

Snap Inc.

Q3 2023 Earnings Slides

October 24, 2023

Forward-Looking Statements & Non-GAAP Financial Measures

This presentation contains forward-looking statements 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, future stock repurchase programs or stock dividends, business strategy and plans, user growth and engagement, product initiatives, objectives of management for future operations, and advertiser and partner offerings 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, including our financial outlook, macroeconomic uncertainty, and geo-political conflicts, that we believe may continue to affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks, uncertainties, and other factors, including those described in the sections titled “Risk Factors” and elsewhere in our most recent periodic report filed with the SEC, which is available on the SEC’s website at www.sec.gov. Additional information will be made available in our periodic report that will be filed with the SEC for the period covered by this presentation and other filings that we make from time to time with the SEC.

In addition, any forward-looking statements in this presentation relate only to events as of the date on which the statements are made and are based on information available to us as of the date of this presentation. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, including future developments related to geo-political conflicts and macroeconomic conditions, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, dispositions, joint ventures, restructurings, legal settlements or investments.

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.

Third Quarter Financial Summary

Revenue	<ul style="list-style-type: none">• Revenue was \$1,189 million in Q3 2023, compared to \$1,128 million in Q3 2022, an increase of 5%¹ year-over-year and 11% quarter-over-quarter.• Average revenue per user was \$2.93 in Q3 2023, compared to \$3.11 in Q3 2022.
Operating Performance	<ul style="list-style-type: none">• Operating margin was (32)% in Q3 2023, compared to (39)% in Q3 2022.• Adjusted gross margin² was 54% in Q3 2023, compared to 61% in Q3 2022.• Net loss was \$368 million in Q3 2023, compared to \$360 million in Q3 2022.• Adjusted EBITDA³ was \$40 million in Q3 2023, compared to \$73 million in Q3 2022.• Adjusted EBITDA margin³ was 3% in Q3 2023, compared to 6% in Q3 2022.
Cash	<ul style="list-style-type: none">• Operating cash flow was \$13 million in Q3 2023, compared to \$56 million in Q3 2022.• Free Cash Flow³ was \$(61) million in Q3 2023, compared to \$18 million in Q3 2022.• Trailing twelve months operating cash flow was \$207 million and trailing twelve months Free Cash Flow³ was \$2 million in Q3 2023.• Cash, cash equivalents, and marketable securities were \$3.6 billion as of September 30, 2023.

¹On a constant currency basis to account for changes in foreign exchange rates, the increase was approximately 5% year-over-year. Constant currency revenue is a non-GAAP measure, see Appendix for further detail.

²Adjusted gross margin is a non-GAAP measure, which we define as GAAP revenue less adjusted cost of revenue divided by GAAP revenue. Adjusted cost of revenue is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

³Adjusted EBITDA margin is a non-GAAP measure, which we define as Adjusted EBITDA divided by GAAP revenue. See Appendix for non-GAAP measures of Adjusted EBITDA and Free Cash Flow, including reconciliations of net loss to Adjusted EBITDA and net cash provided by (used in) operating activities to Free Cash Flow.

Quarterly information is unaudited.

Numbers throughout presentation may not foot due to rounding.

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Business Highlights

We grew and deepened our engagement with our community:

- DAUs were 406 million in Q3 2023, an increase of 43 million, or 12%, year-over-year.
- Total time spent watching Spotlight increased over 200% year-over-year.
- Since launching My AI, our AI-powered chatbot, over 200 million people have sent over 20 billion messages, which we believe makes My AI among the most widely used AI chatbots available today.
- We launched our new Generative AI powered feature called Dreams, which enables Snapchatters to create generative AI selfies.
- We are seeing more creators posting content to Snapchat, with nearly three times more public Stories posted in the US compared to Q3 2022.

We are focused on accelerating and diversifying our revenue growth:

- We returned to positive revenue growth this quarter as we continue to execute against our strategy of accelerating and diversifying our revenue growth.
- During Q3, we implemented over 17 major machine learning ranking and optimization improvements for App, Web, and Dynamic Product Ad (DPA) optimization goals.
- We launched our Total Takeover solution, which includes First Commercial, First Lens, and First Story, and lets advertisers reserve the first Commercial, Lens, or Snap Ad a Snapchatter sees.
- Snapchat+, our subscription service that offers exclusive, experimental, and pre-release features, reached over 5 million subscribers in Q3 2023.
- We integrated with Shopify Audiences, which enables Shopify Plus merchants to extend their reach and find new customers on Snapchat who have high intent to purchase their products.
- At our 2023 Beauty Summit in September, we announced new advertising tools for beauty brands such as beauty AR Lenses and Bitmoji beauty drops.

Business Highlights (Continued)

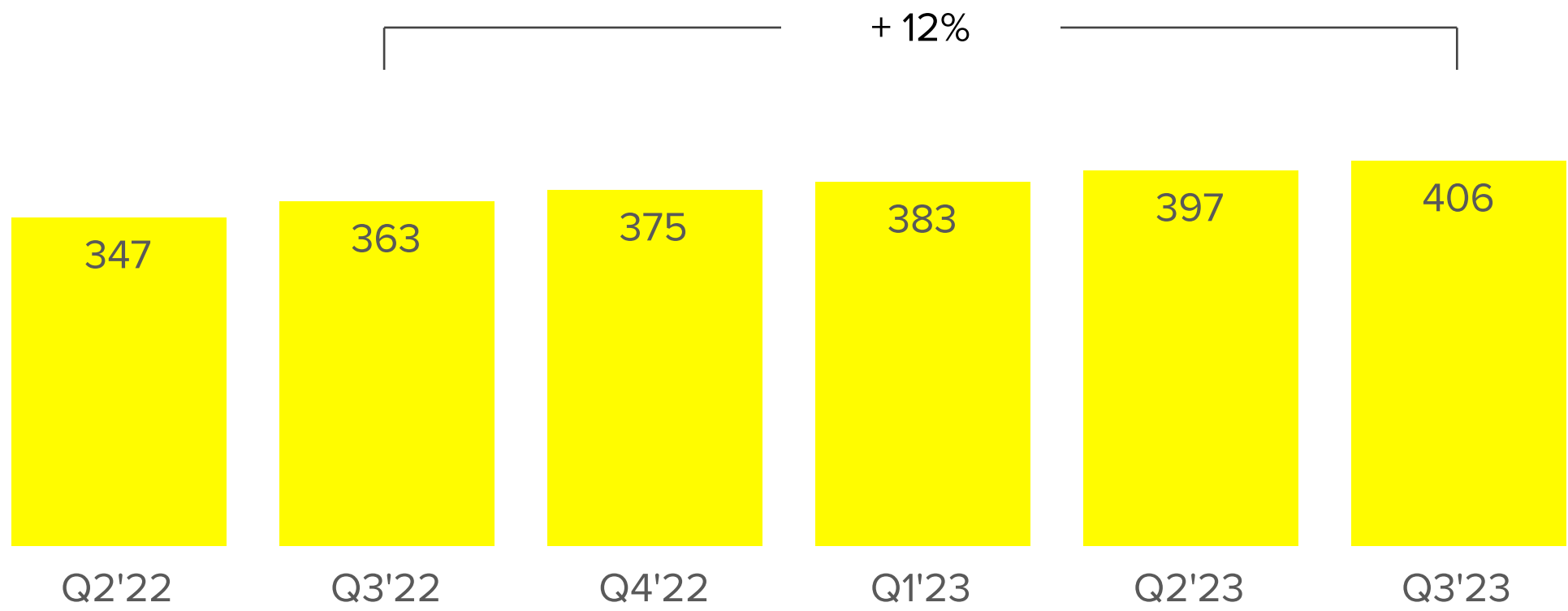
We invested in our augmented reality platform:

- We launched the Real-Time Neural Rendering ML Model in Lens Studio, which enables developers to build AR assets from 2D images captured on a phone.
- We launched Diffuse Indirect Lighting, a new Ray Tracing feature that brings a level of realism to how colors and lights reflect and glow onto other objects.
- We introduced Lens Creator Rewards, a new opportunity for Snap AR creators, developers, and teams to be rewarded for building top-performing Lenses on Snapchat.
- We partnered with MTV for their 2023 Video Music Awards to let the audience live cast their vote for the Best New Artist category through an innovative Snapchat Lens via Camera Kit.
- For the 2023 NFL season, we partnered with the LA Rams and Disguise to deliver a sponsored Princess Cruises AR experience powered by Camera Kit in SoFi Stadium.
- This summer, our AR technology enhanced music festivals across the world, including AR experiences for Lollapalooza Paris, in partnership with Live Nation.
- For the 2023 FIFA Women’s World Cup, we debuted a USWNT “Team Tracker” AR Lens that used advanced AR technology, with 3D Bitmoji avatars, stats, news, fun facts, and highlights that updated in real time.

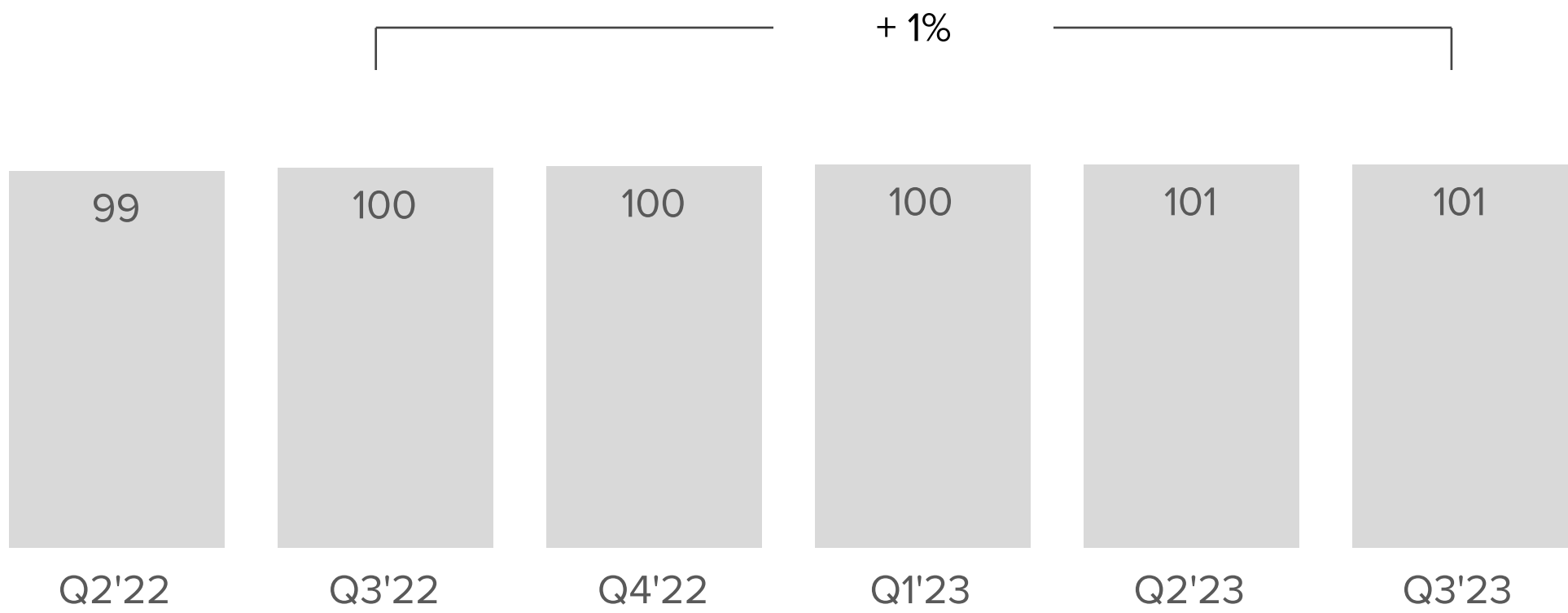
Average Daily Active Users (DAU)

