, 2016

Safe harbor

Forward-Looking Statements

These materials include forward-looking statements concerning or implying growth trends or expectations, including without limitation growth in our mobile, Orders, and buyer cloud businesses. Forward-looking statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include our ability to grow rapidly and to manage our growth effectively, including in Orders, mobile, and video and our buyer cloud business; our ability to develop innovative new technologies and remain a market leader; our ability to attract and retain buyers and sellers and increase our business with them; the freedom of buyers and sellers to direct their spending and inventory to competing sources of inventory and demand; our ability to use our solution to purchase and sell higher value advertising and to expand the use of our solution by buyers and sellers utilizing evolving digital media platforms; the growing percentage of online and mobile advertising spending captured by owned and operated sites (such as Facebook and Google) where we are unable to participate; our ability to introduce new solutions and bring them to market in a timely manner; uncertainty of our estimates and expectations associated with new offerings, including private marketplace, mobile, orders, automated guaranteed, video and intent marketing solutions; our ability to maintain a supply of advertising inventory from sellers; our limited operating history and history of losses; our ability to continue to expand into new geographic markets; the effects of increased competition in our market and our ability to differentiate our offerings, compete effectively and to maintain our pricing and take rate; potential adverse effects of malicious activity such as fraudulent inventory and malware; the effects of seasonal trends on our results of operations; the effect on the advertising market and our business of difficult economic conditions; costs associated with defending intellectual property infringement and other claims; our ability to attract and retain qualified employees and key personnel; our ability to consummate future acquisitions of or investments in complementary companies or technologies; our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy; and our ability to develop and maintain our corporate infrastructure, including our finance and information technology systems and controls.

More detailed information is set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015. Additional information will be set forth in other filings we make from time to time with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2015, which will be filed shortly, and subsequent Quarterly Reports on Form 10-Q. Also, these forward-looking statements represent our current estimates and assumptions only; unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made.

Highlights for Q4 2015 and FY 2015⁽¹⁾

Q4 2015 Highlights

100% YoY Growth in Non-GAAP Net Revenue ⁽²⁾	\$36 M Adj. EBITDA ⁽³⁾ (Guidance \$20M-\$21M)
43% Adj. EBITDA Margin ⁽³⁾	\$20.4 M GAAP Net Income \$0.43 GAAP EPS - Diluted

FY 2015 Highlights

\$59.5 M Adj. EBITDA ⁽³⁾ (Guidance \$43M-\$44M)	\$48.4 M Free Cash Flow
\$1.08 Non-GAAP EPS ⁽⁴⁾ \$0.01 GAAP EPS - Diluted	26% Adj. EBITDA Margin ⁽³⁾

(1) Rubicon Project acquired Chango Inc. in late April 2015. Contributions from Chango are reflected throughout this presentation from the date of acquisition.

(2) Non-GAAP Net Revenue would represent GAAP Revenue if all transactions were reported on a net basis. It equals GAAP Revenue less amounts paid to Sellers in cost of revenue. The appendix provides a reconciliation of GAAP Revenue to Non-GAAP Net Revenue.

(3) The appendix provides a reconciliation of Net Income (Loss) to Adjusted EBITDA. Adjusted EBITDA Margin is measured as % of Non-GAAP Net Revenue.

(4) The appendix provides a reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income and calculation of Non-GAAP EPS.

Key business trends

1

Increased use of RUBI's complete advertising automation solution by Buyer and Seller customers

2

Mobile continues to grow rapidly, increasing to 31% of RUBI Managed Revenue⁽¹⁾ in Q4 2015 from 26% in Q3 and 20% in Q4 2014

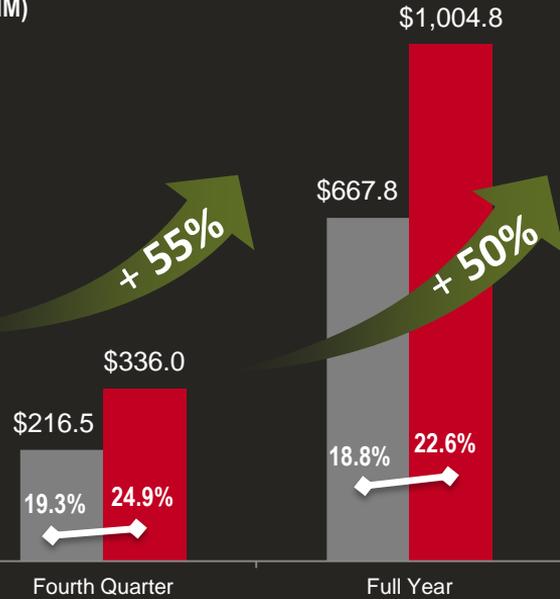
3

RTB growth remains strong, contributing to RUBI's 100% Y-o-Y growth in Non-GAAP Net Revenue in Q4 2015

