



Twitter (TWTR) 2018 Q2 Earnings Summary

July 2018

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Twitter Is Concentrating On Events To Organize Conversations And Improve Engagement

ADVERTISING

- **Taking the strategy that has been working with the top 100 advertisers and extending it to the next hundreds of advertisers**
 - There are millions of small businesses on Twitter who don't advertise very much, if at all
 - Have seen early signs of success with Twitter Promote Mode, which is a subscription service for them
- **Improving the ad platform through features that benefits all advertisers, such as more relevance and better ad formats**
 - Had another strong quarter for direct response, where they are trying to bring and blend together performance and brand

VIDEO

- **Video continues to enrich the conversation any time they have it on the platform or within the live experience**
 - Creates a lot more network effects and dynamics to get more people involved with the event and get more people into the video stream
- **Always looking for opportunities to match conversations already happening with really great video content, whether it be live or prerecorded**
 - Have a generalized event infrastructure that they've tested at scale with the World Cup, that allows them to move much faster and deploy those videos in a much more relevant way

FEATURES

- **Organizing conversations around what's happening now, with recaps for people who cannot catch the event live**
 - introduced new machine learning algorithms that make it easier for people to find and follow topics, events and interests
- **Starting with events, but the strategy is to broaden out to more of enduring long-term topics and interests.**
 - People want to figure out what's going on with a particular topic, find a community of conversation around it and engage in it
 - Starting with the in-app experience, but that is going to extend throughout the app, including on-boarding

SAFETY

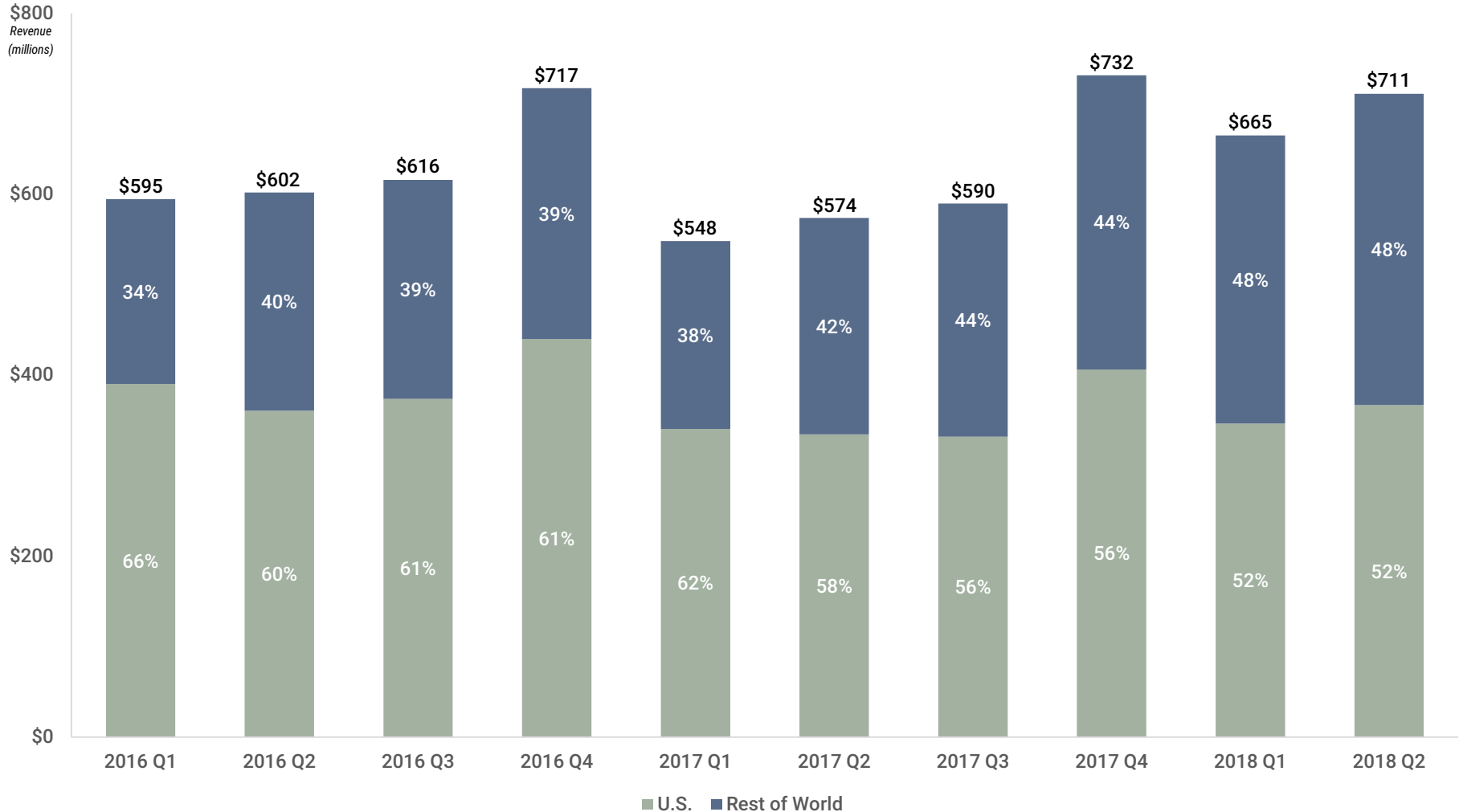
- **Their value is enhanced when the conversation on the platform is healthier and people feel safe freely expressing themselves**
 - Launched new tools to address behaviors that distort and detract from the public conversation
 - Acquired Smyte, a technology company that specializes on safety, spam and security issues to help address these challenges faster
- **Shifting more of their enforcement towards behavior and conduct on the network rather than content**
 - Focus on removing some of the burden of people reporting or blocking or muting, leads to more positive results in their numbers