(in millions, unaudited)

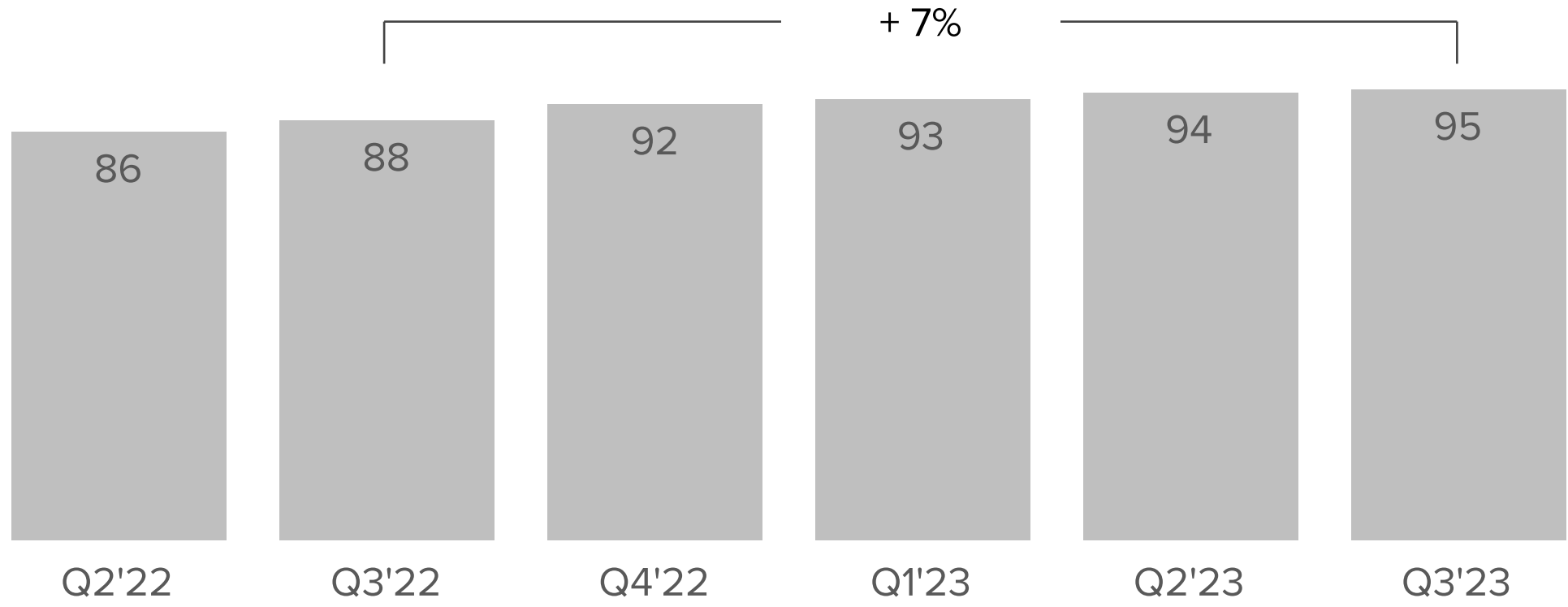
GLOBAL



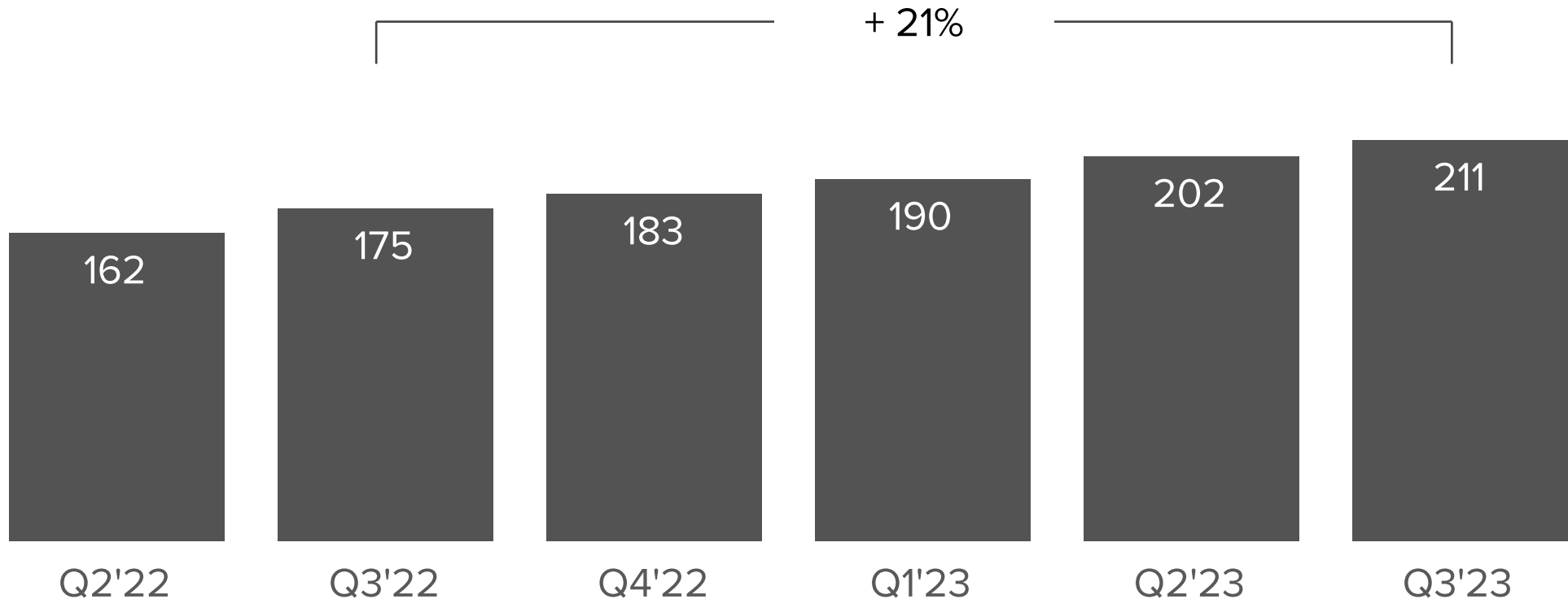
NORTH AMERICA¹



EUROPE²



REST OF WORLD



We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average Daily Active Users for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter.

¹North America includes Mexico, the Caribbean, and Central America.

²Europe includes Russia and Turkey.

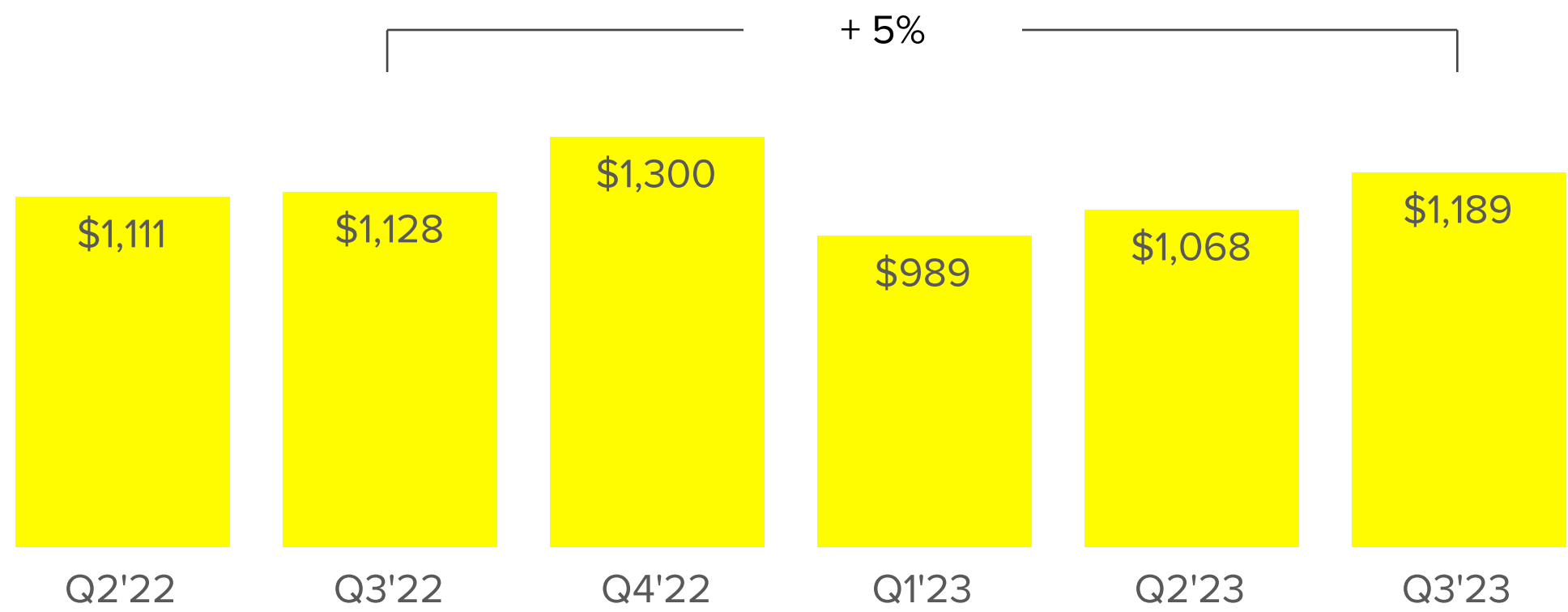
Numbers throughout presentation may not foot due to rounding.