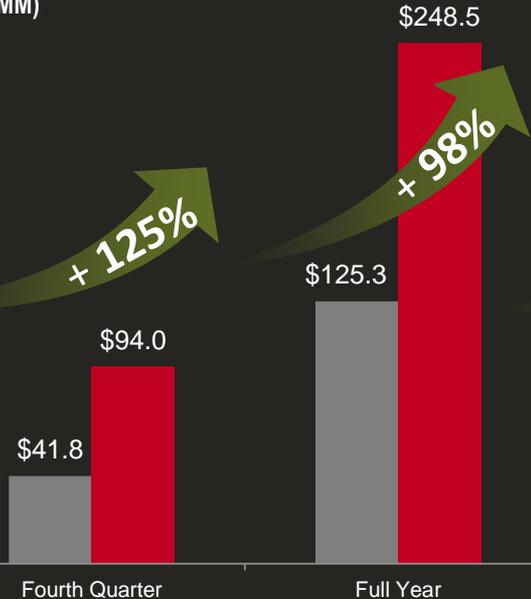
(1) Managed Revenue represents advertising spending transacted on the Company's platform.

Revenue highlights

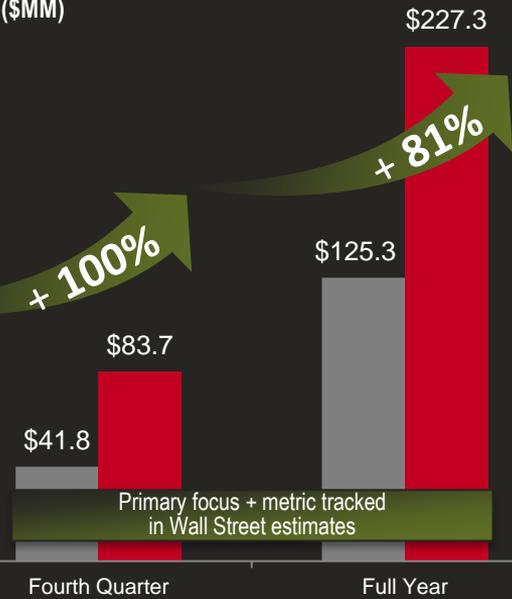
Managed Revenue (\$MM)



GAAP Revenue (\$MM)



Non-GAAP Net Revenue (\$MM)



