

Snap Inc.

Q2 2025 Earnings Slides

August 5, 2025

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 events and 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 contained 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 events and 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.

Second Quarter 2025 Financial Summary

Revenue	<ul style="list-style-type: none">• Revenue was \$1,345 million, compared to \$1,237 million in the prior year, an increase of 9%¹ year-over-year.• Average revenue per user was \$2.87, compared to \$2.86 in the prior year.
Operating Performance	<ul style="list-style-type: none">• GAAP gross margin was 51%, compared to 52% in the prior year.• Adjusted Gross Margin² was 52%, compared to 53% in the prior year.• Net loss was \$263 million, compared to \$249 million in the prior year.• Adjusted EBITDA³ was \$41 million, compared to \$55 million in the prior year.• Net loss margin was (20)%, compared to (20)% in the prior year.• Adjusted EBITDA Margin³ was 3%, compared to 4% in the prior year.
Cash	<ul style="list-style-type: none">• Operating cash flow was \$88 million, compared to \$(21) million in the prior year.• Free Cash Flow⁴ was \$24 million, compared to \$(73) million in the prior year.• Cash, cash equivalents, and marketable securities were \$2.9 billion as of June 30, 2025.

¹On a constant currency basis, the impact of foreign exchange rates on revenue was not material at less than 1% in Q2 2025. Constant currency revenue is a non-GAAP measure, see Appendix for further detail.

²Adjusted Gross Margin is a non-GAAP measure. Refer to slide 12 for additional information.

³Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Refer to slide 14 for additional information.

⁴Free Cash Flow is a non-GAAP measure. Refer to slide 16 for additional information.

Quarterly information is unaudited. Numbers throughout presentation may not foot due to rounding.

Business Highlights

We deepened engagement with our community:

- The Snapchat community continues to grow, reaching 932 million global monthly active users (MAU) in Q2, an increase of 64 million or 7% year-over-year.
- Daily active users (DAU) were 469 million in Q2 2025, an increase of 37 million, or 9%, year-over-year.
- Spotlight reached more than 550 million monthly active users on average in Q2.
- Spotlight time spent grew 23% year-over-year, now contributes more than 40% of total content time spent.
- We launched our new Snapchat app on Apple Watch, enabling Snapchatters to preview an incoming message and reply using the Keyboard, Scribble, Dictation, or an emoji.
- Snap Map grew to more than 400 million MAU that utilize our service to find their friends, explore local hotspots, and stay informed about what's happening around them.
- Our video chat feature continues to deepen connections, with Snapchatters spending 30% more time talking on Snapchat year-over-year.
- We introduced a suite of new creator tools and features that makes it easier to create and share content, including the ability for creators to generate content from their saved Snapchat Memories using templates.
- Creators can now view new insights from their Stories and Spotlight including returning viewers, top content, and total view time, which helps creators to optimize their content and monetize their engagement.
- Over the past year, we onboarded thousands of creators to our Snap Star program, with the number of Spotlight posts by Snap Stars growing more than 145% year-over-year in North America in Q2.

Business Highlights (Continued)

We are focused on accelerating and diversifying our revenue growth:

- Ad platform improvements and foundational AI advancements contributed to 7-0 Purchase volume increasing 39% year-over-year for commerce advertisers, and total purchase-related ad revenue growing more than 25% year-over-year in Q2.
- Sponsored Snaps are proving highly effective in driving incremental conversions, delivering up to a 22% increase when included in an advertiser's broader Snap campaign mix.
- Sponsored Snaps are now driving an 18% lift in unique converters across app installs and app purchases.
- We introduced Sponsored Snaps from creators, enabling advertisers to send a Sponsored Snap directly from a creator's handle to Snapchatters in the chat feed.
- We launched First Snap, which offers brand advertisers a single-day takeover that delivers the first Sponsored Snap in the chat feed.
- To help Snapchat campaigns achieve better performance outcomes, we introduced Snapchat Smart Campaign Solutions, a new suite of offerings that deliver AI-powered performance and ease-of-use enhancements.
- Other Revenue, the majority of which is Snapchat+ subscription revenue, increased 64% year-over-year in Q2.
- We introduced Lens+, a new Snapchat+ subscription tier that offers access to exclusive new AI video Lenses, Bitmoji Game Lenses, and early access to new features.

Business Highlights (Continued)

We invested in our augmented reality platform:

- Our community uses AR Lenses in our Snapchat camera 8 billion times per day, and over 400,000 developers have built more than 4 million Lenses with Snap's world-leading AR tools.
- In Q2, more than 350 million Snapchatters engaged with AR every day on average.
- Lens Games engagement has continued to grow, now reaching more than 175 million monthly active users, up over 40% year-over-year.
- Our 90's School Photos AI Lens, Different Eras AI Lens, and Cartoon World AI Lens were collectively viewed over one billion times, highlighting strong engagement with our AR lenses powered by gen AI.
- We introduced our new Lens Studio iOS app and web tool, empowering more people of all skill levels to quickly create fun AR Lenses using templates or AI-powered tools, even without prior coding experience.
- In our latest Lens Studio release, we introduced new features that make it easier than ever for AR developers to build games, including the new Bitmoji Suite, which offers enhanced capabilities for personalizing and animating Bitmoji, and new games assets designed to simplify the creation of dynamic games for Snapchatters.

Business Highlights (Continued)

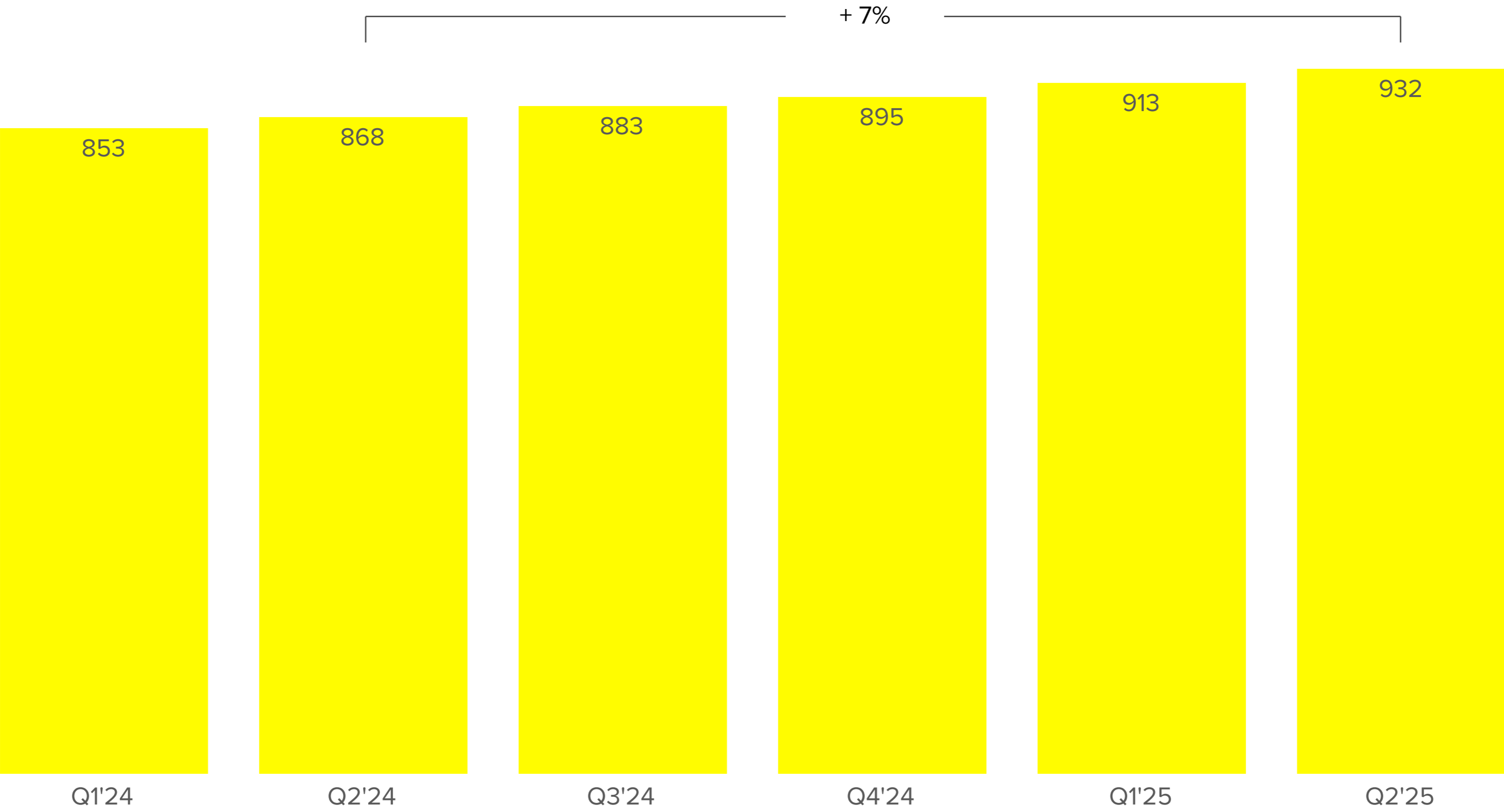
We are making computers more human with Specs:

- We announced plans to launch our first consumer-ready Specs AR glasses in 2026, marking an important and exciting milestone for Snap and a critical step toward realizing our long-term vision for AR.
- We announced Snap OS updates that enable developers to create and publish multimodal AI-powered Lenses, including location-based experiences, through new tools and AI-powered experiences with partners like OpenAI and Gemini on Google Cloud.
- Our new Depth Module API translates 2D information from LLMs to anchor AR information accurately in three dimensions, unlocking a new paradigm for spatial intelligence.
- Our Automated Speech Recognition API enables real-time transcription with support for over 40 languages, including non-native accents, with high accuracy.
- Since our 5th generation of Spectacles released in 2024, developers have built compelling experiences to prepare for the consumer launch of Specs next year:
 - Super Travel from Gowaaa helps global travelers translate signs, menus, and receipts and convert currencies.
 - Drum Kit from Paradiddle teaches new drummers how to play by overlaying cues on a real drum set and listening to the notes.
 - Pool Assist from Studio ANRK helps players make better shots playing pool.
 - Cookmate from Headraft uses AI to recommend recipes based on available ingredients and provides step-by-step cooking guidance in the kitchen.
 - ARcher Champ from Phil Walton and Hart Woolery brings competitors together for archery matches with friends through our Connected Lens technology.

Average Monthly Active Users (MAU)

(in millions, unaudited)

GLOBAL



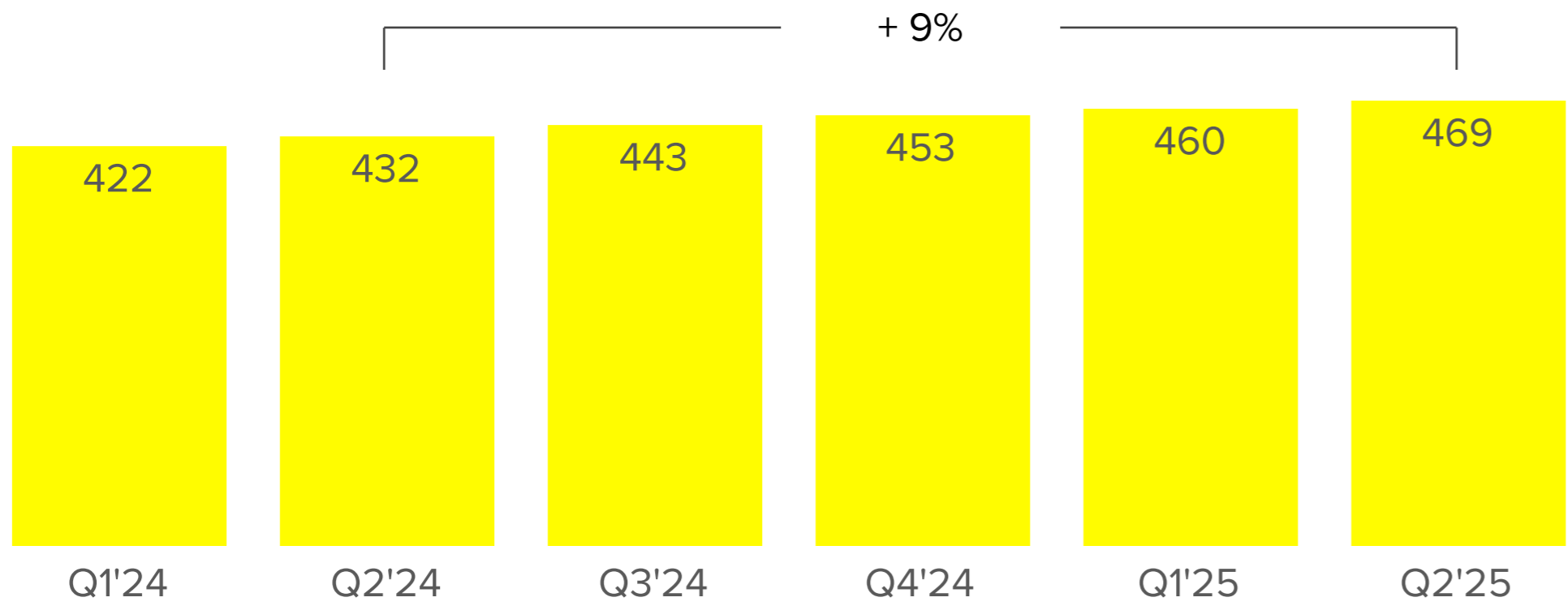
We define a Monthly Active User, or MAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We calculate average Monthly Active Users for a particular quarter by calculating the average of the MAUs as of each calendar month-end in that quarter. In the first quarter of 2025, we refined our processes and controls to allow us to more accurately record user activity. For additional information concerning these refinements, see the “Note Regarding User Metrics and Other Data” within the Appendix.

