Chris

Thank you, Operator,

Hello and good afternoon. Welcome to The Trade Desk Fourth Quarter and Full Year 2017 earnings conference call. On the call today are Founder and CEO Jeff Green, Chief Operating Officer Rob Perdue, and Chief Financial Officer Paul Ross.

A copy of our earnings press release can be found on our website at thetradedesk.com in the investor relations section. Before we begin, I would like to remind you that, except for historical information, the matters that we will be describing will be forward-looking statements, which are dependent upon certain risks and uncertainties. I encourage you to refer to the risk factors included in our press release and our most recent SEC filings. In addition to reporting our GAAP financial results, we present supplemental non-GAAP financial data. A reconciliation of the Non-GAAP to GAAP measures can be found in our earnings press release. We believe providing non-GAAP measures combined with our GAAP results provides a more meaningful representation regarding the Company's operational performance.

I will now turn the call over to founder and CEO Jeff Green. Jeff…

Jeff Green

Thanks, Chris. Good afternoon, and thanks to everyone for joining us today.

Q4 was an outstanding quarter for The Trade Desk and the capstone to a terrific year where we again exceeded the goals we set out to achieve. In 2017, we surpassed $1.55 billion in total spend, resulting in annual revenues of $308 million, which is an increase of 52% over the year. This growth is almost double the rate of the programmatic industry's 27%, according to Magna Global. Just as we did the previous year, we believe we continued to gain more share in price-discoverable programmatic advertising than anyone. The growth, share gain, and momentum of our business heading into 2018 reflects the investments we have made over the past several years and our focus on serving agencies and advertisers objectively.

We generated an adjusted EBITDA of $95.5 million for 2017, which reflects an adjusted EBITDA margin of 31%. This $95.5 million is a record for The Trade Desk that came even as we aggressively invested in developing products, growing channels, and expanding global business that we expect will deliver strong ROI in the coming years.

Q4 2017 revenues were $102.6 million and up 42% from Q4 2016. Q4 2017 adjusted EBITDA was $39.5 million for an adjusted EBITDA margin of 38.5%. As we have each quarter since our IPO, we have once again exceeded our guidance.

While these numbers are great, they tell only part of the story.

Our execution in Q4 is especially meaningful because our Ventura headquarters and team were significantly impacted by the fires and mudslides that ripped through Southern California. We came together as a team during this challenging time, not only to help each other and the community, but also to close out another record-breaking Q4 for the Trade Desk.

I am in awe of this team's resilience, courage, and generosity, and thank everyone at The Trade Desk for pulling together in such a powerful way. And I'd also like to thank all our customers, partners, and investors for their outpouring of support during that time.

Before we discuss 2018, I'd like to talk about some of the highlights of 2017—especially from the second half of the year because I think it will illuminate why we have so much momentum and so much confidence heading into 2018.

I'd like to first update you on the progress of the key growth initiatives we outlined at our last Investor Day. There's five that will drive our growth for the next five years.

First, we will focus on growing spend across all channels. Being omnichannel is the only way to win but we believe, ultimately everything is a dress rehearsal for the migration from traditional TV to Connected TV and online video. In a minute, I want to discuss our significant progress on this front during Q4 2017.

Second, to service the biggest brands we must be global, which requires our expansion into China.

Third, as an independent player – meaning we don't own media – we can lead an industry-wide identity footprint which is necessary to be the best at our fifth initiative.

Our fourth strategic initiative is to increase our data offering and our fifth strategic initiative is to build the tools to revolutionize media planning and buying.

I'll elaborate a bit on our progress on all five of these initiatives.

As a preface, I'd like to highlight that IDC estimates that global advertising will be $704 billion in 2018, which is up by 4% from their projection from 2017. Additionally, Magna Global expects RTB programmatic advertising to grow by 21% this year.