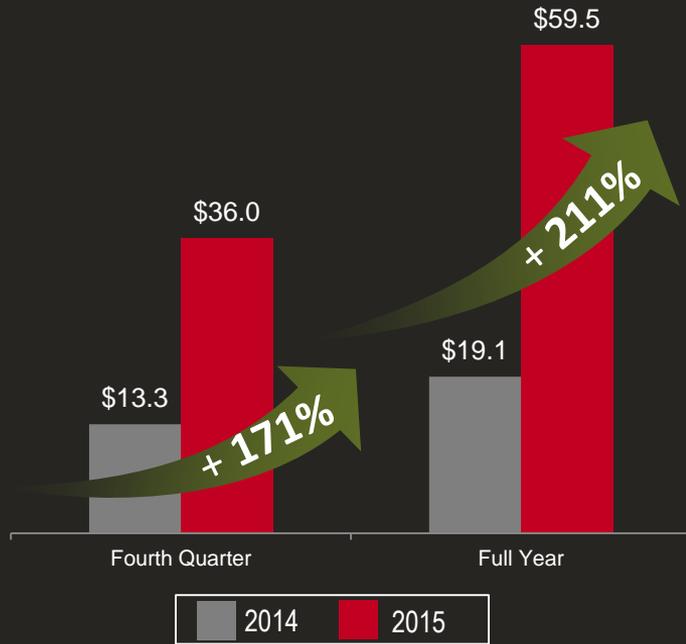
— TAKE RATE⁽¹⁾

2014 2015

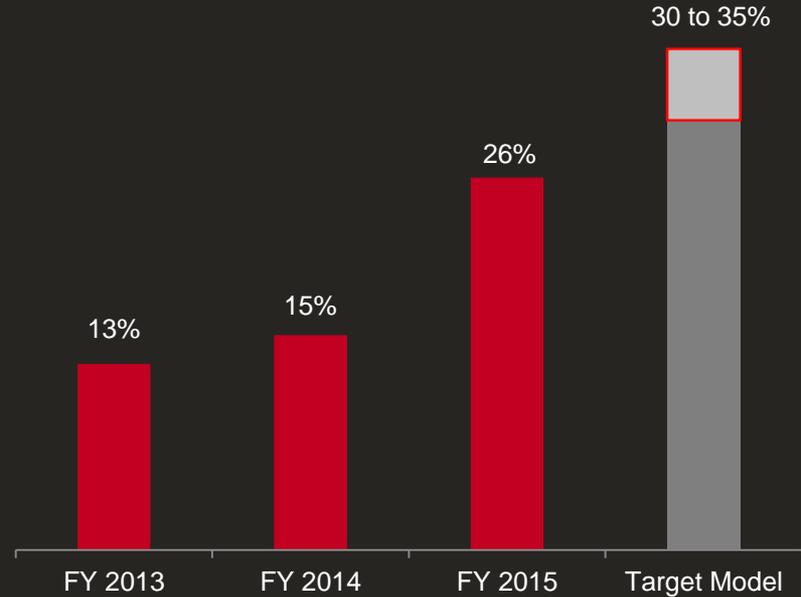
(1) Take Rate represents Non-GAAP Net Revenue divided by Managed Revenue.

Adjusted EBITDA highlights

Q4 and Full-Year Adjusted EBITDA (\$MM)

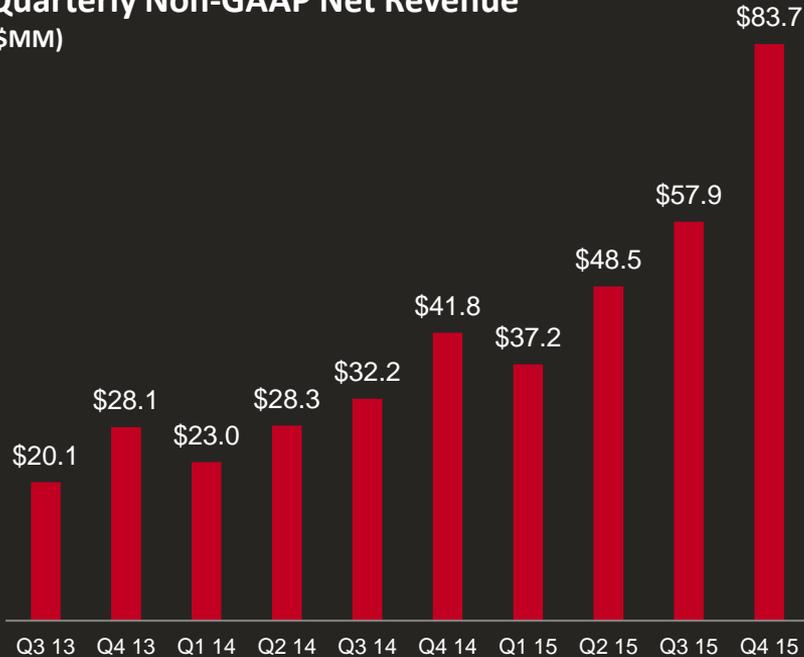


Progress on Adjusted EBITDA Margin (\$MM)