GLOBAL DAU INCREASED 43 MILLION, OR 12%, YoY

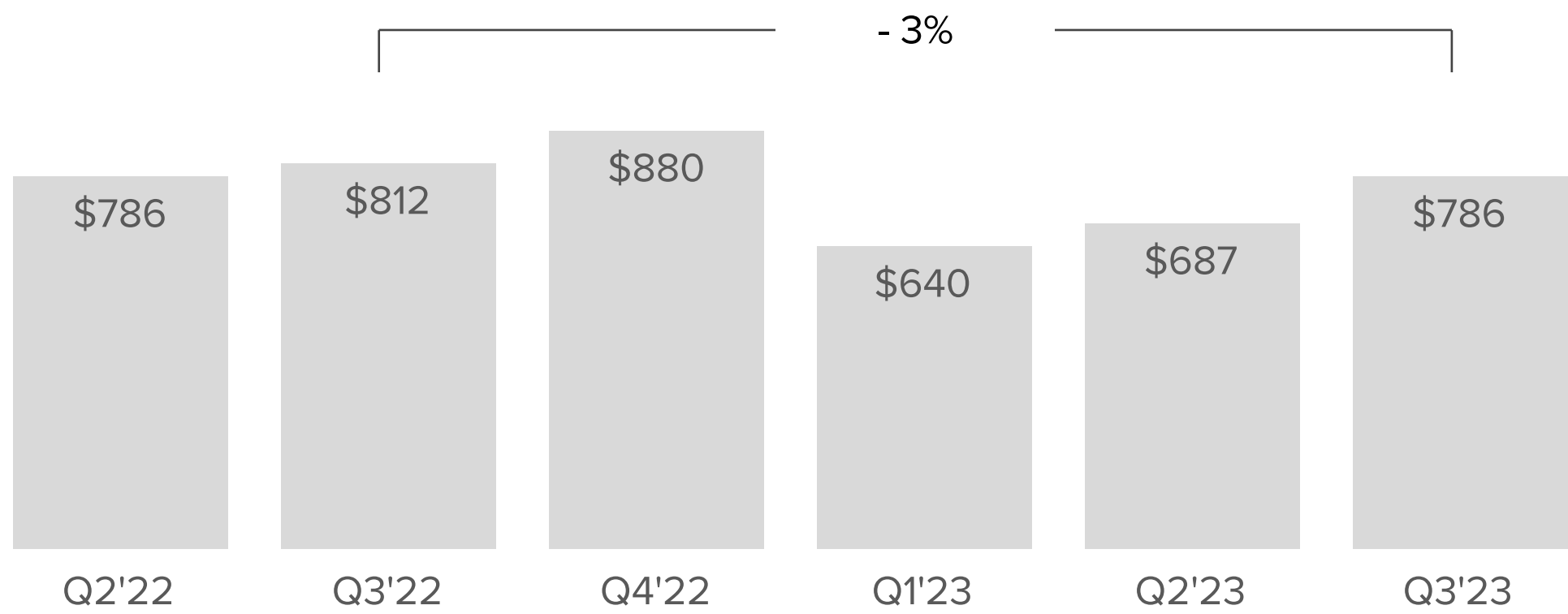
Revenue by Geography

(in millions, unaudited)

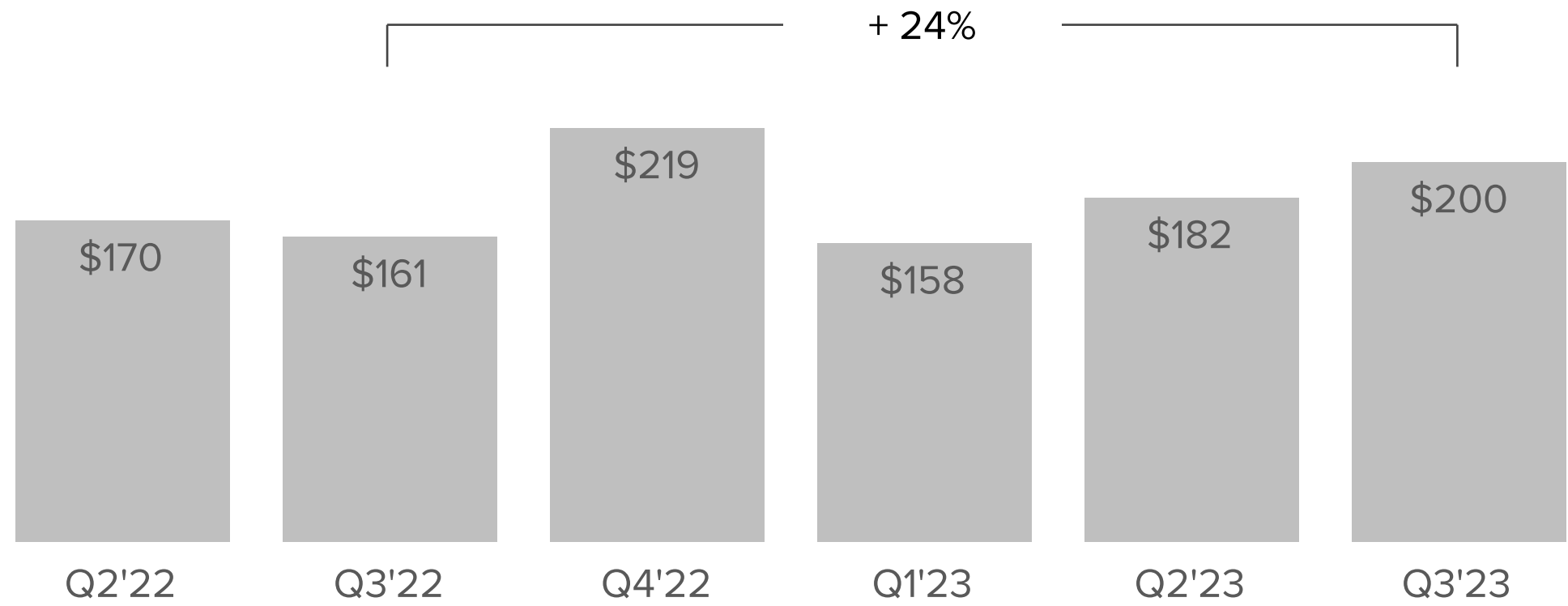
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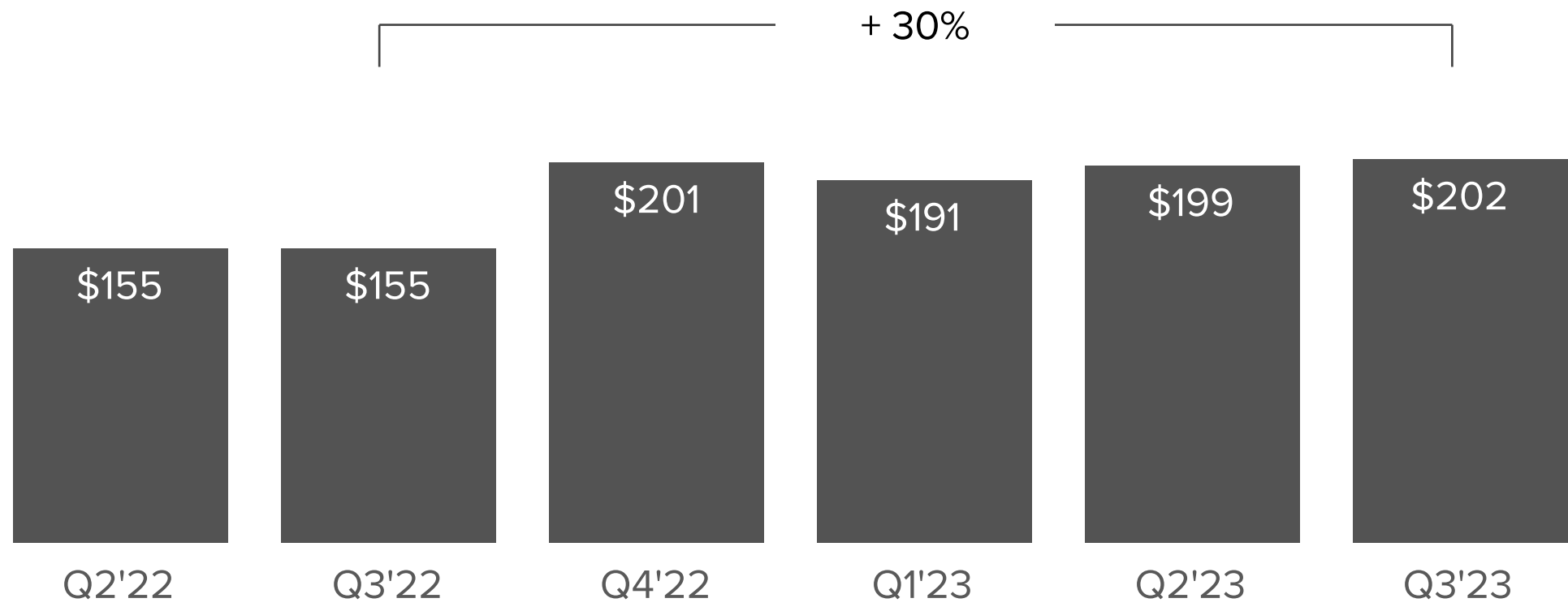
NORTH AMERICA¹



EUROPE²



REST OF WORLD



Total revenue for geographic reporting 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. This allocation is consistent with how we determine ARPU.

¹North America includes Mexico, the Caribbean, and Central America.

²Europe includes Russia and Turkey. Effective March 2022, we halted advertising sales to Russian and Belarusian entities.

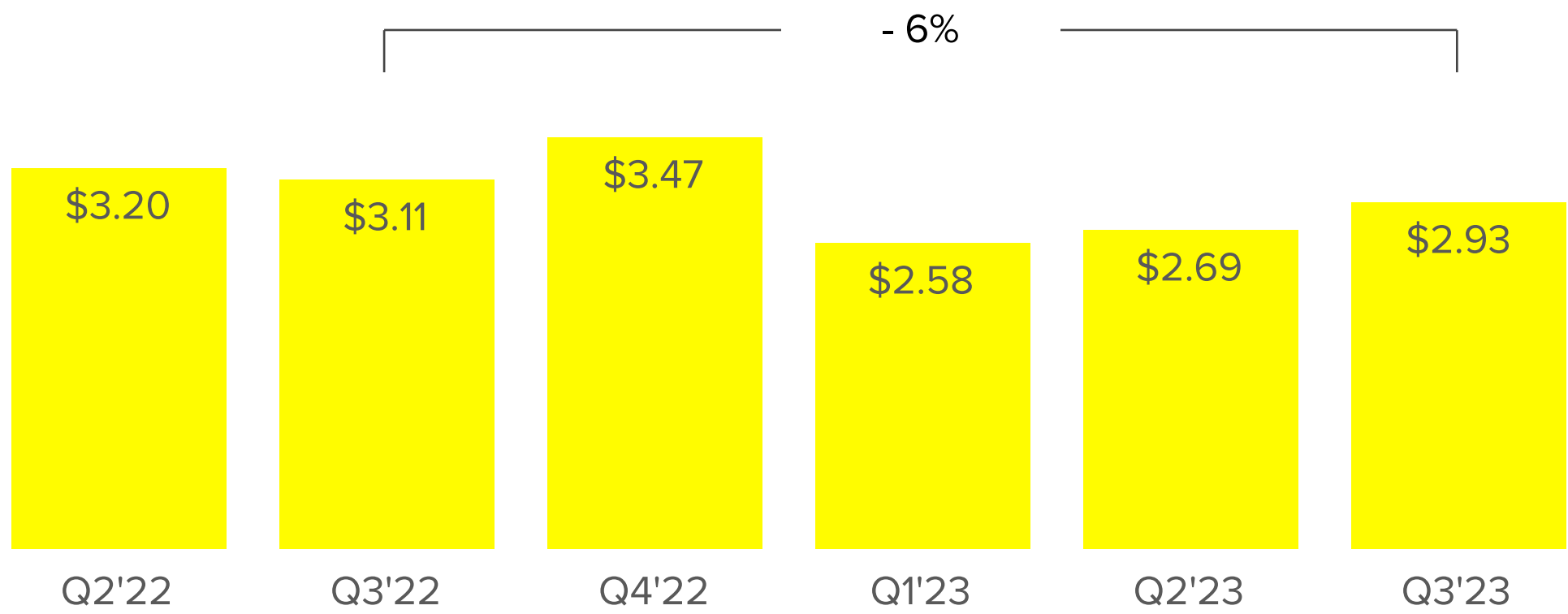
Numbers throughout presentation may not foot due to rounding.

