

Snap Inc.

INVESTOR DAY

Derek Andersen

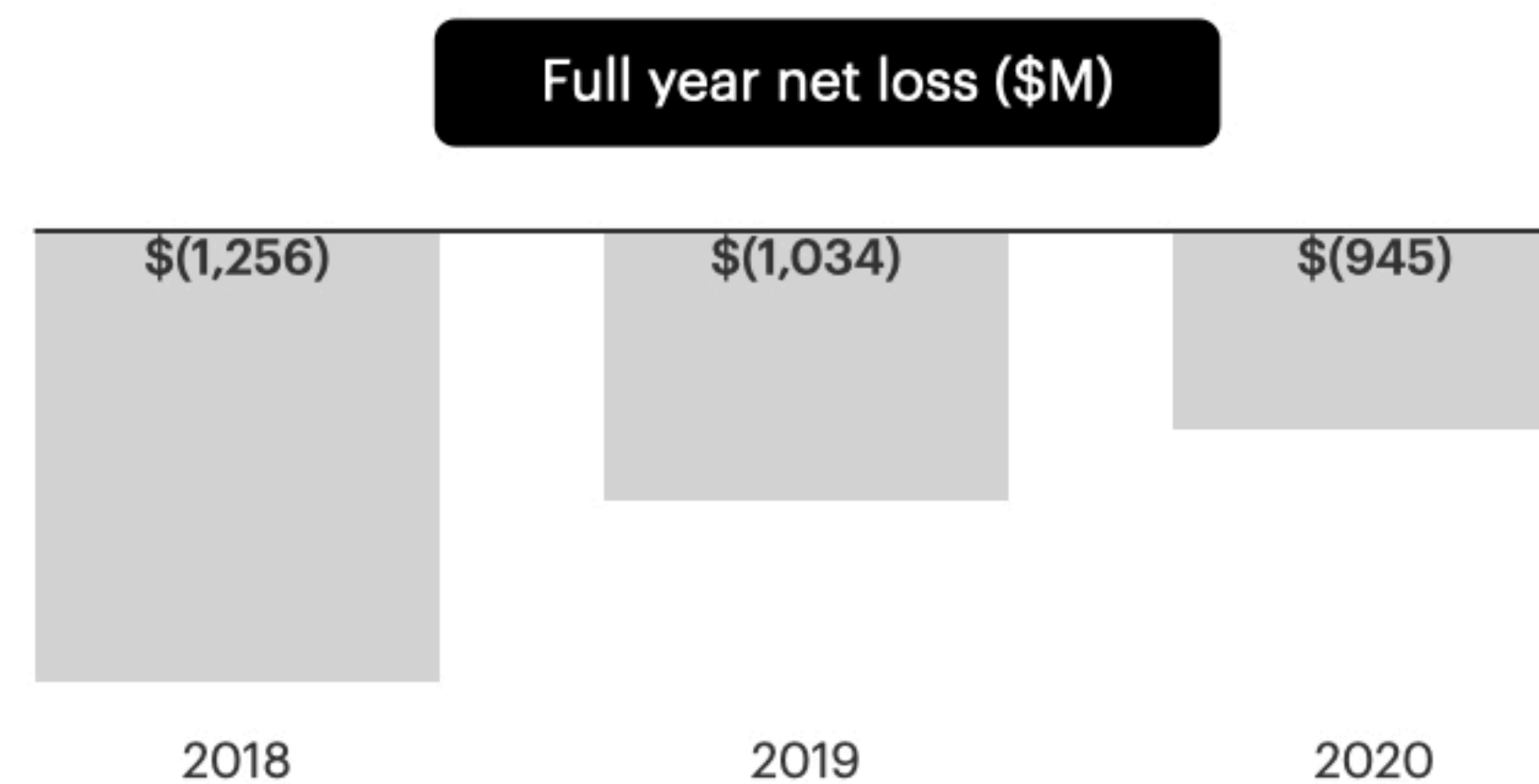
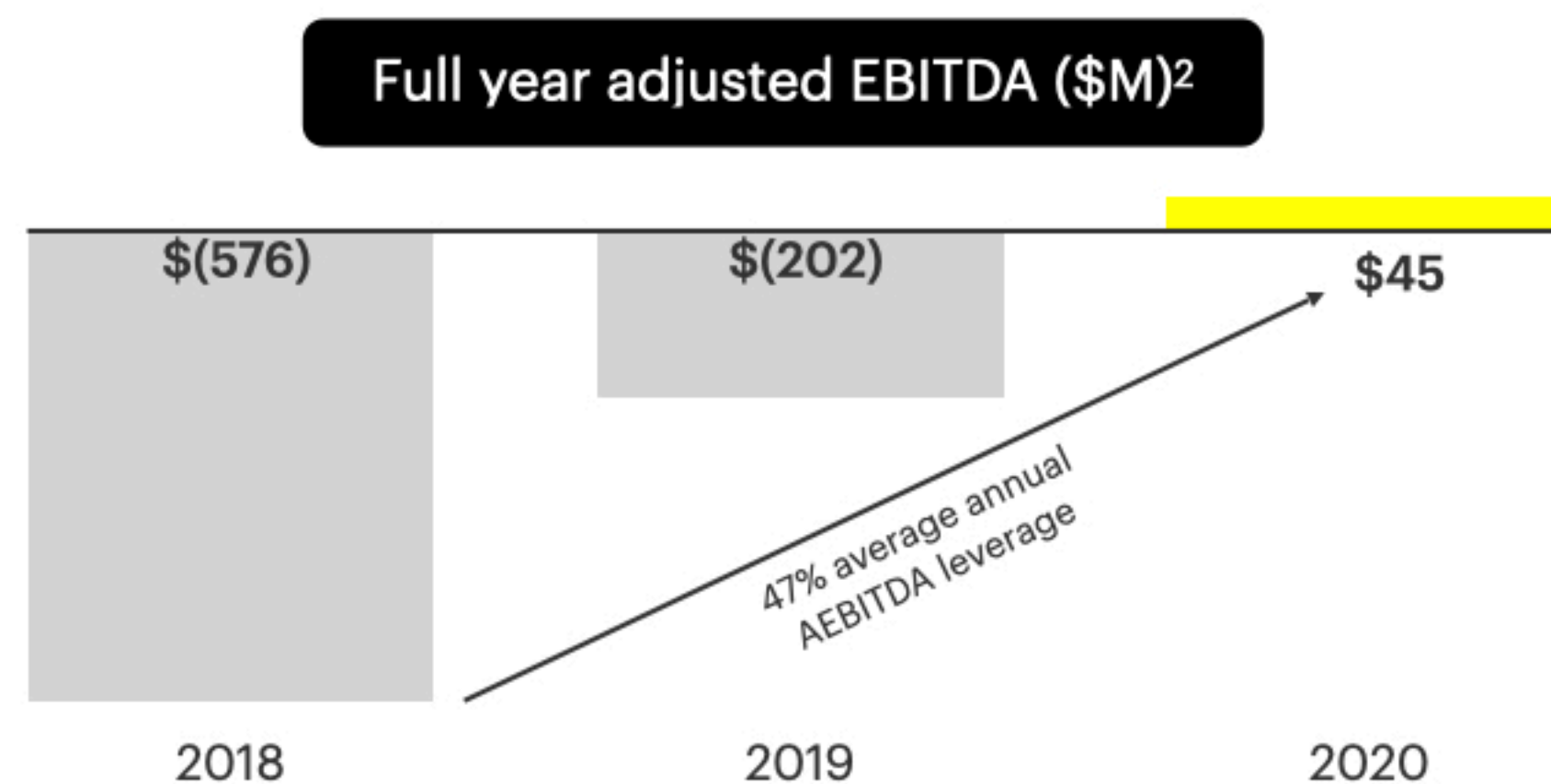
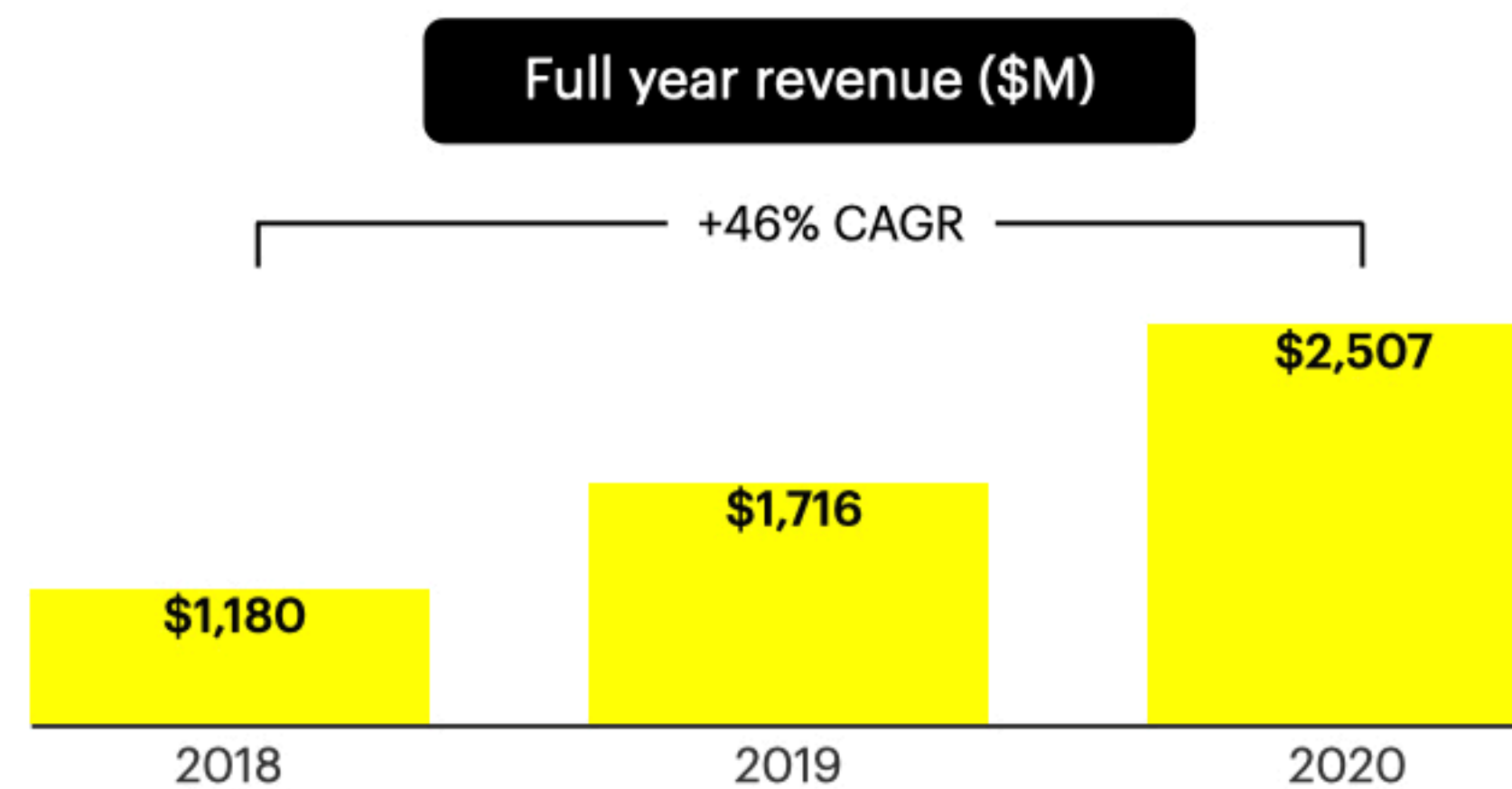
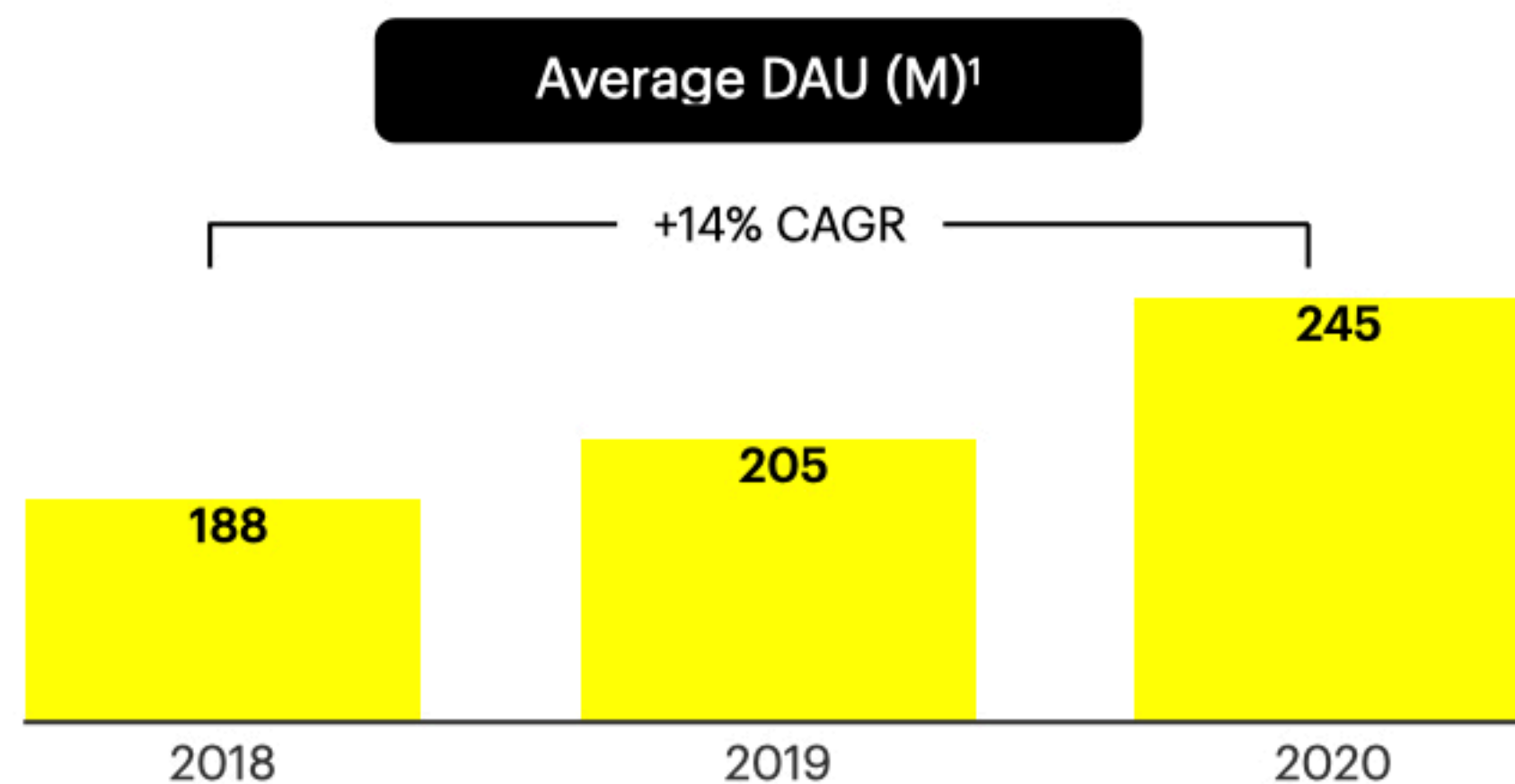
Chief Financial Officer

Disclaimers

Note Regarding Forward Looking Statements and use of Non-GAAP financials

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “going to,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. We caution you that the foregoing may not include all of the forward-looking statements made in this presentation. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks, uncertainties, and other factors described in “Risk Factors” and elsewhere in our Annual Report on Form 10-K, for the year ended December 31, 2020 filed with the SEC, which is available on the SEC’s website at www.sec.gov., including among other things: our financial performance, including our revenues, cost of revenues, operating expenses, and our ability to attain and sustain profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users and publishers; our ability to attract and retain advertisers; our ability to compete effectively with existing competitors and new market entrants; our ability to effectively manage our growth and future expenses; our ability to comply with modified or new laws and regulations applying to our business; our ability to maintain, protect, and enhance our intellectual property; our ability to successfully expand in our existing market segments and penetrate new market segments; our ability to attract and retain qualified employees and key personnel; our ability to repay outstanding debt; future acquisitions of or investments in complementary companies, products, services, or technologies; and the potential adverse impact of the COVID-19 pandemic on our business, operations, and the markets and communities in which we and our partners, advertisers, and users operate. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation or in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC, which is available on the SEC’s website at www.sec.gov. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of our most recent Annual Report on Form 10-K. 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This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. A reconciliation of GAAP to non-GAAP measures is provided in the appendix of this presentation.