GLOBAL MAU INCREASED 64 MILLION, OR 7%, YoY

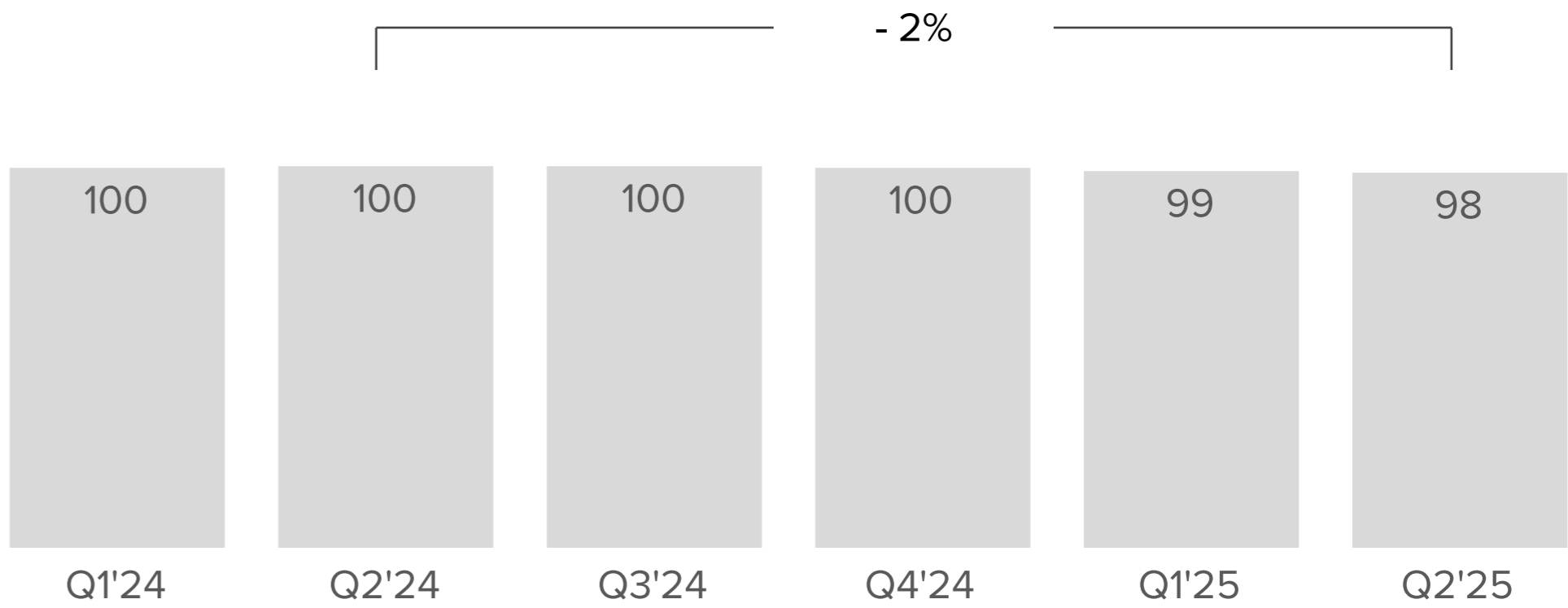
Average Daily Active Users (DAU)

(in millions, unaudited)

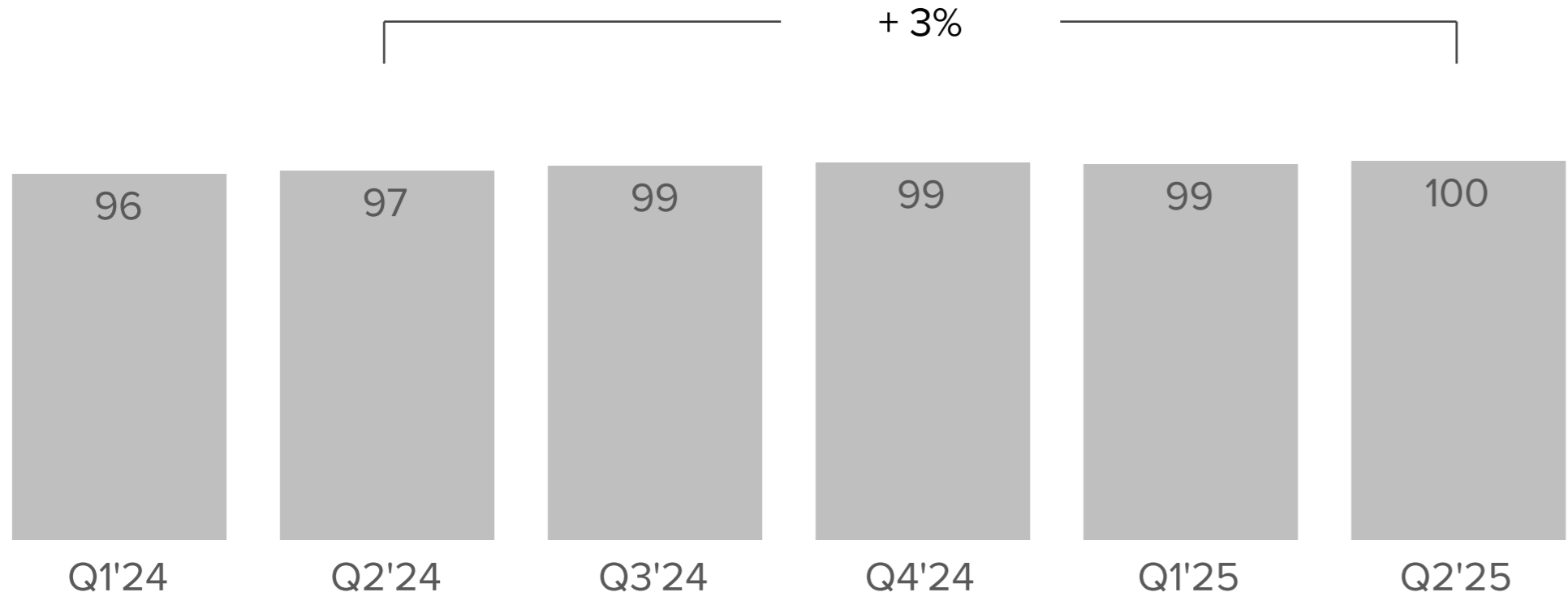
GLOBAL



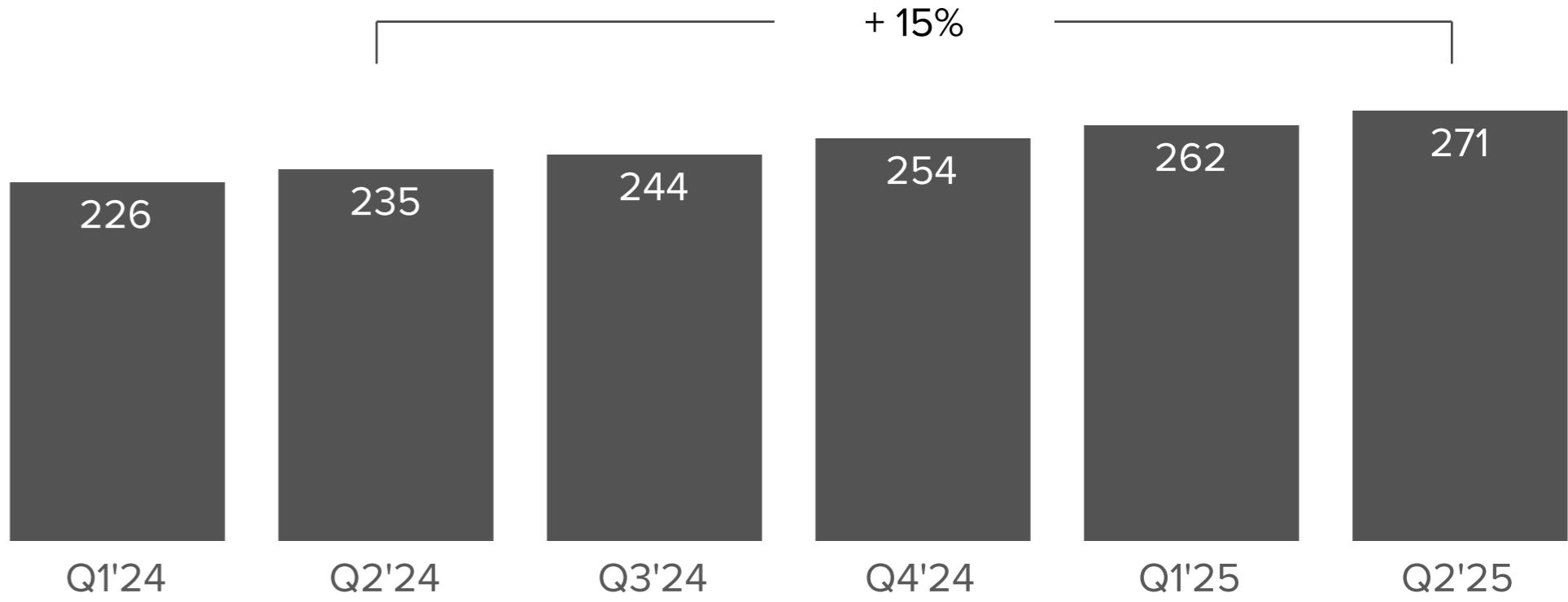
NORTH AMERICA¹



EUROPE²



REST OF WORLD



We define a Daily Active User, or DAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites 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. In the first quarter of 2025, we refined our processes and controls to allow us to more accurately record user activity. For additional information concerning these refinements, see the “Note Regarding User Metrics and Other Data” within the Appendix.

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

²Europe includes Russia and Turkey.

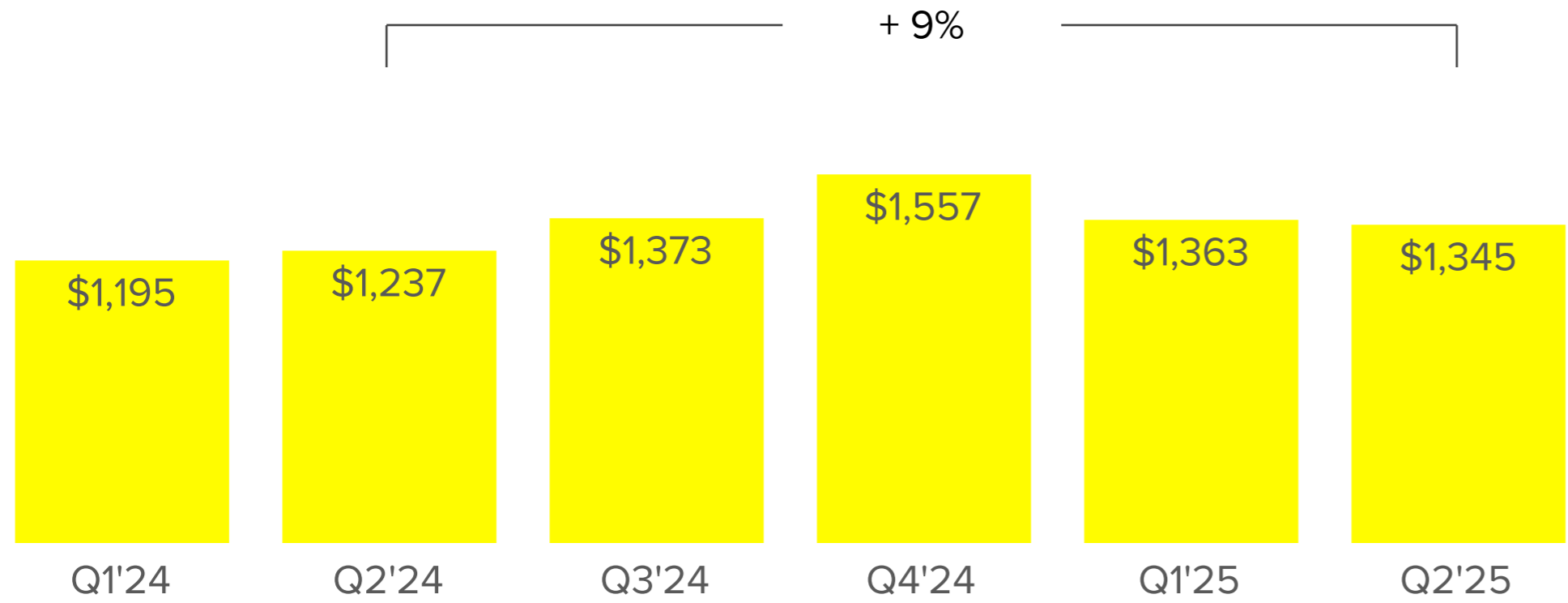
Numbers throughout presentation may not foot due to rounding.