Safety remains a perpetual issue that can deter advertisers and content creators from embracing the platform

Revenue by Geography



International Is Close To 50% Of Total Revenue And Is Expected To Grow Faster Than The U.S.

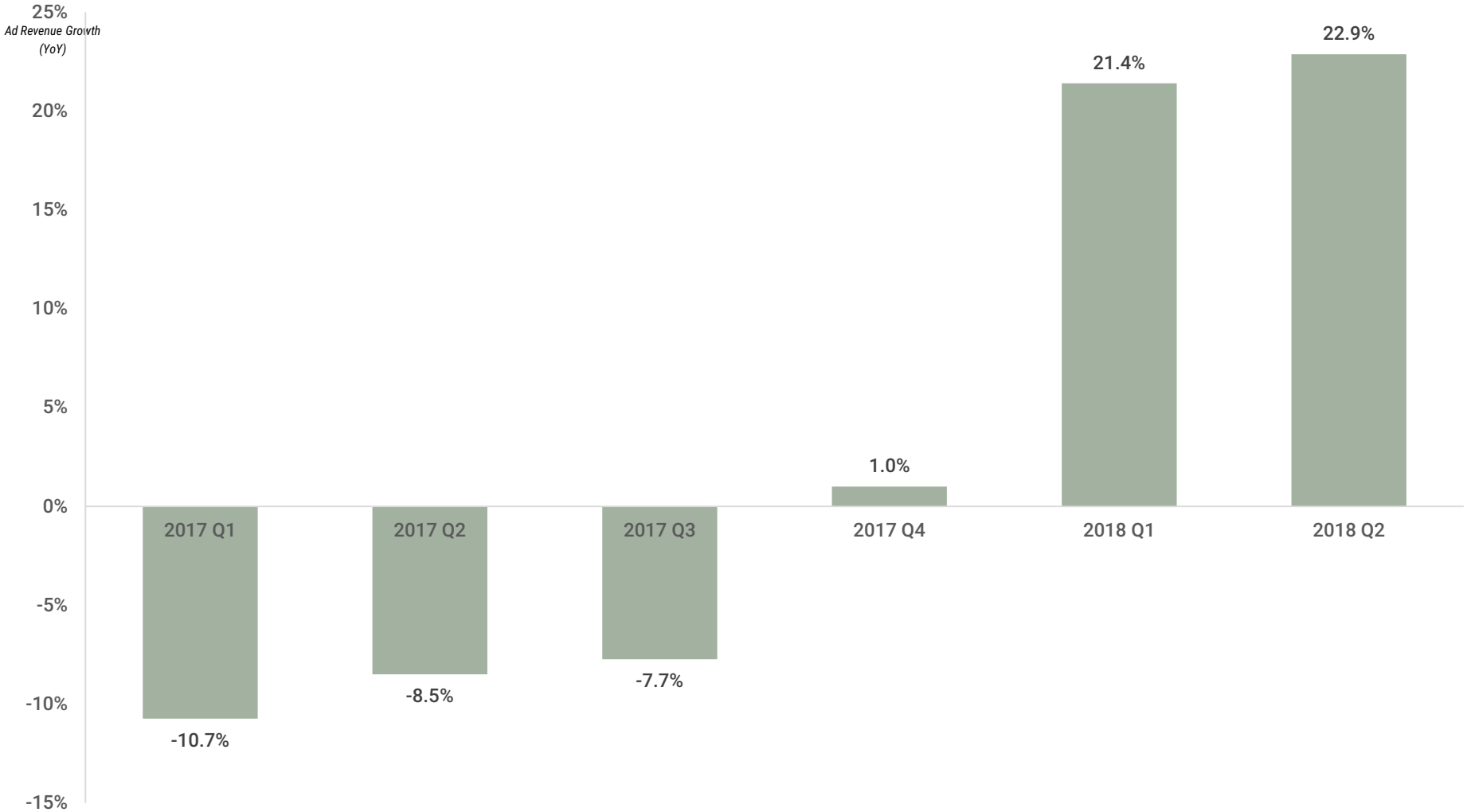


While each market is unique, they can draw learnings from different regions to improve the global product