Q3 2023 REVENUE INCREASED 5% YoY AND 11% QoQ

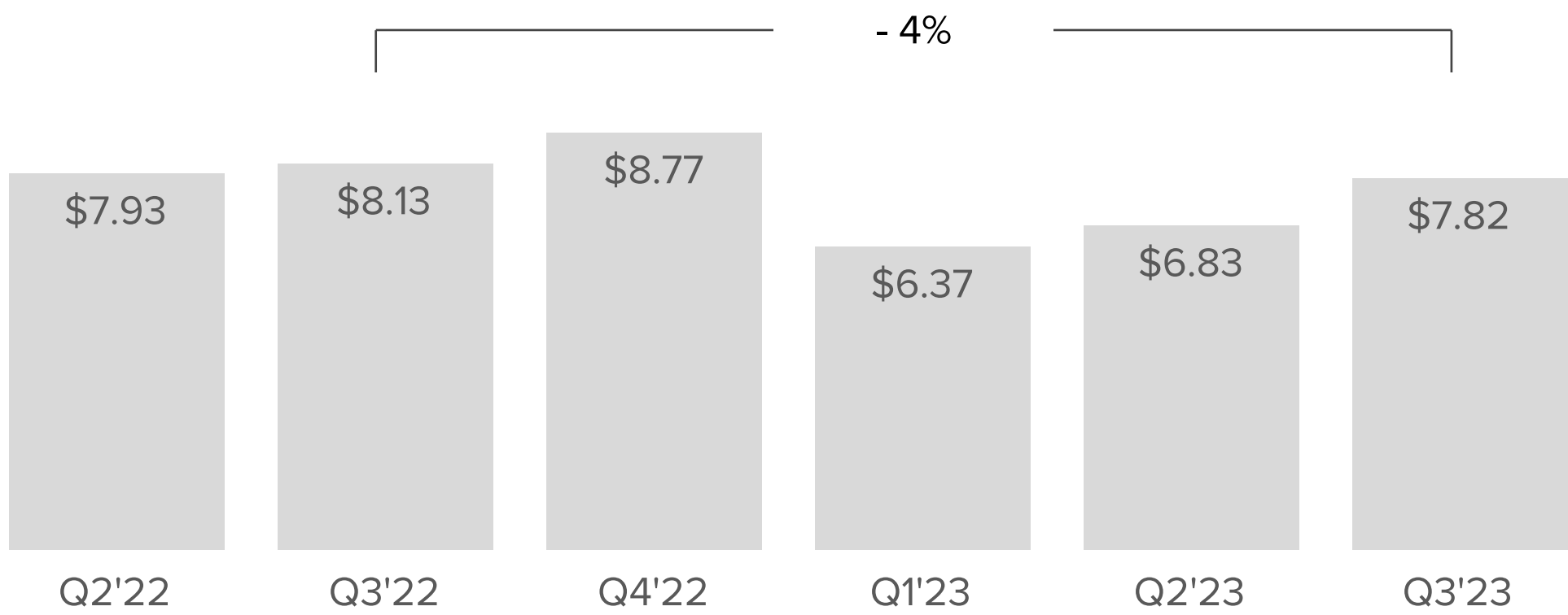
Average Revenue Per User (ARPU)

(unaudited)

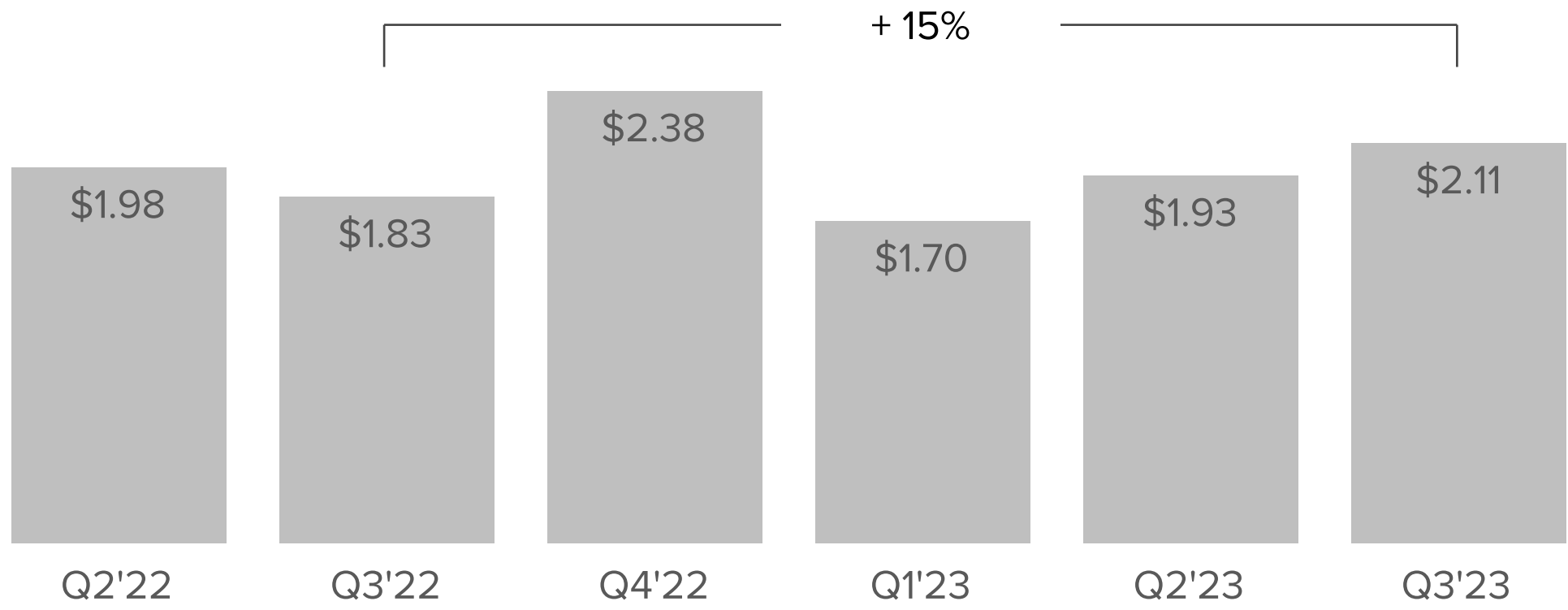
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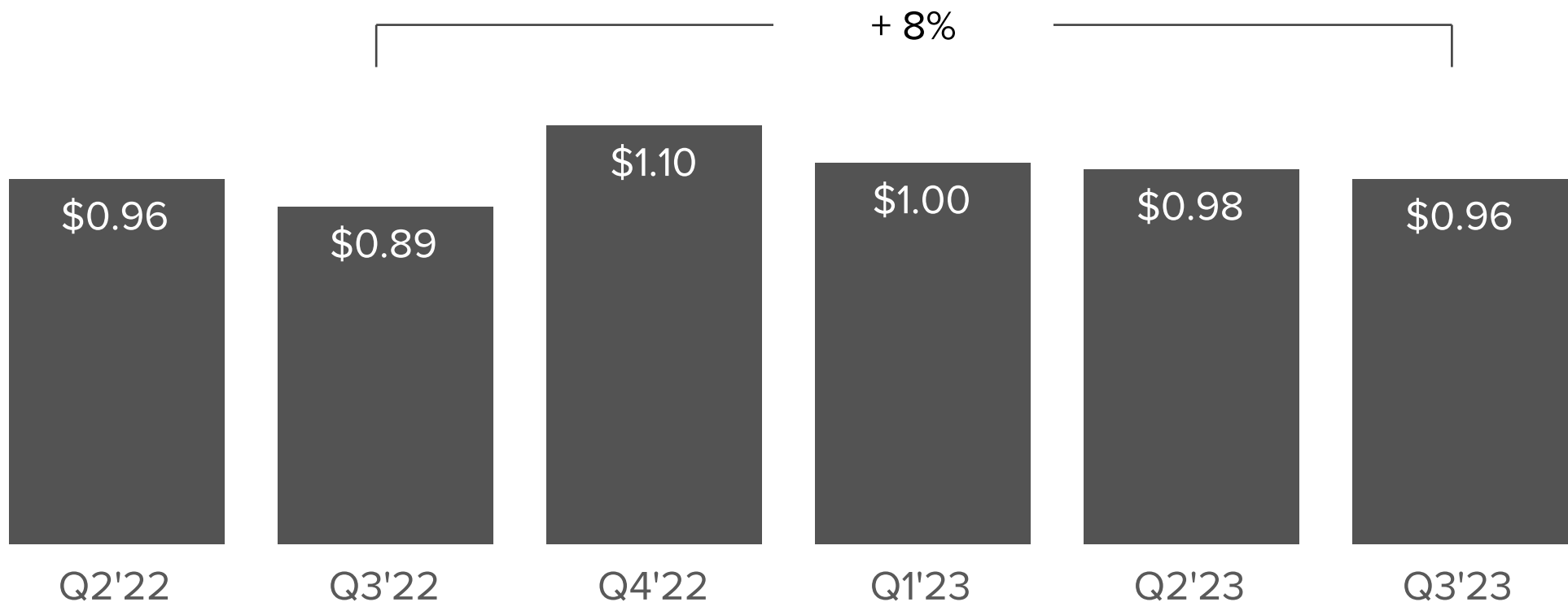
NORTH AMERICA¹



EUROPE²



REST OF WORLD



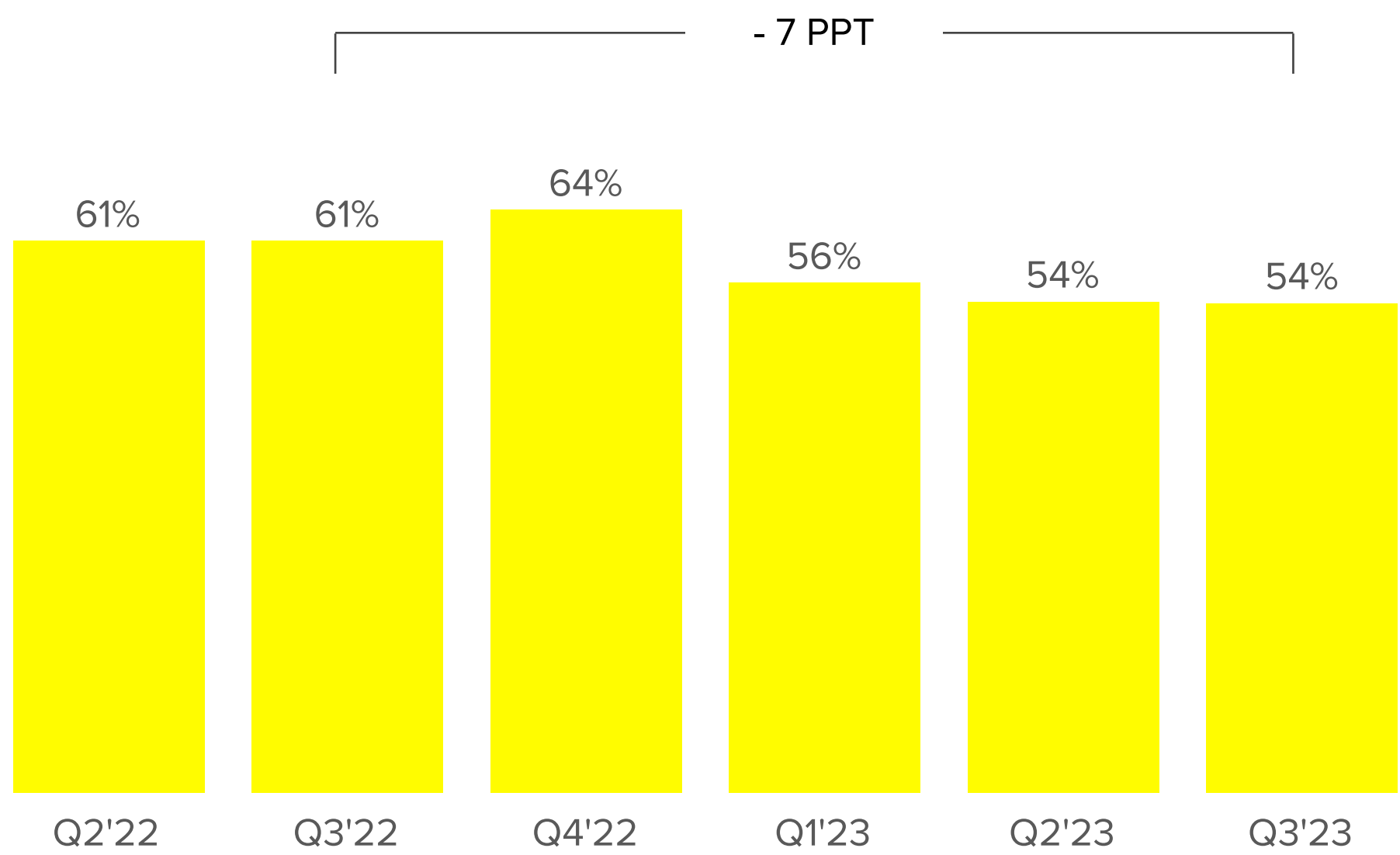
We define ARPU as quarterly revenue divided by the average Daily Active Users. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity.
¹North America includes Mexico, the Caribbean, and Central America.
²Europe includes Russia and Turkey. Effective March 2022, we halted advertising sales to Russian and Belarusian entities.
Numbers throughout presentation may not foot due to rounding.