Focus on Growth and Profitability

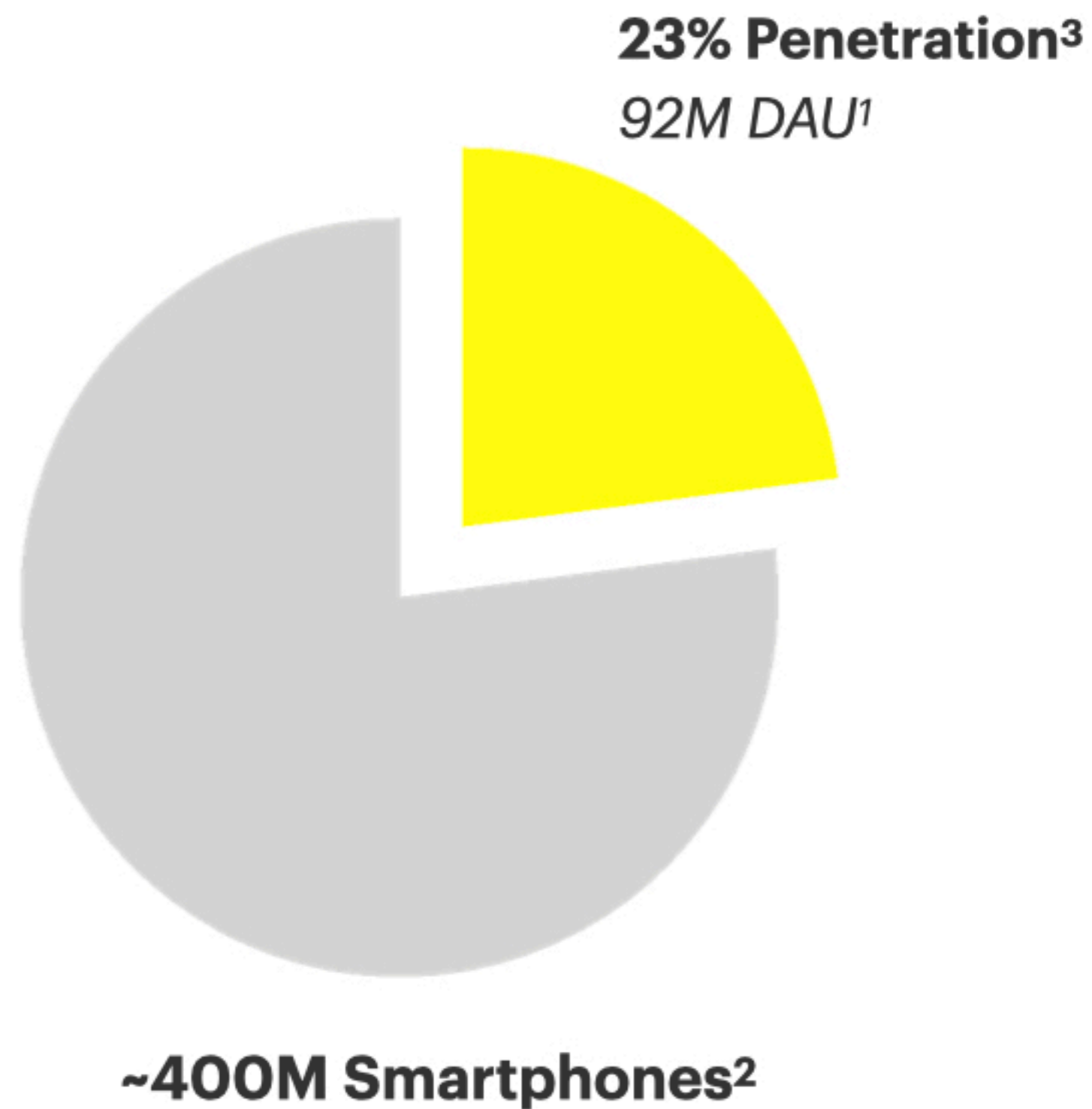


1. Snap Inc. internal data 2018-2020. See Snap Inc. public filings with the SEC.

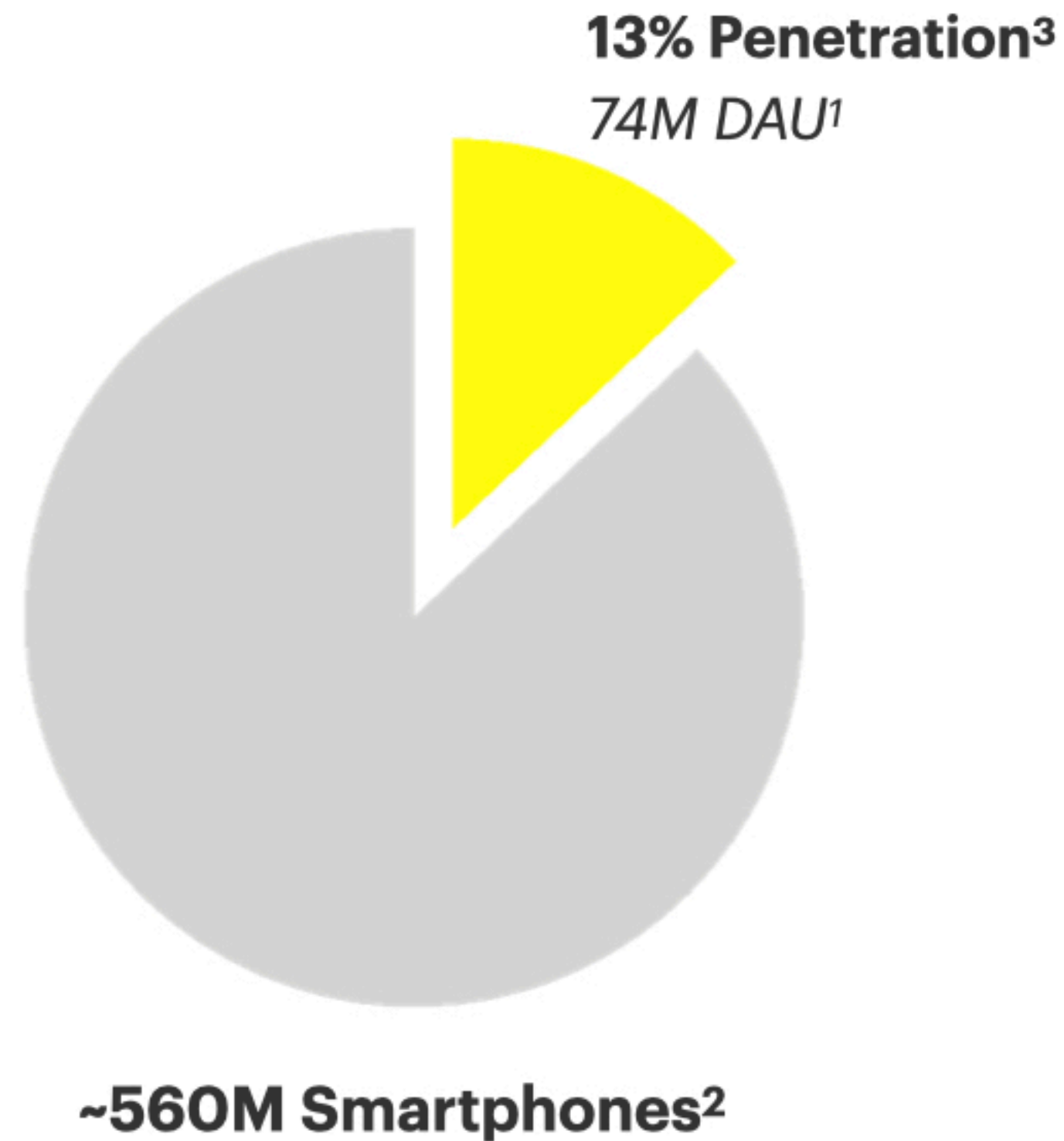
2. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.