To understand why these growth initiatives are so important to us, you have to understand our vision. We maintain that eventually all advertising will be transacted programmatically. With current growth rates, global advertising will be a trillion-dollar industry in less than ten years. Our vision is to make it better by making all advertising transactions data-driven programmatic choices. We are in a land-grab mode, and we expect to grow meaningfully faster than the industry for as far as we can see into the future—which is why these initiatives are so important to our growth.

Our first initiative is growing our omnichannel offering to advertise across channels and devices in a coordinated and objective way. We see our long-term omnichannel strategy validated by strong growth in multiple channels. For 2017, we hit a major milestone. Mobile surpassed display as the largest channel on our platform for the first time. In Q4 alone, 40% of spend was directed toward mobile and in-app advertising, growing 67% over the previous year. Display advertising continues to be a "go to" for many brands, but we're seeing a much broader mix of channels in their media buys. This expansion is represented by the massive growth in channels we had on the platform in 2017, such as native which grew 600%, or audio which grew by 1000%, and video, a channel we have been in much longer than native or audio grew 70%. As advertising dollars flow into channels beyond traditional display, we are reaping the rewards of the investments we made early on in these channels.

And while I am very positive about our prospects in mobile, perhaps the only thing that I am more passionate and more bullish about than mobile is Connected TV.

A change of this magnitude is rare. I don't think we will see a transition like this again in any of our lifetimes—the convergence of the internet and TV. Ten years ago, only a trickle of TV content streamed through the internet, but today nearly all the world's leading linear TV networks are providing app-based content through smart TVs and mobile devices. The $225 billion in annual worldwide TV ad spending, according to IDC, is shifting along with the content.

We have seen these trends develop and we are building on the solid foundation we established in Connected TV over the last two years. When we committed to CTV, we invested in our platform and formed our initial inventory supply partnerships. And then, from Q2 2016 to Q2 2017, our available CTV inventory grew by 1000% which I stated at the time was the most bullish number we could share about CTV. Then, from Q4 2016 to Q4 2017, CTV spend in The Trade Desk platform increased 535%. In fact, the month of December 2017 over the month of December 2016 the growth rate was even higher at almost 1000%. This is probably the most bullish fact we can share about our performance in 2017.

We continue to grow our inventory partnerships, add audience targeting data, refine attribution, and integrate CTV into our overall omnichannel strategy. During this phase of growth, we are expecting CTV spend to at least double in 2018. And we see tremendous upside beyond that as we move closer to large publishers and emerging streaming services. We are confident that the most efficient way for any publisher to optimally monetize inventory and get as much demand as possible is by partnering with an objective platform such as ours that brings so many advertisers together it cannot be ignored.

The phenomenal growth of CTV also sets us up for success as we continue to focus on another massive market opportunity for The Trade Desk—to expand our business in China.

Our second strategic growth initiative is to grow internationally. It is land grab time on this initiative more than ever. While all our international business is growing at almost double the rate of North American business, China represents the biggest long-term international opportunity. China is the only place where the CTV evolution may be ahead of the United States, so China is a place where our two biggest initiatives overlap—international growth and CTV growth.

In 2018, according to *eMarketer*, China is expected to have nearly 250 million CTV users compared to only about 180 million in the US. The beauty of CTV in China, from our perspective, is that it is primarily based on long-form content and ad-funded, which gives advertisers tremendous opportunity to reach the fastest-growing middle class in history.

There is no debate that programmatic in China is growing faster than in the United States. That is why we are investing heavily in China and why it is a key piece to The Trade Desk's long-term global growth plans. 2018 is a year of strengthening relationships and trust in China. We established a major office in Shanghai last year, and we are building a solid in-country leadership team.

We continue to grow partnerships with some of the most prominent firms in China, highlighted by our partnership last year with Baidu and our recent partnership with Alibaba's YouKu. YouKu is the largest online video provider in China, according to *Digiday*, with over 580 million unique views per month. Advertising represents about 80% of its revenue.

We are also especially excited about our new partnership with Miaozhen, China's leading digital advertising measurement and optimization firm. The data-driven insights that its platforms can provide will help users of The Trade Desk find, target, and refine audiences and hone in on the most effective advertising strategies.

