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**From:** Ali Nasiri Amini [amini@google.com]  
**Sent:** 3/4/2019 5:10:32 AM  
**To:** Nirmal Jayaram [nirmaljayaram@google.com]  
**Subject:** Fwd: Future of our margin on buy-side and sell-side

FYI

----- Forwarded message -----

**From:** Ali Nasiri Amini <amini@google.com>  
**Date:** Sun, Mar 3, 2019 at 9:09 PM  
**Subject:** Future of our margin on buy-side and sell-side  
**To:** Suresh Kumar <sureshkm@google.com>

Suresh,

Check this [article](#):

"... Rubicon's Take rates will hover around the "mid-13s," similar to the 13.8% posted in Q4 or the 12.8% a year ago, right after Rubicon eliminated buyer fees ..."

We briefly talked about how certain assumptions in both buy-side and sell-side need to be revised. One of the major ones is how we decomposed our overall 32% margin into 20% for sell-side and the rest for buy-side. Sell-side, i.e. Adx, 20% margin is not sustainable in my opinion.

I argued for many years that it is not justifiable to charge more for a simpler service which is sell-side (just sort bids and declare the winner) and charge less for more expensive margin which is buy-side. This difference was reflected well into our competitors take-rates:

- 1) Criteo who is a competitor on buy-side has a reported gross margin of 35-40% whereas our GDN margin is 15% (GDN) and DBM is even lower.
- 2) On the sell-side we compete with SSPs like Rubicon that has 13% margin but we have 20%.

This imbalance introduces weird dynamics internally and externally. This is an area that I like to get your advice on how to go about changing it overtime.

I will put together a list of topics in this area (that for lack of better term I call it no-side ) to go over them next time that we sync.

Cheers,  
Ali

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