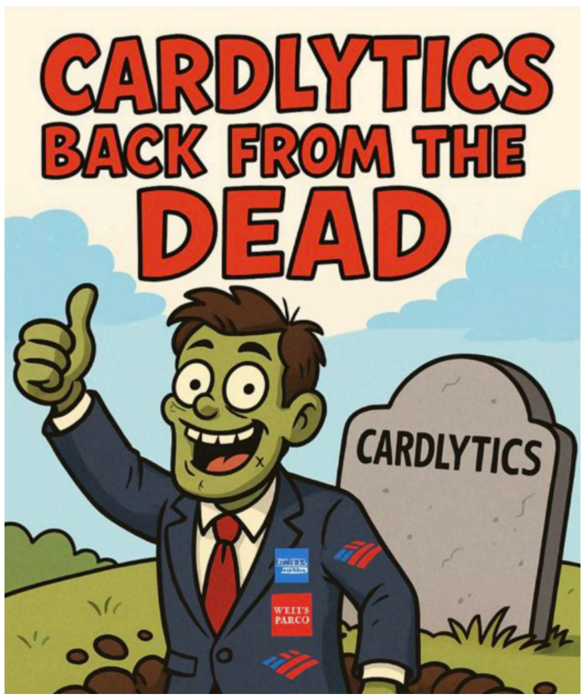
Citron RESEARCH

Published September 24th, 2025

Top 10 Reason To Buy Cardlytics



At one point in time Cardlytics was a $100 + stock, not because it ever deserved to be there but rather for those optimistic moments of 2020/2021, the business model seemed too compelling to ignore. Now down 99%, Citron pounds the table and now is the time to look at $CDLX as the wind is finally at their back. While we do not expect the stock to return to the $100 level, $10 is a reasonable tgt that can happen with just one announcement.

This is one of the few companies that can double or triple with one simple announcement. Signing up one major publisher on the Reward Platform ($Uber, $DASH, $EXPE) changes this company overnight, and helps the consumer.

If anyone is to doubt the veracity of this thinking just look at $CDLX largest shareholder Clifford Sossin. This manager is the real $CVNA bull who held the stock all the way down to $5 and currently still holds $CVNA. Sossin is a big thinker who understands large concepts. We do not expect the same performance from $CDLX as $CVNA….but it does make $10 look seem tepid.

1. Bank-Embedded Moat — Built-In Trust, Underpriced Access

Cardlytics is embedded inside the digital platforms of Bank of America, Chase, Wells Fargo, Citibank, American Express, and Lloyds. These integrations take years of compliance and vendor vetting, and once approved, they become structural parts of banks' digital stacks—nearly impossible for new entrants to replicate or dislodge. Every new advertiser campaign runs across this network at near-zero marginal cost. Yet the stock trades around 0.3x Price/Sales, discounting this moat entirely.

Bank Partnerships: Cardlytics IR – https://investor.cardlytics.com/

Bain on Banking Vendor Lock-In – https://www.bain.com/insights/why-banks-need-digital-platforms/

2. McKinsey Math = Revenue Multiplier

McKinsey's research shows AI-powered personalization drives a 1–2% revenue lift and 1–3% margin expansion, with some deployments hitting 3%+ margin gains in a single quarter. For Cardlytics, even a 1% lift in purchase conversion across its user base would double revenues because integrations are fixed cost, and incremental campaigns flow through at high margin. The upside here is not just incremental—it's exponential.

McKinsey 2025 Personalization Study – https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-future-of-personalization

3. Nielsen + Adweek = Secular Tailwinds

Retail media spend is one of the fastest-growing segments in advertising. Nielsen projects U.S. retail media will grow ~20% annually through 2028, hitting $100B. Adweek reports advertisers are actively aggregating inventory through partnerships to simplify access and scale. This is exactly what Cardlytics delivers via Bridg and Rippl—a closed-loop, unified, first-party retail media network at national scale.

Nielsen – Future of Retail Media – https://www.nielsen.com/insights/2025/future-of-retail-media/

Adweek on Retail Media Consolidation – https://www.adweek.com/category/retail-media/

4. Distribution Breaking Out — Their "Applovin + Retail Media Moment"

Cardlytics is moving beyond banking apps. The Cardlytics Reward Platform can now deliver purchase-driven offers across any app, site, or retail network while advertisers pool demand. Think DoorDash, Uber, or Instacart—a single such partnership could instantly re-rate the stock. Like Applovin in mobile or Amazon Ads in commerce, once the pipes exist, capital floods to the network with verifiable closed-loop ROI.

TechCrunch: Cardlytics Extends Beyond Banking - https://finance.yahoo.com/news/cardlytics-launches-cardlytics-rewards-platform-133000718.html

5. Action vs. Intent = Advertisers' Holy Grail

Google monetizes intent (search queries). Meta monetizes interest (likes, clicks). Cardlytics monetizes action: verified purchases. For advertisers under pressure to prove ROI, action > intent. Purchase data is the highest-value signal in advertising, and Cardlytics owns this nationwide.

Forbes: Why Advertisers Want Outcomes –
https://www.forbes.com/sites/forbescommunicationscouncil/2024/05/20/the-future-of-advertising-lies-in-outcome-based-metrics/

6. First-Party Purchase Data – The Cookie Days are Over

While Google and Meta adjust post-cookie, Cardlytics has always been cookie-proof. It sees what people actually buy, e.g., "This cardholder spent $120 at Nike last week." This deterministic signal outperforms inferred intent from search or social, just as privacy and data restrictions tighten globally. Now all they need to do is inform the world of CMO!

