



Twitter (TWTR) 2018 Q1 Earnings Summary

April 2018

*[Sign Up For Additional Research From Evolution Media Capital](#)*



# Twitter (TWTR) 2018 Q1 Earnings Summary

April 2018

## Twitter Is Utilizing Live Video Content To Deepen Engagement On The Platform

### VIDEO

- **Video remains an important component as they continue to expand the user experience around events**
  - **Combination of video and conversation is core to its differentiated selection, speed, and personalization**
  - Allows people to post relevant live broadcasts or video clips and content owners to extend their reach
- **In Q1, signed more than 30 new live-streaming, highlight, and VOD partnerships**
  - **Streamed more than 1,300 live broadcasts in Q1, with approximately 80% of those reaching a global audience**

### ADVERTISING

- **Video now accounts for more than half of its ad revenue, and was the fastest growing ad format in Q1**
  - Still feel like there's lots of opportunity from here through better relevance, new formats, and increasing audience
- **The opportunity is about delivering a better ROI for advertisers, rather than focusing on pricing of an engagement**
  - Still think they are more demand-constrained than supply-constrained
  - **Need to take all the great things that are resonating with the top 100 advertisers and extend to the next tier**

### GLOBAL MARKETS

- **Think international strength can continue and are not that far away from international ad revenue exceeding U.S. ad revenue**
  - Primarily driven by growth in video in Japan, which is its 2<sup>nd</sup> largest market
  - Performance ads in the China export market where they help Chinese brands outside of China was a particular area of strength
- Twitter Lite definitely saw growth this past quarter and are pleased with the progress there, but it's going off of a small base

### DATA

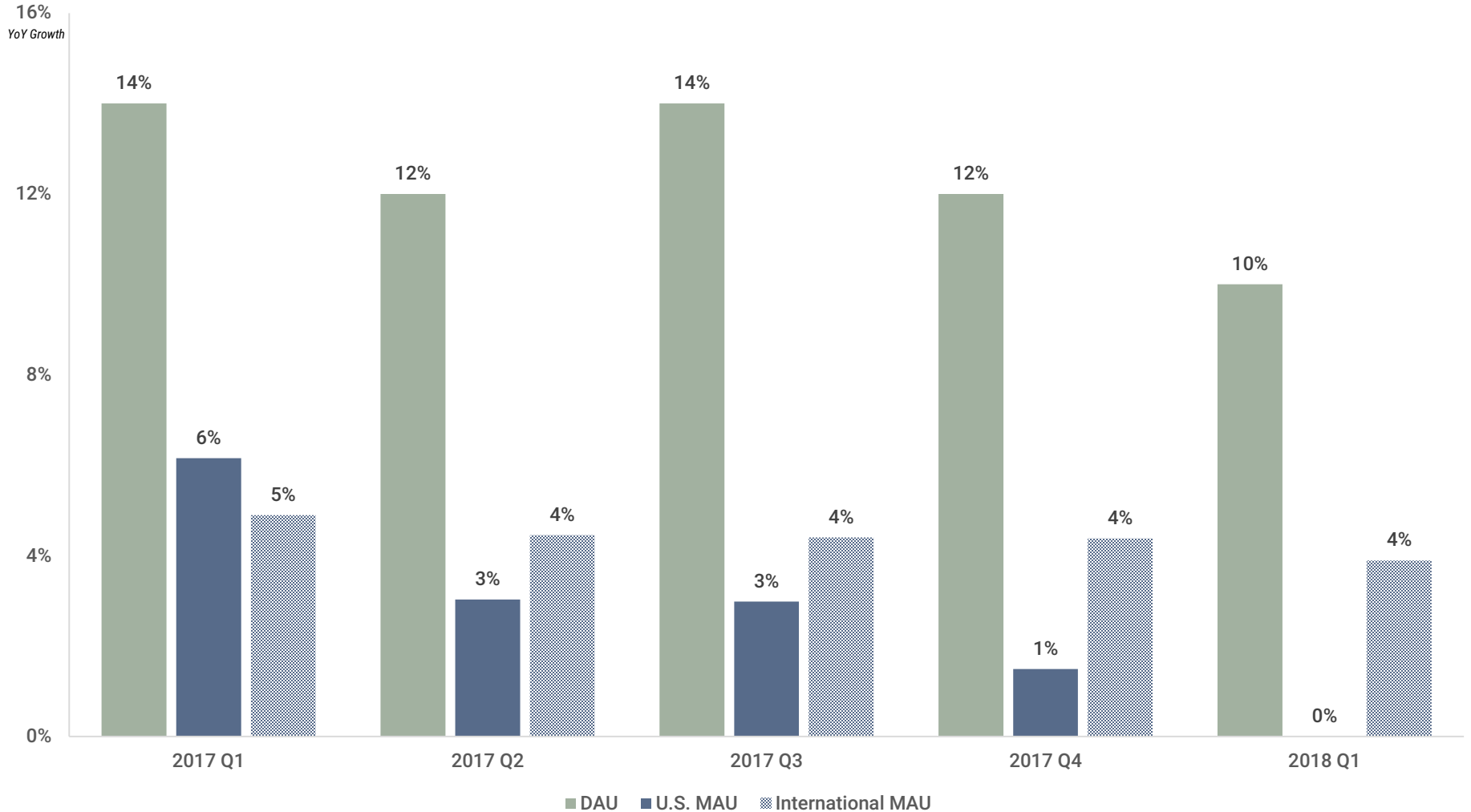
- They are different from their peers in that Twitter is public, and since they serve public conversations, all of their data is out in the open
  - **Do not provide any personal identifiable information that's not already visible on the service**
- Data business just organizes that public data in real-time to make it easier for brands, researchers and organizations to utilize it
  - **Do a lot of sentiment analysis for brands for them to figure out how people feel about their products or services**

