

Driven by CTV and retail media, The Trade Desk posts 26% revenue jump in Q2

Article

The news: The Trade Desk delivered a 26% year-over-year revenue jump in Q2 2024, reaching \$585 million. That growth outpaced other digital marketing players and has been

consistent for several years.

- Notably, the company maintained strong profitability with adjusted EBITDA of \$242 million, which represents about 41% of revenues.
- International growth, particularly in Europe, Middle East, and Africa and Asia-Pacific, outpaced North America for the sixth consecutive quarter, driven primarily by connected TV.

What's working: As advertisers move toward programmatic buying due to its efficacy in targeting and converting audiences, CTV remains a major growth driver. During the earnings call, CEO **Jeff Green** cited a notable acceleration in CTV growth against the first half of last year.

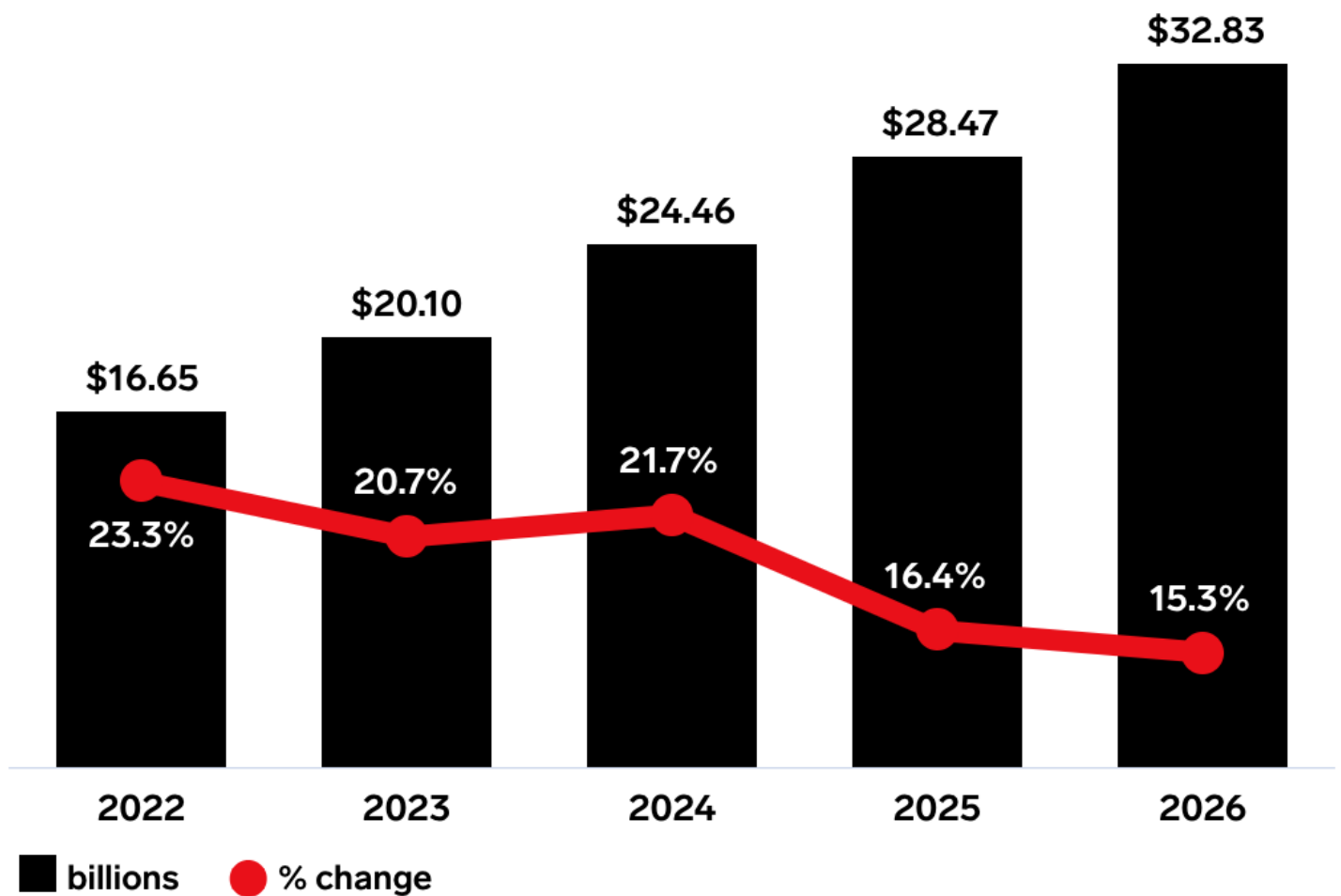
CTV represented a high 40% share of the company's business in Q2, CFO **Laura Schenkein** noted, thanks to deals like ones [signed with Disney](#) and [Roku](#) to make streaming inventory available programmatically.

- The company's market share gains are attributed to its focus on programmatic, data-driven advertising, which is increasingly embraced by CMOs who face economic uncertainties and pressure to pick efficient advertising channels.
- Green said retail media is emerging as a crucial area of growth, offering advertisers the ability to measure campaign impact directly on consumer purchases thanks to the integration of retail conversion data. The Trade Desk has signed deals to power retail media networks [like that of CVS](#) as well as [Albertsons](#).
- A new company platform, **Kokai**, is helping advertisers deploy data more effectively, improving incremental reach by 70% and cost per acquisition by 27%.
- Green also said the company is capitalizing on the shift away from "cheap reach" strategies, often associated with walled gardens. Instead, advertisers are leaning into premium content channels like CTV and digital audio, where they can target engaged audiences more effectively.

Our take: The Trade Desk sees the shift in digital advertising toward the open premium internet as a significant opportunity—and that's something we can agree on. The company's position as a buy-side platform allows it to offer relatively objective advice to brands on where to allocate their ad spending across various premium content providers.

Connected TV Programmatic Video Ad Spending

US, 2022-2026



Note: digital display ads transacted or fulfilled via automation, including everything from publisher-erected APIs to more standardized RTB technology; includes in-stream video ads such as those appearing before, during, or after digital video content in a video player (pre-roll, mid-roll, or post-roll video ads) and video overlays; includes social network in-stream video advertising on platforms such as Facebook Watch and Snapchat Shows; includes outstream video ads such as native, in-feed (including video ads in Facebook's News Feed and X's Promoted Posts), in-article, in-banner, and interstitial video ads; includes advertising that appears on connected TV devices; excludes network-sold inventory from traditional linear TV and addressable TV advertising

Source: EMARKETER Forecast, June 2024