GLOBAL DAU INCREASED 37 MILLION, OR 9%, YoY

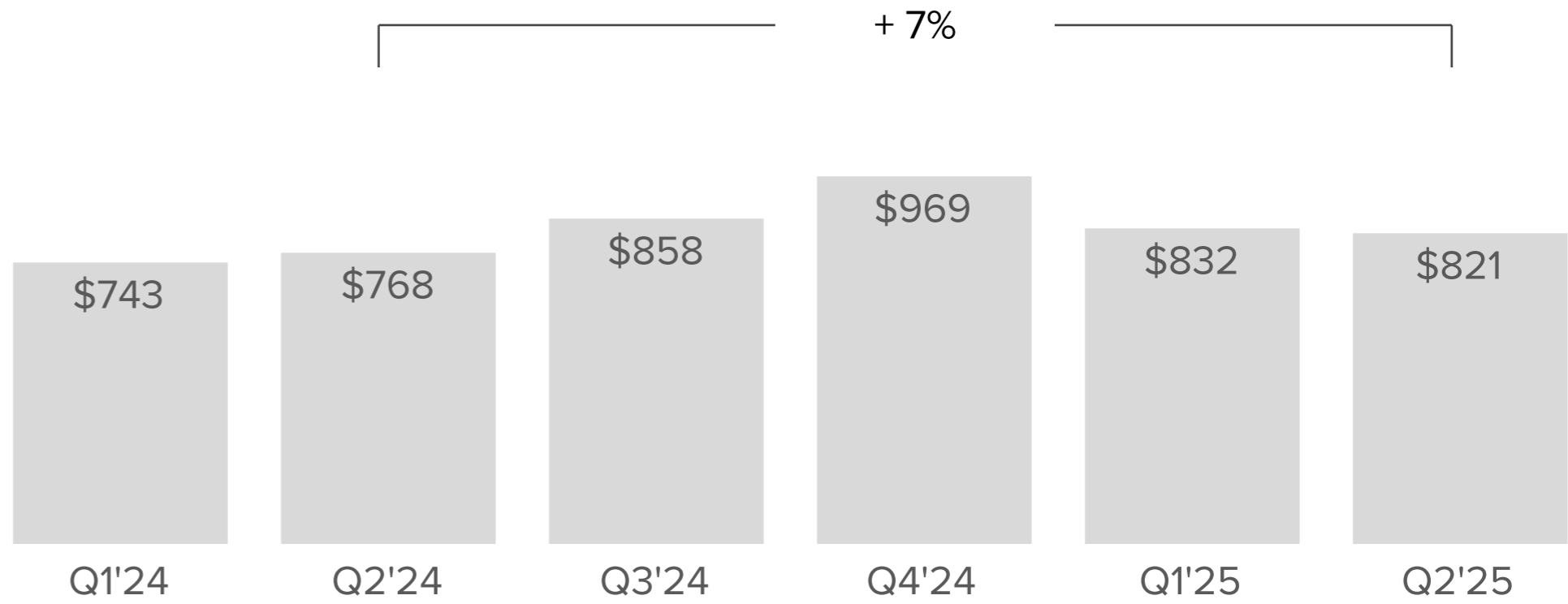
Revenue by Geography

(in millions, unaudited)

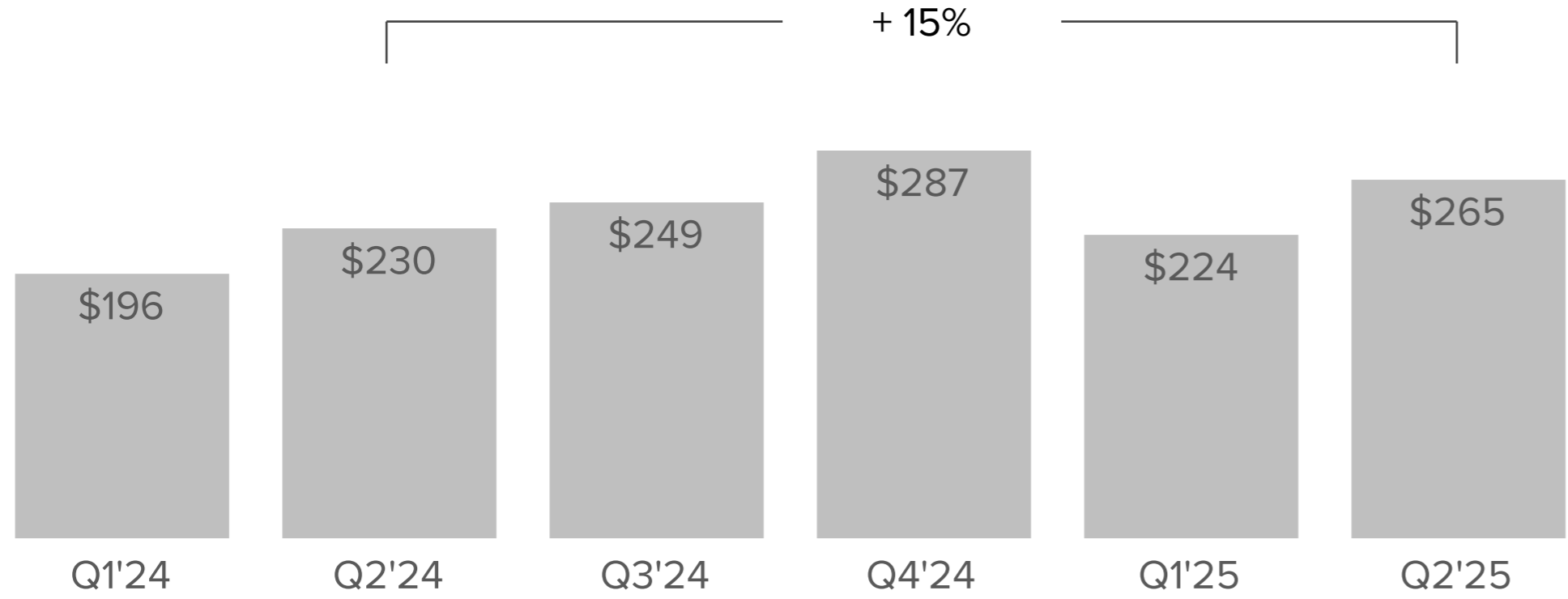
GLOBAL



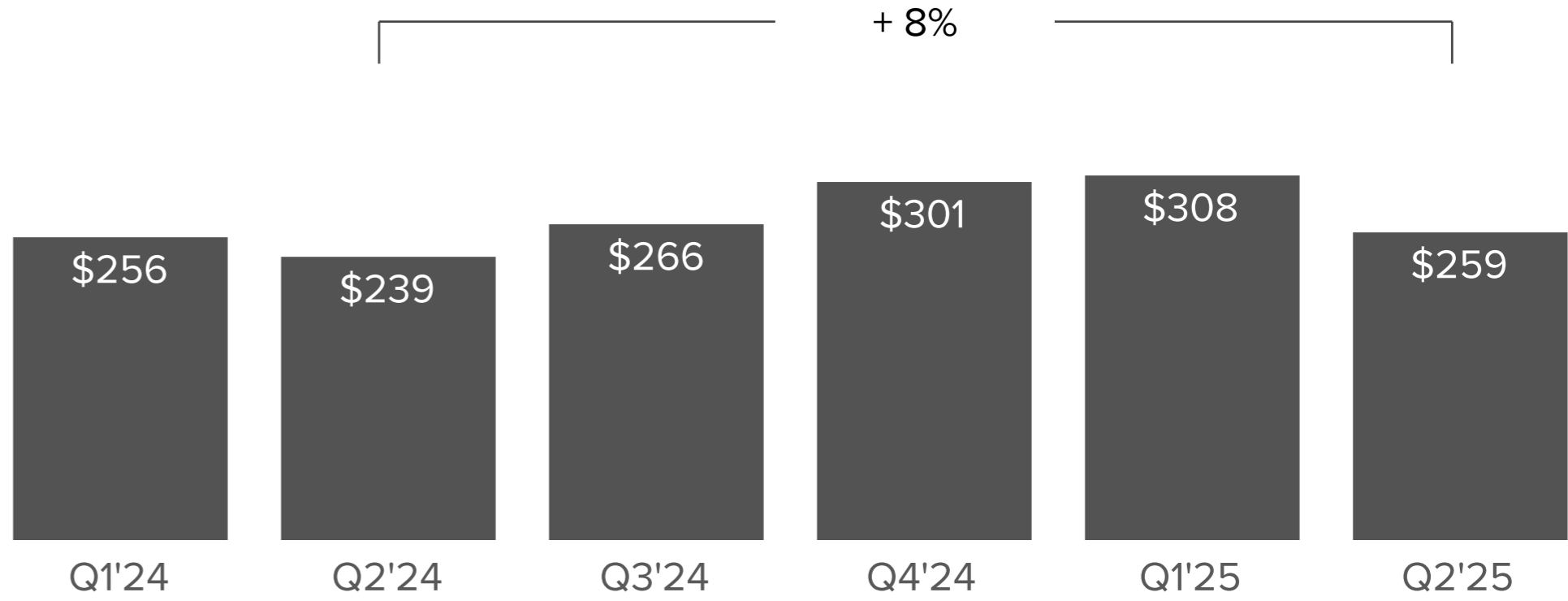
NORTH AMERICA¹



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.

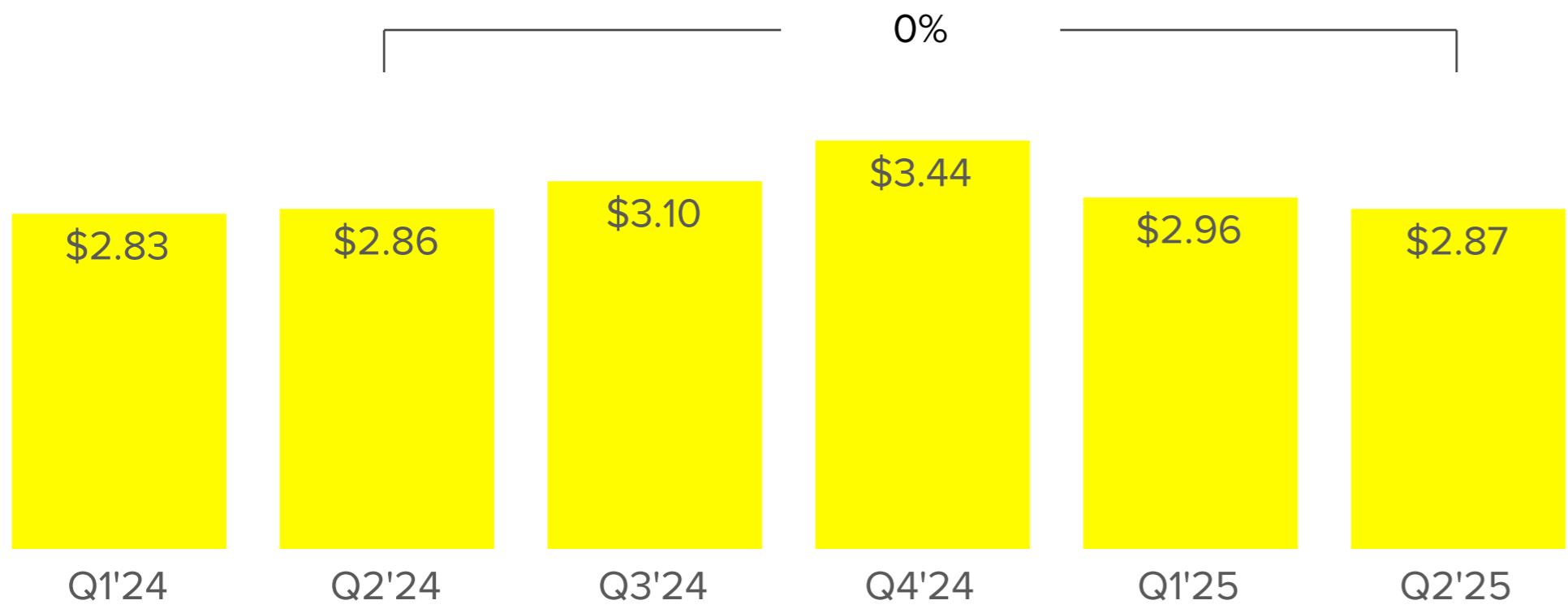
Numbers throughout presentation may not foot due to rounding.

