



Twitter (TWTR) 2018 Q3 Earnings Summary

October 2018

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## Twitter Is Placing An Emphasis On Improving The Health Of The Platform To Support Long-Term Success

### SAFETY

- **Most significant progress in Q3 can be seen in sign-up detection and challenging potentially automated or malicious accounts**
  - 20% quarter-over-quarter decrease in successful sign-ups since the introduction of new techniques
  - Using machine learning to amplify these efforts to deliver health solutions at scale
- **Health continues to be the #1 priority followed by audience, revenue, product and sales and don't expect much to change**
  - Have been very transparent about acknowledging and addressing the issues, not only for advertisers, but for everyone on the service

### USERS

- **Purpose is to serve the public conversation and growing daily active usage on the platform is critical to long-term success**
  - DAU/MAU ratio remains well below 50% and spammy and suspicious accounts continue to represent less than 5% of MAU in Q3
  - Opportunity to grow DAU both within the base of MAU, and then also to grow from people who are not in the monthly active usage category
- **Focusing on making the platform a lot more conversational as they believe that conversations are Twitter's superpower**
  - Continue to be pleased with engagement on the platform across geographies and cohorts

### ADVERTISING

- **Continue to see a big opportunity in direct response and over time will be able to do more to help advertising partners**
  - Teams that think about brand advertising versus performance-based are beginning to converge in their objectives
  - Have more compelling ad formats, which make a broader set of dollars available
- **Total ad engagements increased 50%, resulting from increased demand, the shift toward video and improved click through rates**
  - Still have work to do to support the millions of small businesses who reach their customers on Twitter, but might not pay for advertising

### PRODUCT FEATURES

- **Events are happening every single day and it's their job to match the event, whether it be big or small, to the right person**
  - Increasingly less focused on the things that happen in one country versus another as advertising becomes more prevalent
- **Improving relevance on the timeline and notifications continues to see positive results in usage**
  - Added support for TV shows into their event infrastructure, making it easier for people to follow conversations around their favorite programs
  - See a lot of opportunity and potential within search, but first want to make sure they are strengthening where people end up after search

*The service continues to shift towards events, interests and topics in order to deepen engagement*

# Research & Development



Increased Spending On Protecting The Safety Of The User Experience Is Essential For Continued Growth



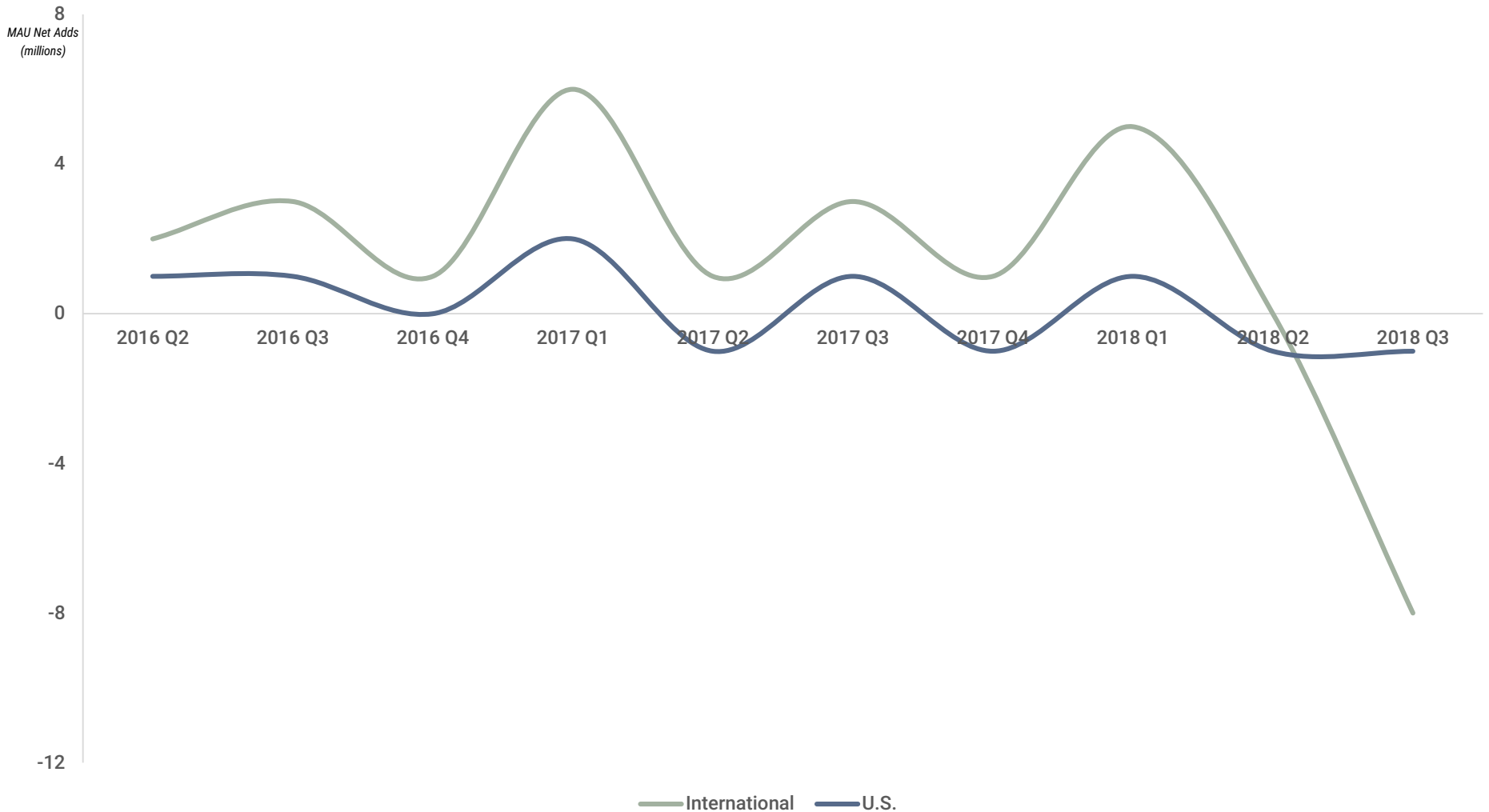
*Investments into technology give them the ability to address potential issues even faster in the years ahead*