### USERS

- **Focus continues to be to drive usage of Twitter as a daily utility**
  - **Drove double-digit DAU growth in five out of the top 10 global markets**
- Being able to show a relevant timeline immediately is definitely the stickiest aspect of Twitter
- **Have always benefited from having journalists on the service and they are one of the most important constituents.**
  - Not only do they release all their publications and articles, but also carry through the conversation

*New features designed to bring more personalized, relevant content to users quicker will make the service more valuable*

## As Domestic MAU Stagnates, It Becomes Imperative To Convert Users Into DAU

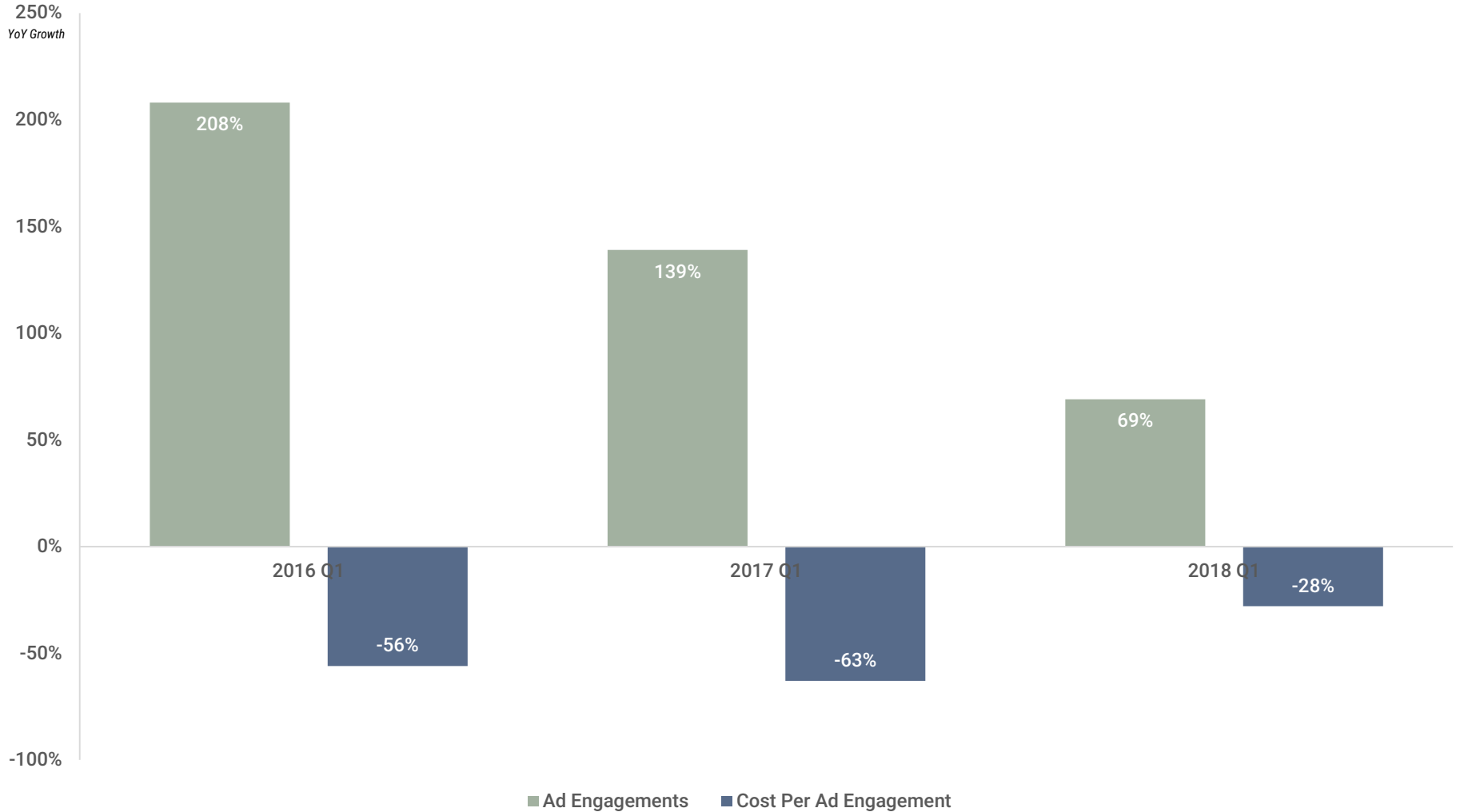


*Twitter Lite should be helpful in maintaining international growth, especially in emerging markets*