GLOBAL REVENUE INCREASED 9% YoY

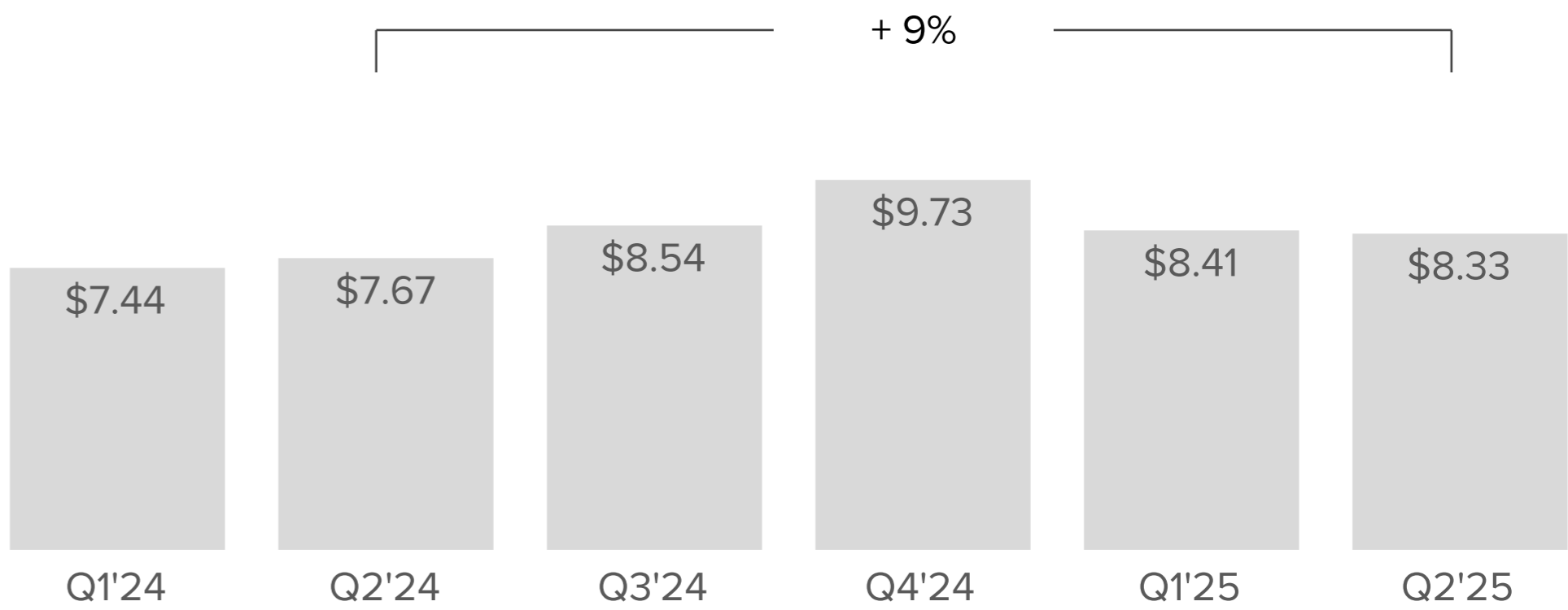
Average Revenue Per User (ARPU)

(unaudited)

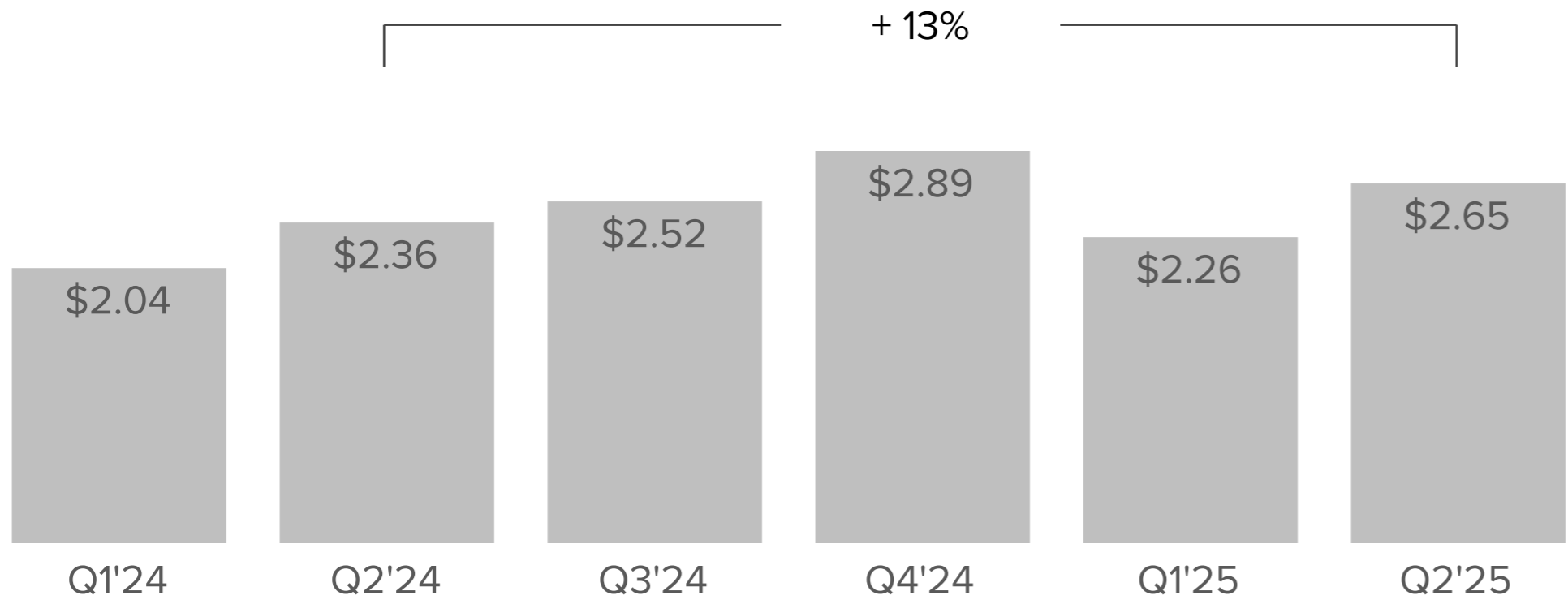
GLOBAL



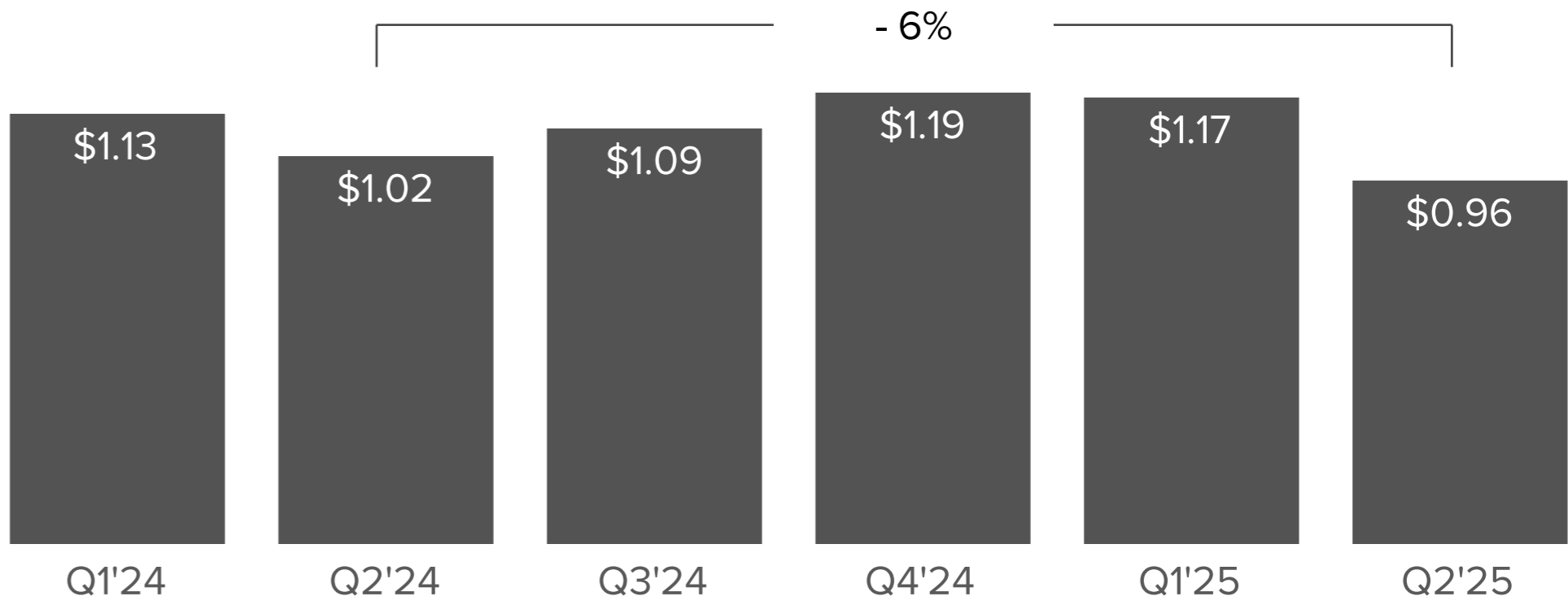
NORTH AMERICA¹



EUROPE²



REST OF WORLD



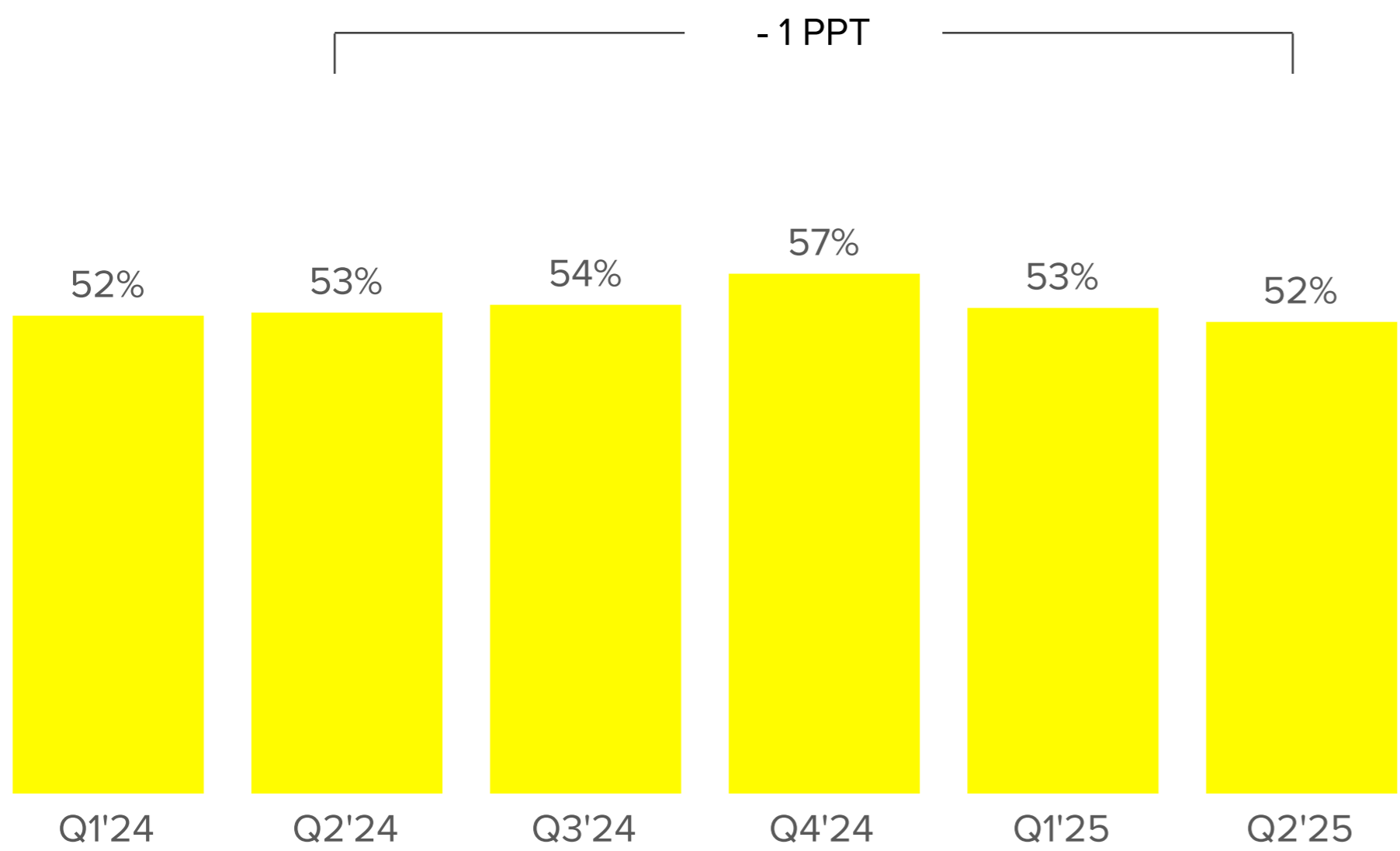
We define ARPU as quarterly revenue divided by the average Daily Active Users. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based 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.

GLOBAL ARPU WAS \$12.36 OVER THE TRAILING TWELVE MONTHS

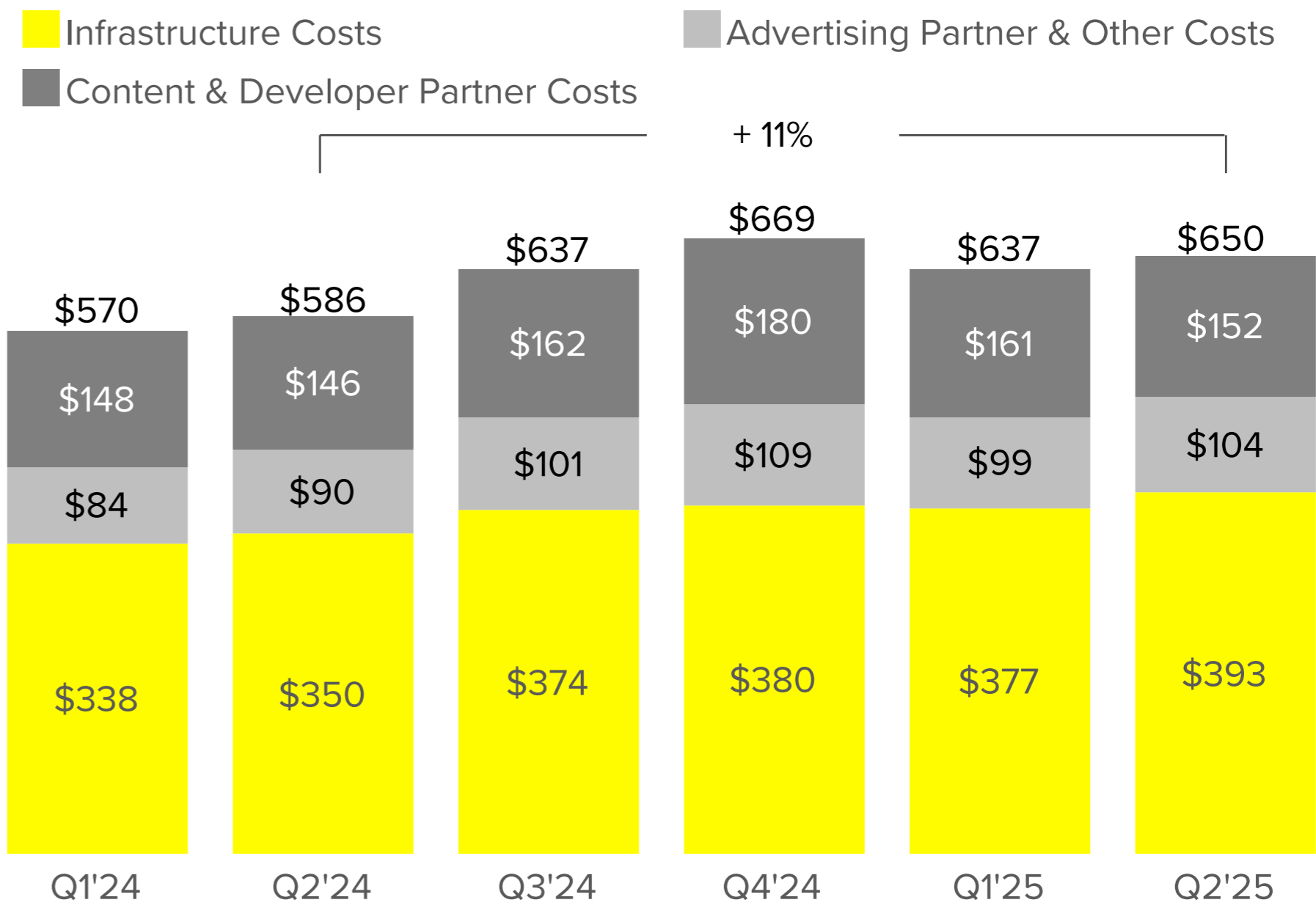
Adjusted Gross Margin and Adjusted Cost of Revenue¹