Global Penetration

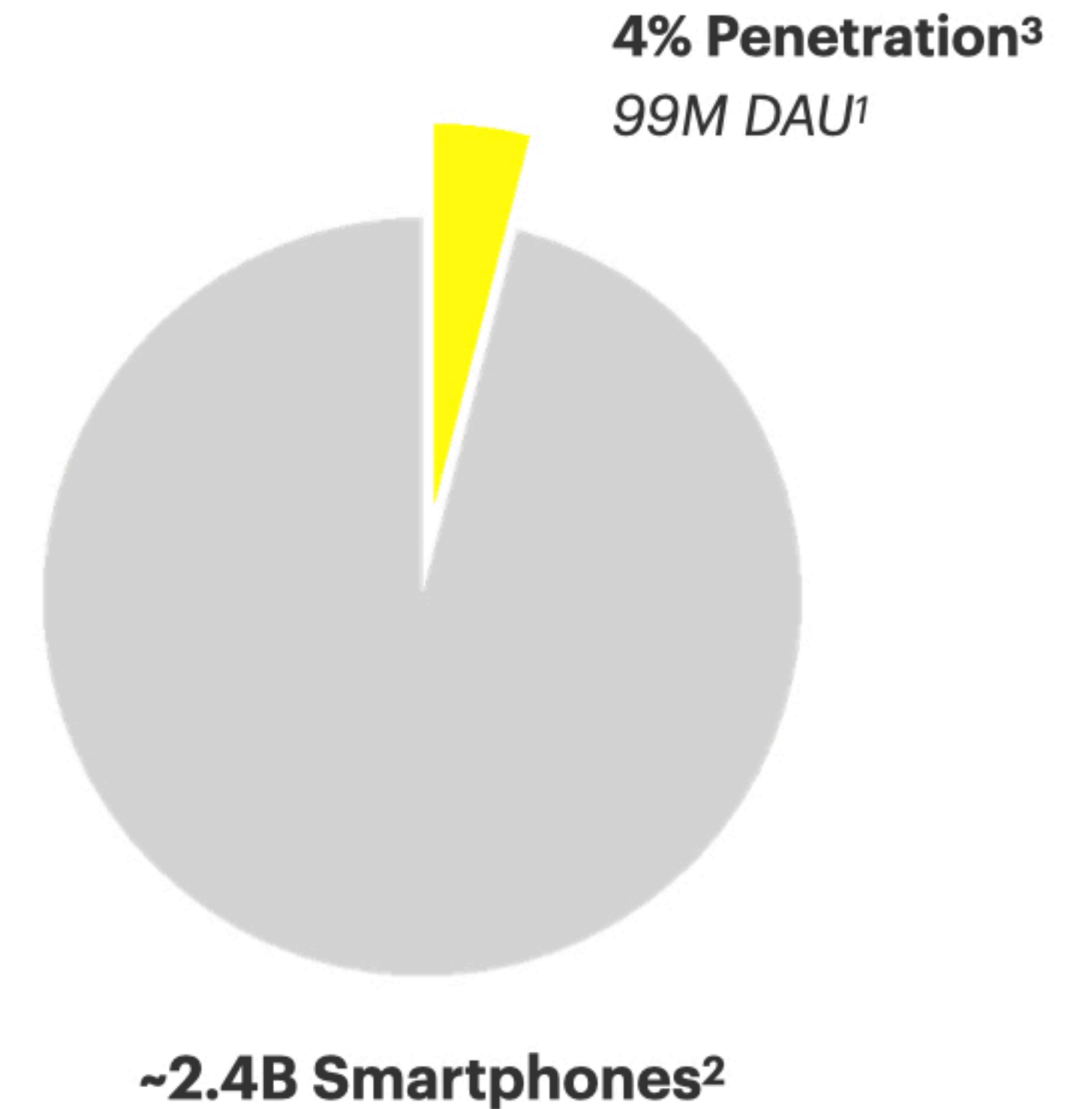
North America



Europe

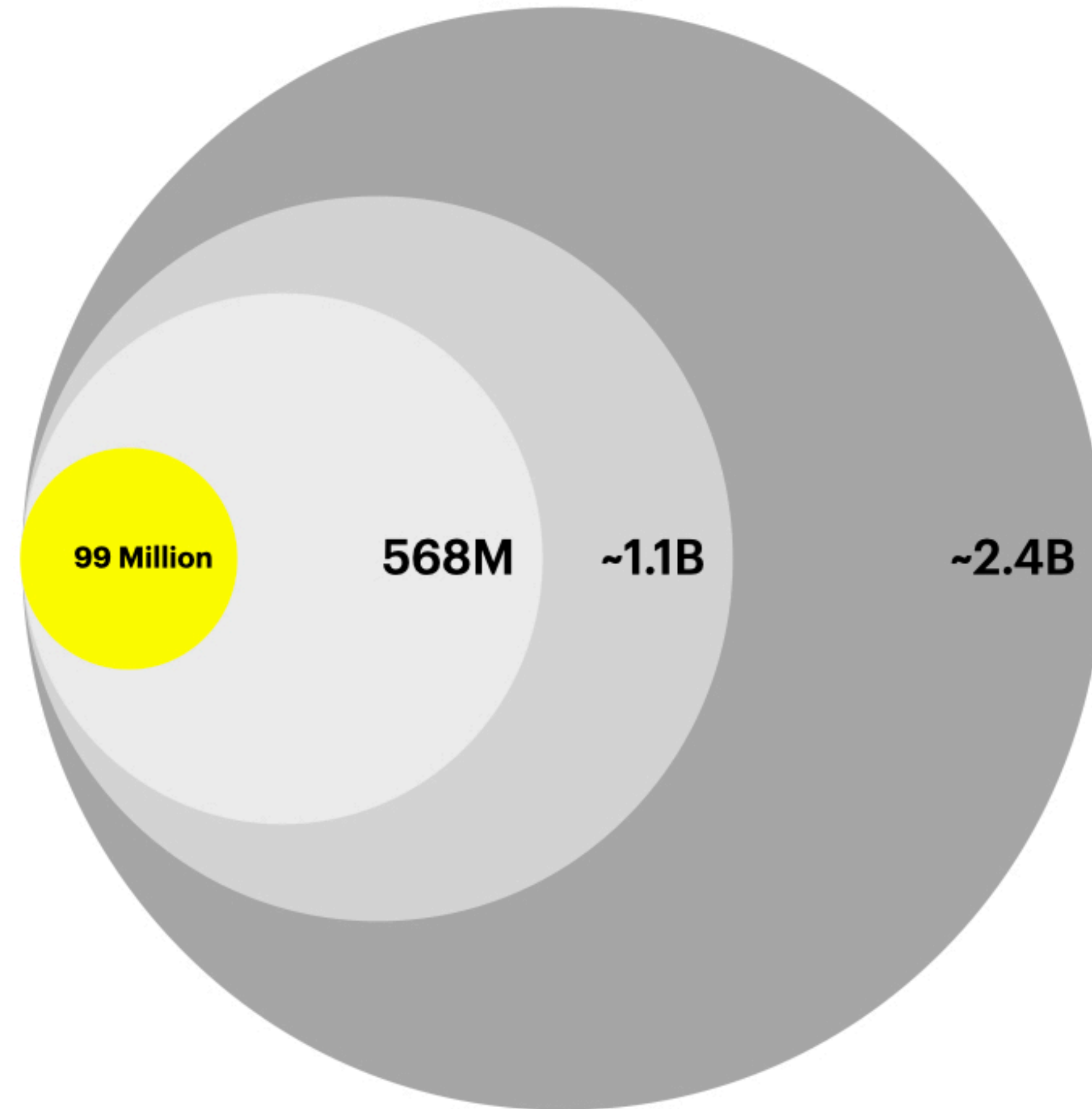
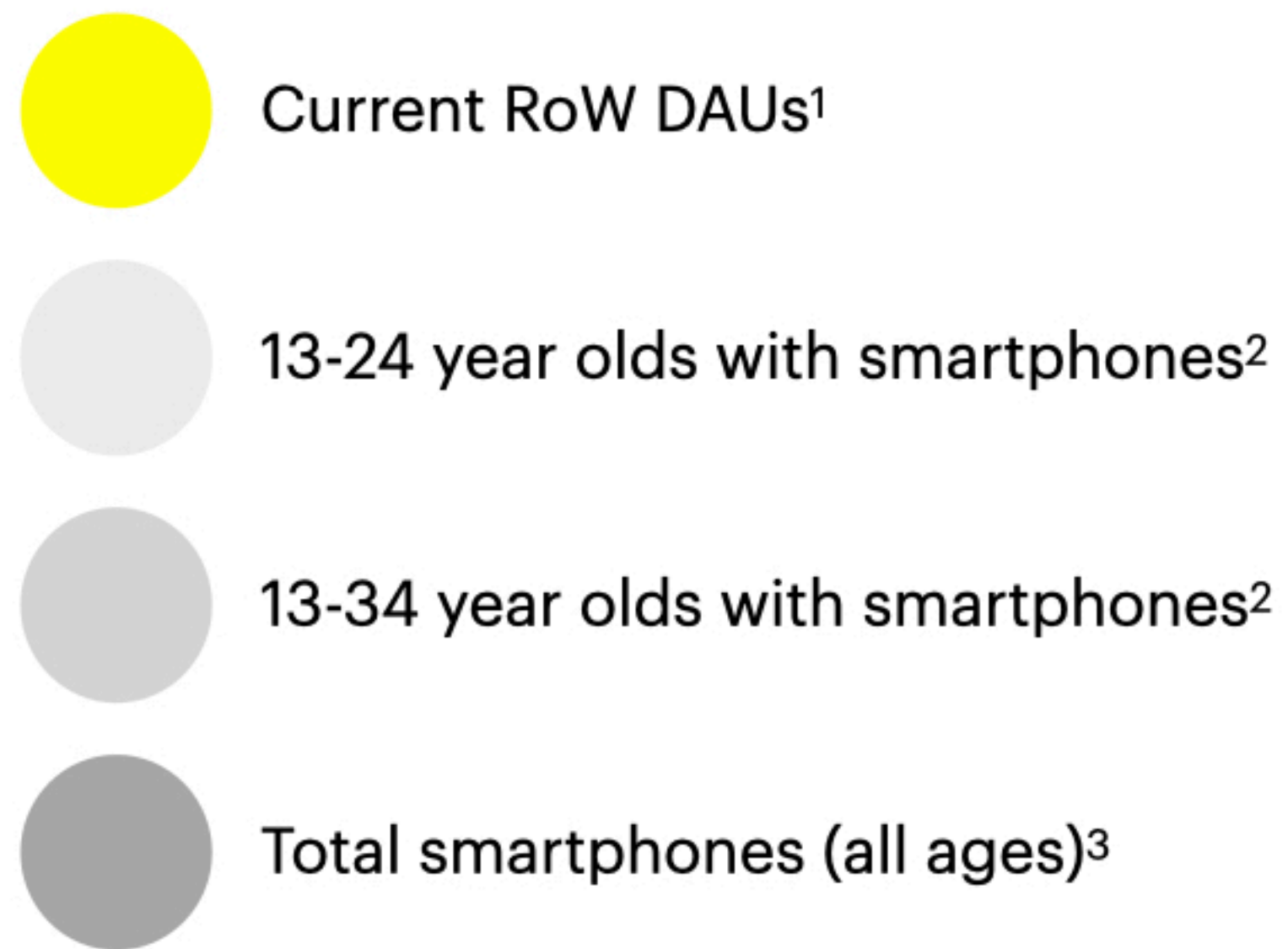


Rest of the World



1. Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.
2. eMarketer & Newzoo 2020 smartphone estimates.
3. Percentage calculated by dividing Snap Inc. DAU by total smartphone estimate.

Rest of World Opportunity



1. Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.

2. United Nations population estimates. Smartphone penetration by age cohort is estimated based on population distribution.

3. eMarketer & Newzoo 2020 smartphone estimates.

International Growth Playbook

LOCAL LANGUAGE

35

Languages
currently
supported¹

LOCAL LENSES

1.5M+

Lenses launched²

150K+

Active lens
creators globally³

LOCAL CONTENT

**Nearly
500**

Content partners in

17

Countries around
the World⁴

LOCAL MARKETING

Generate
awareness
through local
marketing
initiatives

LOCAL PARTNERSHIPS

Preload partnerships
with major handset
OEM's provide
placement & promotion:

SAMSUNG vivo

Partnerships with
local telcos ensure
attractive data rating
and promotion:

ooredoo

telcel

1. Snap Inc. internal data as of January 2021

2. Snap Inc. internal data as of September 30, 2020.

3. Snap Inc. internal data 2020.

4. Snap Inc. internal data January 22, 2015 - January 29, 2021.

International Growth Case Study: India

WHY INDIA IS AN ATTRACTIVE MARKET

Over 8%

annual growth in 4G and
5G mobile subscribers
through 2023¹

Over 11%

annual growth in
nominal GDP per
capita through 2023²

INITIATIVES

9

Local languages
supported³

85

Local Discover channels⁴

5K+

Local lens creators⁵

PROOF POINT

Over 100%

YoY DAU growth
in each of the last
four quarters⁶

1. Informa Tech February 7, 2021

2. IHS Markit, Ministry of Statistics & Programme Implementation of India (MOSPI), United Nations (UN), January 15, 2021

3. Snap Inc. internal data January 2021

4. Snap Inc. internal data as of January 28, 2021.

5. Snap Inc. internal data 2020.

6. Snap Inc. internal data 2020 vs. 2019. See Snap Inc. public filings with the SEC.

Representative Established Markets



U.S.



U.K.