Q3 2023 GLOBAL ARPU WAS \$2.93
Q3 2023 EUROPE ARPU INCREASED 15% YoY TO \$2.11

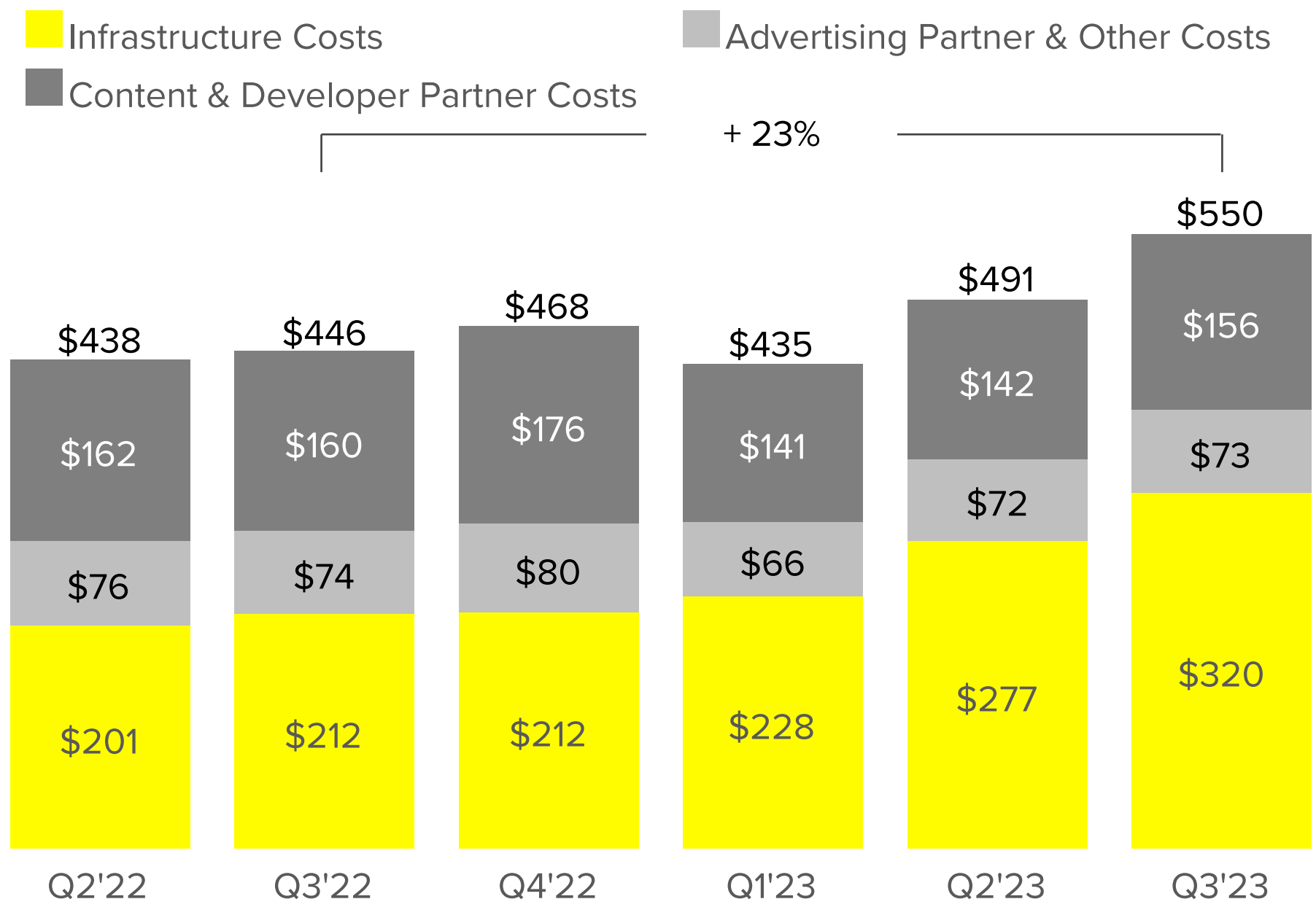
Adjusted Gross Margin and Adjusted Cost of Revenue¹

(dollars in millions, unaudited)

ADJUSTED GROSS MARGIN¹



ADJUSTED COST OF REVENUE¹ COMPOSITION



Adjusted Cost of Revenue¹ as a % of Revenue

Quarter	Adjusted Cost of Revenue ¹ as a % of Revenue
Q2'22	39%
Q3'22	39%
Q4'22	36%
Q1'23	44%
Q2'23	46%
Q3'23	46%

Total Non-GAAP Exclusions¹

Quarter	Total Non-GAAP Exclusions ¹
Q2'22	\$8
Q3'22	\$21
Q4'22	\$13
Q1'23	\$5
Q2'23	\$6
Q3'23	\$6

Total GAAP Cost of Revenue

Quarter	Total GAAP Cost of Revenue
Q2'22	\$446
Q3'22	\$467
Q4'22	\$481
Q1'23	\$440
Q2'23	\$497
Q3'23	\$556

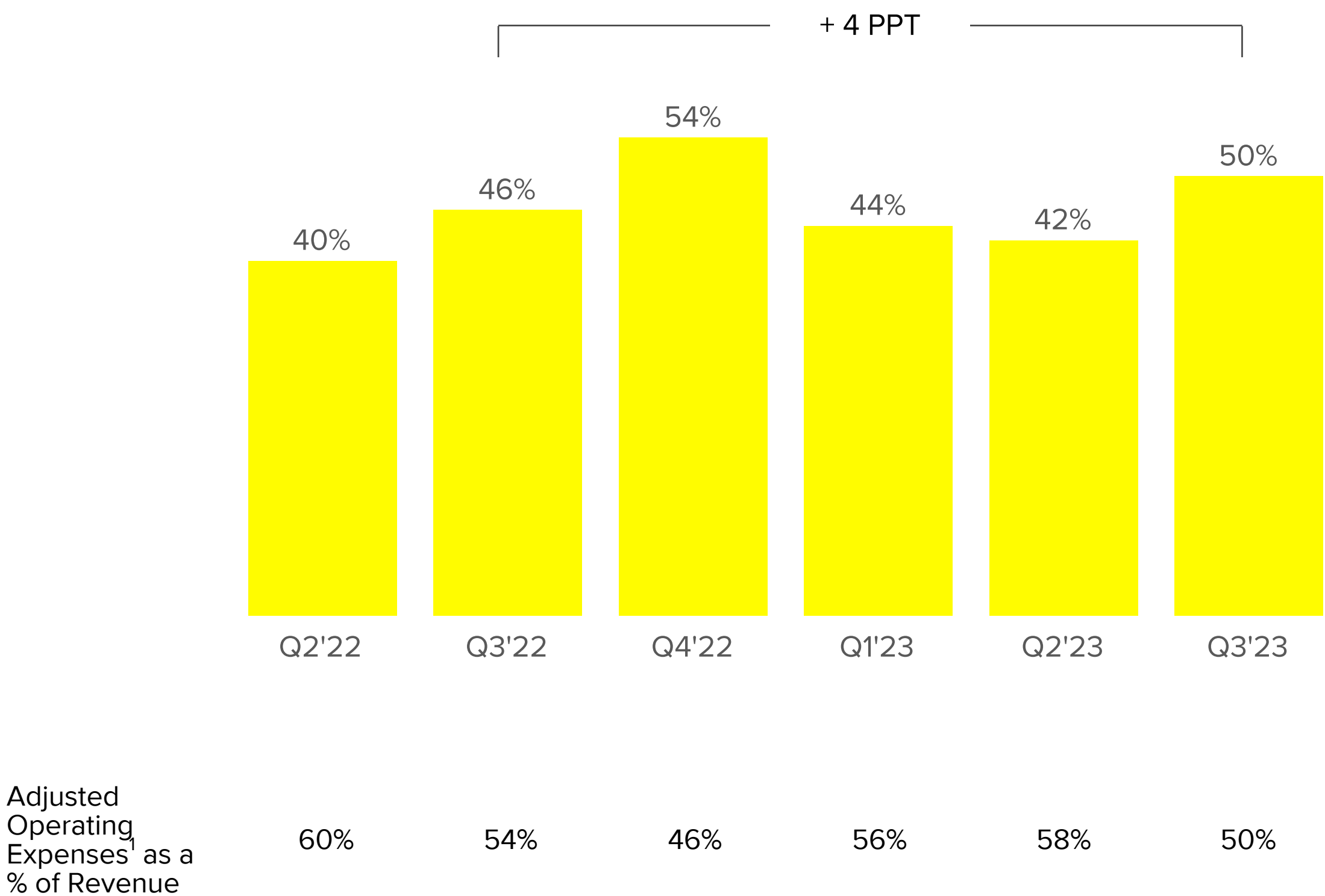
¹Adjusted gross margin is a non-GAAP measure, which we define as GAAP revenue less adjusted cost of revenue divided by GAAP revenue. Adjusted cost of revenue is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022 and Q4 2022, non-recurring items included restructuring charges of \$14 million and \$7 million, respectively. See Appendix for further detail. Numbers throughout presentation may not foot due to rounding.