(dollars in millions, unaudited)

ADJUSTED GROSS MARGIN¹



ADJUSTED COST OF REVENUE¹ COMPOSITION



GAAP Gross Margin

52% 52% 53% 57% 53% 51%

Non-GAAP Exclusions¹

\$5 \$3 \$2 \$3 \$3 \$3

GAAP Cost of Revenue

\$575 \$589 \$639 \$672 \$640 \$653

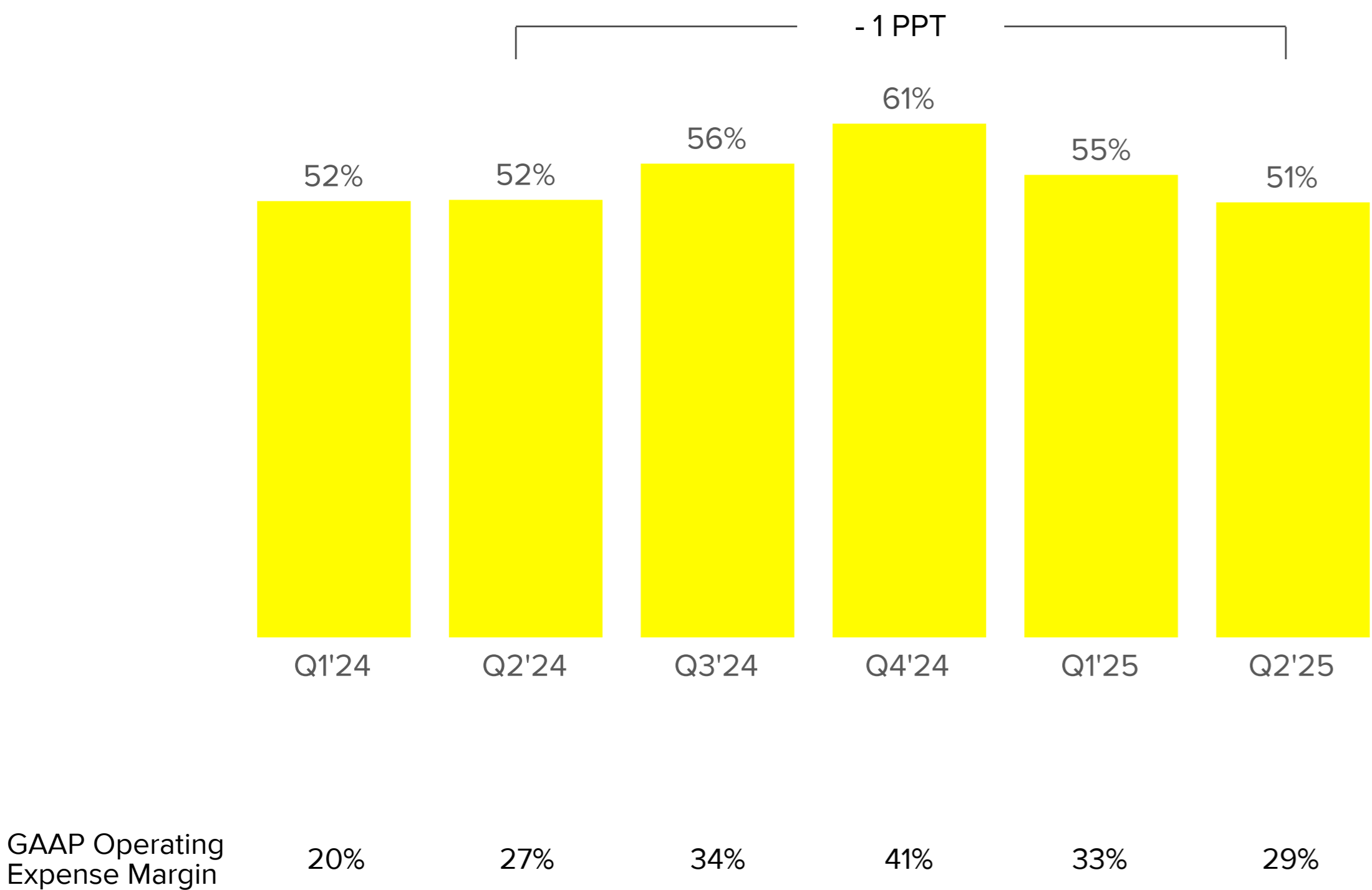
¹Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue. Adjusted Cost of Revenue is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other items impacting net income (loss) from time to time. In Q1 2024, other items included restructuring charges of \$1 million. See Appendix for a reconciliation of GAAP Cost of Revenue to Adjusted Cost of Revenue. Numbers throughout presentation may not foot due to rounding.

INFRASTRUCTURE COST PER DAU WAS \$0.84 IN Q2 2025

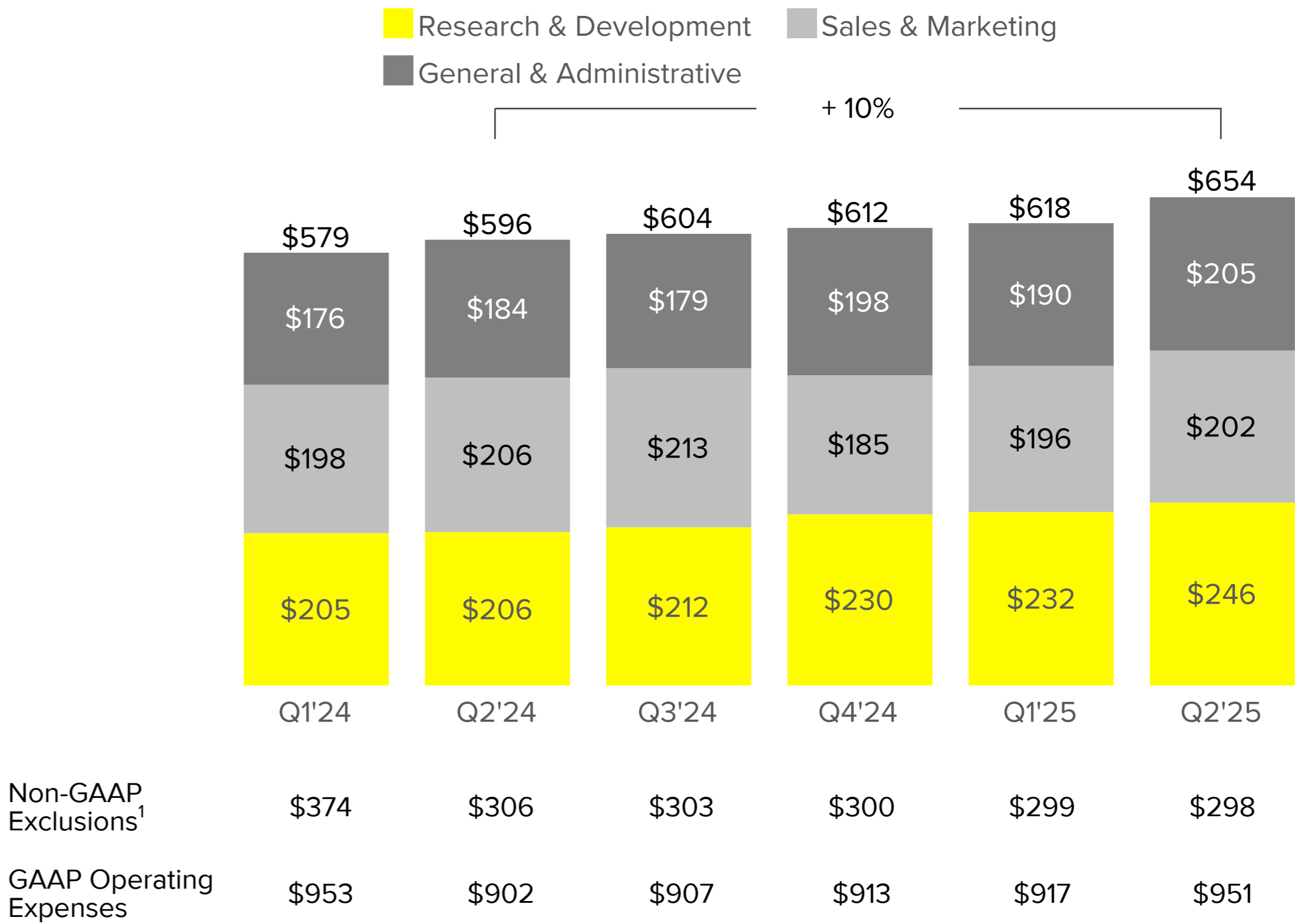
Adjusted Operating Expense Margin and Adjusted Operating Expenses¹

(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 items impacting net income (loss) from time to time. In Q1 2024 and Q2 2024, other items included restructuring charges of \$69 million and \$2 million, respectively. See Appendix for a reconciliation of GAAP Operating Expenses to Adjusted Operating Expenses.
Numbers throughout presentation may not foot due to rounding.

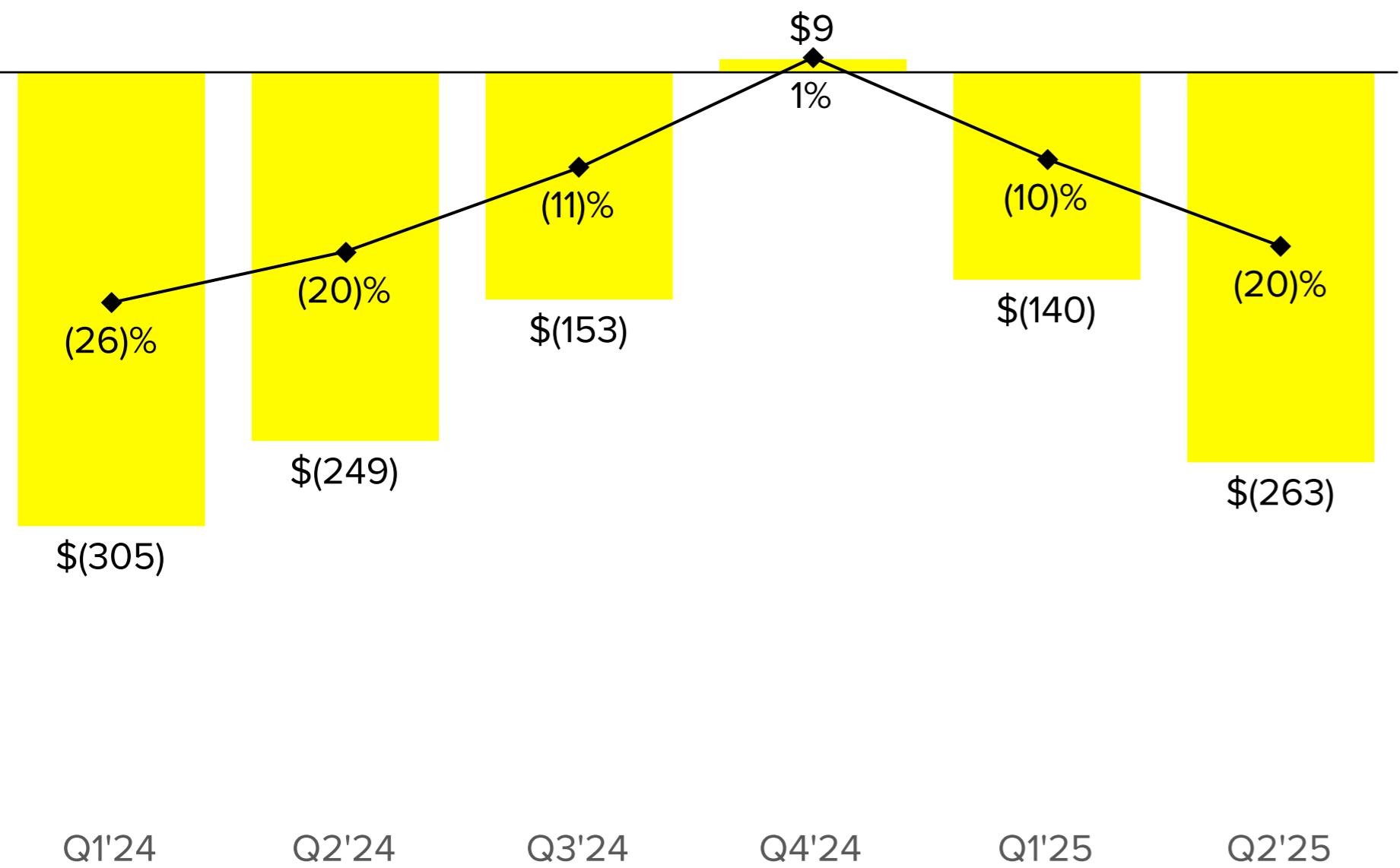
GAAP OPERATING EXPENSE MARGIN IMPROVED 2 PPT YoY

