Investing to Drive Growth

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The 2023 mDAU and revenue goals presented here are based on our current roadmap and are contingent upon many factors, including our own execution and various market conditions. These goals illustrate our current thinking on our objectives and are subject to various risks and uncertainties. Over time, we may also modify our goals or pursue alternative objectives and strategies.

Disclaimer
2020 Audience

- **3X** total mDAU added by causal product improvements
- Growth from product improvements reached an all-time high in 2020
2020 Revenue

Total revenue
$3.7B +7% Y/Y

- Q4 strong finish with record quarterly revenue
- Revenue growth accelerated across markets and both brand and performance
  - Ad revenue +31% Y/Y and +43% Q/Q
  - MAP up more than 50% Y/Y
- Strong seasonality combined with benefit from larger audience and product improvements
- DL&O revenue +9% Y/Y
## 2020 Profitability

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$3,716M</td>
<td>$1,289M</td>
</tr>
<tr>
<td>Total costs and expense</td>
<td>$3,690M</td>
<td>$1,037M</td>
</tr>
<tr>
<td>Operating income</td>
<td>$27M</td>
<td>$252M</td>
</tr>
<tr>
<td>Operating margin</td>
<td>1%</td>
<td>20%</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>($1,136M)$</td>
<td>$222M</td>
</tr>
</tbody>
</table>

### Highlights
- 2020 expenses +19% Y/Y, slightly below pre-COVID expectations
- Q4 +21% Y/Y as we were able to increase our level of investment
- Q4 was highest ever operating income in one quarter
- Q4 results demonstrate our potential operating leverage

### Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$993M</td>
<td>$330M</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$864M</td>
<td>$292M</td>
</tr>
<tr>
<td>Adjusted free cash flow</td>
<td>$129M</td>
<td>$38M</td>
</tr>
</tbody>
</table>

### Highlights
- 2020 capex was +62% Y/Y to address near-term capacity needs and build out new data center

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1. Our FY'20 GAAP net loss of $1.14 billion includes a $1.10 billion deferred tax asset valuation allowance and corresponding non-cash income tax expense based primarily on cumulative taxable losses driven primarily by COVID-19.
2. Twitter defines capital expenditures as purchases of property and equipment including equipment purchases that were financed through finance leases less proceeds received from the disposition of property and equipment.
3. Adjusted free cash flow is a non-GAAP measure and represents net cash provided by operating activities less capital expenditures.
Our Ambitions

**Velocity**
- Double number of successful features shipped/employee by the end of **2023**

**Participation**
- **315M** or more mDAU in Q4 **2023**

**Durability**
- At least double total revenue from **$3.7B** in 2020 to **$7.5B** or more in 2023

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2021

- Total costs and expenses expected to grow 25% or more compared to 2020\(^1\)
- Total revenues expected to grow faster than expenses

Long term

- Continued bias toward investment as long as we are on track to meet our goals
- No change to our thinking around long-term margin potential, i.e., mid-teens GAAP operating margin or 40-45% adjusted EBITDA margin

\(^1\)- Assumes the global pandemic continues to improve and we see modest impact from the rollout of changes associated with iOS 14.

The long-term margin target presented here is based on our current roadmap and is contingent upon many factors, including our own execution and various market conditions. This target illustrates our current thinking and is subject to various risks and uncertainties. Over time, we may also modify this target or pursue alternative objectives and strategies.
Support growth organically and through acquisitions

Return capital to shareholders through share repurchase

Maintain strong balance sheet
Key Takeaways

Massive market opportunity in audience and revenue

Bold ambitions and clear strategy

Pace of innovation

Right leadership team