INFRASTRUCTURE COSTS INCREASED 16% QoQ, DRIVEN PRIMARILY BY INVESTMENTS IN MACHINE LEARNING AND AI TO SUPPORT MONETIZATION, CONTENT ENGAGEMENT, AND AR

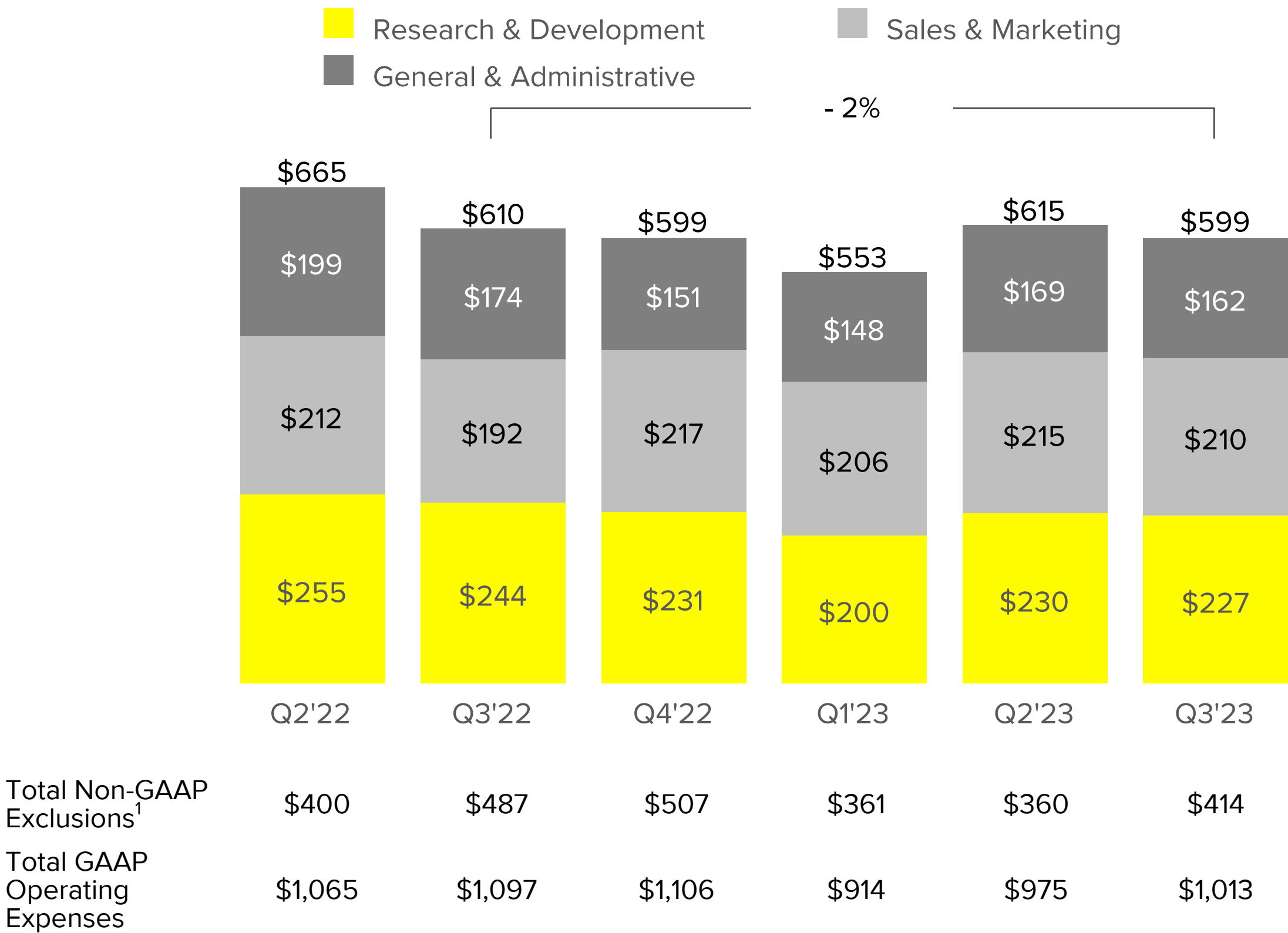
Adjusted Operating Expense Margin and Adjusted Operating Expenses¹

(dollars in millions, unaudited)

ADJUSTED OPERATING EXPENSE MARGIN¹



ADJUSTED OPERATING EXPENSES¹ COMPOSITION



¹Adjusted operating expense margin is a non-GAAP measure, which we define as GAAP revenue less adjusted operating expenses, divided by GAAP revenue. Adjusted operating expenses is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022, Q4 2022, and Q3 2023, non-recurring items included restructuring charges of \$141 million, \$27 million, and \$19 million, respectively. See Appendix for further detail.
Numbers throughout presentation may not foot due to rounding.

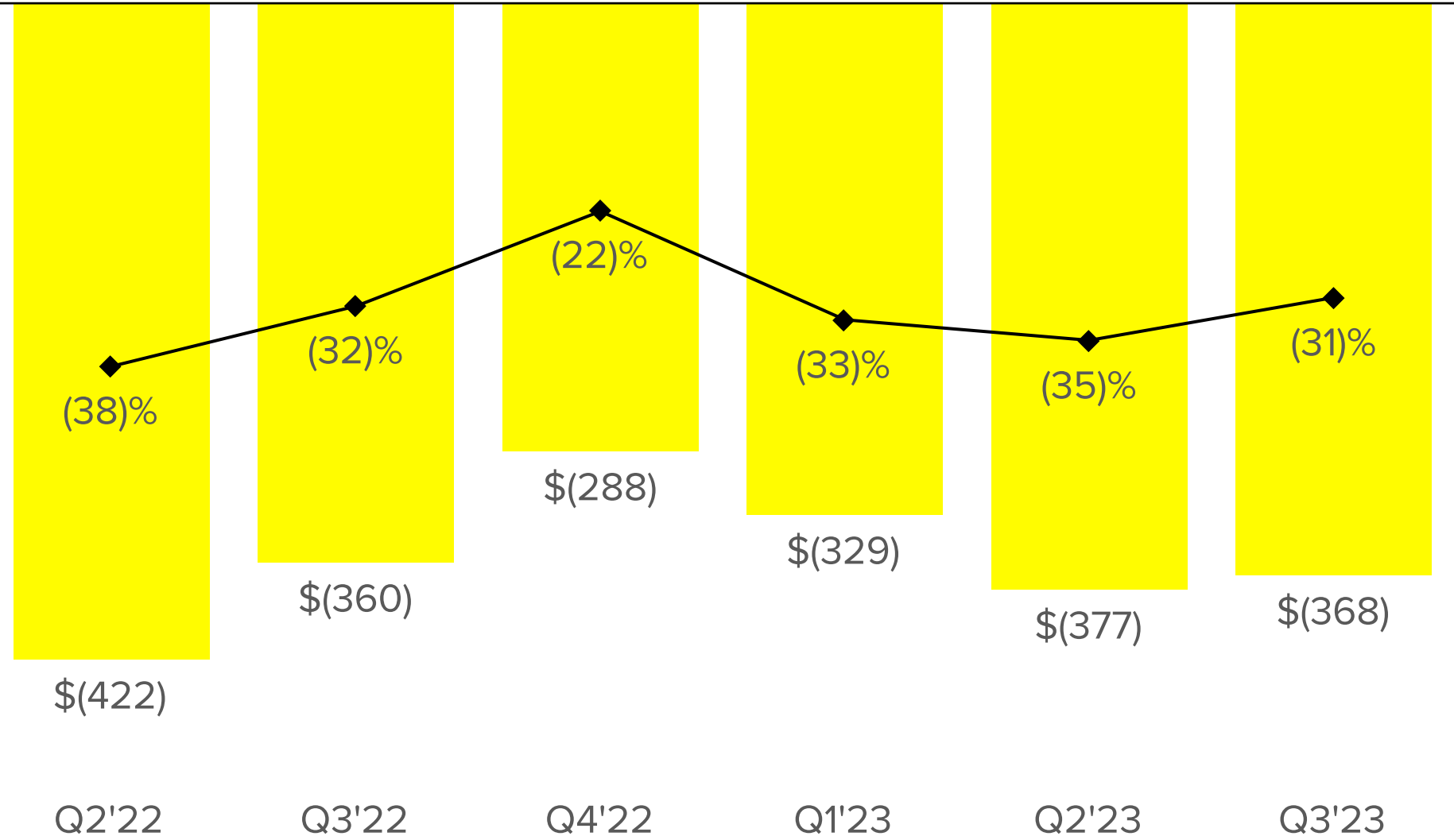
ADJUSTED OPERATING EXPENSES WERE \$599 MILLION, DOWN \$12 MILLION, OR 2%, YoY

Net Income (Loss) & Adjusted EBITDA¹

(dollars in millions, unaudited)

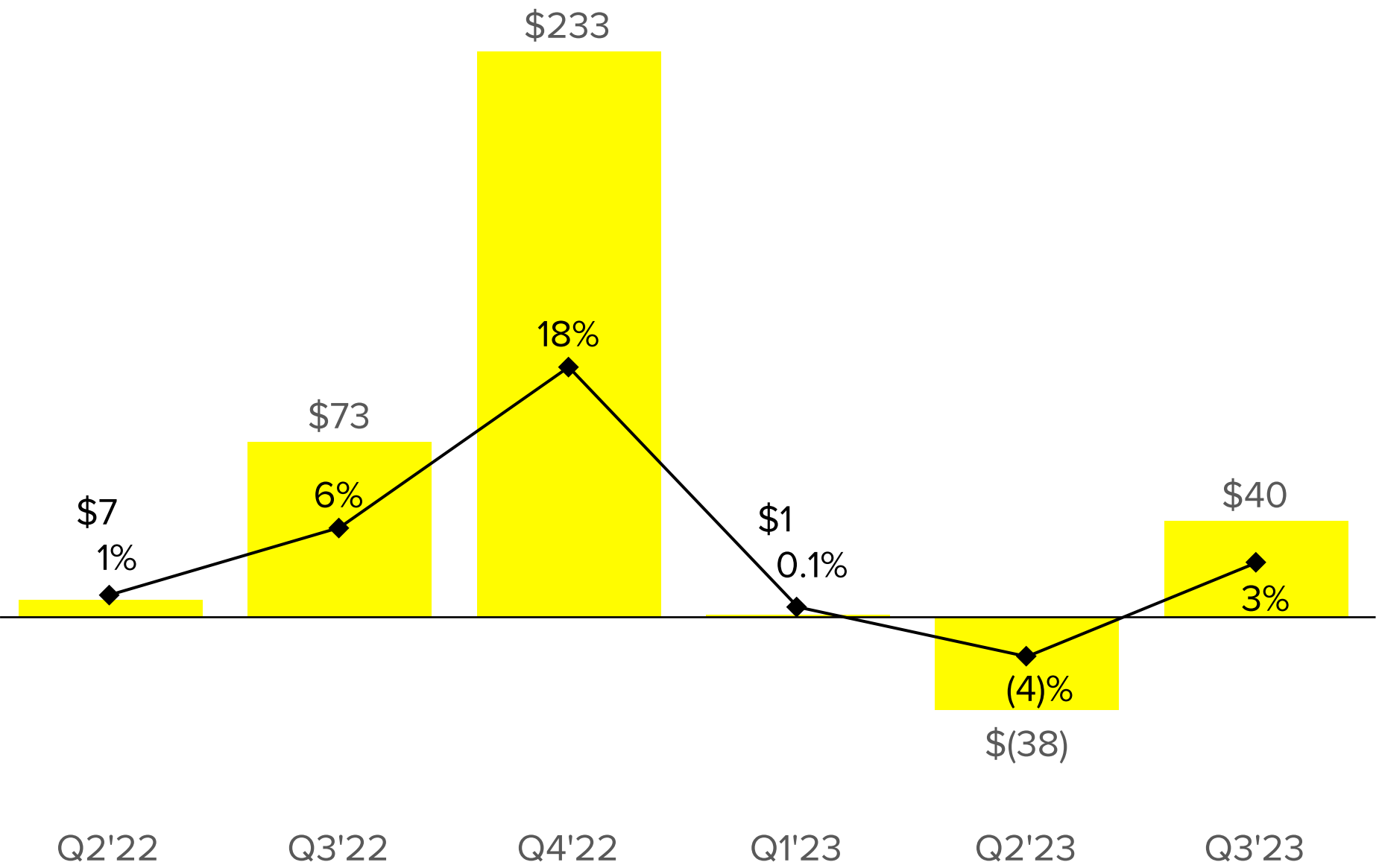
NET INCOME (LOSS)