Net Income (Loss) & Adjusted EBITDA¹

(dollars in millions, unaudited)

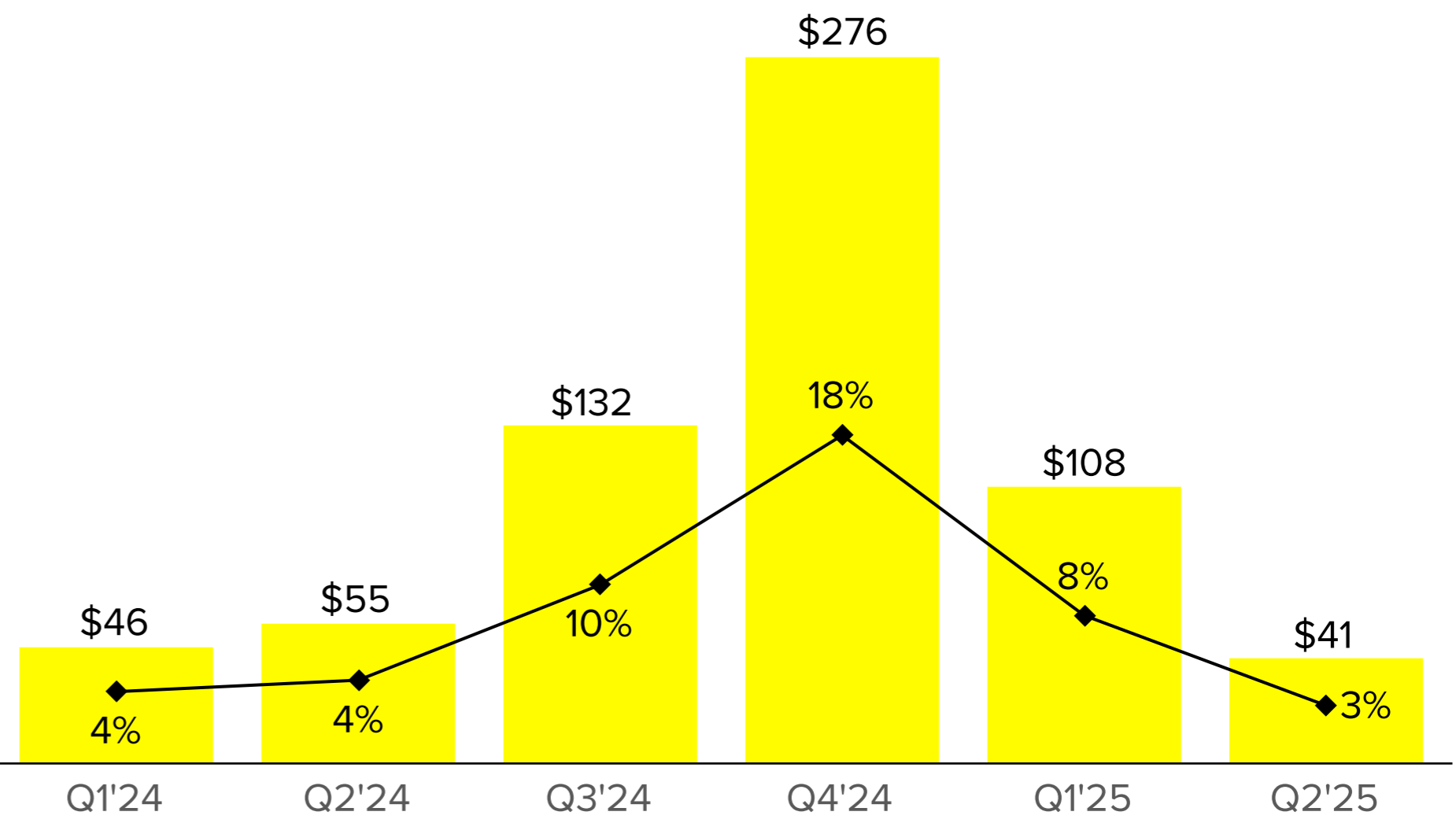
NET INCOME (LOSS)

—◆— 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 items impacting net income (loss) from time to time. In Q1 2024 and Q2 2024, other items included restructuring charges of \$70 million and \$2 million, respectively. See Appendix for a reconciliation of net loss to Adjusted EBITDA.

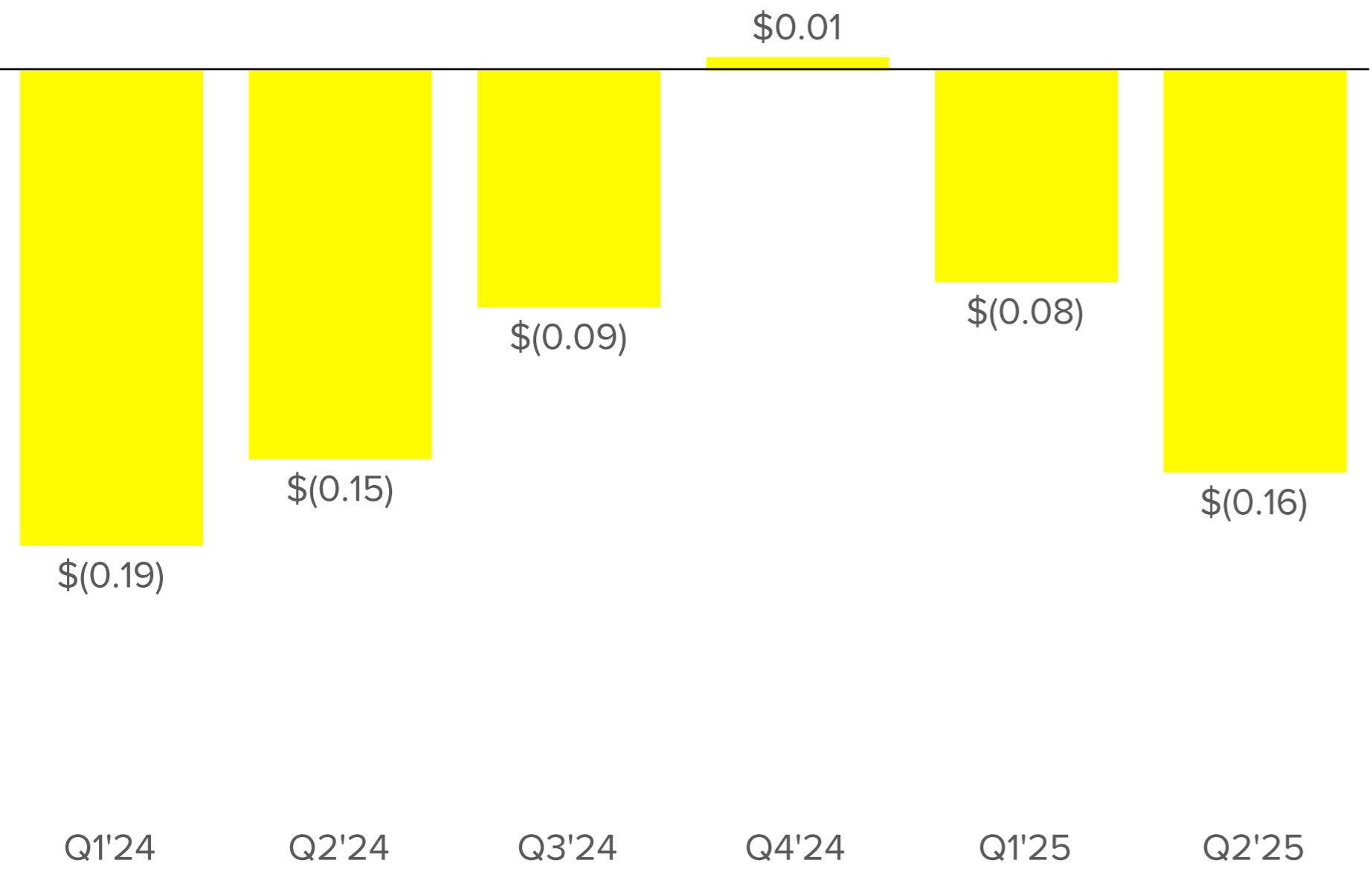
²Adjusted EBITDA Margin is a non-GAAP measure, which we define as Adjusted EBITDA divided by GAAP revenue.
Numbers throughout presentation may not foot due to rounding.

ADJUSTED EBITDA WAS \$558 MILLION OVER THE TRAILING TWELVE MONTHS
NET LOSS WAS \$546 MILLION OVER THE TRAILING TWELVE MONTHS

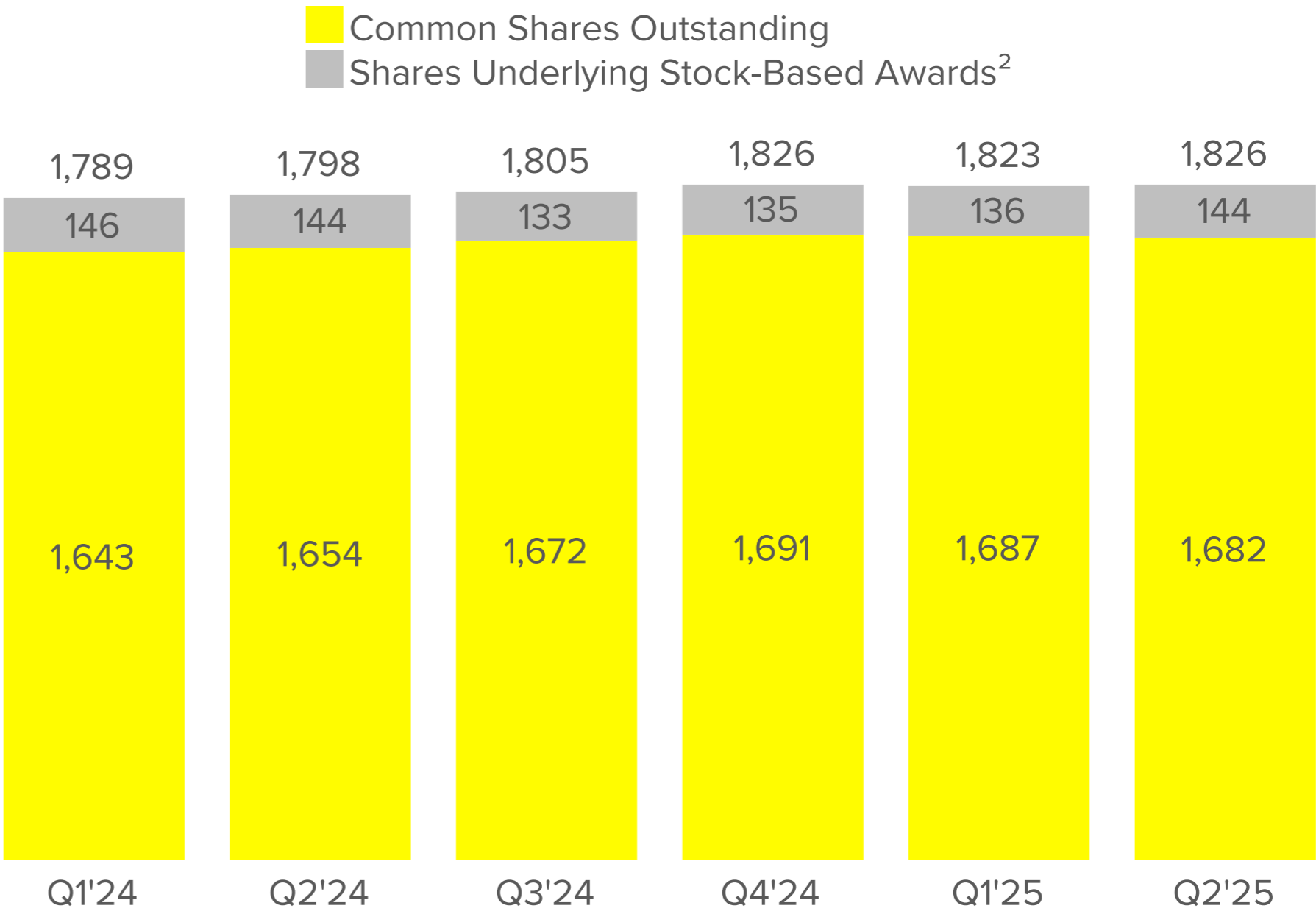
Diluted Net Income (Loss) Per Share & Common Shares Outstanding Plus Shares Underlying Stock-Based Awards

(in millions, except per share data, unaudited)

