

The background of the slide is a complex network diagram. It consists of numerous red nodes of various sizes, some solid and some hollow, connected by thin red lines. The nodes are scattered across the frame, with a higher density in the lower-left and upper-left areas. Some nodes are labeled with white text, including "TRANSPARENCY", "REIMAGINE", "AUTOMATION", "DATA", "NATIVE", "AUDIENCE", and "INTENT". The overall aesthetic is dark and technical, with a red-to-black color gradient.

RUBICON PROJECT

Q1 2017

FINANCIAL HIGHLIGHTS

MAY 3, 2017

SAFE HARBOR

Forward-Looking Statements

These materials include forward-looking statements concerning or implying growth trends or expectations. 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 and to manage our growth effectively; 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; our vulnerability to loss of, or reduction in spending by, buyers; our ability to maintain a supply of advertising inventory from sellers; the effect on the advertising market and our business from difficult economic conditions; 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; our ability to introduce new offerings and bring them to market in a timely manner in response to client demands and industry trends, including shifts in digital advertising growth from display to mobile channels; the increased prevalence of header bidding and its effect on our competitive position; uncertainty of our estimates and expectations associated with new offerings, including header bidding, private marketplace, mobile, video, Orders, automated guaranteed, and guaranteed audience solutions; declining fees and take rate, including as a result of implementation of alternative pricing models, and the need to grow through advertising spend increases rather than fee increases; our limited operating history and history of losses; our ability to expand into new geographic markets; our ability to adapt effectively to shifts in digital advertising to mobile and video channels and formats; increased prevalence of ad blocking technologies; the slowing growth rate of online digital desktop advertising; the growing percentage of online and mobile advertising spend captured by owned and operated sites (such as Facebook and Google); the effects of increased competition in our market and increasing concentration of Advertising Spend, including mobile spending, in a small number of very large competitors; acts of competitors and other third parties that can adversely affect our business; our ability to differentiate our offerings and compete effectively in a market trending increasingly toward commodification, transparency, and disintermediation; requests from buyers and sellers for discounts, fee concessions or revisions, rebates, refunds, and greater levels of pricing transparency and specificity; potential adverse effects of malicious activity such as fraudulent inventory and malware; the effects of seasonal trends on our results of operations; costs associated with defending intellectual property infringement and other claims; our ability to attract and retain qualified employees and key personnel; our ability to identify future acquisitions of or investments in complementary companies or technologies and our ability to consummate the acquisitions and integrate such companies or technologies; and 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 evolving labor standards.

More detailed information is set forth in filings we make with the Securities and Exchange Commission. 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.

Q1 2017 SUMMARY

Financial Measures	Three Months Ended		
	3/31/2017	3/31/2016	Change
GAAP revenue	\$46.0 M	\$69.2 M	(34)%
Mobile GAAP revenue	\$17.7 M	\$22.3 M	(21)%
Desktop GAAP revenue	\$28.3 M	\$46.9 M	(40)%
Non-GAAP net revenue ⁽¹⁾	\$45.4 M	\$63.6 M	(29)%
Advertising spend ⁽²⁾	\$191.5 M	\$248.5 M	(23)%
Mobile advertising spend	\$67.9 M	\$73.8 M	(8)%
Desktop advertising spend	\$123.6 M	\$174.7 M	(29)%
Take Rate ⁽³⁾	23.7%	25.6%	(190 bps)
Net income (loss)	\$(15.8)M	\$2.3 M	(794)%
Adjusted EBITDA ⁽⁴⁾	\$1.1 M	\$15.5 M	(93)%
Adjusted EBITDA margin ⁽⁴⁾	2%	24%	(22 ppt)
Diluted earnings (loss) per share	(\$0.33)	\$0.05	(760)%
Non-GAAP EPS ⁽⁵⁾	(\$0.16)	\$0.22	(173)%

(1) See later slide for a reconciliation of GAAP revenue to non-GAAP net revenue.

(2) Advertising spend represents the buyer spending on advertising transacted on the Company's platform.
See later slide for a reconciliation of GAAP revenue to advertising spend.

(3) Take rate represents non-GAAP net revenue divided by advertising spend.

(4) See later slide for a reconciliation of net income (loss) to adjusted EBITDA.
Adjusted EBITDA margin is calculated as adjusted EBITDA divided by non-GAAP net revenue.

(5) See later slide for a reconciliation of net income (loss) to non-GAAP net income and calculation of non-GAAP EPS.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Cash Flow Highlights

(\$MM)

	Q1 2017	Q1 2016
Financial measure:		
Net cash provided by operating activities	\$2.9	\$10.7
Less capital expenditures	5.4	3.8
Free cash flow	(\$2.5)	\$6.9

Balance Sheet Highlights

(\$MM)

	March 31, 2017	December 31, 2016
Financial measure:		
Cash & equivalents	\$149.4	\$149.4
Marketable securities	38.6	40.6
Total cash + liquid assets	\$188.0	\$190.0
Debt + capital lease obligations	\$ Nil	\$ Nil

DEPRECIATION & AMORTIZATION / AMORTIZATION SCHEDULE

Income Statement includes Depreciation and Amortization as follows: (\$MM)	Q1 2017	Q1 2016
Cost of revenue	\$ 8.4	\$ 5.9
Sales and marketing	0.5	1.6
Technology and development	0.6	0.6
General and administrative	0.6	0.5
Total Depreciation and Amortization	\$10.1	\$ 8.6

Remaining Amortization Schedule for Acquired Intangible by Period (\$MM)	Amount
2017	1.7
2018	1.9
2019	1.6
Total Remaining Amortization of Acquired Intangibles	\$5.2