The key to growing business in China is cultivating relationships for the long haul, which has always been The Trade Desk's strategy in every market. We are on the ground not only in Shanghai, China but also in six other major media centers in the Asia-Pacific region. Because of the importance of these markets to The Trade Desk's future, in 2018, I expect to spend more time than I have ever have in Asia to build our team and the strategic relationships that will form the foundation for our success in the region. We are "all in" on this opportunity.

While we are bullish on China and Asia-Pacific, we are equally bullish on the rest of our international markets. Over two-thirds of worldwide advertising spend is outside North America, and we expect The Trade Desk's revenue to reflect that trend as these markets expand over the long-term.

In 2017, international revenues for The Trade Desk grew at just over two-and-a-half times the 45% rate of North American revenue growth. In Q4, that international revenue growth rate was three times that of North America. We also saw especially strong growth in our European markets, where every office in that region increased their business by 100% or more. Our German office grew its business by over 200% in Q4. We've incorporated into our business plans for the region developments such as GPDR and look forward to continuing strong expansion.

In both Asia and Europe, we see our international business as a key growth driver for 2018.

Our third strategic growth initiative is working with other companies in the industry to create an identity footprint that is far broader than even the biggest "walled garden" approaches in the marketplace. Some of the largest publishers, ad exchanges, and SSPs in the world have signed on with our Unified Open ID™ effort to ensure a fair and transparent marketplace. It also ensures we have a common consumer-safe ID so that we can leverage exponentially more data. Although we are still in the early stages of adoption, we are already starting to see some of the benefits in 2018. Related to our efforts in IDs, the integration of our first acquisition, Adbrain, is going extremely well and we expect it to start paying dividends in the second half of 2018.

Our fourth growth initiative is to increase our data offering. In 2017, data spend on our platform grew 65%. Data represents a large, untapped opportunity. The Trade Desk is firmly committed to aggregating the very best data wherever we find it so that agencies and brands can get measurable results. When it comes down to driving campaigns with either data or guessing, we believe data wins every time. We have only scratched the surface of what we can do with data products and are implementing several initiatives in 2018 to make certain significantly more data is used on every single impression.

As part of our fifth growth initiative, in 2018 The Trade Desk will launch an enhanced user experience in our platform based on data visualization that we believe will be a game-changer for our customers and the industry. We will also unveil robust media planning tools that will leverage our data to model optimum campaigns. Both of these significant releases are now in private beta and will go live over the next few months. You'll hear more about these exciting developments in future calls.

We're not stopping there, however. We've grown our engineering team so that it is now the largest group in the company.

We invested about 40% of our development budget in 2017 into products that will ship in 2018 and these products will enable us to deliver more software and user value than ever before. In this area, we have chosen to trade current earnings for what we believe will be accelerated future revenue growth.

Another highlight from 2017 was, in close collaboration with our agency partners, bringing spend from some of the biggest brands in the world into our platform. Exiting Q4, nearly half of the top 200 global advertisers spent at least $1 million on The Trade Desk platform.

It is our goal to always deliver high ROI to the brands and agencies using our platform so that they realize more value with us than they expend. As this happens, The Trade Desk wins more share and builds more credibility with the agencies and advertisers. As our transparency, objectivity, and solid business model earn trust, these brands continue to scale up with us. We are seeing their spend in 2018 growing significantly as The Trade Desk is built into their media plans.

We have also made significant progress on marketplace quality. In what we believe is an industry first, we partnered with White Ops, one of the most sophisticated cyber security firms out there today, to scan every single impression – about nine million a second – offered through our platform before we ever make a bid on it. With this partnership, we can prevent fraud before it occurs to create the safest programmatic environment in the industry.

In conclusion, we are pleased to report The Trade Desk had a strong Q4 and full year 2017 and we look forward to continuing strength in 2018. The biggest brands in the world continue to shift their advertising spending to programmatic through our platform, and our software-as-service business model has been proven solid and capable of generating alpha in revenue and market share growth. We continue to have a customer retention rate of over 95%. Our product teams continue to rapidly develop and deploy the tools the ever-evolving market needs.

