



Twitter (TWTR) 2020 Q3 Earnings Summary

October 2020

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Twitter Has Further Delayed The Release Of Its Revamped Mobile Ad Product Until Next Year

MAP

- **Delaying general availability into 2021 when they can integrate expected new industry standard mobile privacy requirements**
 - There is work for them to do to move all the way down the funnel to help advertisers not just reach their customers, but also sell something to them
 - Need to wait and hear the specifics of IDFA and think about how to adjust, along with advertisers and other ad platforms in the ecosystem
- **Still driving results around MAP and causing advertisers to still invest more while waiting for that revamped product to come out**
 - Have hundreds of advertisers who have it, and with third-party measurement, they are spending 30% more

ADVERTISING

- **Saw strength throughout the quarter, as advertisers around the world significantly increased their investment**
 - In the last 3 weeks of Q3, ad revenue was up 19% year-over-year with fairly consistent daily growth rates during that period
 - Have no reason to believe that September's revenue trends can't continue or even improve outside of the election-related window.
- **Advertisers may pause or slow down because there is a more important discussion happening but they do come back**
 - Often spend through that budget that they had set aside because their objectives and their reach goals haven't changed

USERS

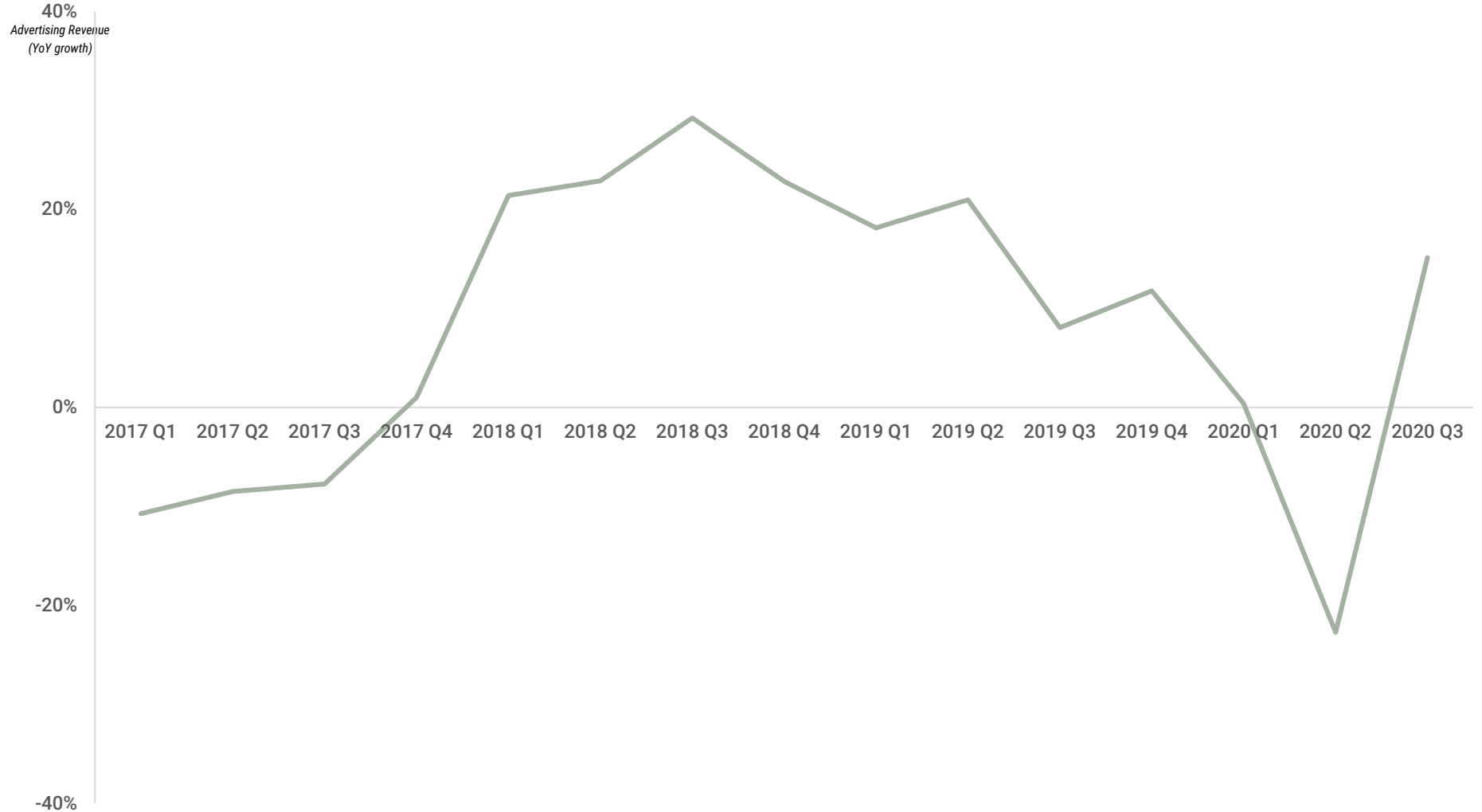
- **Increase in mDAU was primarily driven by external factors, including increased global conversation around COVID-19**
 - Ongoing impacts from product improvements have allowed them to retain more of those new and reactivated accounts than in previous periods
 - Fourth quarter is typically seasonally slower, but with increased activity around the U.S. election, there is more potential benefit in Q4 and beyond
- **There is a substantial opportunity to show people a much broader aspect of Twitter than just what they see with news and politics**
 - Need to get people to very niche interest in Topics, which tend to do extremely well, and bring them there earlier in the customer experience