# Monthly Active Users



Ongoing Efforts Around Suspicious Accounts Will Have Short-Term Implications On The User Base

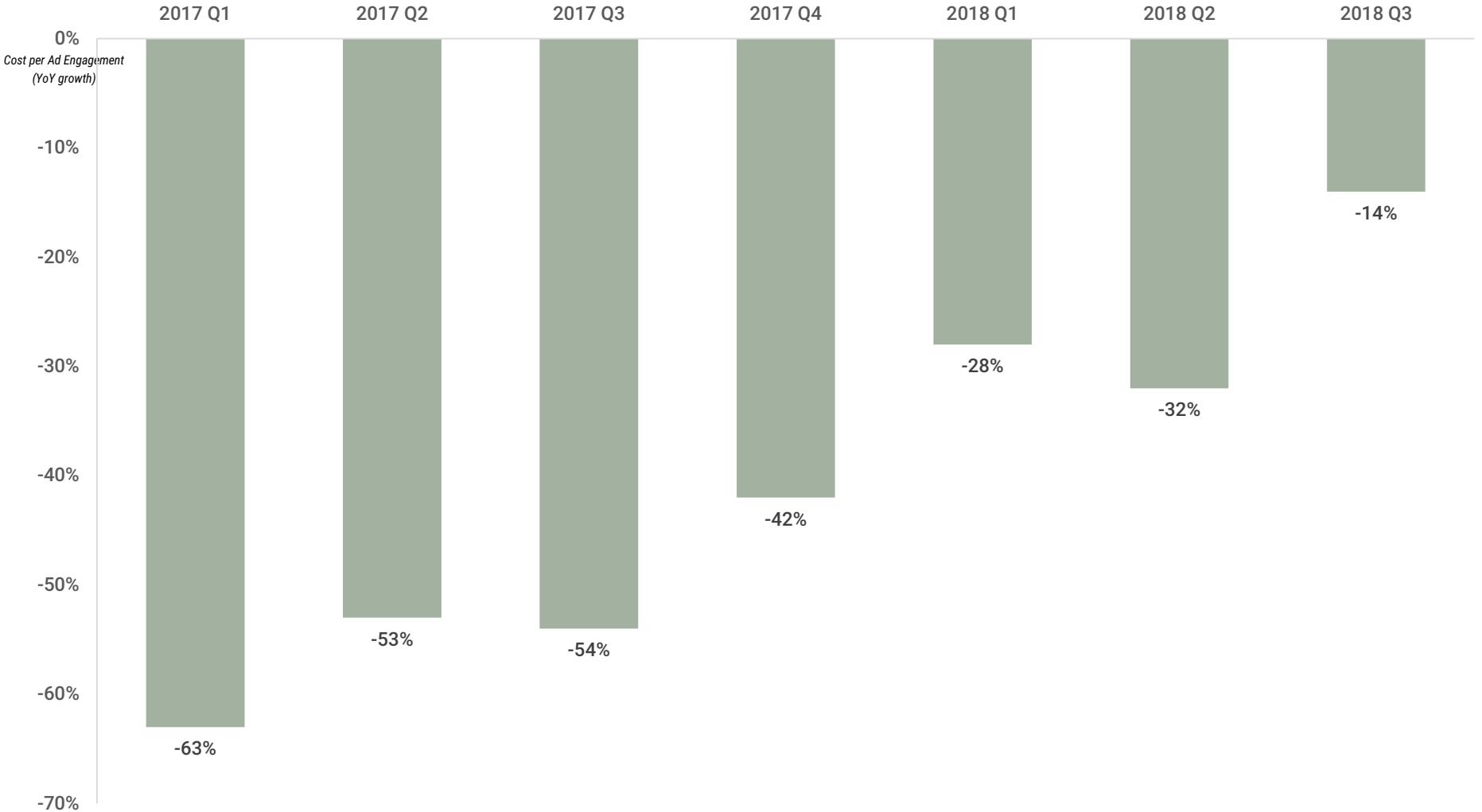


*Despite the manipulative activity, daily usage continues to grow which highlights the strengths of the platform*

# Cost Per Ad Engagement



Advertisers Will Increase Their Investments On Platforms Where They Generate The Highest ROI



*New features on the timeline that enhance the discovery of video will also create more desirable ad inventory*