Australia



France



Netherlands

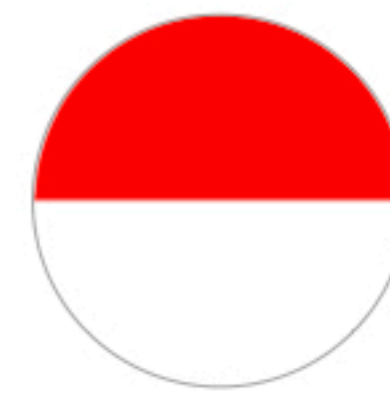
Above
90%
13-24 penetration

Above
75%
13-34 penetration

Representative Growth Opportunity Markets



India



Indonesia

Less than
20%
13-24 penetration

Less than
15%
13-34 penetration



Mexico



Spain

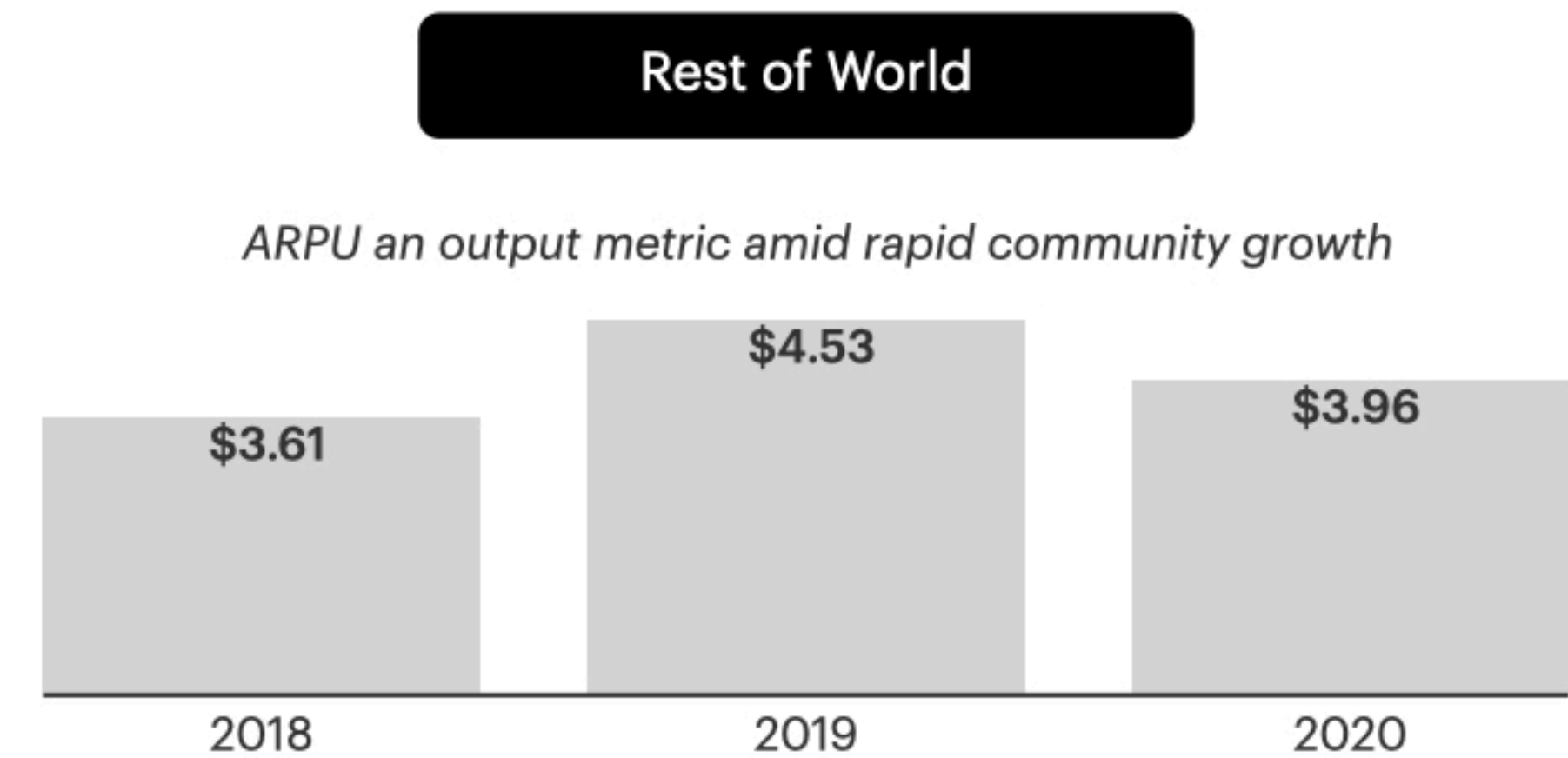
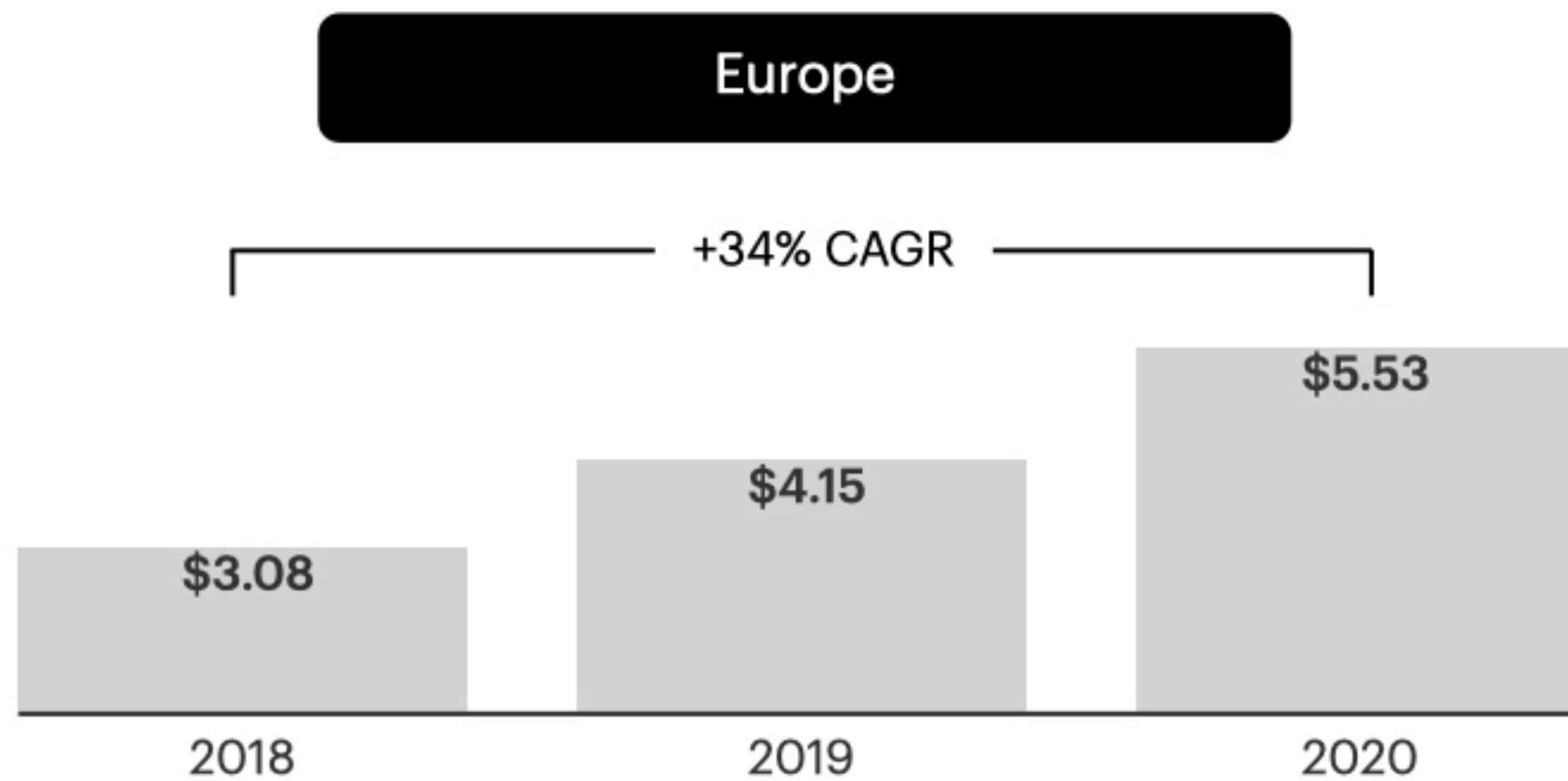
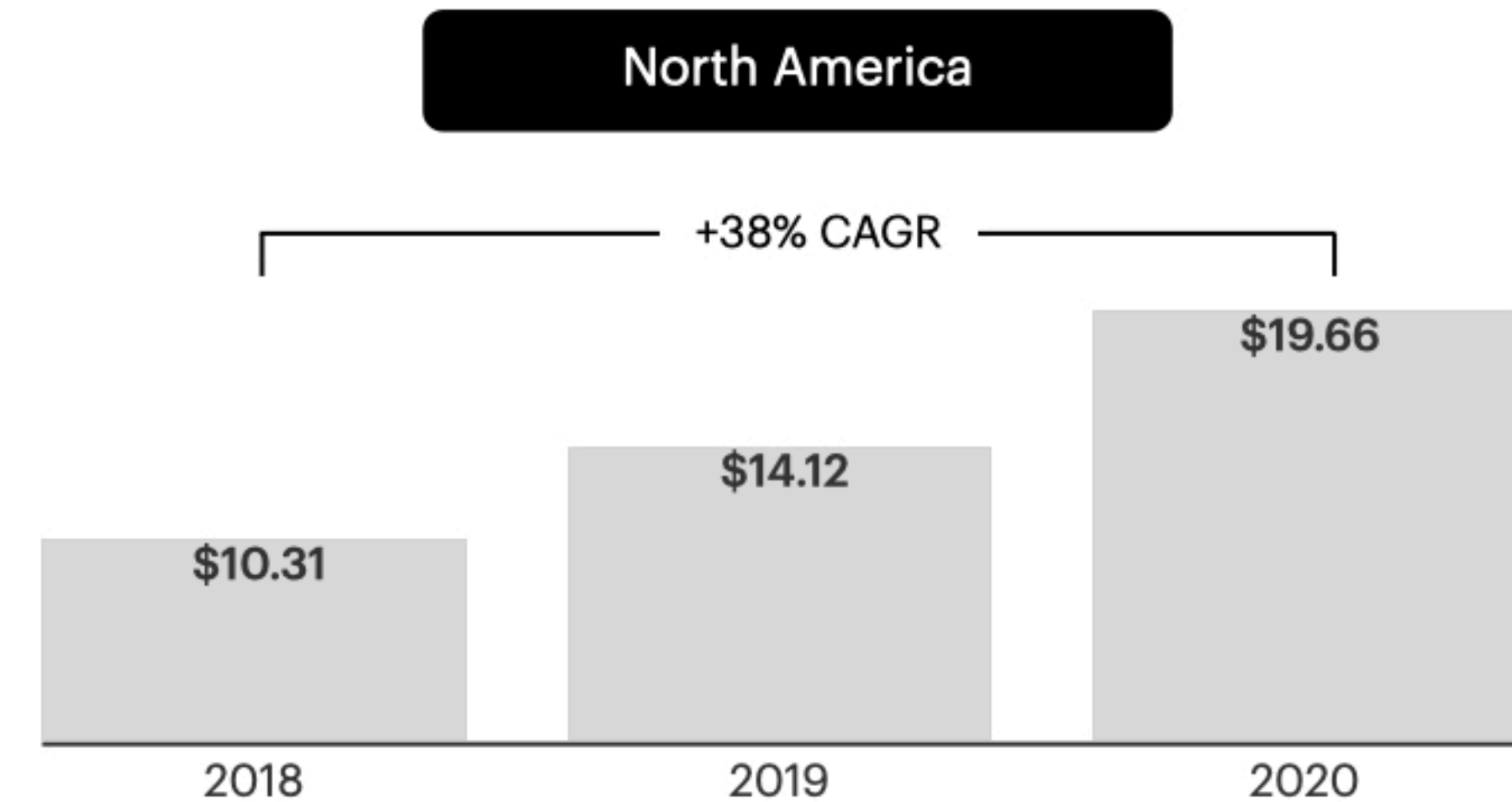
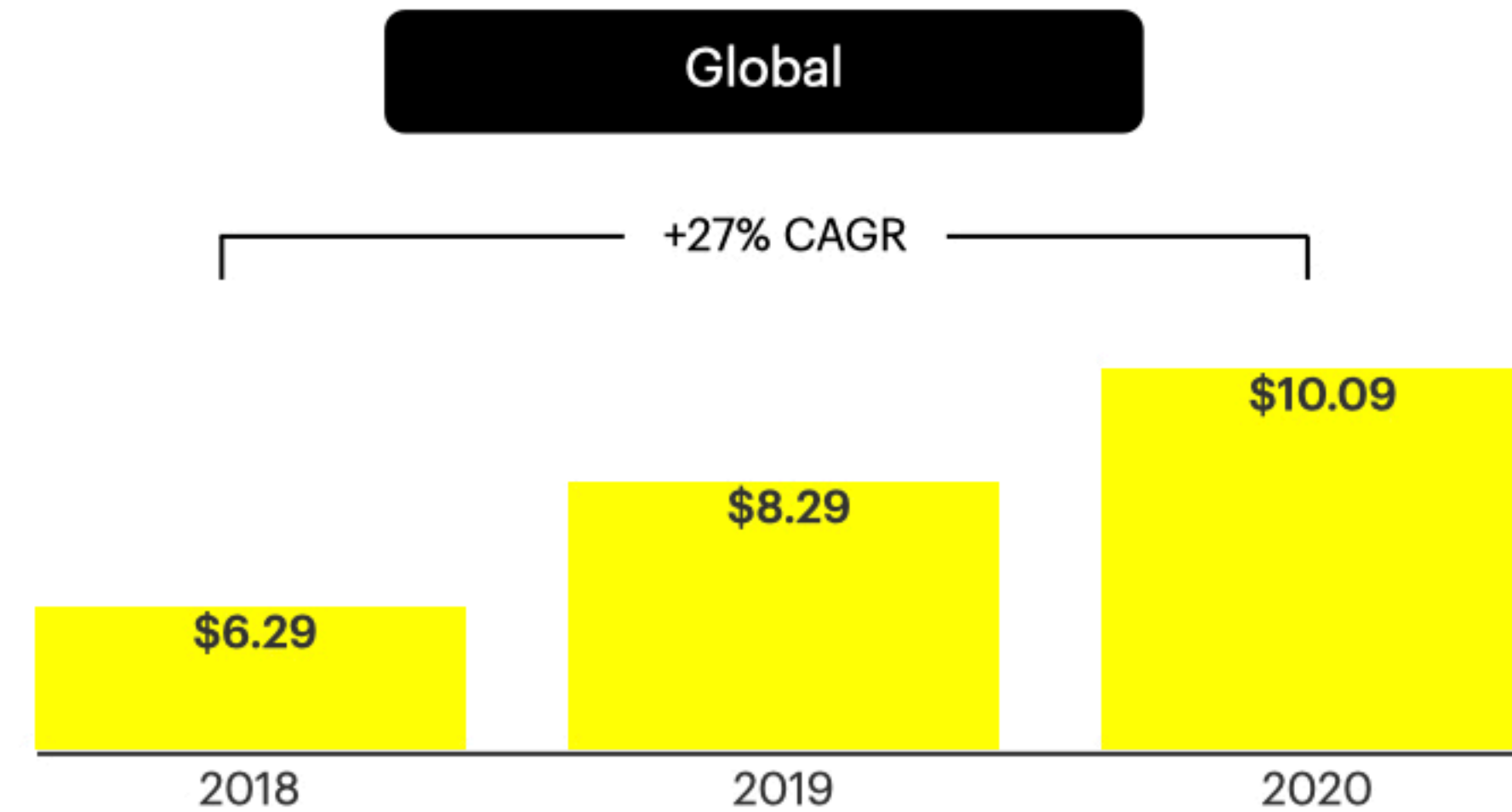


Italy

Less than
45%
13-24 penetration

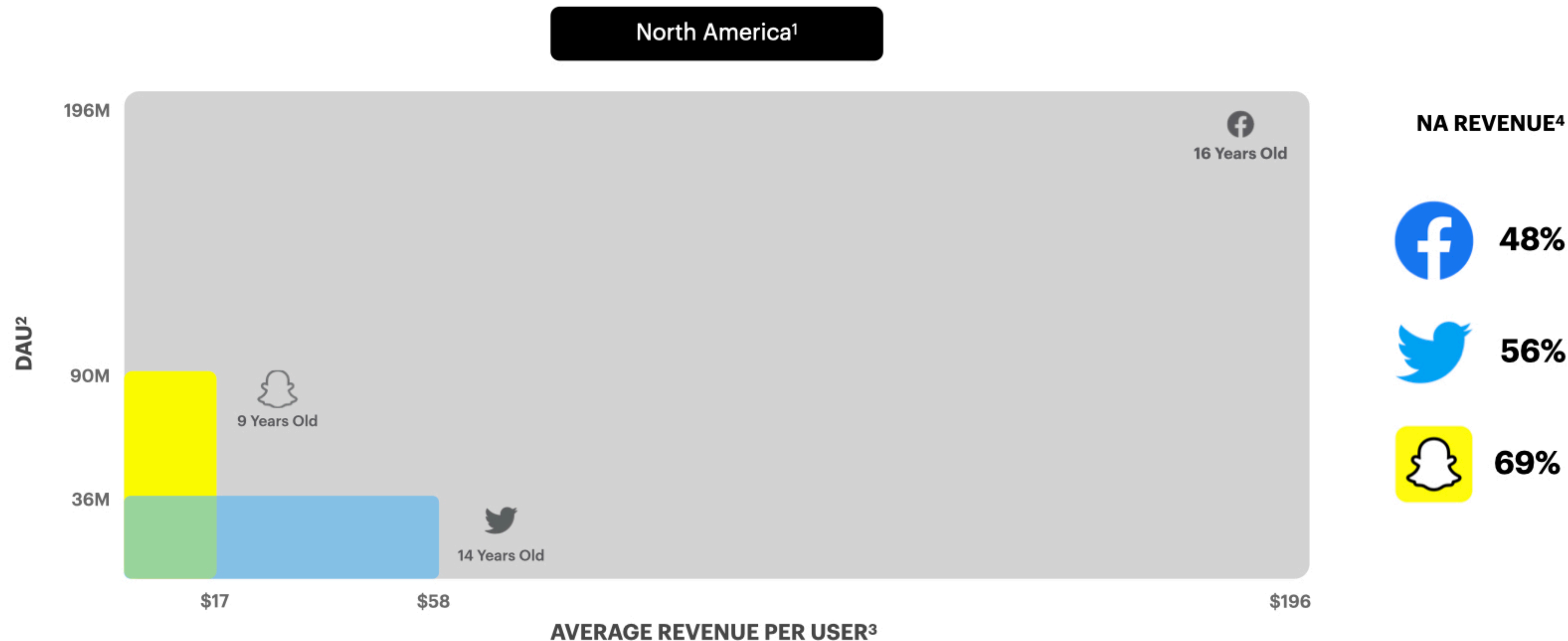
Less than
35%
13-34 penetration

Average Revenue Per User (ARPU)



We define ARPU as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. See Snap Inc. public filings with the SEC.

Significant DAU and ARPU Opportunity



Comparison is illustrative as each Company calculates daily active users differently.

1. Snap Inc. includes the U.S., Canada, Mexico, the Caribbean, and Central America. Facebook includes the U.S. and Canada only. Twitter includes the U.S. only.

2. Snap Inc. internal data for Q3 2020 as compared to publicly reported Facebook and Twitter data for Q3 2020. We define a Daily Active User as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. Twitter's monetizable Daily Active Users are shown and is defined by the Company as people, organizations, or other accounts who logged in or were otherwise authenticated and accessed Twitter on any given day through twitter.com or Twitter applications that are able to show ads. Facebook defines Daily Active Users based on user activity only on Facebook and Messenger and not on the Company's other products.

3. Snap Inc. internal data for Q4 2019 - Q3 2020 as compared to publicly reported Facebook and Twitter data for Q4 2019 - Q3 2020. We define ARPU as quarterly revenue divided by the average Daily Active Users. Twitter's ARPU is calculated as quarterly revenue divided by the average monetizable Daily Active Users. Facebook's ARPU is calculated as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap. Inc. public filings with the SEC.

4. Snap Inc. Q4 2019, Q1 2020, Q2 2020, Q3 2020 North America revenue, Twitter Q4 2019, Q1 2020, Q2 2020, Q3 2020 United States revenue, and Facebook Q4 2019, Q1 2020, Q2 2020, Q3 2020 US & Canada revenue shown.

Snapchat reaches **70%+** of 13-34
year olds in countries comprising
over half the world's digital ad spend



U.S.



U.K.