# Ad Engagement



The Declining Cost Per Engagement Is Indicative Of The Improved ROI For Advertisers

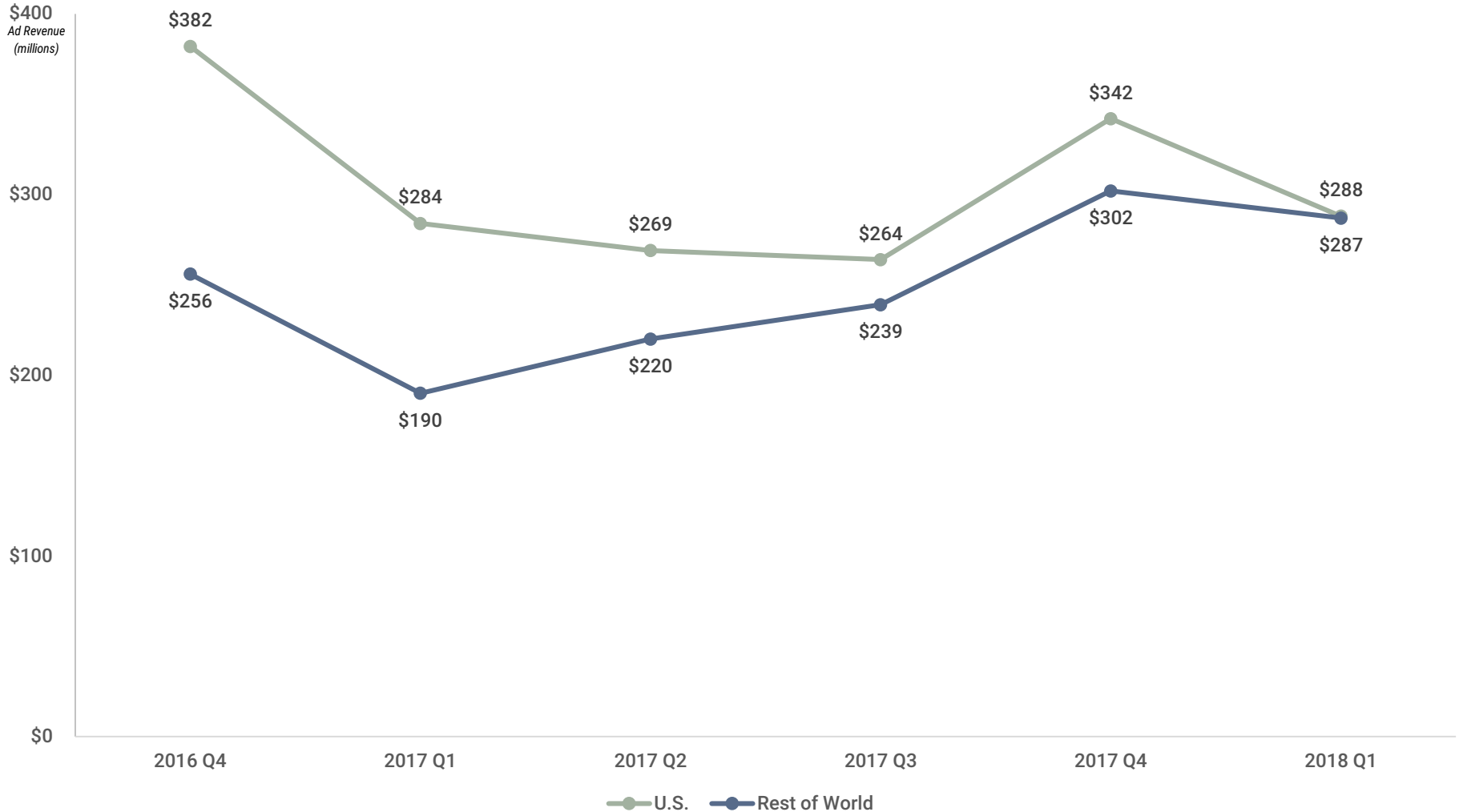


*Expanding video content partnerships provide lucrative inventory for advertisers to reach cord cutting audiences*

# Ad Revenue



The Emphasis On Sports Content Makes It Easier To Reach An International Audience



*As the world becomes more connected, international revenues will surpass U.S. ad revenues*