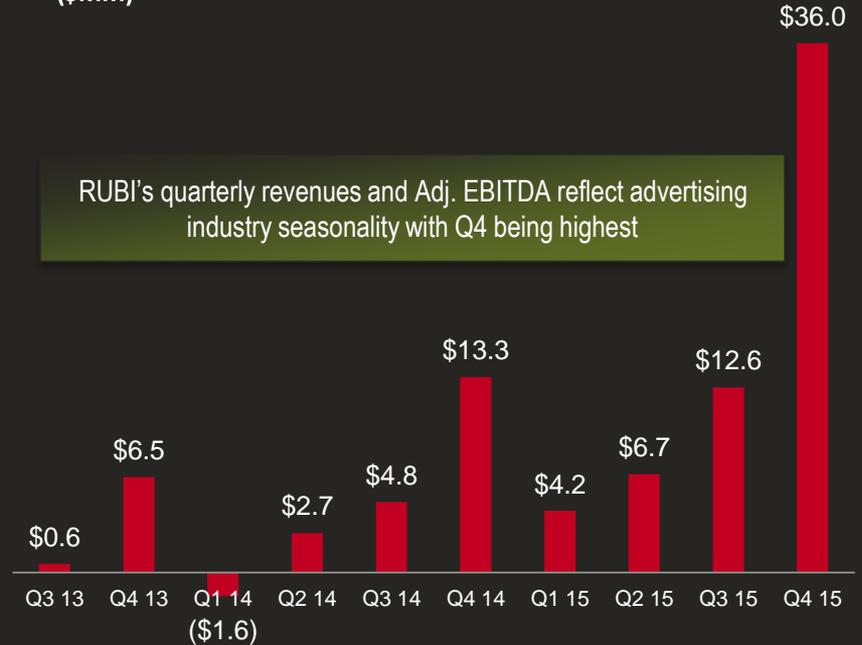


Q4 2015 was an extraordinary quarter on all counts

Quarterly Non-GAAP Net Revenue
(\$MM)

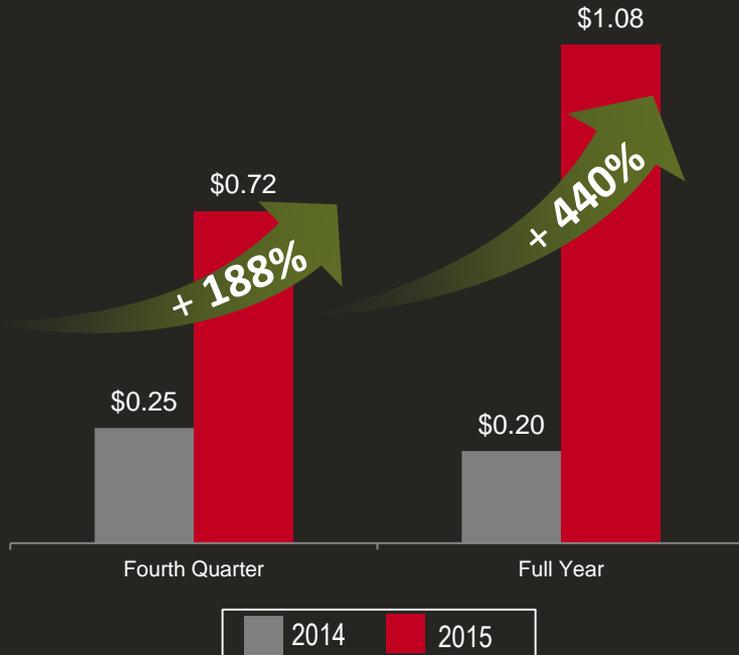


Quarterly Adjusted EBITDA
(\$MM)