In 2018, we expect gross spend in our platform to be over $2.1 billion resulting in revenues of at least $403 million.

We are one of a few high-growth software-as-a-service companies of similar size that is consistently profitable, and we intend to use that strength to invest vigorously and prudently in our growth. We have proven the value of investing ahead and getting in early to key markets and channels. With the investments we are making today, we anticipate reaping additional rewards of increasing revenue growth in the years to come as a result.

In the year ahead, we are making incremental investments of $15-20 million in high-opportunity areas such as mobile, CTV, global expansion, and creating a safer programmatic environment.

All these areas are critical to grabbing share and deepening our engagement and strategic importance with our customers. For example, our expanding data partnerships and offerings will put data to work at scale, particularly in the CTV and mobile channels. Our commitment to building teams where business is growing, such as China and other international markets, lets us respond rapidly to trends in global ad spending. Investments in initiatives such as Ads.txt, the WhiteOps partnership, and our Unified Open ID™ effort lead to not only programmatic being a safer place to invest ad dollars, but to The Trade Desk creating the safest scaled digital ad marketplace that has ever existed.

We expect our adjusted EBITDA for 2018 to be 29% of revenue. Since we have historically proven our operating leverage, we see this as a time to invest. We are not aiming to maximize profit this year, but believe we are doing the best thing for the growth of our business and the ultimate profitability over the long term.

We expect to continue the momentum we had in Q4 into our Q1. We expect our Q1 revenue to be $73 million and Q1 adjusted EBITDA to be $7.5 million.

Since the secular tailwind is strong and revenue has been biased to the upside, should we see any revenue upside in 2018 as we did in 2017, we can expect much of that to drop down to adjusted EBITDA line as it did this past year.

The Trade Desk is in a fortunate position. We have a strong business whose model hasn't changed since inception, and we have continued product momentum. We are executing well. We are poised for growth. 2017 was an excellent year. We expect 2018 to be even better.

Now I'd like to turn the call over to Rob for his comments on our operational performance.

Rob Perdue

Thanks, Jeff, and good afternoon, everyone.

Our business continued its strong trajectory in the fourth quarter, and we exited 2017 with strong momentum. Total fourth-quarter revenue increased 42% year-over-year, led by our mobile channel, which grew 67%. Mobile is now our largest channel by total spend, and we expect it to increase further in 2018. Our Native channel also had an amazing quarter, increasing over 200% from the prior year; our audio channel grew over 600%; video grew 61%; and, as Jeff mentioned, Connected TV grew 535% from a year ago.

Throughout the year, we put a lot of our focus on things like growing our network infrastructure, adding features to our platform, hiring our newest employees or building out our global management structure – with the goal of improving our scale and being ready to deliver results for agencies and advertisers in Q4, which is our seasonally strongest quarter. We delivered on those goals, and one of the best indicators of this came during the holiday advertising push in November and December where we generated significantly more business from many of the advertisers on our platform from many industries, including retail, technology, automotive, finance, CPGs, and many SMBs.

Expanding our omnichannel presence is a key part of our operational goals and some of our bigger highlights from the quarter included the emergence of significant spend on our Connected TV channel and the breakout spend growth in our native channel.

An example of this was a major technology company that, through their large global agency, initiated ad spend across our channels in mobile, audio, display, native, video, and – for the first time in Q4 – Connected TV, to dramatically increase their scale and find the same users across multiple browsers and devices. By expanding their omnichannel approach, the advertiser was able to achieve their marketing objectives, and we saw the advertiser's spend increase over

100% from November to December. This is amazing, considering that 100% increase was off a multi-million-dollar ad spend base in November.

Now, as I describe every quarter, from an operational perspective we are focused on three core priorities:

- One – remain the objective and independent trusted partner for our customers
- Two – focus on growing our omnichannel presence
- Three – continue to grow our international footprint.