EVENTS

- **Work hard with partners to differentiate themselves given the public conversation that happens on the service**
 - There have been great opportunities with all the sports leagues as they come back and look for ways to engage their fans
 - It's also true for movie launches, or when a new series starts on an over-the-top video service, and they do a watch party
- **The strength and timing of the holiday shopping season is also likely to play out differently this year than it has historically**
 - Buying season may be accelerated and even more digital in terms of advertising and delivery of goods and services than ever before

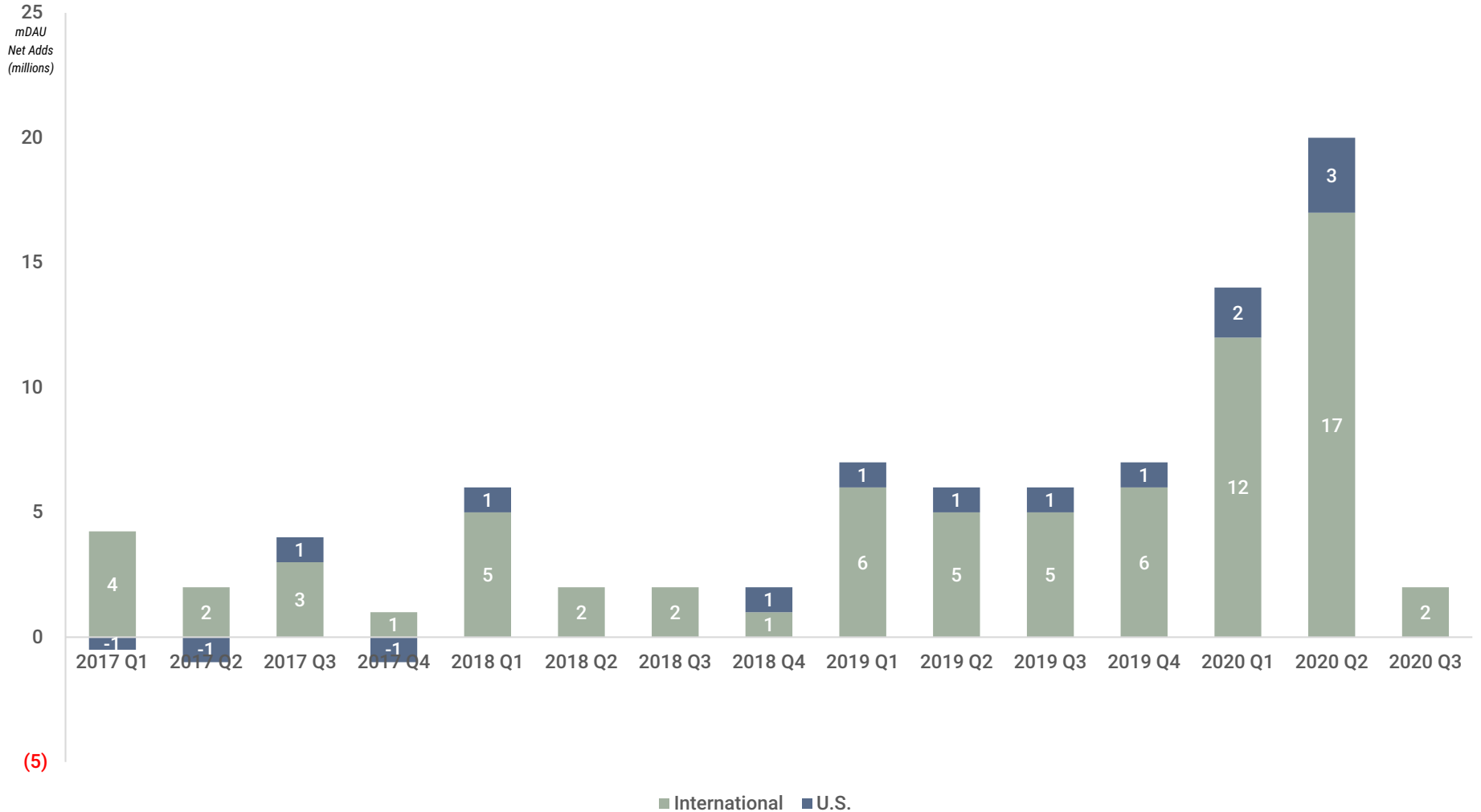
Events and product launches have started to come back, but this holiday season will be much different than years past

Direct Response Advertising Is Growing, But There Is A Need To Evolve Past Website Clicks And App Installs



There is a secular shift towards online advertising, and building out self-serve channels for SMBs will be essential

As Conversations Around COVID And Elections Wane, It Will Be Important To Keep New Users Engaged



Topics can be an additive experience to the platform and are an important tool to help users discover relevant content

Free Cash Flow



As Usage On The Platform Rises, There Is A Need To Improve The Capabilities Of Their Infrastructure



Developing non-ad revenue opportunities, such as commerce or subscription, remains one of their top priorities