Australia



Canada



France



Netherlands



Sweden



Norway



Saudi Arabia



Ireland



Denmark



Luxembourg

Stories/Discover

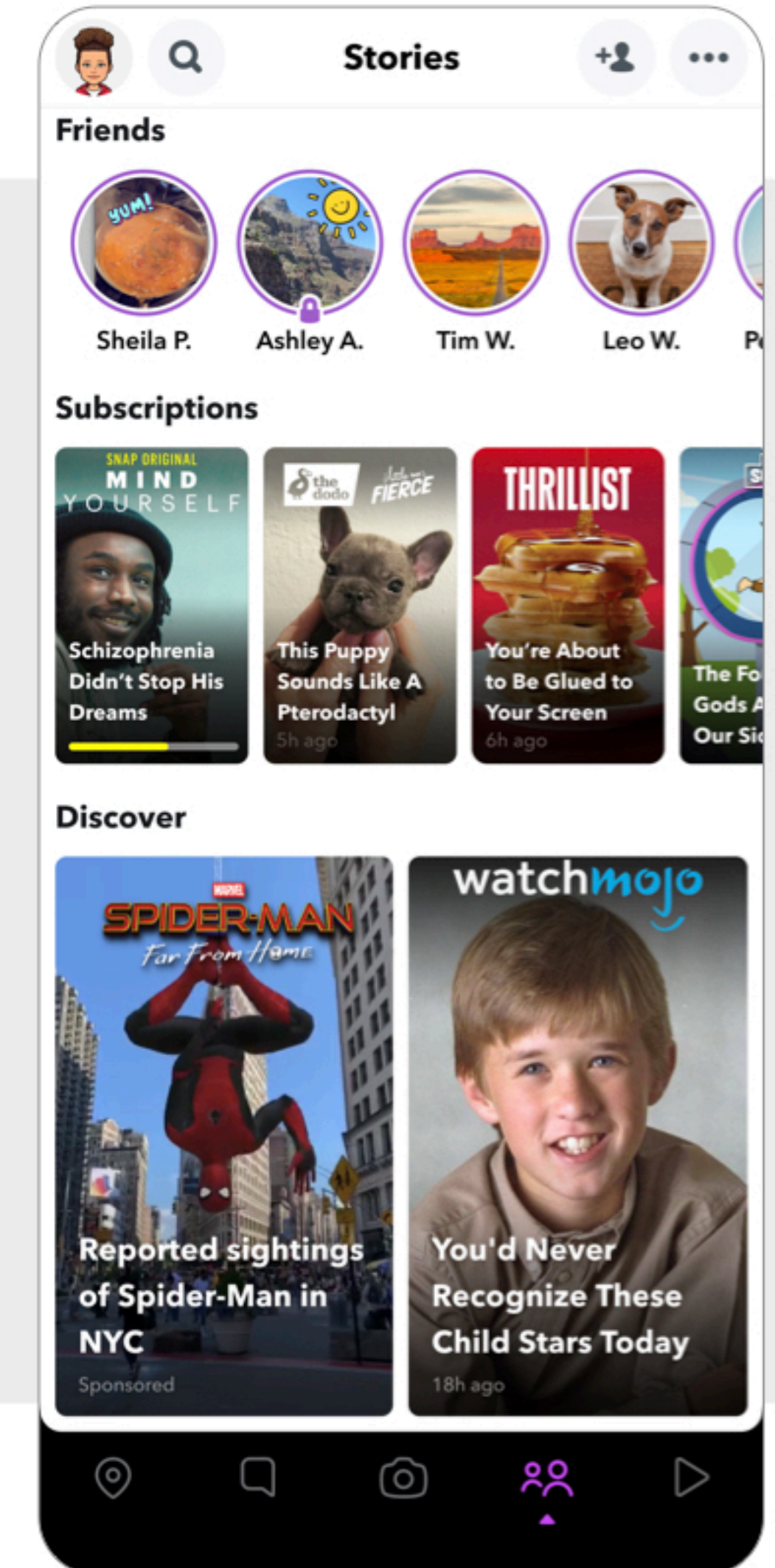
Double down on brand safe content investments

Opportunity

Growing engagement is expanding the ARPU opportunity
Large CPM opportunity from increasing advertiser density
Investing in brand safe premium content to capitalize on shift to mobile
Ongoing adoption of Commercials ad unit

Current Momentum

Nearly 70% increase in time spent watching Shows in 2020¹
70 Shows with a monthly audience of more than 10 million viewers each²
Commercials revenue have **more than doubled** year over year in each quarter of 2020³



1. Snap Inc. internal data 2020 vs. 2019.

2. Snap Inc. internal data Q4 2020.

3. Snap Inc. internal data.

Camera/AR

Invest in new capabilities and find product market fit for AR advertising

Opportunity

Virtually unlimited ad inventory from core user behaviors

Finding new use cases to create utility and ROI for advertisers

Adoption of self serve and goal based bidding ad units growing rapidly

Early product market fit for AR try-on and product sampling advertising

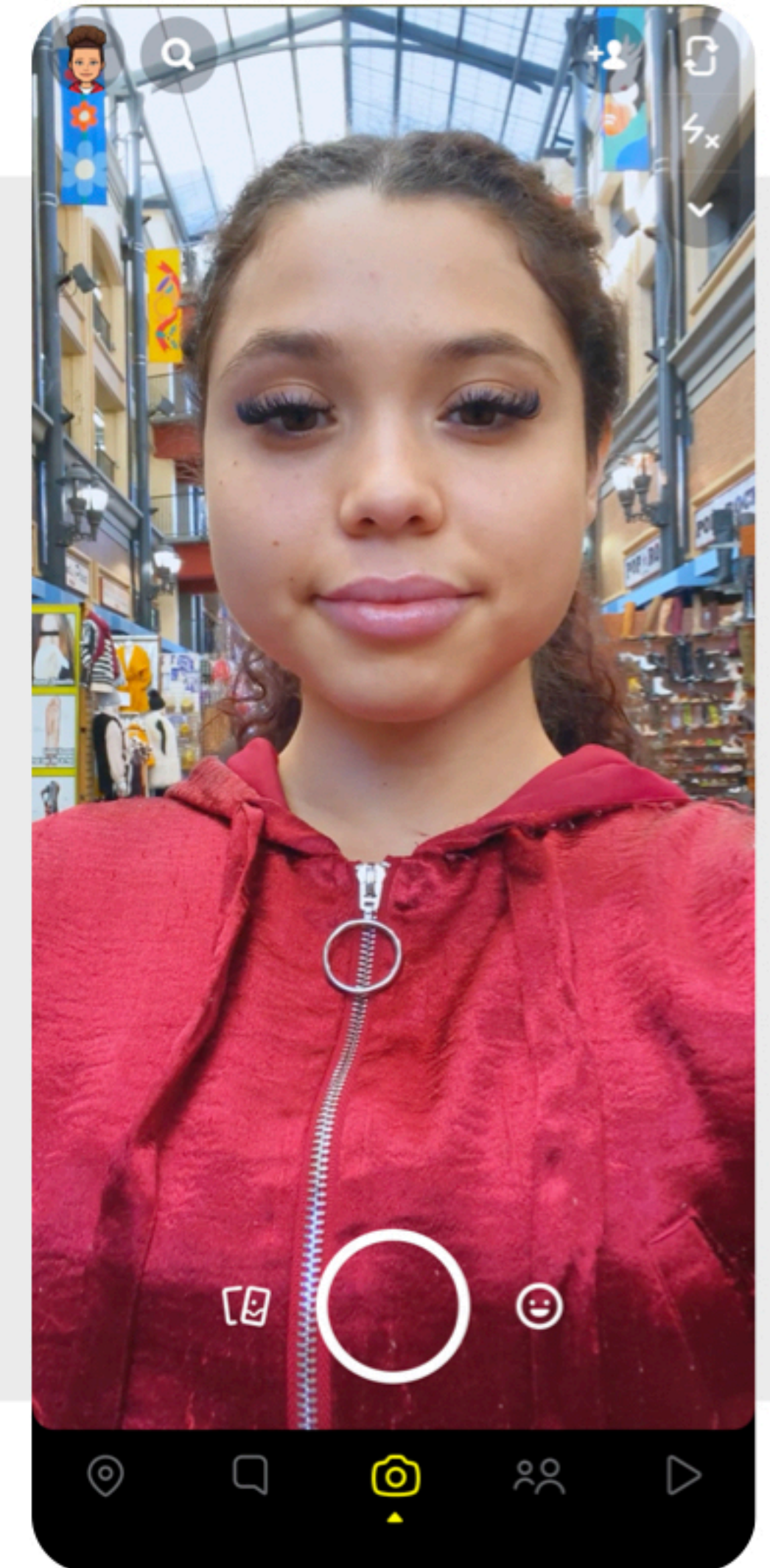
Current Momentum

30 app opens per day on average¹

Over 5 billion Snaps taken per day on average²

Over 200 million Snapchatters engage with AR every day²

Over 1.5 million AR Lenses created by our community to date³



1. Snap Inc. internal data. Average for Daily Active Users Q4 2020. See Snap Inc. public filings with the SEC.

2. Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.

3. Snap Inc. internal data as of September 30, 2020.

Spotlight

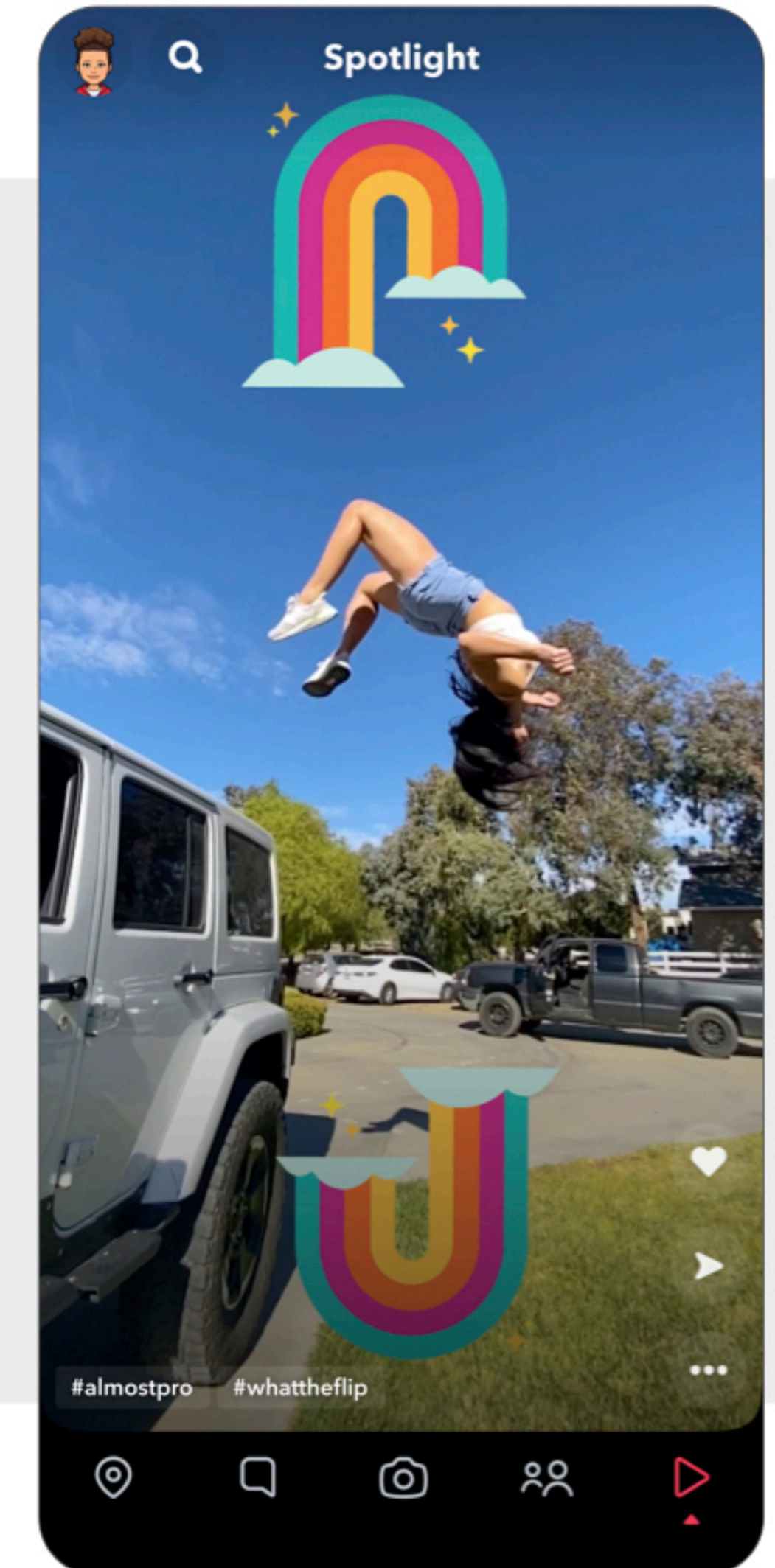
Untapped ad supply from user generated content

Opportunity

Engagement ramping rapidly as we focus on utility for Snapchatters
Excited about the opportunity for Spotlight to contribute to our ARPU opportunity over time
Will expand inventory of high demand and high CPM ad products

Current Momentum

Over 100 million Monthly Active Users¹
Over 175,000 submissions per day¹



1. Snap Inc. internal data January 2021. We define a Monthly Active User as a registered Snapchat user who opens the Snapchat application at least once during the 30-day period ending on the calendar month-end.

Map

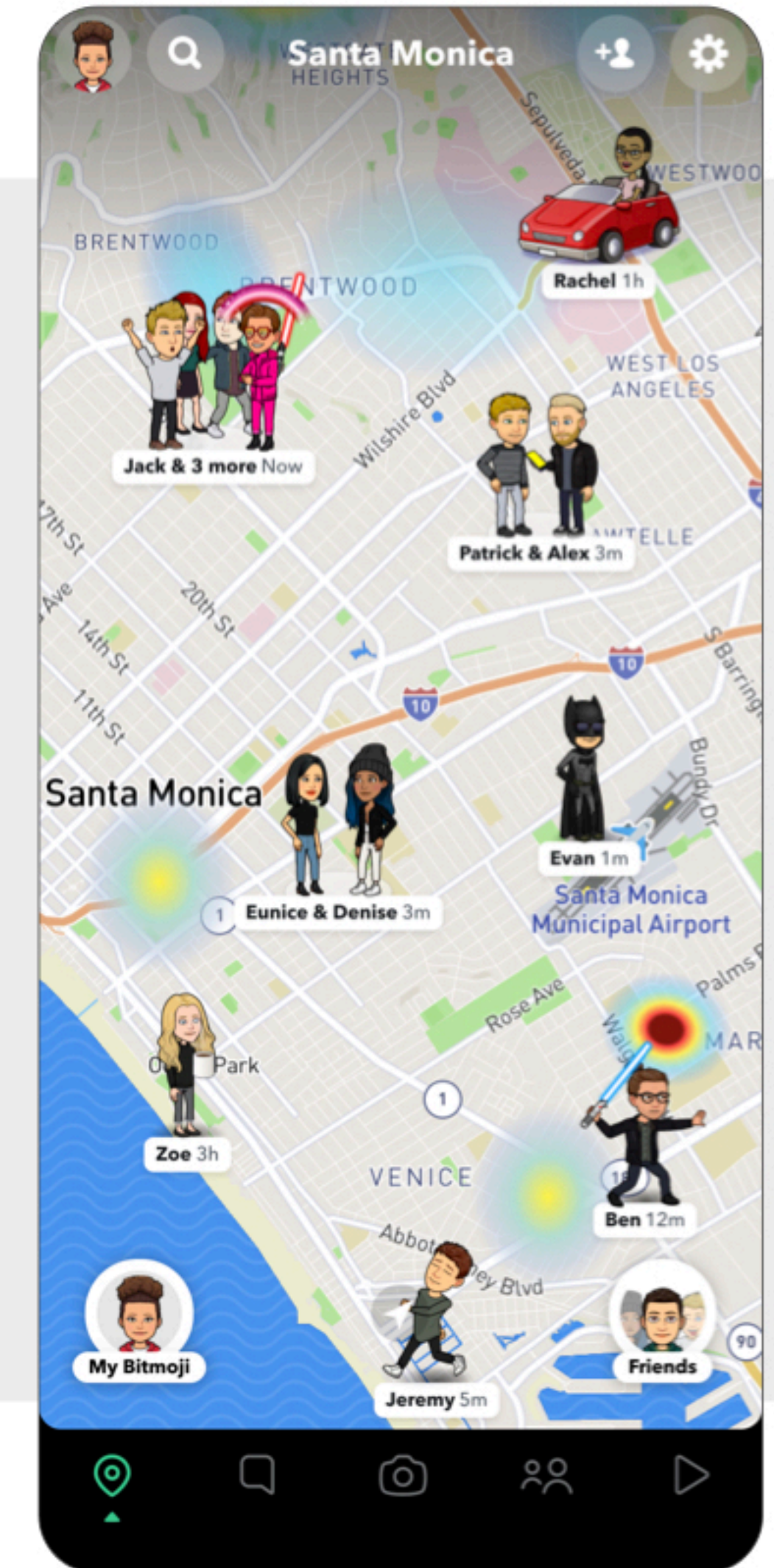
Create the world's most personalized map

