

**Snap Inc.**

# Q4 2025 Earnings Slides

February 4, 2026

# Forward-Looking Statements & Non-GAAP Financial Measures

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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](http://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.

# Fourth Quarter 2025 Financial Summary

Revenue	<ul style="list-style-type: none"><li>• Revenue was \$1,716 million, compared to \$1,557 million in the prior year, an increase of 10%<sup>1</sup> year-over-year.</li><li>• Average revenue per user was \$3.62, compared to \$3.44 in the prior year.</li></ul>
Operating Performance	<ul style="list-style-type: none"><li>• GAAP gross margin was 59%, compared to 57% in the prior year.</li><li>• Adjusted Gross Margin<sup>2</sup> was 59%, compared to 57% in the prior year.</li><li>• Net income was \$45 million, compared to \$9 million in the prior year.</li><li>• Adjusted EBITDA<sup>3</sup> was \$358 million, compared to \$276 million in the prior year.</li><li>• Net income margin was 3%, compared to 1% in the prior year.</li><li>• Adjusted EBITDA Margin<sup>3</sup> was 21%, compared to 18% in the prior year.</li></ul>
Cash	<ul style="list-style-type: none"><li>• Operating cash flow was \$270 million, compared to \$231 million in the prior year.</li><li>• Free Cash Flow<sup>4</sup> was \$206 million, compared to \$182 million in the prior year.</li><li>• Cash, cash equivalents, and marketable securities were \$2.9 billion as of December 31, 2025.</li></ul>

<sup>1</sup>Constant currency revenue increased 9% to \$1,695 million, compared to \$1,557 million of GAAP revenue in the prior year. Constant currency revenue differs from GAAP revenue by \$21 million due to the impact of foreign exchange rates. Constant currency revenue is a non-GAAP measure. Refer to Appendix slide 3 for further detail.

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

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

<sup>4</sup>Free 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

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## **We deepened engagement with our community:**

- The Snapchat community continues to grow, reaching 946 million global monthly active users (MAU) in Q4, an increase of 51 million or 6% year-over-year.
- The number of US Snapchatters posting to Spotlight increased 47% year-over-year in Q4.
- The number of Spotlight reposts and shares increased 69% year-over-year in the US, demonstrating improved content relevance in Spotlight discovery.
- We introduced Comic Bitmoji, a new style available to Snapchat+ subscribers that brings back the charm of classic avatars, while keeping all the benefits of today's 3D Bitmoji infrastructure.
- We rolled out Quick Cut, our Lens-powered video creation tool that helps Snapchatters quickly turn their favorite Memories into beat-synced, ready-to-share Snaps in seconds.
- We made Snapchat available for download on Amazon Fire Tablets through the Amazon Appstore.

# Business Highlights (Continued)

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## **We are focused on accelerating and diversifying our revenue growth:**

- Revenue from In-App Optimizations grew 89% year-over-year, supported by advances in foundational app models, broader adoption of the App Power Pack, and new immersive formats such as Playables.
- Revenue from Dynamic Product Ads increased 19% year-over-year, driven by expansion among large advertisers and continued migration of spend from static formats into higher-performing dynamic solutions.
- Other Revenue increased 62% year-over-year to \$232 million in Q4, with subscribers growing 71% year-over-year to reach 24 million in Q4.
- In Q4, Sponsored Snaps click-through rates grew 7% and click-through purchases grew 17% from Q3 to Q4, during which numerous format and ranking improvements were introduced.
- Our Smart Campaign Solution suite, which uses AI to identify incremental high-value audiences and dynamically allocate spend across objectives, contributed to a more than 8% lift in conversions, making performance advertising on Snapchat simpler, more efficient, and more accessible.
- In Q4, total active advertisers increased 28% year-over-year, driven in part by simplified onboarding, improved campaign workflows, and increased performance.
- We strengthened our SMB offering through new partnerships, including a global integration with Wix, which allows ecommerce businesses to seamlessly create campaigns, manage catalogs, and improve measurement.