IAB: First-Party Data in a Cookieless Future –
https://www.iab.com/news/first-party-data-the-future-of-privacy/

7. The Flywheel Is Finally Turning

More advertisers create more consumer-facing offers. More engagement generates more behavioral data. That data improves targeting ROI, which brings more advertisers and spend. With self-serve onboarding now available, the ecosystem scales faster, unclogging the sales pipeline. Execution has rebuilt the pipes—the feedback loop is live. AI makes this flywheel work once it is put in motion

8. AI isn't PR — It's a Real Driver of Results

Cardlytics has advanced AI and machine learning to analyze billions of real bank transactions and match each consumer with truly personalized, highly relevant offers. Machine learning predicts where each user is most likely to shop next, using historical spend data to deliver a Starbucks offer to a lapsed customer, or a Hilton deal to a frequent traveler at just the right moment. This level of precision has the potential to drive response rates of 15–20%, which far exceeds the industry average for digital campaigns. For advertisers, that means reduced wasted spend and tangible ROI. For Cardlytics, this automation minimizes human campaign management and support costs, enabling the company to scale to millions of users and hundreds of advertisers with a leaner team and better margin per dollar flowing through the platform. I.e. More Profits!

Cardlytics AI Case Study –
https://www.bestpractice.ai/ai-case-study-best-practice/cardlytics_drives_15-20%25_response_rates_to_personalised_promotions_by_machine_learning_analysis_of_the_purchase_history_of_over_100m_consumers

9. Bank Loyalty Expansion Validates Cardlytics Model — Amex Platinum Refresh Shows the Playbook

American Express has just rolled out a major Platinum Card refresh, raising its annual fee to $895 and adding over $3,500 in annual credits across hotels, dining, lifestyle, and travel brands. These richer reward programs require advanced purchase data, which Cardlytics provides to Amex and other major issuers. This signals that the world's largest banks are doubling down on loyalty and discount ecosystems as competitive drivers—directly aligning with Cardlytics' integrated offers model.

Amex Platinum Perks – https://thepointsguy.com/credit-cards/amex-platinum-2025-refresh/

10. If Not This Management, Then Someone Else

If this management can't execute on a rebuilt, cash-flow-positive platform with deep bank integrations, someone else will. Cardlytics is no longer bleeding cash, has rare first-party data, and sits in front of massive secular tailwinds. Its $100+ per share history reflects the business model's real strategic power. If execution lags, private equity—hungry for high-quality data assets—is a logical acquirer.

11. (Cause these go to 11 Spinal Tap). UK Division = Free Call Option

Beyond the U.S., Cardlytics operates in the UK with Lloyds, Halifax, Santander, and NatWest. Adoption is in place, but monetization lags. While UK is ready to go, the market has not even priced in this part of the business

—---

research. Citron Research will not update any report or information to reflect changes in positions that may be held by a Citron Related Person.

This is not an offer to sell or a solicitation of an offer to buy any security. Neither Citron Research nor any Citron Related Person is offering, selling, or buying any security to or from any person through any Citron research reports.

The research and reports made available by Citron reflect the opinion of Citron Research as of the time of the report only. Reports are based on generally available information, field research, inferences, and deductions through Citron Research's due diligence and analytical process. To the best of Citron Research's ability and belief, all information contained herein is accurate and reliable, is not material non-public information, and has been obtained from public sources that Citron Research believes to be accurate and reliable, and who are not insiders or connected persons of the Covered Issuers or who may otherwise owe a fiduciary duty, duty of confidentiality or any other duty to the Covered Issuer (directly or indirectly). However, such information is presented "as is," without warranty of any kind, whether express or implied. With respect to its respective research reports, Citron Research makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. Further, any research report contains a very large measure of analysis and opinion. All expressions of opinion are subject to change without notice, and Citron does not undertake to update or supplement any reports or any of the information, analysis, and opinion contained in them.

In no event shall Citron Research or any Citron Related Persons be liable for any claims, losses, costs, or damages of any kind, including direct, indirect, punitive, exemplary, incidental, special, or consequential damages, arising out of or in any way connected with any information presented in any Citron report. This limitation of liability applies regardless of any negligence or gross negligence of Citron Research or any Citron Related Persons. You accept all risks in relying on the information presented in any report.

You agree that the information in any Citron research report is copyrighted, and you therefore agree not to distribute this information in any manner without the express prior written consent of Citron Research. If you have obtained Citron research reports in any manner other than as provided by Citron, you may not read such research without agreeing to these Terms of Use. You further agree that any dispute between you and Citron and its affiliates arising from or related to this report or viewing the material presented herein shall be governed by the laws of the State of California, without regard to any conflict of law provisions. The failure of Citron Research to exercise or enforce any right or provision of these Terms of Use shall not constitute a waiver of this right or provision. You agree that each Citron Related Person is a third-party beneficiary to these Terms of Use. If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision and rule that the other provisions of these Terms of Use remain in full force and effect, in particular as to this governing law and jurisdiction provision. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to a Citron Research report or related material must be filed within one (1) year after the occurrence of the alleged harm that gave rise to such claim or cause of action, or such claim or cause of action be forever barred.