Ad Revenue



Ad Revenue Momentum Is Continuing As They Focus On Improving ROI For Advertisers Of All Sizes

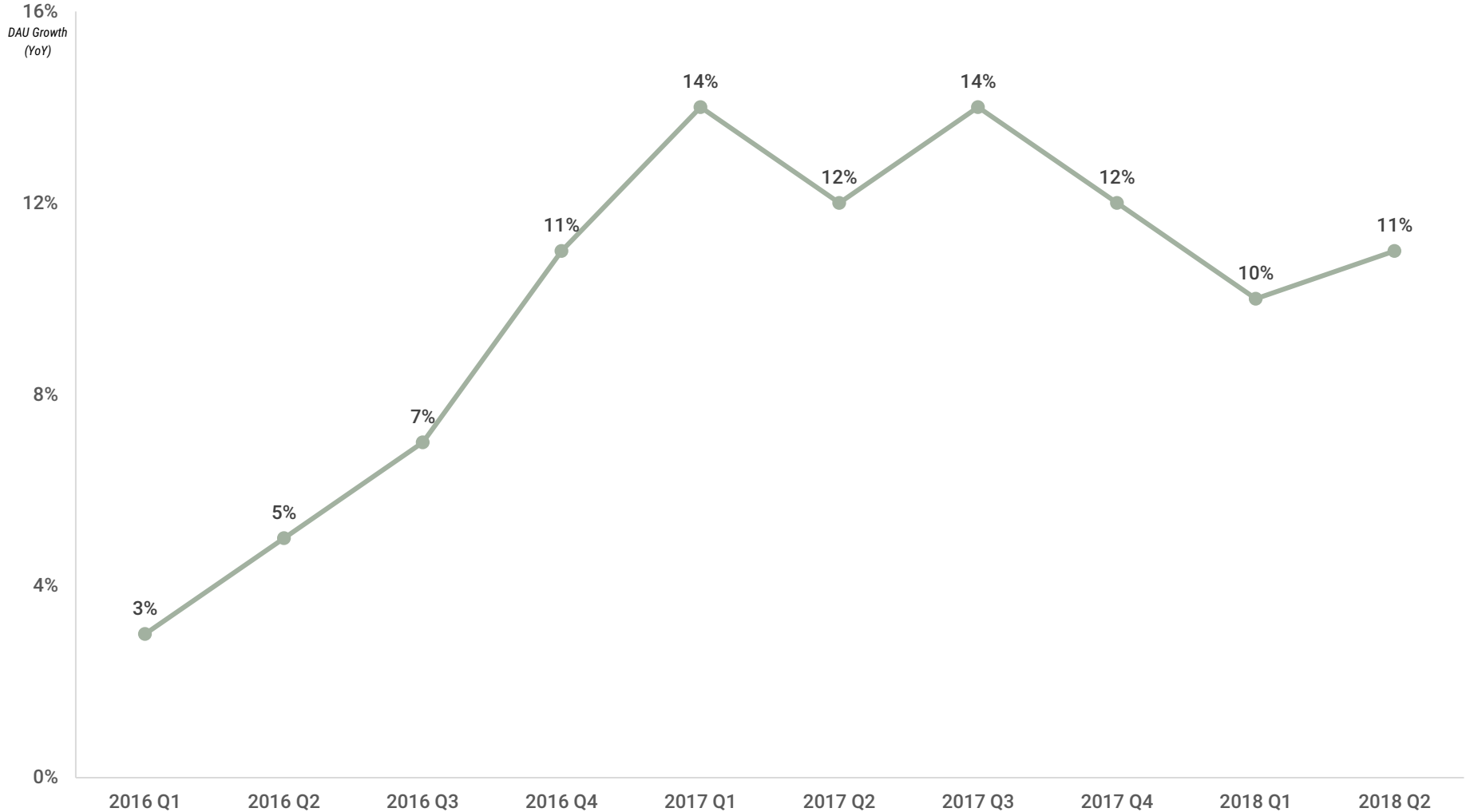


Investing heavily into video can attract more content owners to the platform through appealing revenue sharing deals

DAU



Despite A Decline In Monthly Active Users, Daily Activity Is Increasing Amongst Users



The current priority is using tech to improve the in-app experience to quickly match users with relevant conversations