Opportunity

Onboard local brick and mortar businesses as our communities re-open
Build utility on the Map for local businesses in 2021 to lay the groundwork for future monetization

Current Momentum

Over 250 million Monthly Active Users¹
Over 35 million business place listings currently on the Map¹



1. Snap Inc. internal data Q4 2020.

Communications Platform

Visual communication and shared experiences create monetizable engagement

Opportunity

Sharing of sponsored lenses and filters underpin monetization today

Games and Minis present opportunity to scale monetization

Commercials and Tokens (beta stage) available in Games

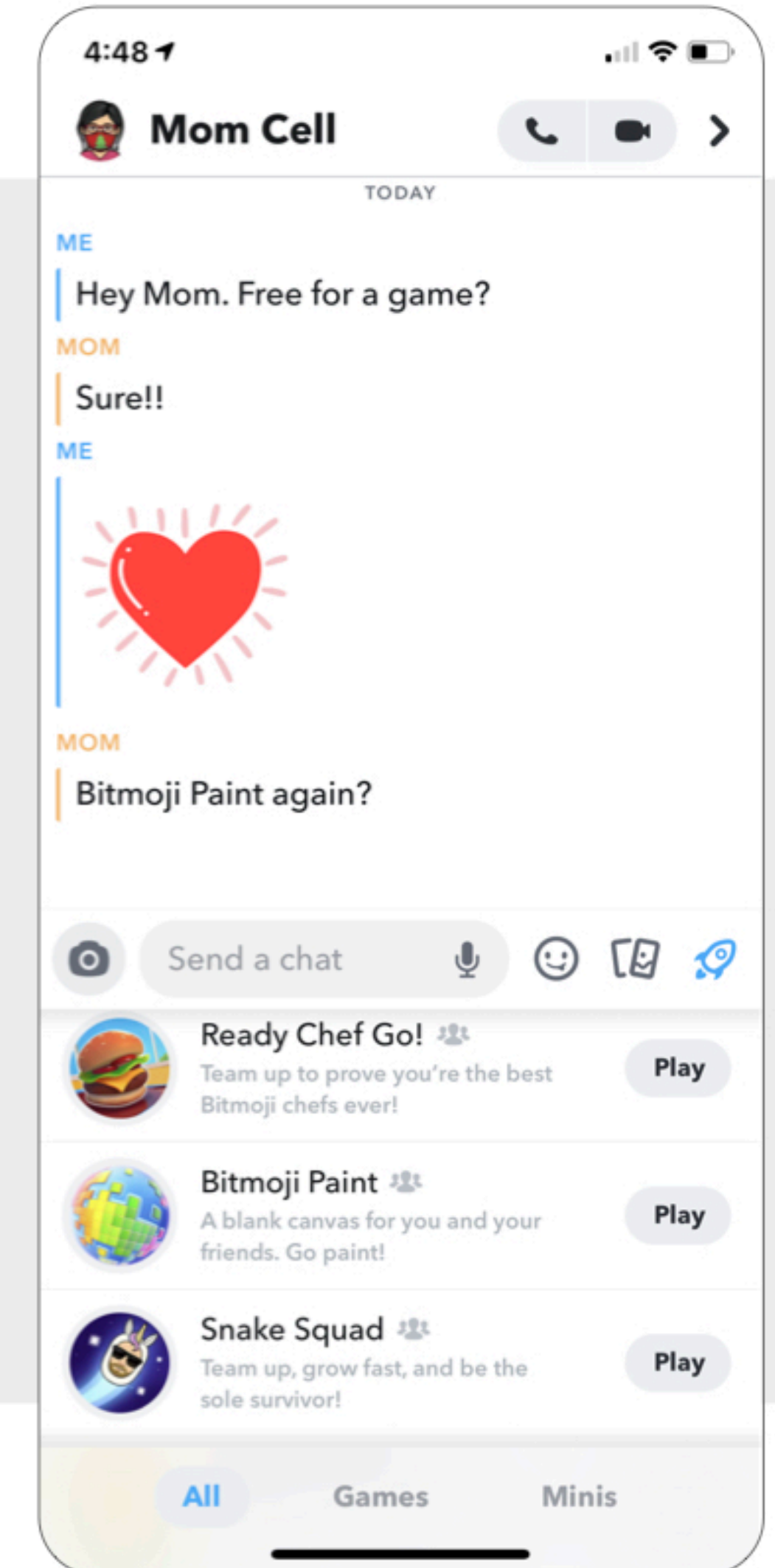
Focused on delivering utility for Snapchatters through Minis in near term

CURRENT MOMENTUM

Over 30 million Snapchatters play games each month¹

Over 14 million Snapchatters have tried our recent game Aquapark Multiplayer Edition²

Over 1.2 million Snapchatters registered to vote through our Democracy Works mini³



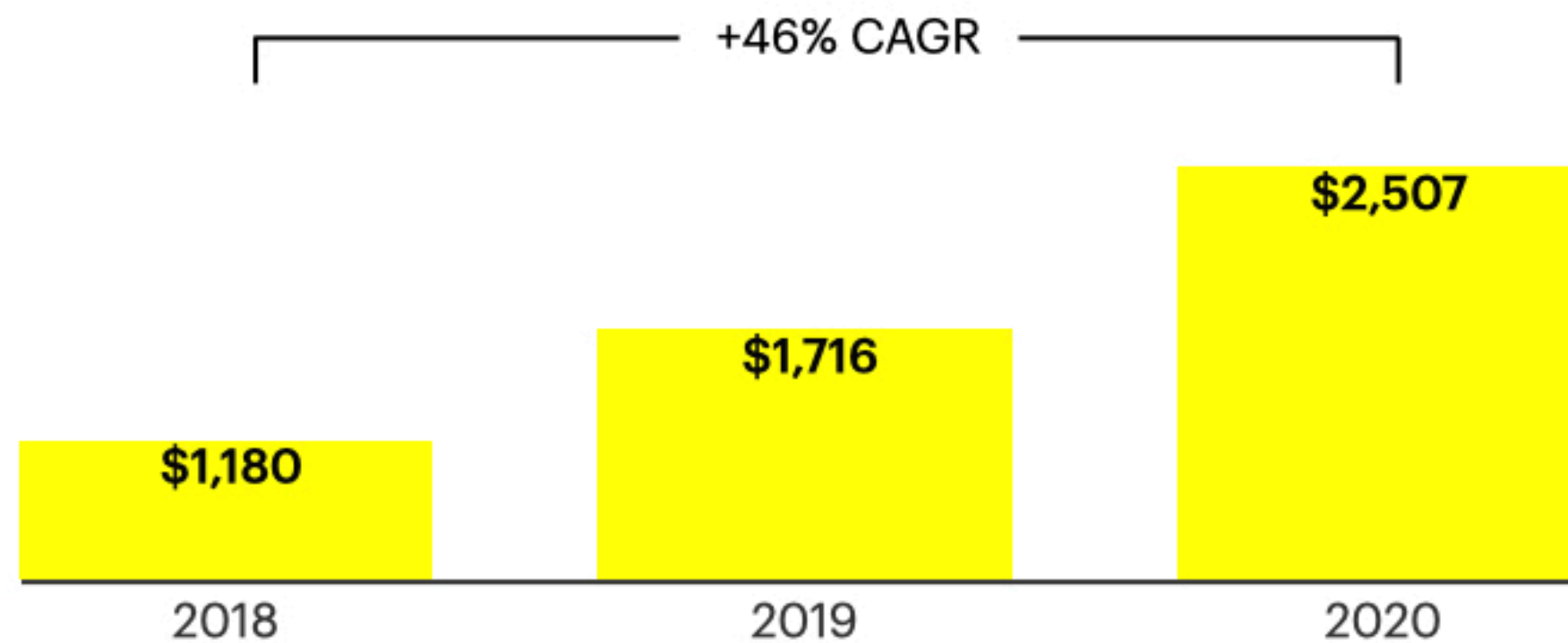
1. Snap Inc. internal data January 2021.

2. Snap Inc. internal data October 1, 2020 - January 3, 2021. See Snap Inc. public filings with the SEC.

3. Snap Inc. internal data September 10, 2020 - October 12, 2020. See Snap Inc. public filings with the SEC.

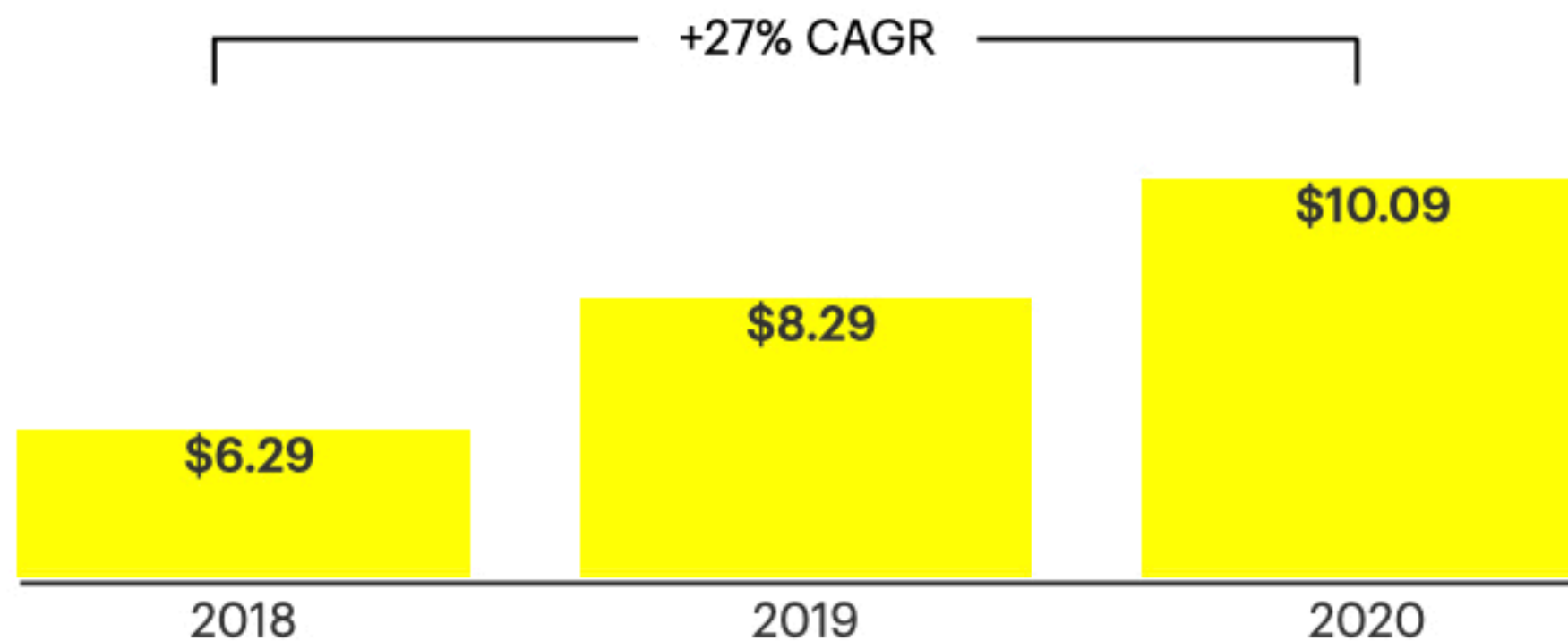
Building Blocks for Sustained Growth

Full year revenue (\$M)



Monetization platform and ad products delivering return on ad spend for advertising partners

Average revenue per user

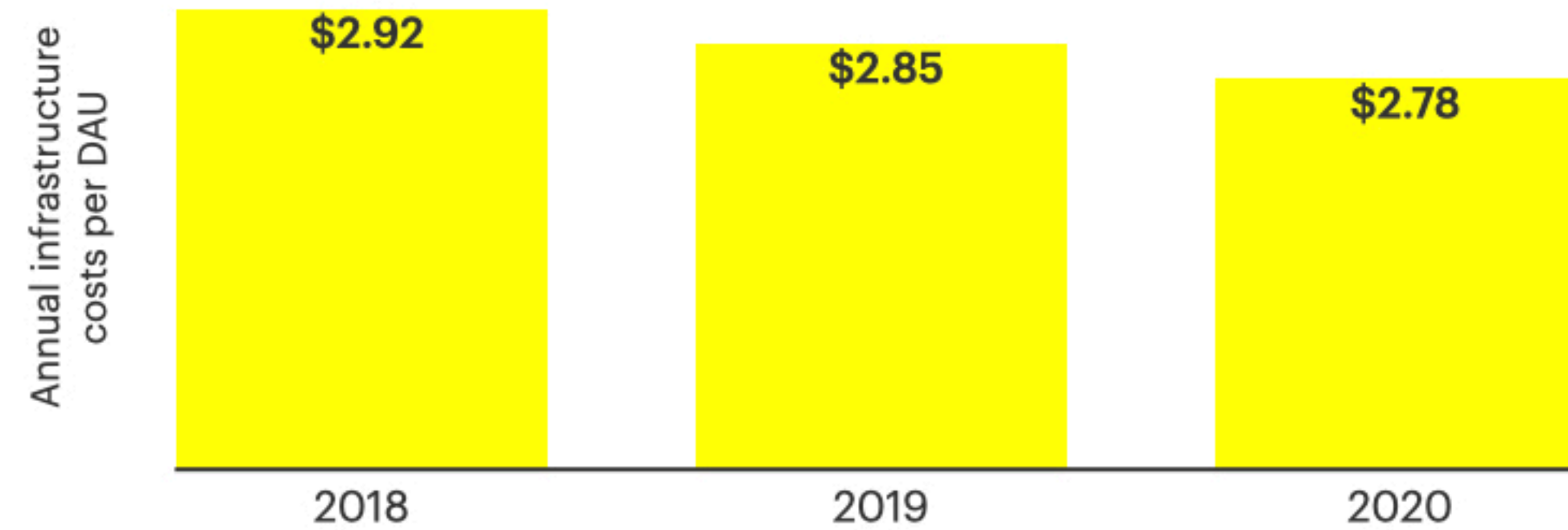


Outlook

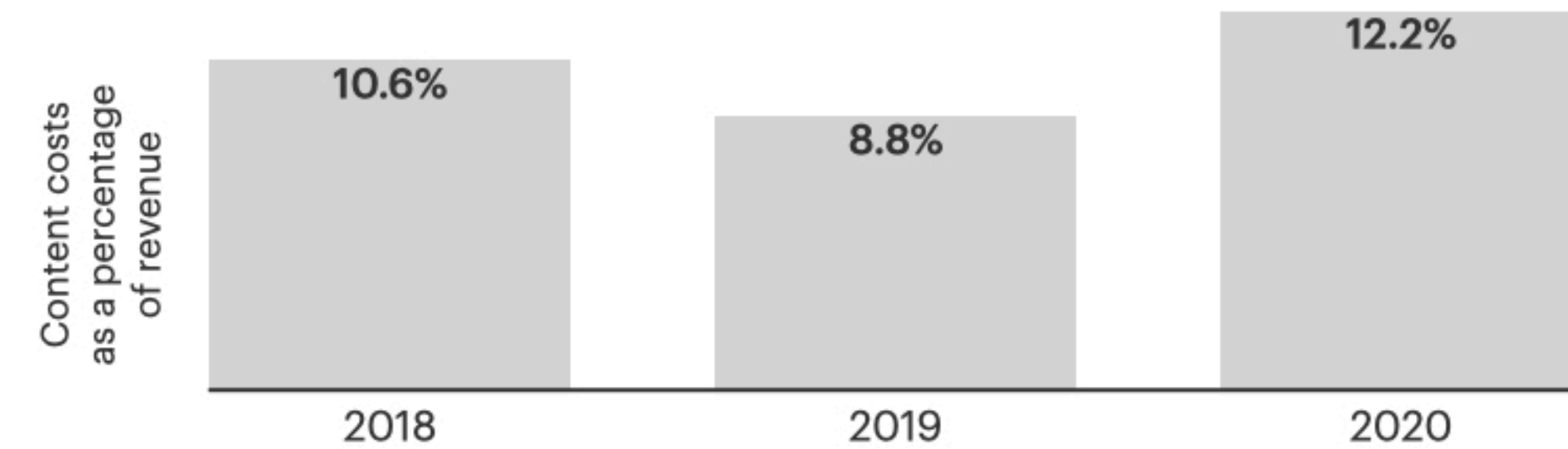
- We see a path to sustained revenue growth of ~50% for several years assuming favorable economic conditions
- Ongoing investments in **Discover** and premium content to drive engagement and inventory growth
- **Spotlight** to expand premium inventory supply
- **Augmented Reality** increasingly an ROI driving tool for advertisers, giving Snap a key point of differentiation
- **Map** is an untapped opportunity to bring millions of small business onto the Snap advertising platform
- Games and Minis to expand **Communication** monetization opportunity over the medium and longer term
- Will favor community over short term growth rates as we roll out new areas of monetization to maximize long term value