# Business Highlights (Continued)

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## **We invested in our augmented reality platform:**

- Our community used AR Lenses in our Snapchat camera 8 billion times per day, and over 450,000 developers have built more than 5 million Lenses with Snap's world-leading AR tools.
- In Q4, more than 350 million Snapchatters engaged with AR every day on average.
- More than 700 million users have engaged with Gen AI Lenses over 17 billion times, underscoring the growing demand for AI-powered creative tools on our service.
- Snapchatters engaged with our Imagine Lens nearly two billion times since launch in September, highlighting strong engagement with our latest AR experiences powered by generative AI.
- We launched new Lens Studio features including Selfie Attachments, which now support animated attachments, allowing developers to bring props to life rather than just having static elements.
- We updated Head Generator in Lens Studio to a new version that delivers higher fidelity character heads and significantly improved adherence to developer image prompts.
- We enhanced our Character Controller in Lens Studio by adding new features such as jump buffering and remote asset support to improve gameplay feel, reduce lens size, and improve performance in multiplayer sessions.
- We introduced the Animate It Lens, our first open prompt video generation Lens that leverages Snap's internally developed AI video generation model to create short, shareable videos in seconds.
- We collaborated with Disney on an innovative Zootopia 2 co-promotional campaign featuring Zootopia 2 themed AR Lenses within the Snap platform and at a mall pop-up and Snap was involved in Disney's recreating a Snap Lens moment in the film.

# Business Highlights (Continued)

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## **We are making computers more human with Specs:**

- We began testing Snap Cloud, Powered by Supabase, a leading backend-as-a-service platform, to make advanced backend capabilities easy and accessible in Snap's AR authoring tool, Lens Studio.
- We announced that Lenses built today on Spectacles will be compatible on Specs, which will launch for the public this year.
- To prepare for the launch of our next generation of Specs this year, partners and developers have been building compelling AR experiences:
  - Star Wars: Holocron Histories, created by Industrial Light & Magic and Synth Riders, is now live.
  - Developer Harry Banda created Card Master, a multiplayer AR card game that lets players face AI opponents in classic card games, with tutorials and achievements, evolving into a broader suite of AR card experiences for Specs.
  - Developer Arthur Ibanda created HandymanAI, an AI-powered AR assistant that uses camera context and voice input to guide users through everyday repair and DIY tasks with step-by-step instructions, tools lists, and visual references.

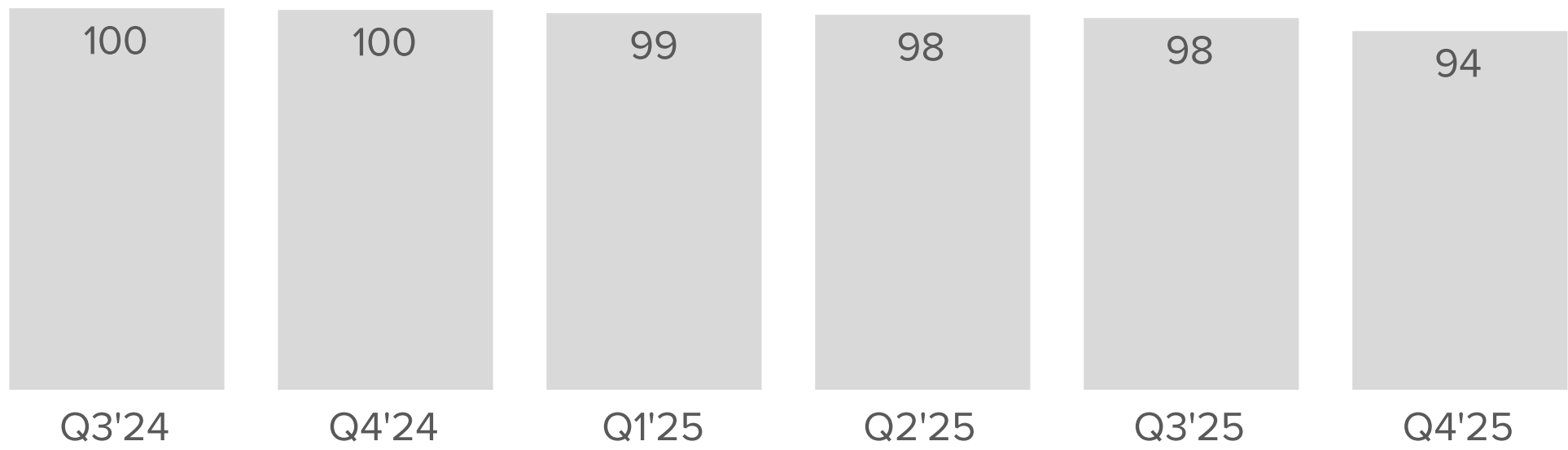
# Average Daily Active Users (DAU)