—◆— Net Income (Loss) Margin



ADJUSTED EBITDA¹

—◆— Adjusted EBITDA Margin²



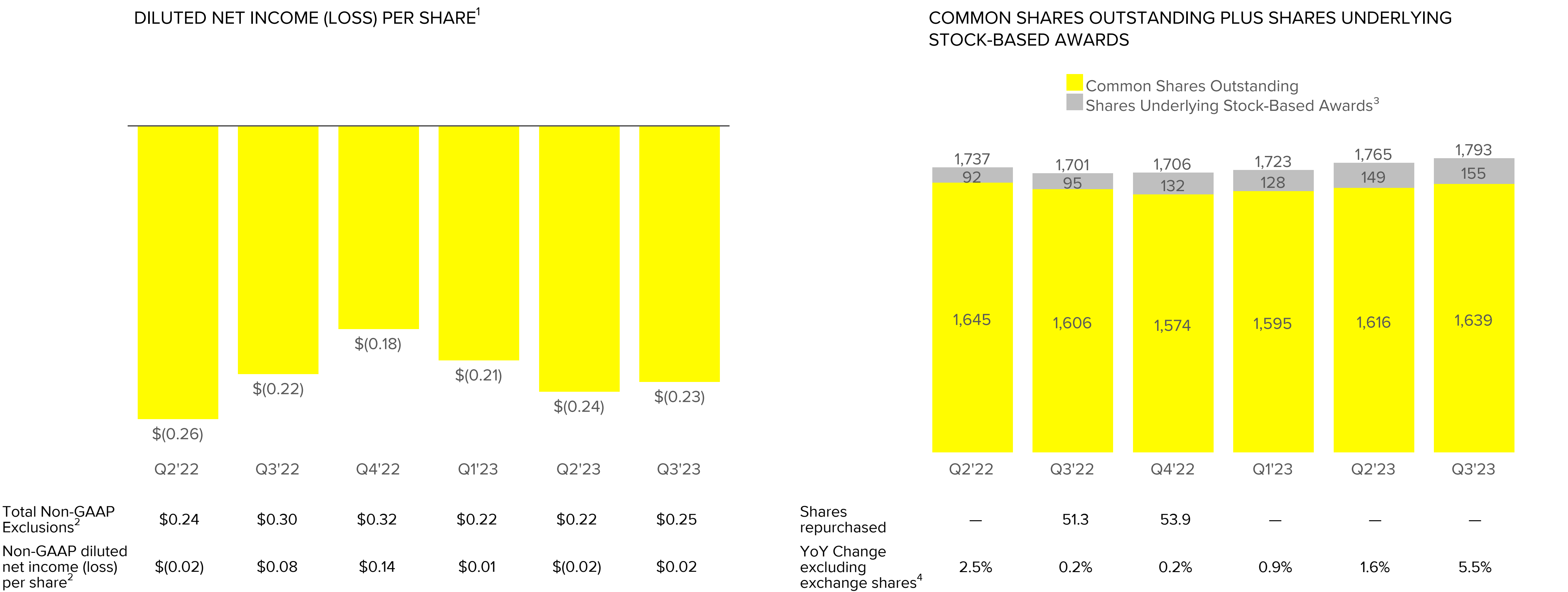
¹Adjusted EBITDA is a non-GAAP measure, which we define as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. In Q3 2022, Q4 2022, and Q3 2023, non-recurring items included restructuring charges of \$155 million, \$34 million, and \$19 million, respectively. See Appendix for reconciliation of net loss to Adjusted EBITDA.

²Adjusted EBITDA margin is a non-GAAP measure, which we define as Adjusted EBITDA divided by GAAP revenue. Numbers throughout presentation may not foot due to rounding.

ADJUSTED EBITDA WAS \$40 MILLION IN Q3 2023

Diluted Net Income (Loss) Per Share & Common Shares Outstanding Plus Shares Underlying Stock-Based Awards

(in millions, except per share data, unaudited)



¹Diluted net income (loss) per share is calculated using weighted average shares outstanding during the period.

²We define Non-GAAP net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-GAAP net income (loss) and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share. In Q3 2022, Q4 2022, and Q3 2023, non-recurring items included restructuring charges of \$155 million, \$34 million, and \$19 million, respectively. See Appendix for reconciliation of diluted net income (loss) per share to non-GAAP diluted net income (loss) per share.

³Shares underlying stock-based awards include restricted stock units, restricted stock awards, and outstanding stock options.

⁴YoY change excludes approximately 52 million shares issued as part of the induced conversions of convertible notes in Q2 2021 and Q3 2021.

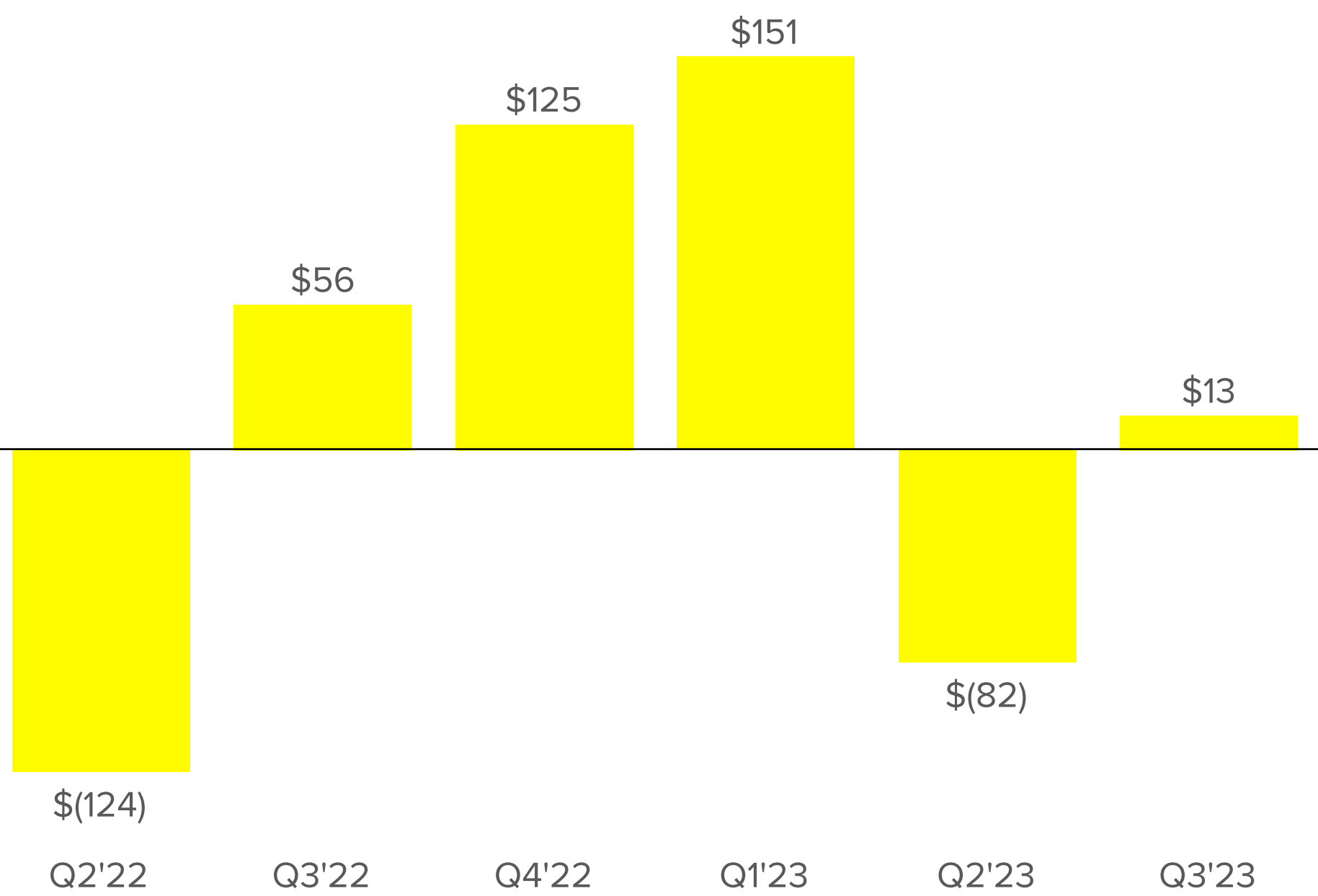
Numbers throughout presentation may not foot due to rounding.