DILUTED NET INCOME (LOSS) PER SHARE¹



COMMON SHARES OUTSTANDING PLUS SHARES UNDERLYING STOCK-BASED AWARDS



Shares repurchased	21.0	6.9	—	—	27.3	30.0
YoY Change	3.8%	1.9%	0.6%	1.2%	1.9%	1.6%

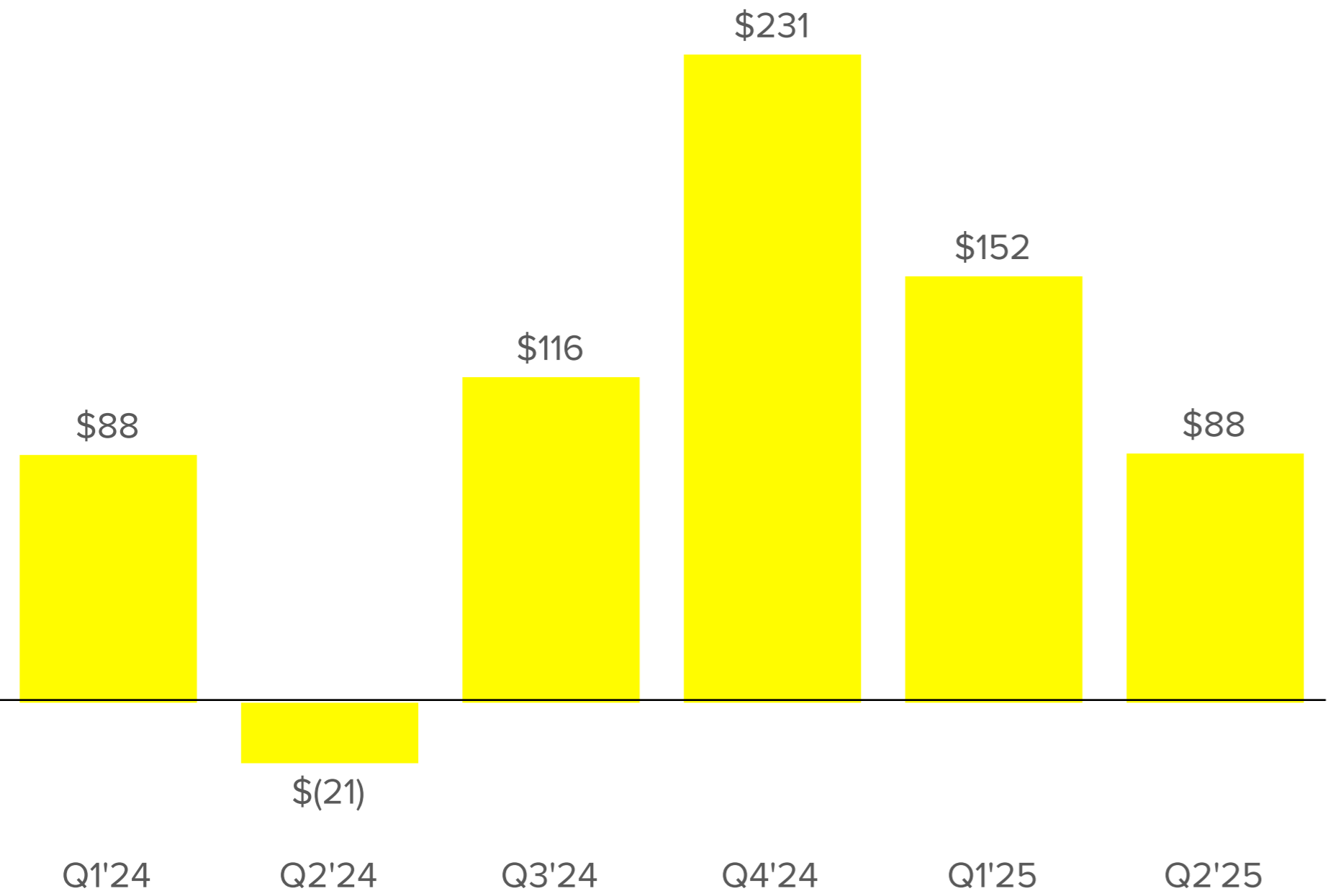
¹Diluted net income (loss) per share is calculated using weighted average shares outstanding during the period.
²Shares underlying stock-based awards include restricted stock units, restricted stock awards, and outstanding stock options.
Numbers throughout presentation may not foot due to rounding.

REPURCHASED 30.0 MILLION SHARES IN Q2 2025 AT AN AVERAGE PRICE OF \$8.12
CUMULATIVE SHARE REPURCHASES OF 208.8 MILLION SHARES FOR \$2.0 BILLION AT AN AVERAGE PRICE OF \$9.59

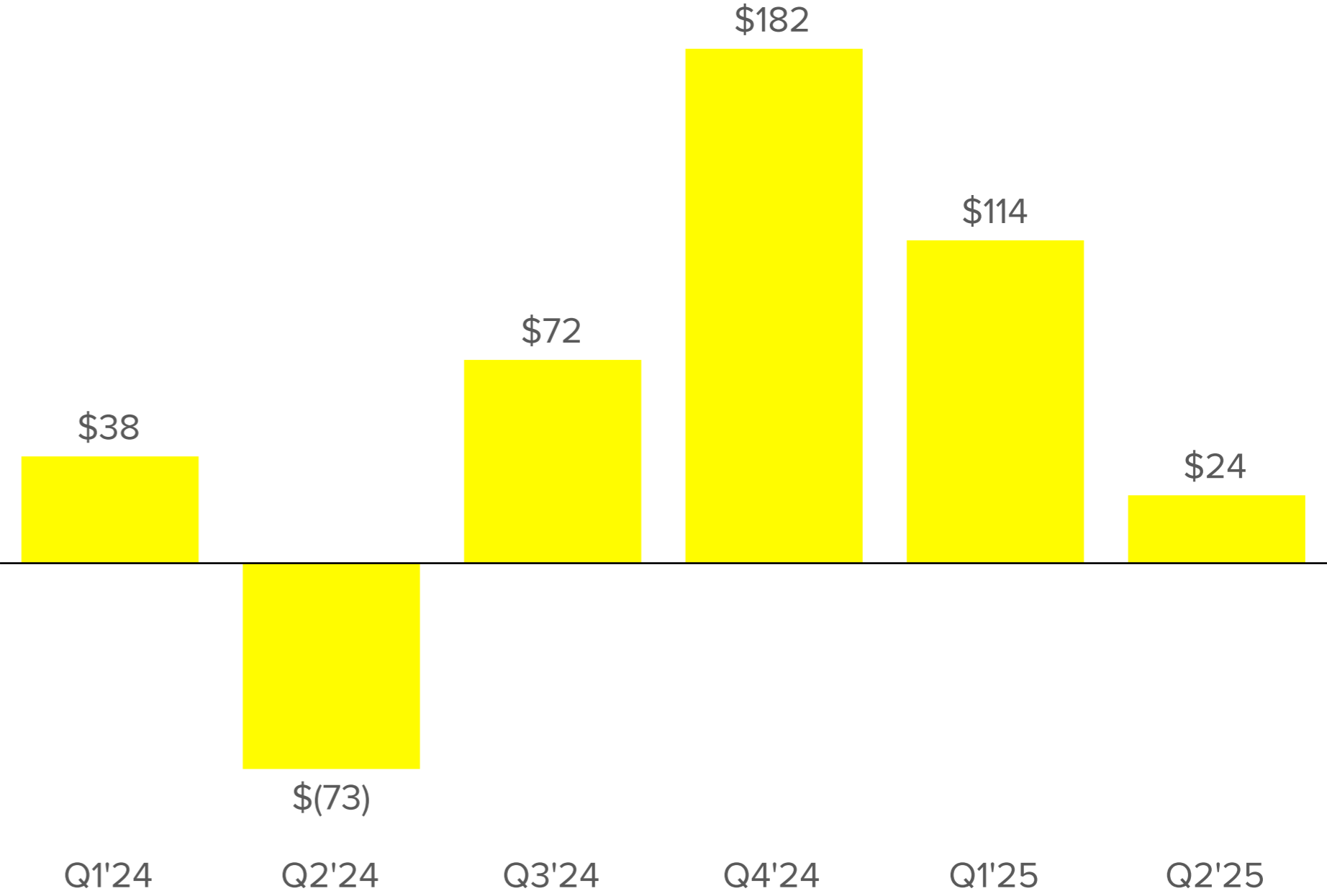
Operating Cash Flow and Free Cash Flow¹

(in millions, unaudited)

OPERATING CASH FLOW



FREE CASH FLOW¹



Capex

\$(50) \$(52) \$(44) \$(48) \$(37) \$(65)

YoY Change

(63)% 38% 218% 65% 202% 132%

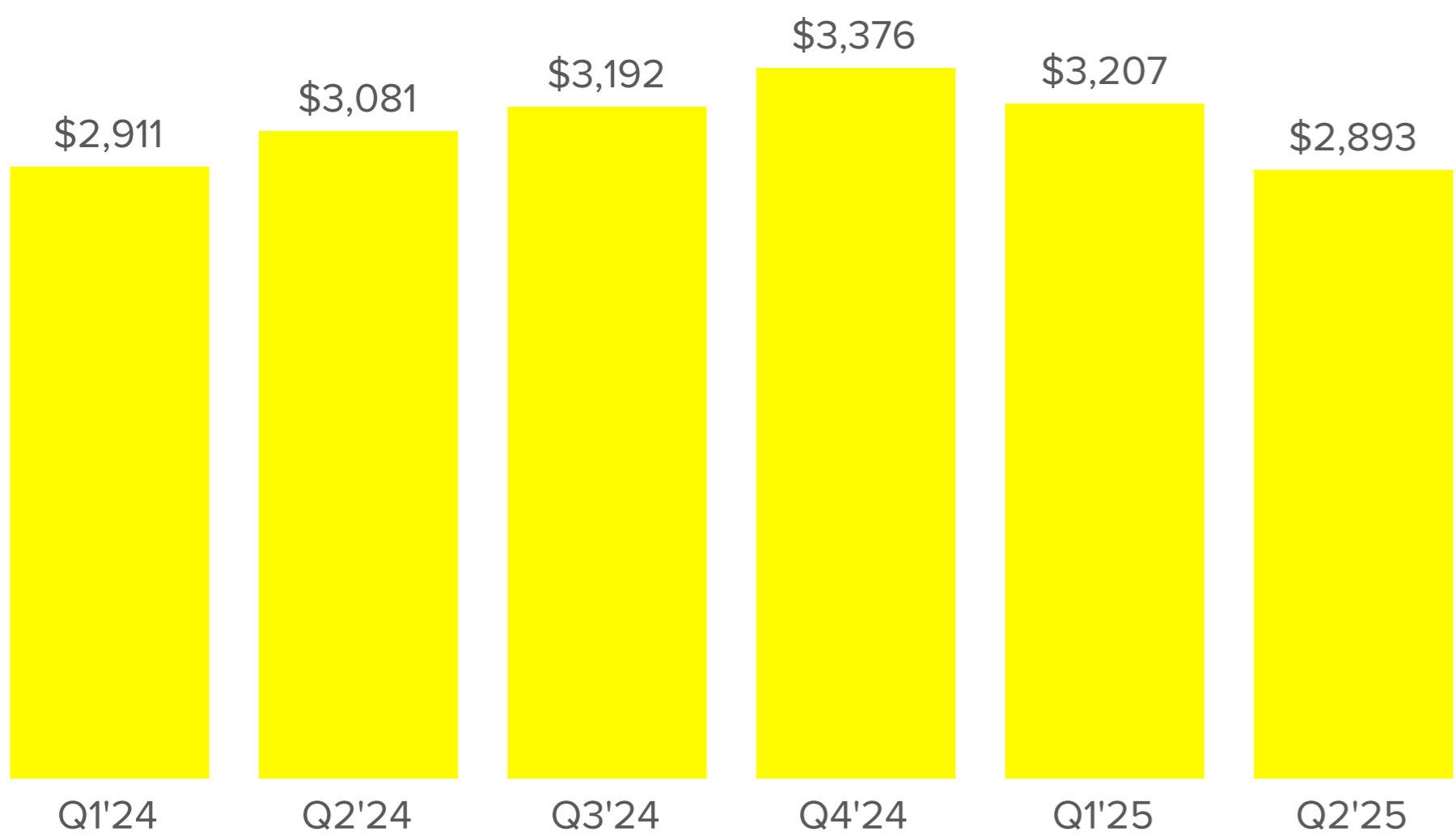
¹Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. See Appendix for a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow. Numbers throughout presentation may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

FREE CASH FLOW WAS \$392 MILLION OVER THE TRAILING TWELVE MONTHS
OPERATING CASH FLOW WAS \$587 MILLION OVER THE TRAILING TWELVE MONTHS