Scaling Efficiently to Drive Gross Margin Leverage

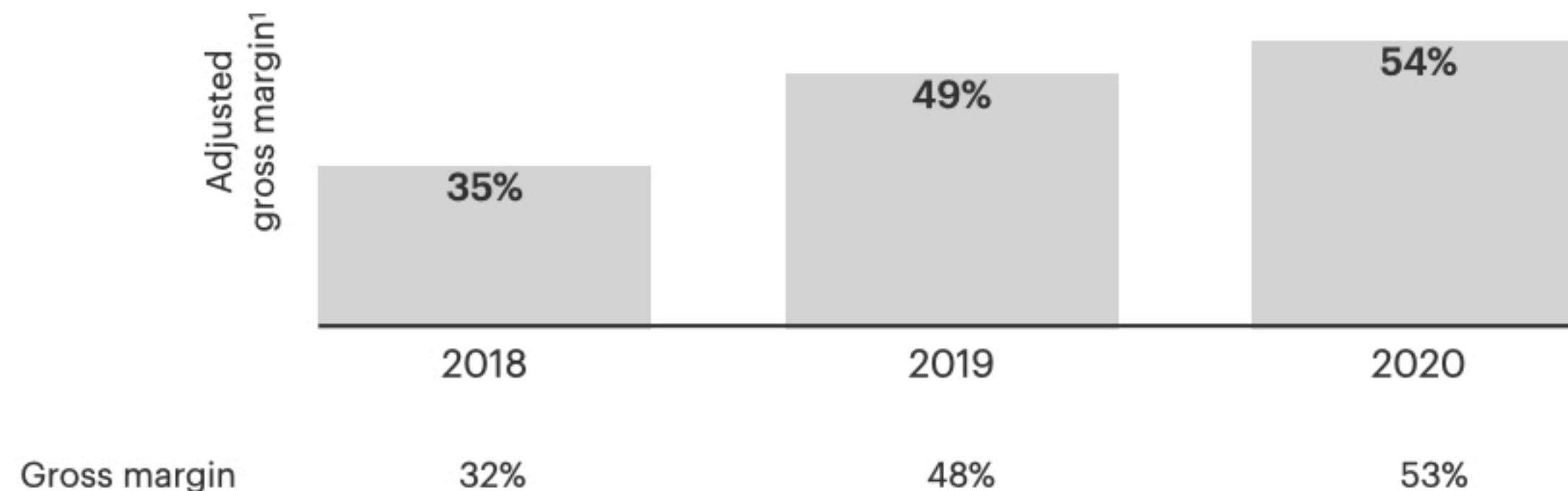
Infra per DAU has remained relatively flat over time...



...allowing us to make targeted investments in content...



...while still delivering substantial improvements in gross margins



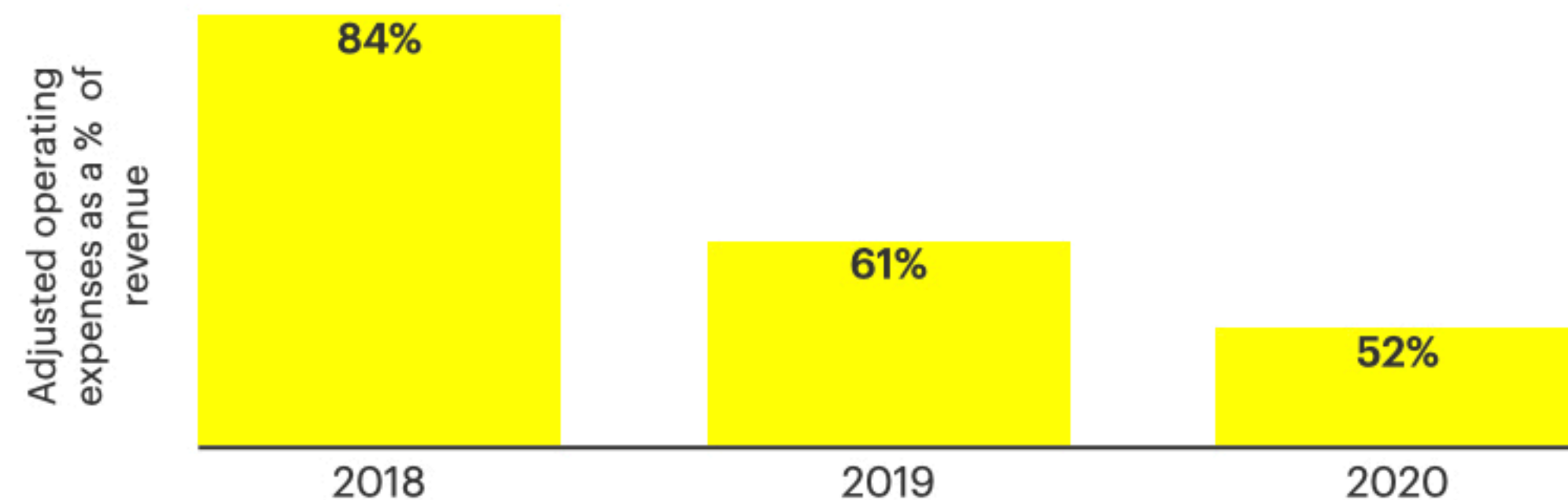
Outlook

- **Gross margins to expand in 2021 with clear path to 60%+ over the medium term**
- Continued focus on scaling infrastructure efficiently
- Investments in content to expand the ARPU opportunity
- Margin expansion to be driven by infrastructure efficiency and revenue mix shift to platforms with lower variable partner costs
- Rate of margin expansion will vary with revenue growth

1. Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of GAAP gross margins to Non-GAAP gross margins.

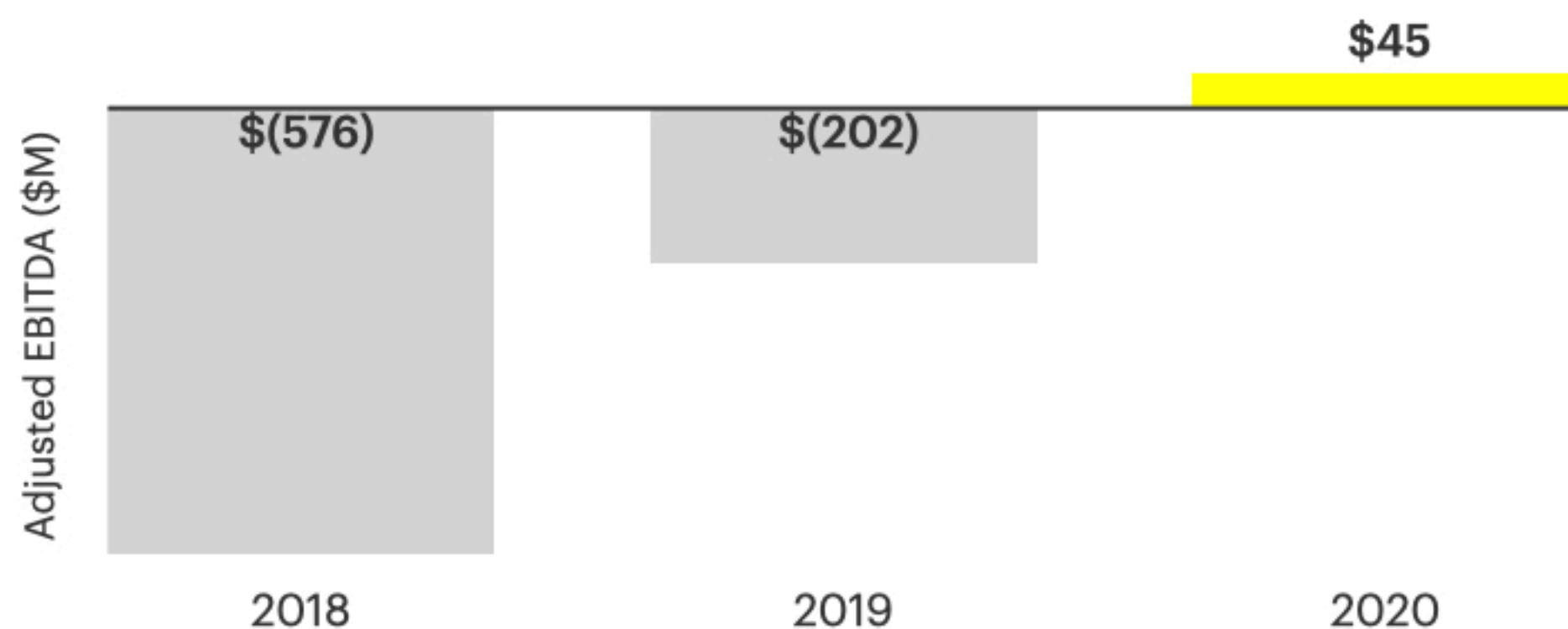
Balanced Approach to Investment Driving Path to Profitability

Adjusted operating expense discipline driving...

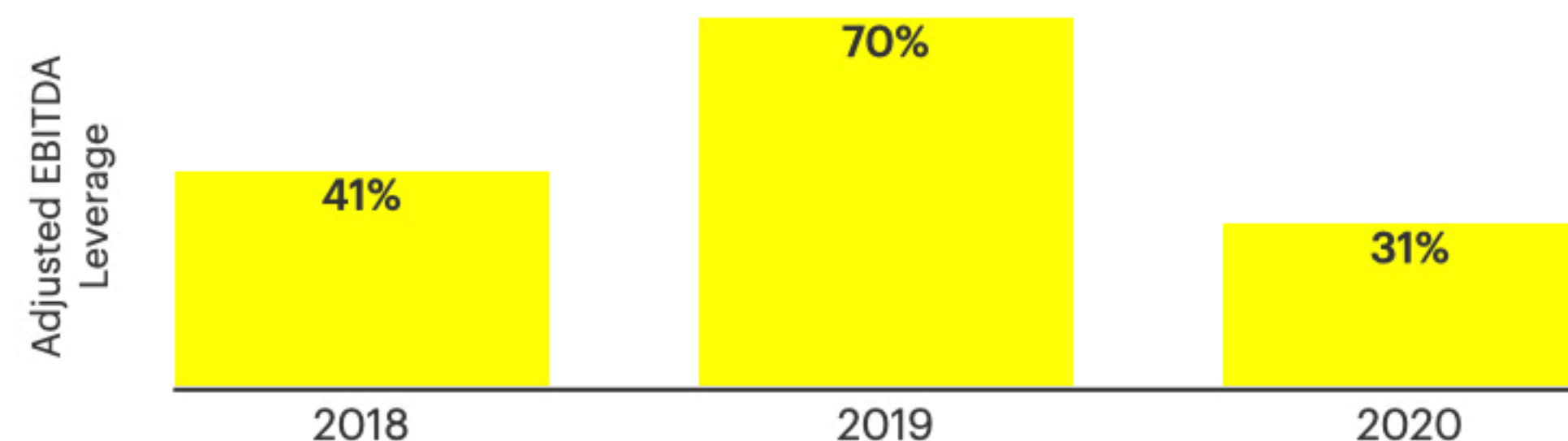


Total Adjusted Operating Expenses	\$988	\$1,050	\$1,311
Total Non-GAAP Exclusions ¹	\$662	\$873	\$875
Total GAAP Operating Expenses	\$1,650	\$1,923	\$2,186

...leading to adjusted EBITDA profitability²



...significant adjusted EBITDA leverage³...



Outlook

- Balancing approach to investing in the business
- Adjusted operating expense growth in the mid-30% range in 2021, up from 25% in 2020
- Committed to sustained Adjusted EBITDA profitability and continued financial progress
- Lean capex strategy will drive close connection between adj EBITDA and FCF over time

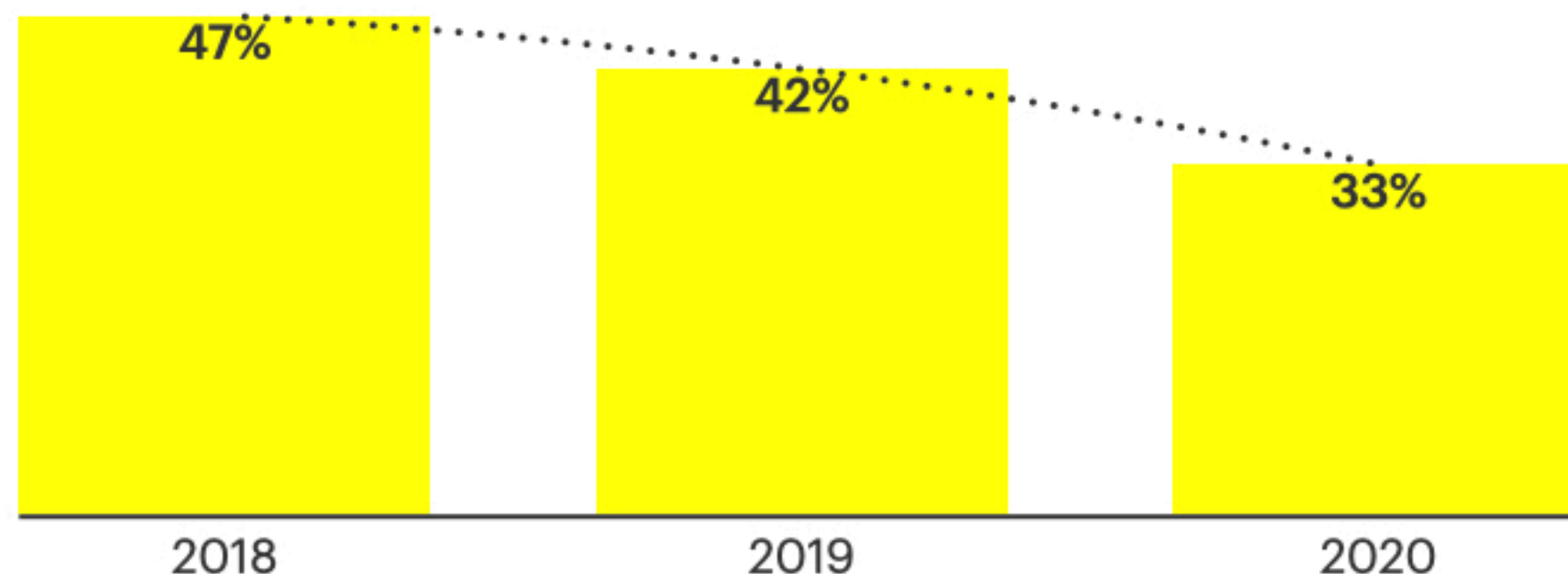
1. Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses.

2. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.

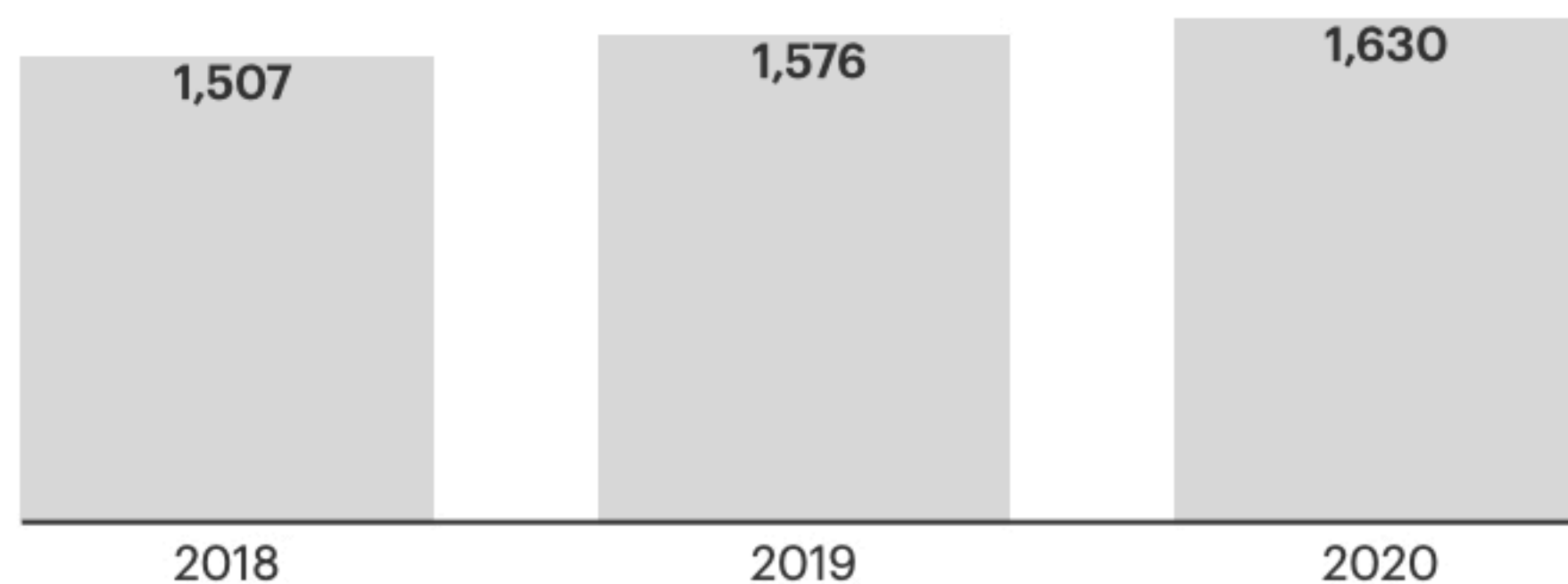
3. We define Adjusted EBITDA leverage as the year-over-year change in Adjusted EBITDA divided by the year-over-year change in revenue. Adjusted EBITDA. See Snap Inc. public filings with the SEC.

Careful Management of SBC to Build Shareholder Value

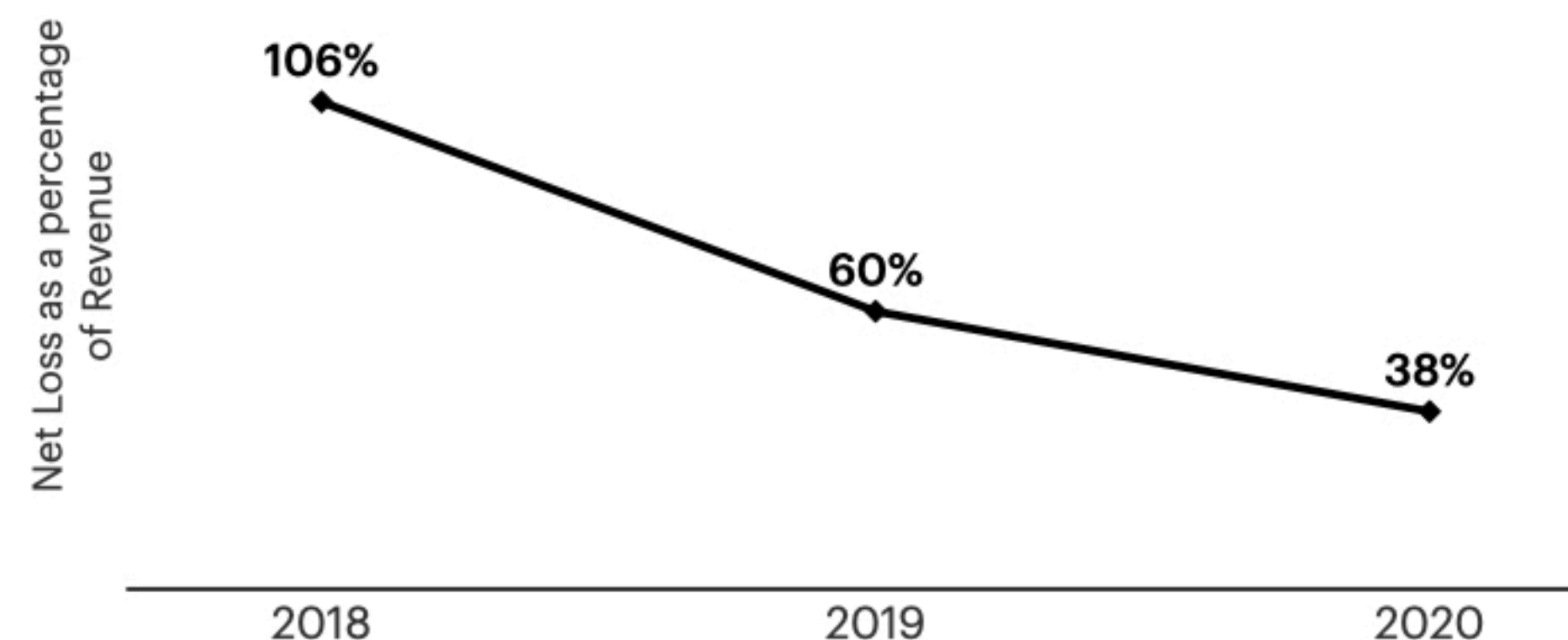
Stock-based compensation expense as a % of revenue



Fully diluted shares outstanding (M)



Net loss as a % of revenue



Disciplined management of SBC

- Stock-based compensation accounts for over 80% of the difference between Adjusted EBITDA and GAAP Net Income
- Fosters ownership culture across the entire team
- Achieving sustained positive FCF will create additional options to manage fully diluted shares outstanding
- Growth in fully diluted sharecount went from 4.6% in 2019 to 3.4% in 2020
- See path to sub-3% growth in FDSO in near term excluding any material M&A or financing activity, including potential dilutive impacts from convertible notes already issued

Capital Allocation

Building a Strong Balance Sheet to Ensure Strategic Flexibility

\$2.5 billion in cash and marketable securities

Conservative financial leverage at ~2% of market capitalization¹

No debt maturing before 2025

Investments to Drive Organic Growth in Top Line

Focus investments in our talent base to drive innovation

Investments in Product and Content to expand the ARPU opportunity over time

Investments in Marketing to grow the community and expand our TAM








Future Investments to Accelerate Product Roadmap

Well established track record of acquisitions and investments to accelerate our product roadmap

Building a strong balance sheet ensures we are prepared when opportunities are available

1. Net leverage as of December 31, 2020.

Strategic M&A

		Platform	Description	Rationale
	April 2015	Camera	Application allows users to communicate through augmented reality face filters	Accelerate our augmented reality Lenses product with facial recognition technology
	March 2016	Communication	Bitmoji application lets users create customized cartoon avatars	Integrate Bitmoji avatars into Snapchat to empower self-expression
	March 2017	Games	Cloud-hosted development platform for building games and 3D content	Accelerate our Snap Games product roadmap
	May 2017	Map	Social map where you can interact with your close friends	Accelerate and enhance our Map platform with location-sharing capabilities
	September 2020	Camera	AI software enabling 3D human perception	Adds capabilities to our AR Lenses
	September 2020	Map	Marketplace where users are rewarded for providing location data	Critical long-term strategy to help Snapchatters understand the world around them
	December 2020	Camera	AI-powered voice assistants intended to replace customer service agents	Accelerate our Voice AI and ML efforts, which are key building blocks for our AR roadmap

Long Term Value Creation



Executing our international growth playbook to grow our community for the long term



Investing in innovation to deepen engagement and expand the ARPU opportunity



Sophisticated ad platform, and innovative ad units, deliver return on ad spend for partners



Scale operations efficiently, and balance investments with growth, to drive positive free cash flow



Conservative balance sheet to prepare for the unexpected and fund the opportunistic

Thank You

Appendix

Non-GAAP Financial Measures Reconciliation

(in thousands, unaudited)

	2018		2019		2020
Free Cash Flow Reconciliation					
Net cash used in operating activities	\$	(689,924)	\$	(304,958)	\$ (167,644)
Less:					
Purchases of property and equipment		(120,242)		(36,478)	(57,832)
Free Cash Flow¹	\$	(810,166)	\$	(341,436)	\$ (225,476)
	2018		2019		2020
Adjusted EBITDA Reconciliation					
Net loss	\$	(1,255,911)	\$	(1,033,660)	\$ (944,839)
Add (deduct):					
Interest income		(27,228)		(36,042)	(18,127)
Interest expense		3,894		24,994	97,228
Other (income) expense, net		8,248		(59,013)	(14,988)
Income tax (benefit) expense		2,547		393	18,654
Depreciation and amortization		91,648		87,245	86,744
Stock-based compensation expense		538,211		686,013	770,182
Payroll tax expense related to stock-based compensation		21,927		27,840	50,309
Securities class actions legal charges		-		100,000	-
Lease exit charges		31,143		-	-
Reduction in force charges		9,884		-	-
Adjusted EBITDA²	\$	(575,637)	\$	(202,230)	\$ 45,163

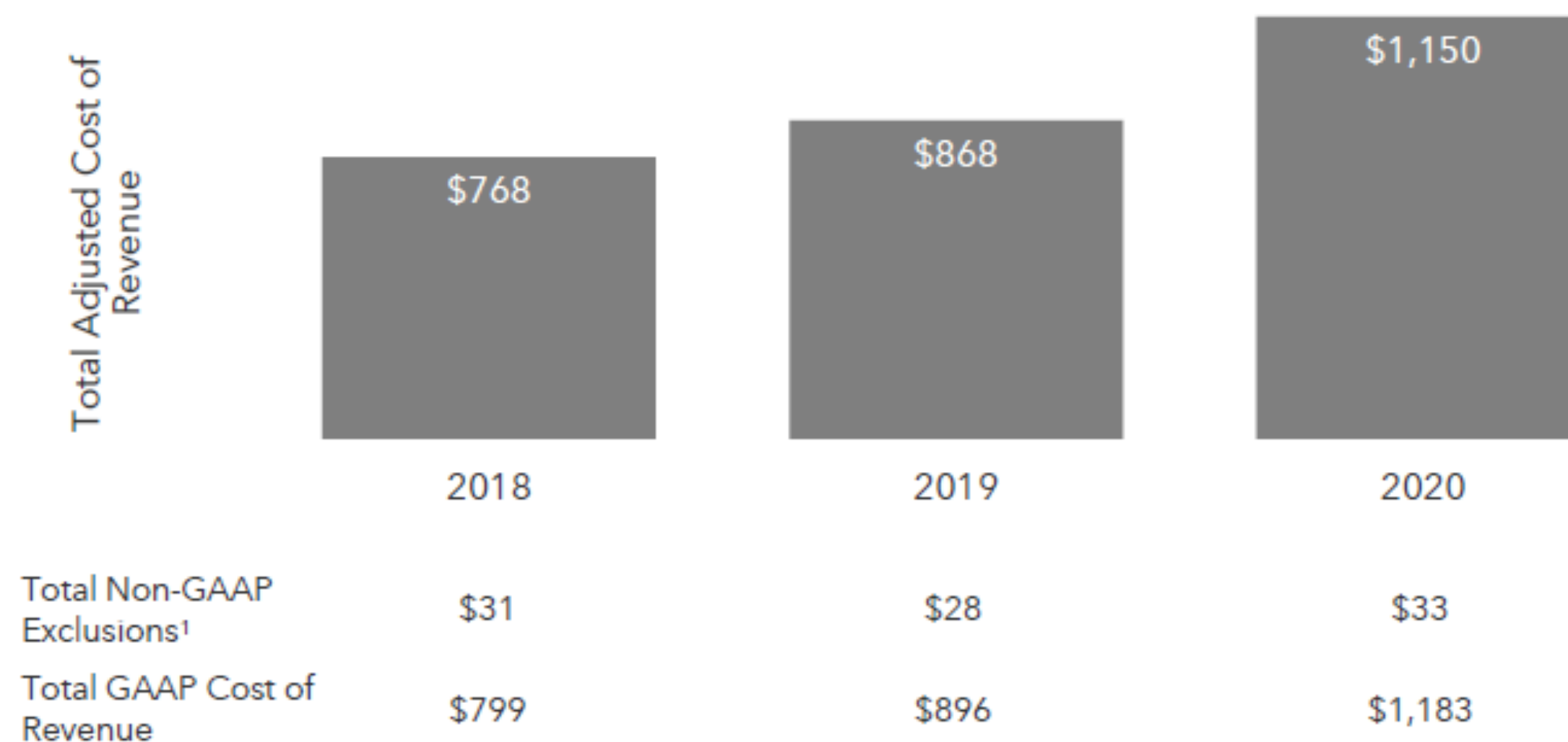
¹We define Free Cash Flow as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

²We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. Securities class actions legal charges related to a preliminary agreement to settle the securities class actions that arose following our IPO. Charges recorded are net of amounts directly covered by insurance. These charges are non-recurring and not reflective of underlying trends in our business.

Non-GAAP Financial Measures Reconciliation (Continued)

(in thousands, unaudited)

Cost of Revenue Breakdown



¹Excludes stock-based compensation expense and related payroll tax expense, depreciation and amortization and certain other non-cash or non-recurring items impacting net income (loss) from time to time.