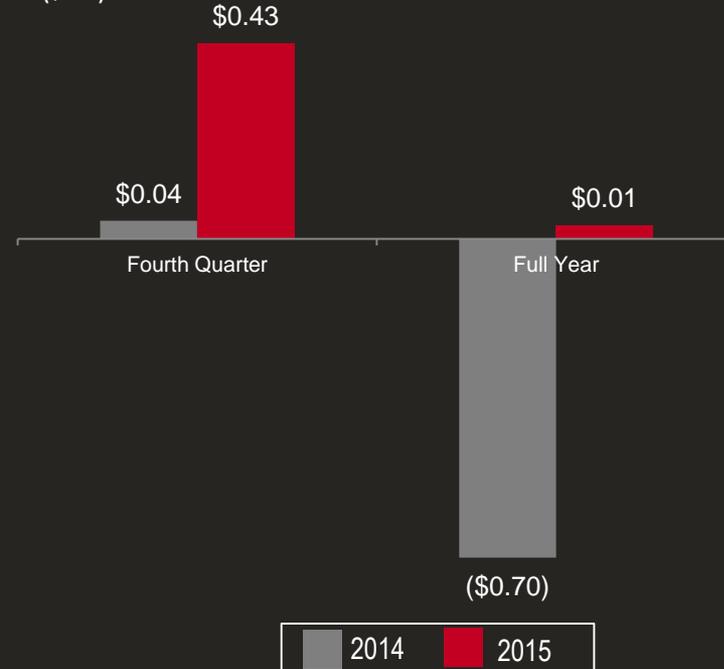


EPS highlights: first full year of GAAP positive net income and GAAP EPS

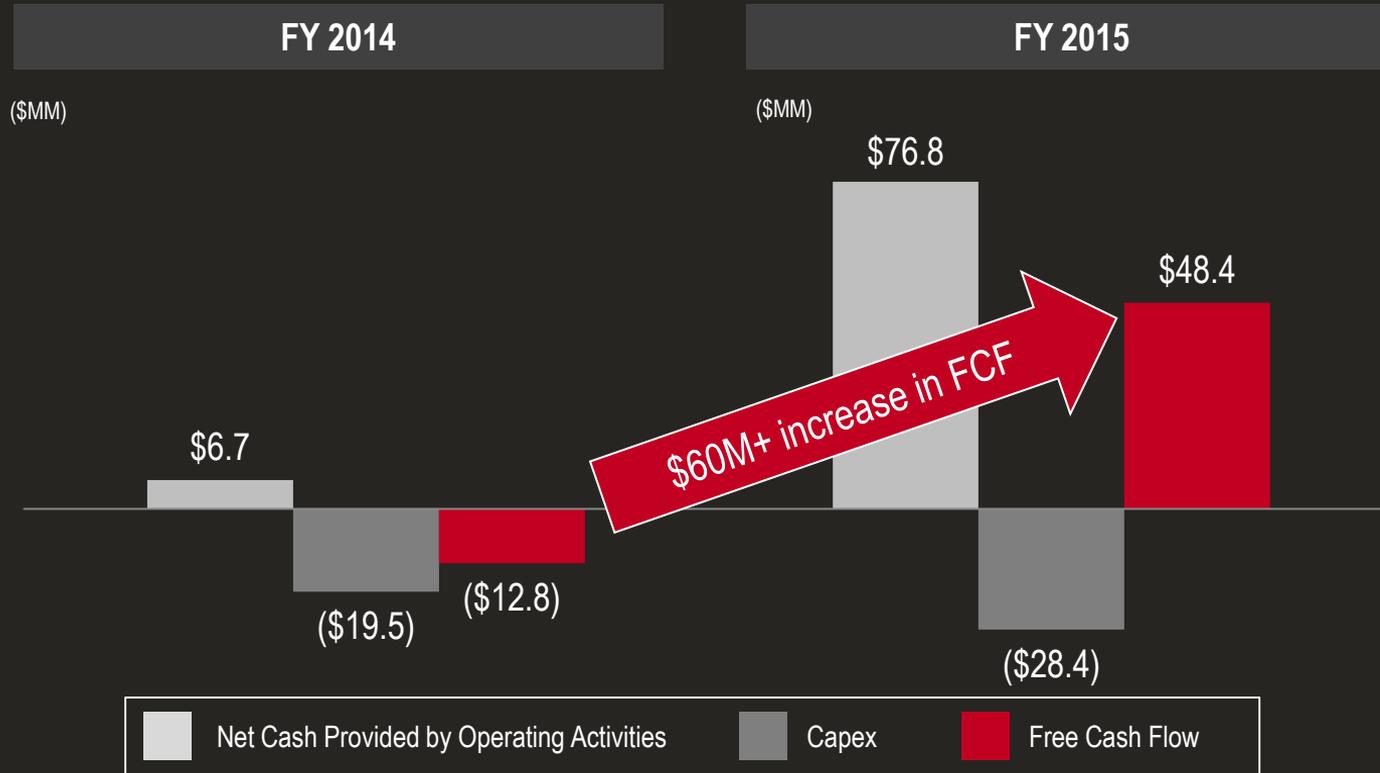
Q4 and Full-Year Non-GAAP EPS
(\$MM)