Starting with the first item, our goal is to build trust with our customers and partners by remaining objective and independent. I want to emphasize that The Trade Desk is the only truly *objective*, scaled, self-service, and dedicated buy-side software platform in the industry.

Trust starts with our people, and each year we focus our hiring efforts in the first half of the year so that each new employee is fully trained and ready to advise and contribute to our customers' success during the higher-volume second half of the year.

We exited 2017 with 657 active customers and over 36,000 advertisers on the platform. We achieved a continued customer retention rate over 95% for the sixteenth quarter in a row and a combined "cohort" growth of 40% for the year. We also had the biggest year ever in terms of onboarding new customers who brought in nearly $125 million in new spend. To help achieve these results, we onboarded 246 employees in 2017, ending the year with 713 employees worldwide. Thirty percent of our team is now **outside** the United States.

Our team, many of whom are customer-facing, earns the trust of agencies and advertisers every day by continually highlighting the benefits of The Trade Desk and proving it, not only with deep marketing insights but also with measurable results.

A great example of this in Q4 came from a large global restaurant chain that had historically run their programmatic campaigns with a large competitor. They were open to testing our platform, so we seized the opportunity. Based on our review of their marketing goals, we recommended optimizing the test campaigns by referencing the frequency of purchases by repeat customers. Our approach worked as it enabled the advertiser to increase their **number** of customer conversions by 65%, while at the same time **decreasing** their cost to **acquire** those customers by 46%. That is a massive difference in ROI on their marketing spend versus the incumbent competitor, and it is representative of what our team does every day.

Even as we have increased our headcount to propel our growth, we maintained our annualized revenue per employee of about $435,000 per year, which continues to stand out amongst other SaaS and industry peers growing at our pace and at our size. Annualized revenue per employee is a key metric that shows how our business model was designed to scale efficiently and we continue to execute strongly on that front, while we provide the best customer service and support in the industry.

Next, I want to focus on our commitment to growing our omnichannel presence. Empirical evidence -- across industries and any type of campaign goal -- firmly supports the view that buying advertising in a coordinated way across multiple channels, when combined with intelligent targeting, makes a meaningful difference in marketing performance for advertisers. As we have developed robust offerings across mobile, video, and display channels and built trust through delivering results, we have seen many advertisers expand their omnichannel spend on our platform. As a result, we see very strong growth from our most promising channels – audio, native, and Connected TV – which all grew multiples faster than our larger more mature channels. These emerging channels collectively made up over $100 million in spend on our platform in 2017. Today, as we exit 2017, over 50% of the advertisers on our platform use more than half of our ad channels in their campaigns, which is up significantly from a year ago.

In Q4, our total mobile spend, including in-app and mobile video, represented 40% of our total business and grew 67% year-over-year, while overall mobile advertising in 2017 was expected to grow by about 30%, according to Zenith. At over 2x the growth of the industry, we continue to gain our share of incremental ad dollars moving to programmatic and to mobile. We expect this trend to continue. Every day more people around the world are spending more time on their mobile devices, and advertisers are shifting their budgets to reach them through in-app advertising, mobile video, and mobile browsers.

We are also seeing fantastic traction in our Connected TV channel. While still in its infancy, Connected TV grew well over 6x compared with a year ago. Our customer-facing teams have been working closely with agency trading teams to incorporate more Connected TV buying into their clients' overall programmatic strategy, and I want to call out a few success stories from Q4.

The first is a large digital media company that has increased their spend 600% year-over-year, mainly due to increases in spend on Connected TV. They are one of our biggest adopters on the platform. One of the key factors that has enabled their growth was our access to a variety of scaled inventory sources in our private marketplace including on content providers like Roku, Hulu, or Apple TV, to cite a few examples. Our client also appreciated how easily Connected TV campaigns can be activated on our platform, and how they could count on us for the strategic and technical support to make sure their campaigns run successfully.