(in millions, unaudited)

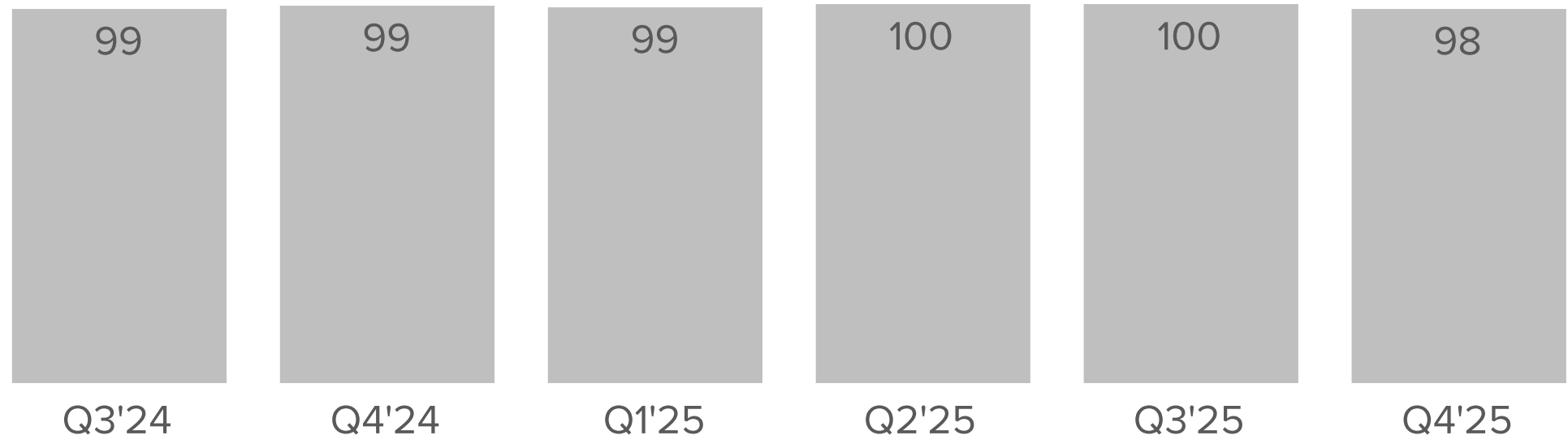
GLOBAL



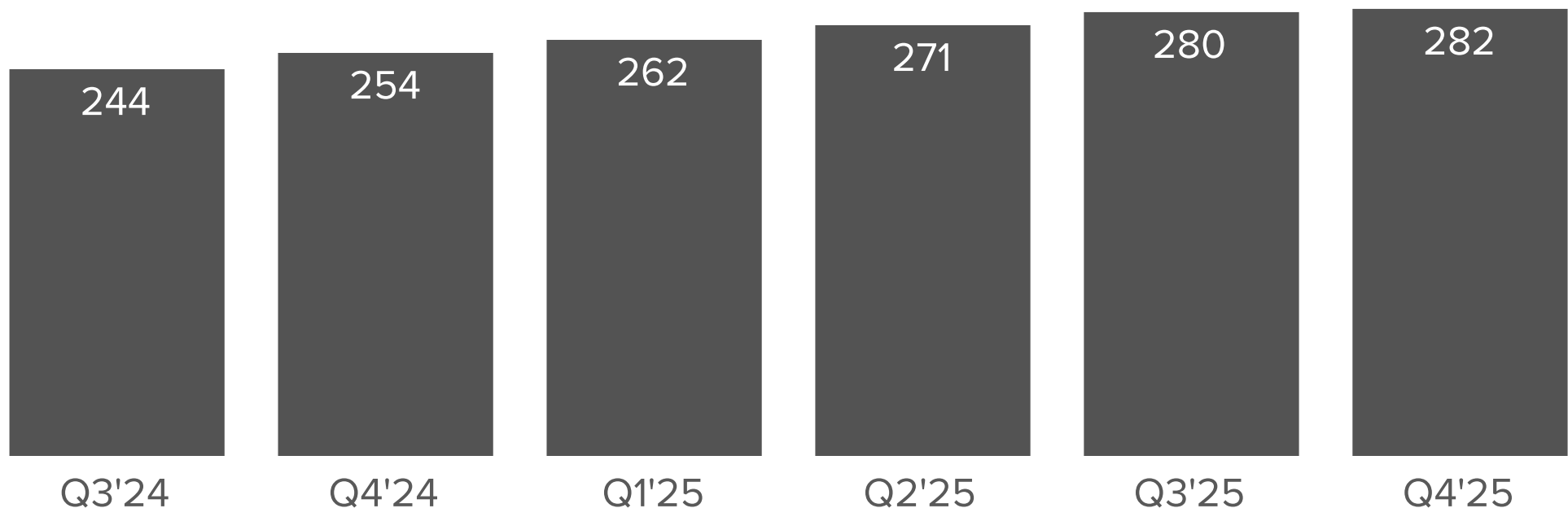
NORTH AMERICA<sup>1</sup>



EUROPE<sup>2</sup>



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 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. 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.

<sup>1</sup>North America includes Mexico, the Caribbean, and Central America.

<sup>2</sup>Europe includes Russia and Turkey.

Numbers throughout presentation may not foot due to rounding.