RECONCILIATIONS OF NET INCOME (LOSS) TO ADJUSTED EBITDA & GAAP REVENUE TO ADVERTISING SPEND

Reconciliation of Net Income (Loss) to Adjusted EBITDA (\$MM)	Q1 2017	Q1 2016
Financial Measure: (\$MM)		
Net income (loss)	(\$15.8)	\$2.3
Add back (deduct):		
Depreciation and amortization, excluding acquisition of acquired intangible assets	8.5	4.6
Amortization of acquired intangibles	1.6	4.0
Stock-based compensation expense	6.2	8.4
Acquisition and related items	-	0.3
Interest (income) expense, net	(0.2)	(0.1)
Foreign currency loss (gain), net	0.4	0.3
Provision (benefit) for income taxes	0.4	(4.3)
Adjusted EBITDA	\$1.1	\$15.5
Reconciliation of GAAP Revenue to Advertising Spend (\$MM)	Q1 2017	Q1 2016
Financial Measure: (\$MM)		
GAAP Revenue	\$46.0	\$69.2
Plus amounts paid to sellers ⁽¹⁾	\$145.5	\$179.3
Advertising Spend	\$191.5	\$248.5

(1) Amounts paid to sellers for the portion of our revenue recorded on a net basis for GAAP purposes.

RECONCILIATIONS OF GAAP REVENUE TO NON-GAAP NET REVENUE & NET INCOME (LOSS) TO NON-GAAP NET INCOME

Reconciliation of GAAP Revenue to Non-GAAP Net Revenue (\$MM)	Q1 2017	Q1 2016
Financial Measure:		
GAAP revenue	\$46.0	\$69.2
Less amounts paid to sellers reflected in cost of revenue ⁽¹⁾	\$0.6	\$5.6
Non-GAAP net revenue	\$45.4	\$63.6
Reconciliation of Net Income (Loss) to Non-GAAP Net Income (\$MM, except share figures)	Q1 2017	Q1 2016
Financial Measure:		
Net Income (Loss)	(\$15.8)	\$2.3
Add back (deduct):		
Stock-based compensation expense	6.2	8.4
Acquisition and related items, including amortization of acquired intangibles	1.6	4.3
Foreign currency loss (gain), net	0.4	0.3
Tax effect of non-GAAP adjustments ⁽²⁾	(0.1)	(4.5)
Non-GAAP Net Income (Loss)	(\$7.7)	\$10.8
Non-GAAP earnings (loss) per diluted share	(\$0.16)	\$0.22
Non-GAAP weighted average shares outstanding (MM)	48.3	48.7

(1) Amounts paid to sellers for the portion of our revenue recorded on a gross basis for GAAP purposes.

(2) Non-GAAP net income for the first quarter of 2017 includes the estimated tax impact from the expense items reconciling between net income and non-GAAP net income. For consistency, 2016 historical non-GAAP income has been adjusted to reflect the estimated tax impact of those items.

ADDITIONAL RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES TO GAAP

Revenue & Advertising Spend Split by Channel		Q1 2017			Q1 2016		
Financial Measure: (\$MM)	Mobile	Desktop	Total	Mobile	Desktop	Total	
GAAP Revenue	\$17.7	\$28.3	\$46.0	\$22.3	\$46.9	\$69.2	
Plus amounts paid to sellers ⁽¹⁾	50.2	95.3	145.5	51.5	127.8	179.3	
Advertising Spend	\$67.9	\$123.6	\$191.5	\$73.8	\$174.7	\$248.5	
Percentage of total Advertising Spend	35%	65%	100%	30%	70%	100%	

Revenue & Advertising Spend Split by Geography		Q1 2017			Q1 2016		
Financial Measure: (\$MM)	Domestic	International	Total	Domestic	International	Total	
GAAP Revenue	\$28.2	\$17.8	\$46.0	\$46.8	\$22.4	\$69.2	
Plus amounts paid to sellers ⁽¹⁾	93.3	52.2	145.5	105.7	73.6	179.3	
Advertising Spend	\$121.5	\$70.0	\$191.5	\$152.5	\$96.0	\$248.5	
Percentage of total Advertising Spend	63%	37%	100%	61%	39%	100%	

(1) Amounts paid to sellers for the portion of our revenue recorded on a net basis for GAAP purposes.

REVENUE HIGHLIGHTS

AS ADJUSTED: EXCLUDING STATIC AND INTENT MARKETING⁽¹⁾

Key Metrics As Adjusted:
Excluding Static and Intent Marketing⁽¹⁾

Three Months Ended

	3/31/2017	3/31/2016	Change
GAAP revenue ⁽²⁾	\$44.7 M	\$57.0 M	(22)%
Non-GAAP net revenue ⁽²⁾	\$44.7 M	\$57.0 M	(22)%
Advertising spend	\$190.1 M	\$223.9 M	(15)%
Take Rate ⁽³⁾	23.5%	25.5%	(200 bps)

(1) Our historical advertising spend and revenue results include results from our static solution, which we exited in the third quarter of 2016, and from our intent marketing solution, which we exited in the first quarter of 2017. To assist understanding our results in the context of our ongoing activities, we are also providing "as adjusted" advertising spend, revenue, and take rate metrics on this page, as though the static and intent marketing solutions were discontinued prior to the beginning of calendar year 2016.

(2) GAAP revenue is the same as non-GAAP net revenue because Intent Marketing is the only element differentiating the two and it has been adjusted out of both metrics here.

(3) Take rate represents non-GAAP net revenue divided by advertising spend.