Another success story is from a large, well-known brand where we won a large amount of new spend – and spend from ad dollars that traditionally had been spent on linear TV advertising that they were moving to Connected TV. Connected TV now represents a core part of their advertising strategy and is core to their programmatic spending goals. This is because cTV allows them more precise audience targeting, broader channel expansion, and much better campaign performance measurement versus linear TV advertising. Through their agency, they turned to The Trade Desk to use our platform tools, access premium inventory, and measure the impact of their Connected TV buys. They used both audience targeting and Nielsen OTT measurements to exceed the brand's key performance metrics centered around reaching on-target audiences.

I also want to touch a little on our inventory and data partnerships. We believe that adding new partnerships is a major differentiator for us. You regularly hear us talking about Connected TV inventory such as Hulu, Sling, DIRECTV, Roku, or audio inventory with Spotify. We launched these more than a year ago, but we are constantly adding new partners. Just this week, we announced a partnership with Pandora for new scale digital audio inventory. We are also excited about new Connected TV inventory partners, such as The NFL Network, TNT, FX and The Travel Channel. These are just a few examples that we brought on board recently. Exiting 2017, we have more than 135 data partners on our platform and have more than 72 inventory integrations, many of which are supply-side platforms.

We've built a repeatable process where we can quickly add new inventory sources and new data companies in our platform for our customers to use in their ad campaigns. This enables us to offer better targeting and performance through the use of data and more access to quality inventory all over the world. As a result, during 2017, advertisers on our platform had access to more addressable inventory and used more data than all of 2015 and 2016 combined.

While we move forward with expanding our partnerships on the inventory and data side, we are also pushing forward with our third priority of expanding our geographic footprint. In Q4, international spend outpaced that of the US by more than 3x. Exiting the year, our international business amounted to just about 13% of total spend. Nearly every one of our offices outside of the US grew over 100% year-over-year for the full year 2017.

Today, Asia is nearly one-third of the total global ad spend and is expected to see some of the fastest programmatic growth in the coming years. *eMarketer* estimates that China grew programmatic spend 49% in 2017 compared with about 28% in the United States. In southeast Asia – which *eMarketer* defines as Singapore, Indonesia, Thailand, Malaysia, Vietnam and the Philippines – digital mobile ad growth of about 60% is expected in 2018. We are extremely bullish on growth in Asia. We believe we are the first in the region with products built specifically for each market and we have deep relationships with many of the large global agencies that have a meaningful presence throughout Asia.

But Asia is not the only area from where we believe growth will come. Europe is also expected to grow rapidly. Programmatic digital ad spend in the UK is expected to increase 20% and in Germany 30% year-on-year, according to *eMarketer*. We have been growing at rates four or five times faster than that and are seeing share gains from other platforms and increased ad budgets from new customers as well.

The Trade Desk is one of the only places where sophisticated advertisers at scale can buy the whole digital universe objectively and at scale, without being locked inside one of the large walled gardens. And our customers are doing just that it on our platform across more channels -- from mobile to Connected TV to audio -- than anywhere else. As we continue to leverage our greatest asset – objectivity – and add more inventory and features worldwide to our platform, we will dramatically improve the quality of ads for consumers and the efficacy of ads for advertisers. We are very confident in our strategy, the direction of our business, and the opportunities ahead of us in 2018.

Now I am going to turn the call over to Paul to discuss our financials.

Paul Ross

Thanks, Rob, and good afternoon everyone.

We are extremely proud of our performance in 2017, as we continued to execute and deliver solid results against our key financial metrics. We grew revenue 52% year-over-year, adjusted EBITDA 46% year-over-year, and GAAP net income 148% year-over-year. We did this all while continuing to invest aggressively in areas critical to our future growth such as adding engineering talent and expanding our global reach.

We continued to gain market share, ending the year with over $1.55 billion in spend on our platform, up from approximately $1 billion a year ago. Mobile spend was the primary driver of our growth, increasing 87%, and 2017 marked the first year that total mobile spend was greater than display.