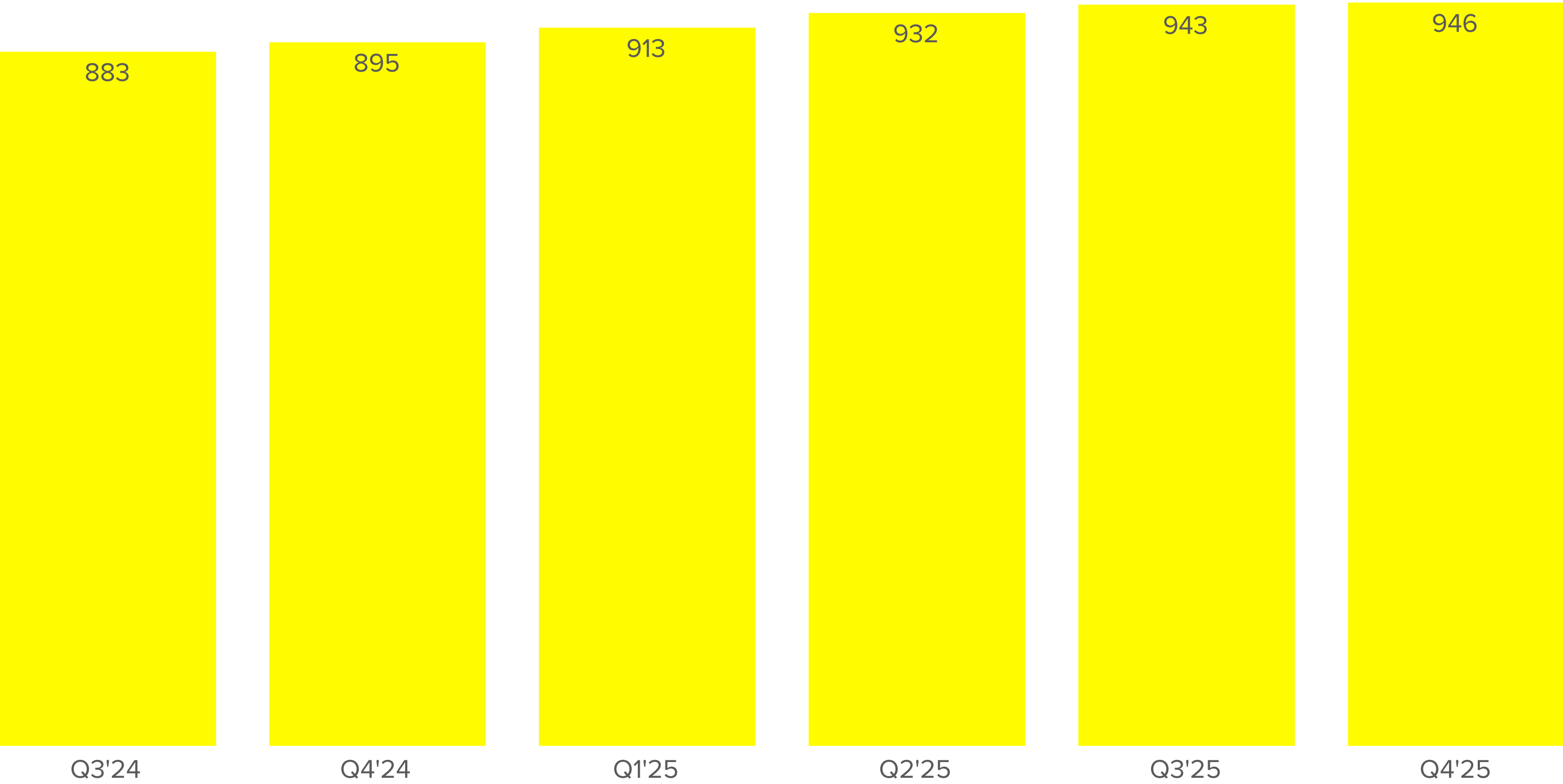
GLOBAL DAU INCREASED 21 MILLION, OR 5%, YoY



# Average Monthly Active Users (MAU)

(in millions, unaudited)