Q4 and Full-Year GAAP EPS (Diluted)
(\$MM)

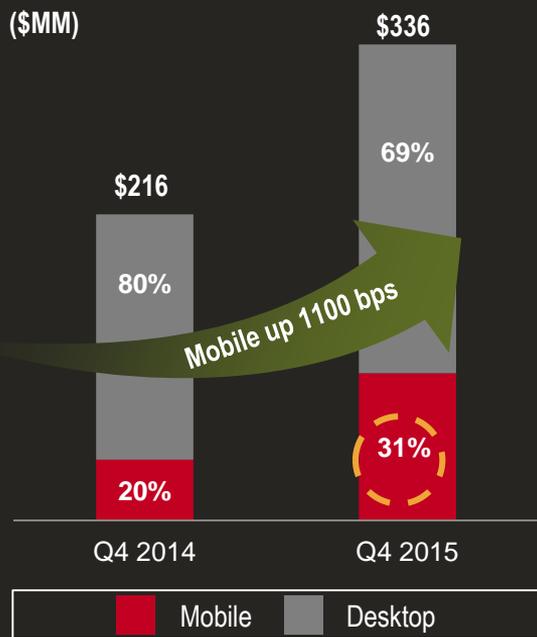


Cash flow highlights: 2015 marks significant improvement in Free Cash Flow

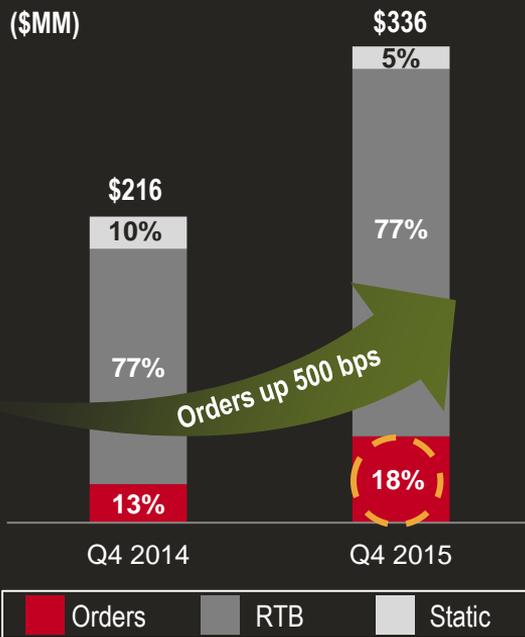


Managed revenue by channel, inventory type and geography

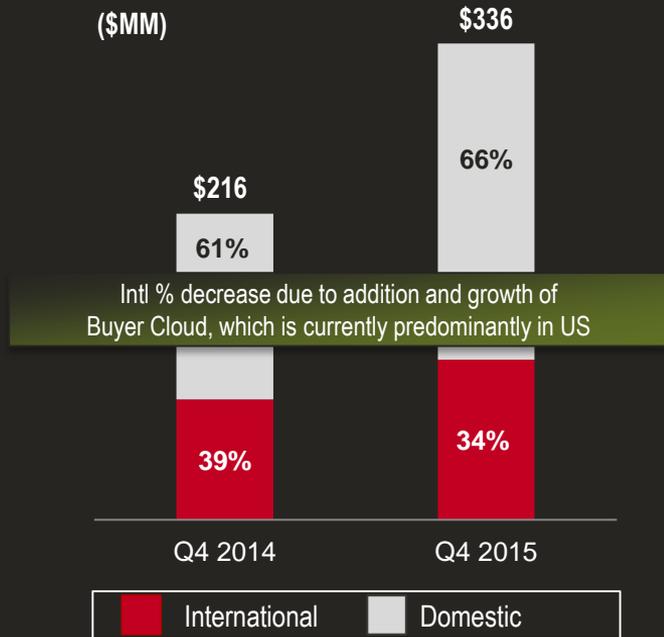
Managed Revenue % by Channel



Managed Revenue % by Inventory Type



Managed Revenue % by Geography⁽¹⁾



(1) Managed revenue by geography determined based on the location of the Seller.