Now turning to our financials, revenue for the fourth quarter was $102.6 million, up 42% year-over-year. This growth reflects both expansion of spend by existing customers plus the addition of new customers. Approximately 87% of our fourth quarter gross spend came from existing customers who have been with us for over one year.

On an annual basis, revenue for the 2017 fiscal year was $308 million, up 52% year-over-year, with 91% of our gross spend coming from existing customers.

Adjusted EBITDA was $39.5 million with a corresponding margin of 38% of revenue during Q4. Margins are typically the strongest in the fourth quarter given the seasonal strength in advertising spend. For the full year, adjusted EBITDA was $95.5 million, for a 31% margin reflecting our revenue overperformance, even as we increased our investments in product, people, and global expansion.

In Q4, stock-based compensation was $8.9 million, an increase from prior quarters which was primarily the result of the company's employee stock purchase plan. For the year, stock-based compensation was $21.3 million or just under 7% of revenue.

Our effective tax rate for Q4 was 40% and for the full year 2017 our effective tax rate was 20.2%.

GAAP net income was $16.8 million for the fourth quarter of 2017, or $0.38 per fully-diluted share. For the full year, 2017 GAAP net income was $50.8 million or $1.15 per diluted share. GAAP net income increased 148% compared to a year ago and 2017 marked our fourth consecutive year of positive GAAP net income.

Our adjusted earnings per share was $0.54 for the fourth quarter compared with $0.33 in the prior year. For the year, our adjusted earnings per share was $1.60, up 80% compared with the prior year.

Net cash provided by operating activities was $31 million for 2017, and we closed the year with $156 million in cash. As of today, we also have approximately $200 million available on our revolver. While cash flow from operations can fluctuate widely from quarter-to-quarter due to seasonality and the timing of payables and receivables, our cash from operations on a trailing twelve-month basis continues to trend positively. Our net cash position of $129 million at year-end and our revolver is more than sufficient to manage the ups and downs of our working capital.

Our DSOs for 2017 ended at 119 days, and our DPOs for 2017 were 104 days. The 15-day spread between our DSOs and DPOs exiting the year is the lowest it has ever been and is a result of internal initiatives to better align our payables and receivables.

Finally, I would like to share our guidance for the first quarter and full year 2018. For Q1 we expect revenue to be $73 million and adjusted EBITDA to be $7.5 million. And for 2018, we expect the full year revenue to be $403 million on total gross spend of over $2.1 billion and adjusted EBITDA to be $117 million or about 29% of revenue.

We believe our forecasted adjusted EBITDA at 29% of revenue provides adequate reserves to spend on the growth opportunities in front of us. In 2018, we are planning to invest $15 to $20 million of incremental dollars in areas such as platform operations as we scale up our infrastructure; our technology and development teams to deliver product in high-growth areas, such as CTV and mobile; and in sales and marketing as we build out our account teams, particularly in Asia.

As in 2017, for any revenue upside that we see in 2018 relative to our investment plan, we could again expect much of that to drop down into adjusted EBITDA. Our business model and the profitability we generate put us in a really advantageous position, and it is prudent to re-invest now for these massive potential future growth opportunities.

We expect total other expenses for the year to be about $4 million and we expect our full-year tax rate to be about 33 percent. We expect about $32 million in stock-based compensation expenses for the year and share count is expected to be about 46 million as we exit 2018. And finally, we expect our capital investments to total about $19 million and depreciation and amortization expense to be about $11 million for the year.

I will now turn the call back to Jeff for final comments and, of course, Q&A. Jeff…

Jeff Green

Thanks, Paul.

In closing, let me reiterate that, while we are excited about The Trade Desk's current performance, we see even more potential for the future. As the worldwide advertising market grows to one trillion dollars, we believe it will move to programmatic. Programmatic is the fastest-growing segment of advertising, and The Trade Desk is growing faster than anyone in programmatic. When we see surprises, they tend to be to the upside. Now is the time to invest to grab market share and revenue and The Trade Desk will do so in 2018 and beyond.

That concludes our prepared remarks for this afternoon and now the operator will open it up to questions.