GLOBAL



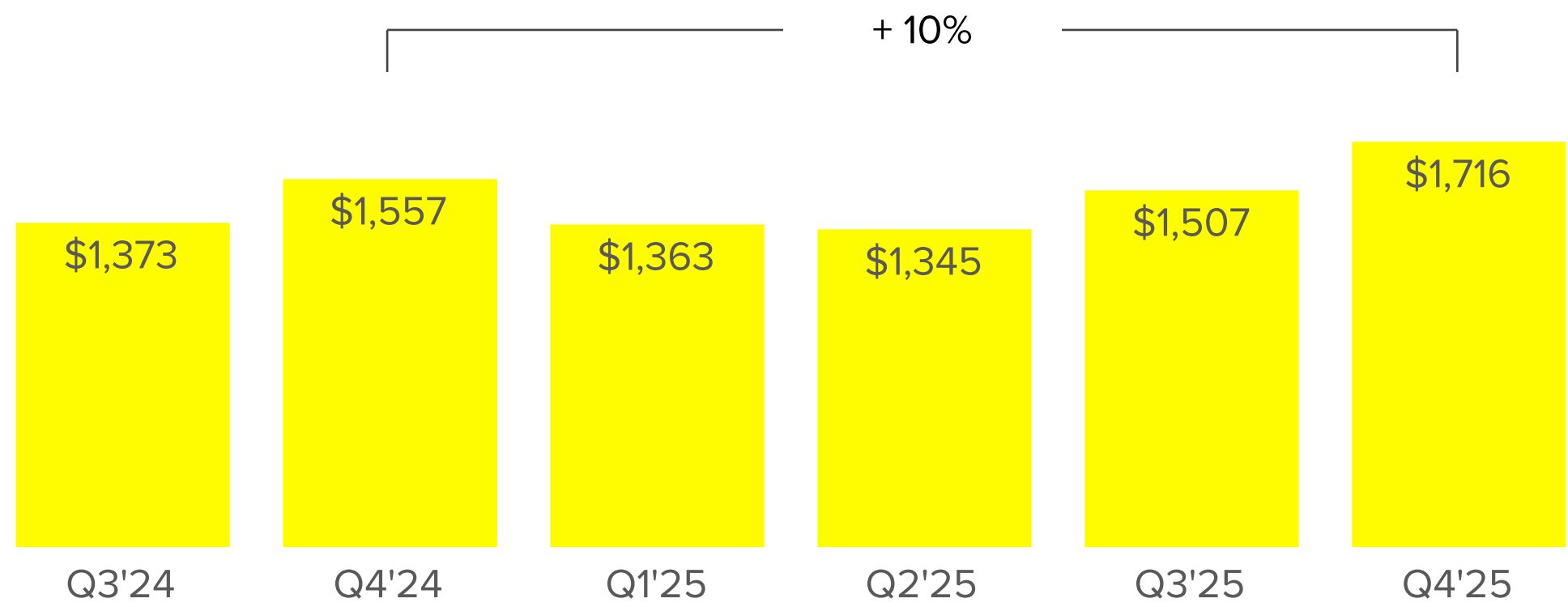
We define a Monthly Active User, or MAU, as a registered and logged-in Snapchat user who visits Snapchat through our applications or websites at least once during the 30-day period ending on the calendar month-end. We calculate average MAUs for a particular quarter by calculating the average of the MAUs 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 51 MILLION, OR 6%, YoY