Complete advertising automation solution and financials are differentiators

Criteria: Product and Service Capabilities		Other Public Ad Tech?
Strong capabilities as top provider in desktop and mobile		Google facebook
Independent provider of complete Buyer and Seller solutions ⁽¹⁾		None
Monetizes all types of ad inventory		Google
Supports all ad units		Google facebook
Pixalate ranked top 3 inventory source for desktop and mobile		None
Criteria: Financial Results		Other Public Ad Tech?
> 50% revenue growth in 2015		criteo .
Net income profitable for full year 2015		Google facebook criteo .
> 20% Adjusted EBITDA margin (on net revenue)		Google facebook criteo .
Positive free cash flow for 2015		Google facebook criteo .

(1) Independent means no owned and operated media properties to create potential conflicts of interest for buyer and seller customers.

Balance sheet highlights

	12/31/2015	12/31/2014
Financial measure: (\$MM)		
Cash & equivalents	\$ 116.5	\$ 97.2
Marketable securities	36.7	-
Total cash and liquid assets	\$ 153.2	\$ 97.2
Debt and capital lease obligations	\$ Nil	\$ 0.1

Appendix: reconciliation of Net Income (Loss) to Adjusted EBITDA

	Q4 2015	Q4 2014	FY 2015	FY 2014
Financial Measure: (\$MM)				
Net Income (Loss)	\$20.4	\$1.4	\$0.4	(\$18.7)
Add back (deduct):				
Depreciation & amortization expense, excluding amortization of acquired intangible assets	3.9	3.9	15.3	11.6
Amortization of acquired intangibles	4.6	0.6	15.7	0.9
Stock-based compensation expense	8.5	7.1	30.6	23.9
Acquisition and related items	0.8	1.5	3.5	1.5
Interest expense, net	-	-	-	0.1
Change in fair value of preferred stock warrant liabilities	-	-	-	0.7
Foreign currency gain, net	-	(1.2)	(1.4)	(1.1)
Provision (benefit) for income taxes	(2.2)	-	(4.6)	0.2
Adjusted EBITDA	\$36.0	\$13.3	\$59.5	\$19.1

Appendix: reconciliations of GAAP Revenue to Non-GAAP Net Revenue and Net Income (Loss) Attributable to Common Stockholders to Non-GAAP Net Income

	Q4 2015	Q3 2015	Q2 2015	FY 2015
Financial Measure: (\$MM)				
GAAP Revenue	\$94.0	\$64.3	\$53.0	\$248.5
Less amounts paid to sellers:	10.3	6.4	4.5	21.2
Non-GAAP Net Revenue⁽¹⁾	\$83.7	\$57.9	\$48.5	\$227.3

(1) Rubicon Project adopted non-GAAP net revenue as a measure in Q2 2015. Prior to Q2 2015, all of the Company's revenue was recorded on a net basis.

	Q4 2015	Q4 2014	FY 2015	FY 2014
Financial Measure: (\$MM, except per share figures)				
Net Income (Loss) Attributable to Common Stockholders	\$20.4	\$1.4	\$0.4	\$(19.8)
Add back (deduct):				
Change in fair value of preferred stock warrant liabilities	-	-	-	0.7
Cumulative preferred stock dividends	-	-	-	1.1
Stock based compensation expense	8.5	7.1	30.6	23.9
Acquisition and related items, including amortization of acquired intangibles	5.4	2.1	19.2	\$2.4
Foreign currency (gain) loss, net	-	(1.2)	(1.4)	\$(1.1)
Non-GAAP Net Income	\$34.3	\$9.4	\$48.8	\$7.2
Non-GAAP Earnings per Diluted Share	\$0.72	\$0.25	\$1.08	\$0.20
Non-GAAP weighted average shares outstanding	47.4	38.1	45.2	36.5

Appendix: depreciation and amortization

Income statement includes depreciation and amortization as follows: (\$MM)	Q4 2015	Q4 2014	FY 2015	FY 2014
Cost of revenue	\$5.3	\$3.7	\$19.3	\$10.5
Sales and marketing	\$2.1	\$0.3	\$8.2	\$0.7
Technology and development	\$0.6	\$0.2	\$1.8	\$0.8
General and administrative	\$0.5	\$0.2	\$1.7	\$0.5
Total Depreciation and Amortization Expense	\$8.5	\$4.4	\$31.0	\$12.5