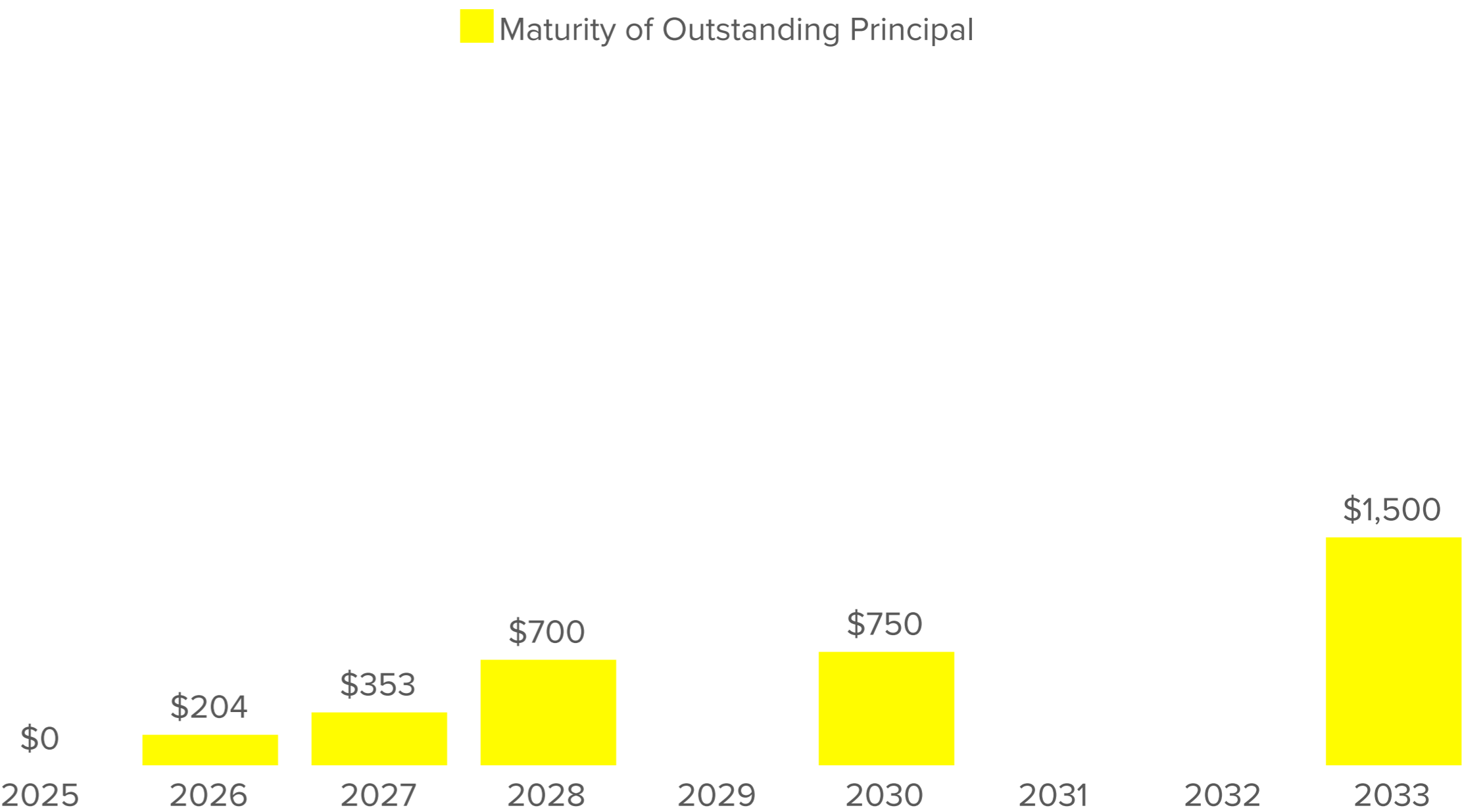
Capital Resources and Liquidity

(in millions, unaudited)

CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES



OUTSTANDING DEBT



Significant financing activities

Note Repurchases	\$(441)	\$(418)	—	—	\$(1,445)	—
Stock Repurchases	\$(235)	\$(76)	—	—	\$(257)	\$(243)
Issuance of Notes ¹	—	\$672	—	—	\$1,473	—
Other ²	—	\$63	—	—	—	\$(36)

¹ In Q1 2025, we issued the 2033 Notes. In Q2 2024, we issued the 2030 Convertible Notes and purchased the 2030 Capped Call Transactions.
² In Q2 2025, other is composed of the repayment of the outstanding balance of the 2025 Notes at maturity. In Q2 2024, other is composed of proceeds from the termination of the 2025 Capped Call Transactions.
Numbers throughout presentation may not foot due to rounding.

\$2.9 BILLION IN CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES ON HAND AT Q2 2025

Appendix

Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Adjusted Cost of Revenue reconciliation						
GAAP Cost of Revenue	\$ 574,749	\$ 588,921	\$ 638,907	\$ 671,660	\$ 639,579	\$ 653,333
Stock-based compensation expense	(1,608)	(1,278)	(1,333)	(1,626)	(1,434)	(1,656)
Payroll and other tax expense related to stock-based compensation	(86)	(70)	(48)	(36)	(102)	(74)
Depreciation and amortization	(2,150)	(1,872)	(965)	(1,123)	(1,420)	(1,505)
Restructuring charges	(1,050)	(77)	—	—	—	—
Adjusted Cost of Revenue¹	\$ 569,855	\$ 585,624	\$ 636,561	\$ 668,875	\$ 636,623	\$ 650,098
GAAP Gross Margin	52 %	52 %	53 %	57 %	53 %	51 %
Adjusted Gross Margin¹	52 %	53 %	54 %	57 %	53 %	52 %
Adjusted Operating Expenses reconciliation						
GAAP Operating Expenses ²	\$ 953,256	\$ 901,822	\$ 906,877	\$ 912,500	\$ 917,484	\$ 951,273
Stock-based compensation expense	(253,107)	(257,668)	(258,896)	(256,105)	(245,904)	(250,230)
Payroll and other tax expense related to stock-based compensation	(15,884)	(10,063)	(6,045)	(5,536)	(17,116)	(8,963)
Depreciation and amortization	(35,948)	(36,058)	(37,885)	(38,458)	(36,295)	(38,518)
Restructuring charges	(69,058)	(1,866)	—	—	—	—
Adjusted Operating Expenses³	\$ 579,259	\$ 596,167	\$ 604,051	\$ 612,401	\$ 618,169	\$ 653,562
GAAP Operating Expense Margin²	20 %	27 %	34 %	41 %	33 %	29 %
Adjusted Operating Expense Margin³	52 %	52 %	56 %	61 %	55 %	51 %

¹Adjusted 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 items impacting net income (loss) from time to time. Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue.

²GAAP Operating Expenses is defined as total costs and expenses, as reported on our consolidated statements of operations, minus GAAP Cost of Revenue. GAAP Operating Expense Margin is defined as GAAP revenue less GAAP Operating Expenses, divided by GAAP revenue.

³Adjusted 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 items impacting net income (loss) from time to time. Adjusted Operating Expense Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Operating Expenses, divided by GAAP revenue.

Numbers throughout presentation may not foot due to rounding.

Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Adjusted Research and Development Expenses reconciliation						
GAAP Research and Development Expenses	\$ 449,759	\$ 406,196	\$ 412,791	\$ 422,937	\$ 424,165	\$ 443,325
Stock-based compensation expense	(170,002)	(171,180)	(172,516)	(165,330)	(156,688)	(166,809)
Payroll and other tax expense related to stock-based compensation	(11,087)	(6,157)	(3,634)	(3,582)	(12,109)	(5,761)
Depreciation and amortization	(24,397)	(22,909)	(24,798)	(24,351)	(22,987)	(24,849)
Restructuring charges	(39,055)	138	—	—	—	—
Adjusted Research and Development Expenses¹	\$ 205,218	\$ 206,088	\$ 211,843	\$ 229,674	\$ 232,381	\$ 245,906
Adjusted Sales and Marketing Expenses reconciliation						
GAAP Sales and Marketing Expenses	\$ 276,034	\$ 266,320	\$ 273,107	\$ 248,214	\$ 257,957	\$ 257,853
Stock-based compensation expense	(50,438)	(52,251)	(53,345)	(56,463)	(54,440)	(48,710)
Payroll and other tax expense related to stock-based compensation	(3,065)	(2,265)	(1,449)	(1,340)	(2,937)	(1,804)
Depreciation and amortization	(4,577)	(5,084)	(4,953)	(5,333)	(4,823)	(5,108)
Restructuring charges	(19,588)	(457)	—	—	—	—
Adjusted Sales and Marketing Expenses¹	\$ 198,366	\$ 206,263	\$ 213,360	\$ 185,078	\$ 195,757	\$ 202,231
Adjusted General and Administrative Expenses reconciliation						
GAAP General and Administrative Expenses	\$ 227,463	\$ 229,306	\$ 220,979	\$ 241,349	\$ 235,362	\$ 250,095
Stock-based compensation expense	(32,667)	(34,237)	(33,035)	(34,312)	(34,776)	(34,711)
Payroll and other tax expense related to stock-based compensation	(1,732)	(1,641)	(962)	(614)	(2,070)	(1,398)
Depreciation and amortization	(6,974)	(8,065)	(8,134)	(8,774)	(8,485)	(8,561)
Restructuring charges	(10,415)	(1,547)	—	—	—	—
Adjusted General and Administrative Expenses¹	\$ 175,675	\$ 183,816	\$ 178,848	\$ 197,649	\$ 190,031	\$ 205,425

¹Adjusted Research and Development Expenses, Adjusted Sales and Marketing Expenses, and Adjusted General and Administrative Expenses are non-GAAP measures. These measures exclude stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other items impacting net income (loss) from time to time.

Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Adjusted EBITDA reconciliation						
Net income (loss)	\$ (305,090)	\$ (248,620)	\$ (153,247)	\$ 9,101	\$ (139,587)	\$ (262,570)
Add (deduct):						
Interest income	(39,898)	(36,462)	(38,533)	(38,573)	(37,018)	(33,199)
Interest expense	4,743	5,113	5,883	5,813	23,399	27,607
Other (income) expense, net	81	20,792	4,355	(8,382)	(49,069)	823
Income tax (benefit) expense	6,932	5,202	8,332	5,164	8,429	7,663
Depreciation and amortization	38,098	37,930	38,850	39,581	37,715	40,023
Stock-based compensation expense	254,715	258,946	260,229	257,731	247,338	251,886
Payroll and other tax expense related to stock-based compensation	15,970	10,133	6,093	5,572	17,218	9,037
Restructuring charges ¹	70,108	1,943	—	—	—	—
Adjusted EBITDA²	\$ 45,659	\$ 54,977	\$ 131,962	\$ 276,007	\$ 108,425	\$ 41,270
Net income (loss) margin	(26)%	(20)%	(11)%	1 %	(10)%	(20)%
Adjusted EBITDA Margin ²	4 %	4 %	10 %	18 %	8 %	3 %

	Three Months Ended					
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Free Cash Flow reconciliation						
Net cash provided by (used in) operating activities	\$ 88,352	\$ (21,377)	\$ 115,872	\$ 230,633	\$ 151,610	\$ 88,494
Less:						
Purchases of property and equipment	(50,448)	(52,062)	(44,041)	(48,275)	(37,214)	(64,701)
Free Cash Flow³	\$ 37,904	\$ (73,439)	\$ 71,831	\$ 182,358	\$ 114,396	\$ 23,793

¹In Q1 2024 and Q2 2024, charges relating to the 2024 restructuring were composed primarily of cash severance and stock-based compensation expense. These charges are 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 items impacting net income (loss) from time to time. Adjusted EBITDA Margin is a non-GAAP measure, which we define as Adjusted EBITDA divided by GAAP revenue.

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 Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. 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. We use the non-GAAP financial measure of Free Cash Flow, which is defined as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. We believe Free Cash Flow is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business and is a key financial indicator used by management. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. We use the non-GAAP financial measure of Adjusted EBITDA, which is defined 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 items impacting net income (loss) from time to time. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA. We use other non-GAAP financial measures such as Adjusted Cost of Revenue and Adjusted Operating Expenses (which is composed of Adjusted Research and Development Expenses, Adjusted Sales and Marketing Expenses, and Adjusted General and Administrative Expenses). These measures are defined as their respective GAAP expense line items, 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 items impacting net income (loss) from time to time. We use the non-GAAP financial measure of Adjusted Gross Margin, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue as well as the non-GAAP financial measure of Adjusted Operating Expense Margin, which we define as GAAP revenue less Adjusted Operating Expenses, divided by GAAP revenue. Similar to Adjusted EBITDA, we believe these measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses we exclude in the measure. We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects, and allow for greater transparency with respect to key metrics used by our management for financial and operational decision-making. We are presenting these non-GAAP measures to assist investors in seeing our financial performance through the eyes of management, and because we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure, please see the reconciliations included within this Appendix.

Note Regarding User Metrics and Other Data

We define a Daily Active User, or DAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites 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 a Monthly Active User, or MAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We calculate average Monthly Active Users for a particular quarter by calculating the average of the MAUs as of each calendar month-end in that quarter. 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. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent periodic report filed with the U.S. Securities and Exchange Commission, or 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 our most recently completed period and other filings that we make from time to time with the SEC.

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 attempt to create accounts for malicious purposes, including at scale, even though we forbid that in our Terms of Service and Community Guidelines. We implement measures in our user registration process and through other technical measures to prevent, detect and suppress that behavior, although we have not determined the number of such 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.

Note Regarding User Metrics and Other Data (Continued)

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.

We count a DAU only when a user visits Snapchat through our applications or websites 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 visited Snapchat through our applications or websites during a particular day. 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. For example, in the first quarter of 2025, we refined our processes and controls in recording user activity to allow us to more accurately count DAUs that would not otherwise be counted during such period due to delays in receiving user metric information resulting from carrier or other user connectivity issues during the measurement period. While these refinements improve both our accuracy and precision in counting DAUs, they resulted in less than a 1% increase in our DAUs in the first quarter of 2025 and would have resulted in similarly immaterial changes in our DAUs for all periods in 2024, and which increase was primarily concentrated in Rest of World due to the greater prevalence of network connectivity delays in this region. Any such adjustments would have a commensurate immaterial impact on our calculations of ARPU for such periods. As a result of such adjustments, our DAUs, ARPU, or other metrics may not be directly 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.