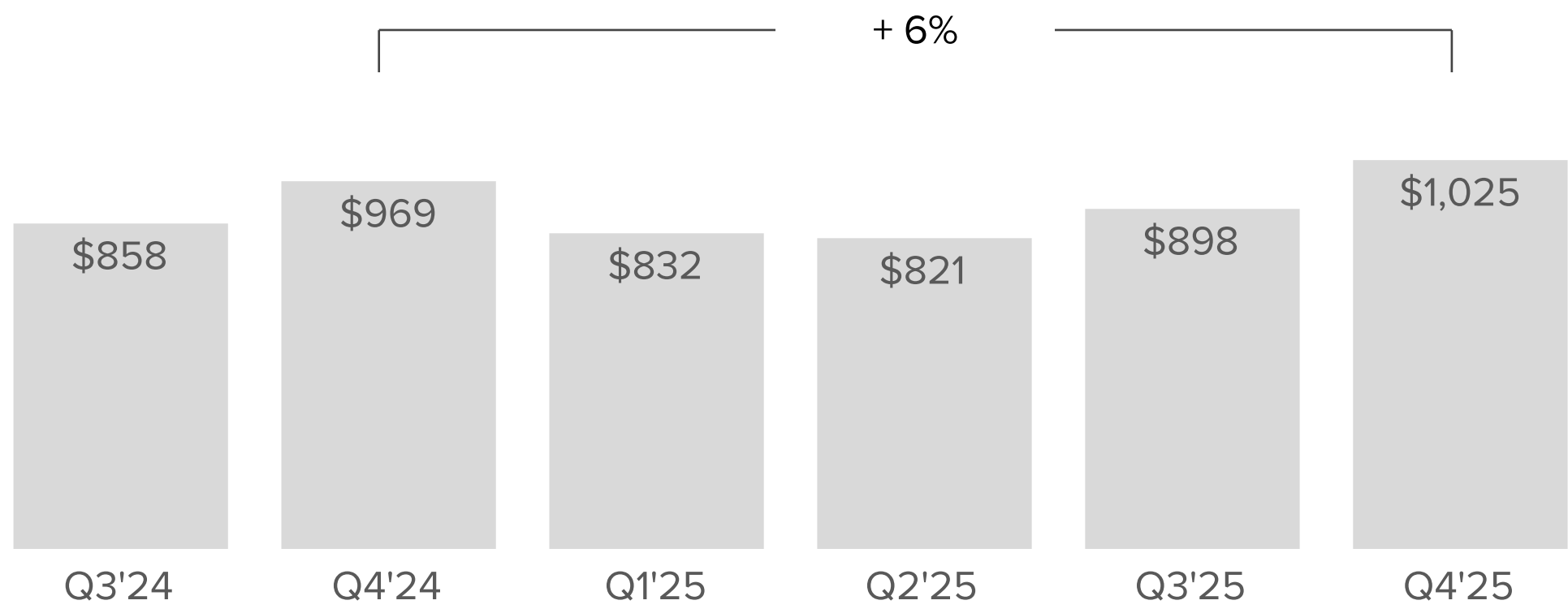
# Revenue by Geography

(in millions, unaudited)