AUTHORIZED A NEW \$500M STOCK REPURCHASE PROGRAM

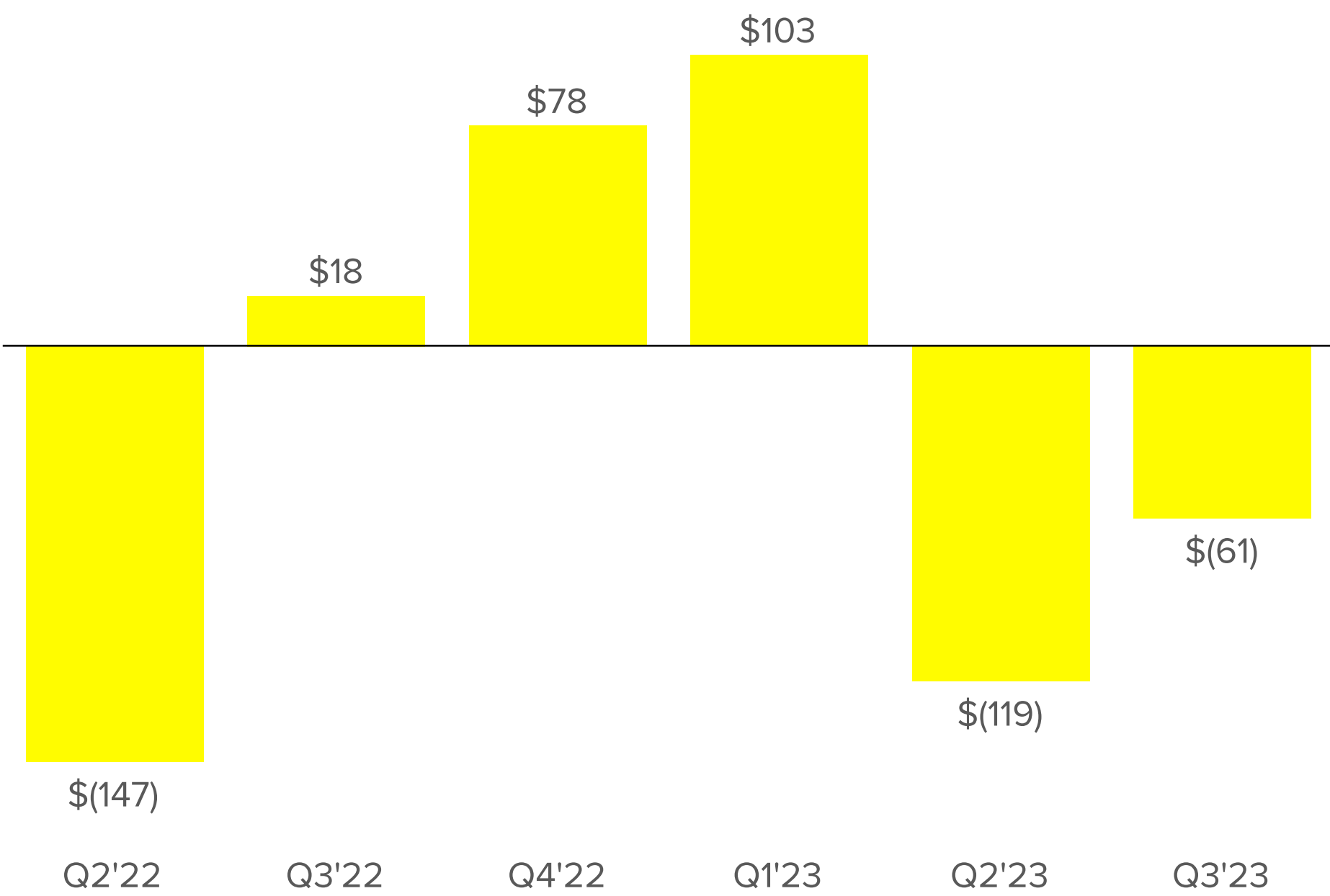
Operating Cash Flow and Free Cash Flow¹

(in millions, unaudited)

OPERATING CASH FLOW



FREE CASH FLOW¹



Capex

\$(23) \$(38) \$(47) \$(48) \$(37) \$(73)

YoY Change

(27)% (65)% (51)% (3)% 19% (435)%

¹Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. See Appendix for reconciliation of net cash provided by (used in) operating activities to Free Cash Flow. Numbers throughout presentation may not foot due to rounding.

TRAILING TWELVE MONTHS OPERATING CASH FLOW WAS POSITIVE \$207 MILLION IN Q3 2023
TRAILING TWELVE MONTHS FREE CASH FLOW WAS POSITIVE \$2 MILLION IN Q3 2023

Q4 2023 Outlook

As we enter Q4, we anticipate continued growth in our global community and, as a result, our financial forecast for Q4 is built on the assumption that DAU will reach 410 million to 412 million. We believe we are on the right path with our direct-response advertising platform and are focused on executing against our roadmap to deliver further improvements. That said, forward visibility of advertising demand remains limited due to several factors. First, revenue in Q4 is historically backweighted, and the revenue mix in Q4 has historically included a relatively higher share from brand advertising revenue, and brand advertising grew at a slower rate than direct-response advertising in Q3. In addition, we observed pauses in spending from a large number of primarily brand-oriented advertising campaigns immediately following the onset of the war in the Middle East, and this has been a headwind to revenue quarter-to-date. While some of these campaigns have now resumed, and the impact on our revenue has partially diminished, we continue to observe new pauses and the risk that these pauses could persist or increase in magnitude remains. Due to the unpredictable nature of war, we believe it would be imprudent to provide formal guidance for Q4. Our internal forecast assumes a revenue range of \$1,320 million to \$1,375 million, implying year-over-year revenue growth of approximately 2% to 6%. Within this range of revenue, we estimate that adjusted EBITDA will be between \$65 million and \$105 million.

Appendix

Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Adjusted EBITDA Reconciliation						
Net income (loss)	\$ (422,067)	\$ (359,502)	\$ (288,460)	\$ (328,674)	\$ (377,308)	\$ (368,256)
Add (deduct):						
Interest income	(8,331)	(18,445)	(28,698)	(37,948)	(43,144)	(43,839)
Interest expense	5,549	5,425	5,312	5,885	5,343	5,521
Other (income) expense, net	16,910	(71,961)	20,043	(11,372)	(1,323)	20,662
Income tax (benefit) expense	6,999	9,241	4,206	6,845	12,093	5,849
Depreciation and amortization	79,291	34,068	34,975	35,220	39,688	41,209
Stock-based compensation expense	318,810	312,690	446,339	314,931	317,943	353,846
Payroll and other tax expense related to stock-based compensation	10,029	6,561	5,172	15,926	8,229	6,463
Restructuring charges ¹	—	154,563	34,386	—	—	18,639
Adjusted EBITDA²	\$ 7,190	\$ 72,640	\$ 233,275	\$ 813	\$ (38,479)	\$ 40,094

	Three Months Ended					
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Free Cash Flow Reconciliation						
Net cash provided by (used in) operating activities	\$ (124,081)	\$ 55,945	\$ 125,291	\$ 151,102	\$ (81,936)	\$ 12,781
Less:						
Purchases of property and equipment	(23,370)	(37,836)	(46,925)	(47,630)	(36,943)	(73,435)
Free Cash Flow³	\$ (147,451)	\$ 18,109	\$ 78,366	\$ 103,472	\$ (118,879)	\$ (60,654)

¹Restructuring charges were composed primarily of severance and related charges of \$91 million and \$6 million in Q3 2022 and Q4 2022, respectively, stock-based compensation expense, lease exit and related charges, impairment charges, contract termination charges, and intangible asset amortization. Restructuring charges were composed primarily of severance and stock-based compensation expense in Q3 2023. These charges are non-recurring and not reflective of underlying trends in our business.

²Adjusted EBITDA is a non-GAAP measure, which we define as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other non-cash or non-recurring items impacting net income (loss) from time to time.

³Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. Numbers throughout presentation may not foot due to rounding.

Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Non-GAAP net income (loss) reconciliation						
Net income (loss)	\$ (422,067)	\$ (359,502)	\$ (288,460)	\$ (328,674)	\$ (377,308)	\$ (368,256)
Amortization of intangible assets	64,134	18,701	18,073	17,755	18,405	19,134
Stock-based compensation expense	318,810	312,690	446,339	314,931	317,943	353,846
Payroll and other tax expense related to stock-based compensation	10,029	6,561	5,172	15,926	8,229	6,463
Restructuring charges ¹	—	154,563	34,386	—	—	18,639
Income tax adjustments	(504)	(954)	(988)	32	(269)	(573)
Non-GAAP net income (loss)²	\$ (29,598)	\$ 132,059	\$ 214,522	\$ 19,970	\$ (33,000)	\$ 29,253
Weighted-average common shares - Diluted³	1,632,140	1,608,523	1,573,883	1,581,370	1,603,172	1,625,917

	Three Months Ended					
	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
Non-GAAP diluted net income (loss) per share reconciliation						
GAAP diluted net income (loss) per share	\$ (0.26)	\$ (0.22)	\$ (0.18)	\$ (0.21)	\$ (0.24)	\$ (0.23)
Non-GAAP adjustment to net income (loss)	0.24	0.30	0.32	0.22	0.22	0.25
Non-GAAP diluted net income (loss) per share²	\$ (0.02)	\$ 0.08	\$ 0.14	\$ 0.01	\$ (0.02)	\$ 0.02

¹Restructuring charges were composed primarily of severance and related charges of \$91 million and \$6 million in Q3 2022 and Q4 2022, respectively, stock-based compensation expense, lease exit and related charges, impairment charges, contract termination charges, and intangible asset amortization.

Restructuring charges were composed primarily of severance and stock-based compensation expense in Q3 2023. These charges are non-recurring and not reflective of underlying trends in our business.

²We define Non-GAAP net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-GAAP net income (loss) and weighted average diluted shares are then used to calculate Non-GAAP diluted net income (loss) per share.

³For all periods, weighted average common shares used in computation of diluted EPS primarily excluded unvested or unexercised stock-based awards, Convertible Notes, and Capped Call shares as they were anti-dilutive.

Constant currency revenue is a non-GAAP measure, which we define as GAAP revenue in the current period translated using the prior period average monthly exchange rates for revenue transactions in currencies other than the U.S. dollar. We calculate the constant currency revenue percentage change using current period constant currency revenue and prior period GAAP revenue. We report revenue on a constant-currency basis in order to facilitate period-to-period comparisons of our results without regard to the impact of fluctuating foreign currency exchange rates, which we believe is helpful to investors. However, constant currency revenue is a non-GAAP financial measure, may be calculated differently from similarly titled measures used by other companies, and is not meant to be considered as an alternative or substitute for comparable measures prepared in accordance with GAAP.

Numbers throughout presentation may not foot due to rounding.

Note Regarding User Metrics and Other Data

We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average DAUs for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter. DAUs are broken out by geography because markets have different characteristics. We define average revenue per user, or ARPU, as quarterly revenue divided by the average DAUs. 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. This allocation differs from our components of revenue disclosure in the notes to our consolidated financial statements, where revenue is based on the billing address of the advertising customer.

Unless otherwise stated, statistical information regarding our users and their activities is determined by calculating the daily average of the selected activity for the most recently completed quarter.

While these metrics are determined based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally. For example, there may be individuals who have unauthorized or multiple Snapchat accounts, even though we forbid that in our Terms of Service and implement measures to detect and suppress that behavior. We have not determined the number of such multiple accounts. Changes in our products, infrastructure, mobile operating systems, or metric tracking system, or the introduction of new products, may impact our ability to accurately determine active users or other metrics and we may not determine such inaccuracies promptly. We also believe that we don't capture all data regarding each of our active users. Technical issues may result in data not being recorded from every user's application. For example, because some Snapchat features can be used without internet connectivity, we may not count a DAU because we don't receive timely notice that a user has opened the Snapchat application. This undercounting may increase as we grow in Rest of World markets where users may have poor connectivity. We do not adjust our reported metrics to reflect this underreporting. We believe that we have adequate controls to collect user metrics, however, there is no uniform industry standard. We continually seek to identify these technical issues and improve both our accuracy and precision, including ensuring that our investors and others can understand the factors impacting our business, but these technical issues and new issues may continue in the future, including if there continues to be no uniform industry standard.

Some of our demographic data may be incomplete or inaccurate. For example, because users self-report their dates of birth, our age-demographic data may differ from our users' actual ages. And because users who signed up for Snapchat before June 2013 were not asked to supply their date of birth, we may exclude those users from our age demographics or estimate their ages based on a sample of the self-reported ages that we do have. If our active users provide us with incorrect or incomplete information regarding their age or other attributes, then our estimates may prove inaccurate and fail to meet investor expectations.

Note Regarding User Metrics and Other Data (Continued)

We count a DAU only when a user opens the application and only once per user per day. We believe this methodology more accurately measures our user engagement. We have multiple pipelines of user data that we use to determine whether a user has opened the application during a particular day, and becoming a DAU. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our application.

If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. We regularly review, have adjusted in the past, and are likely in the future to adjust our processes for calculating our internal metrics to improve their accuracy. As a result of such adjustments, our DAUs or other metrics may not be comparable to those in prior periods. Our measures of DAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.