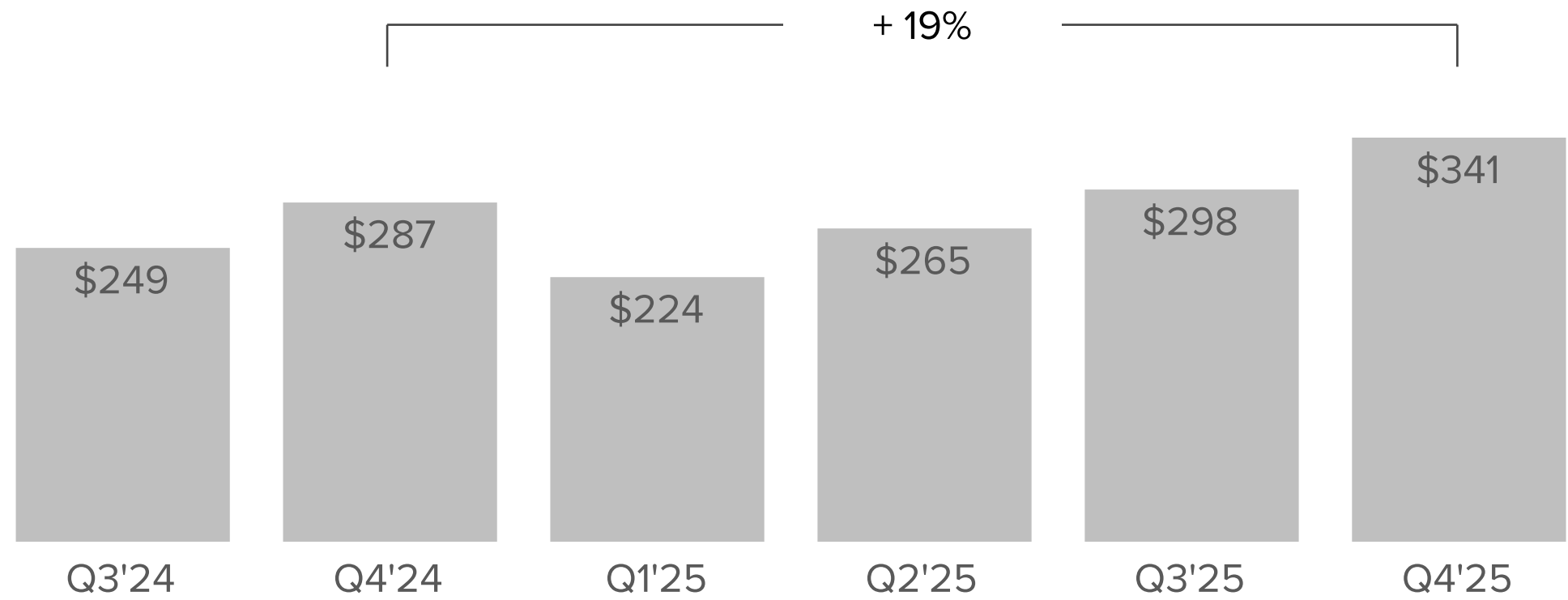
## GLOBAL



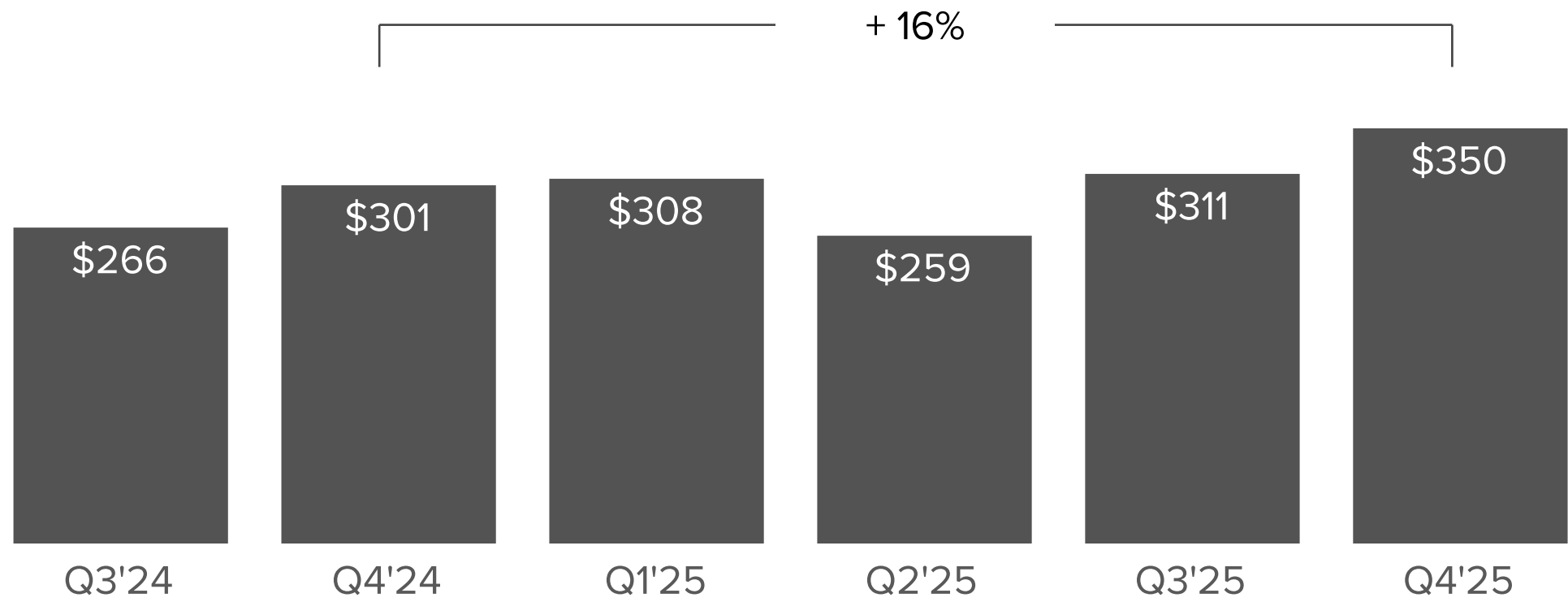
## NORTH AMERICA<sup>1</sup>



## EUROPE<sup>2</sup>



## 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.

<sup>1</sup>North America includes Mexico, the Caribbean, and Central America.

<sup>2</sup>Europe includes Turkey. Europe also includes Russia and Belarus; however, we maintain a policy prohibiting sales to entities in these countries.

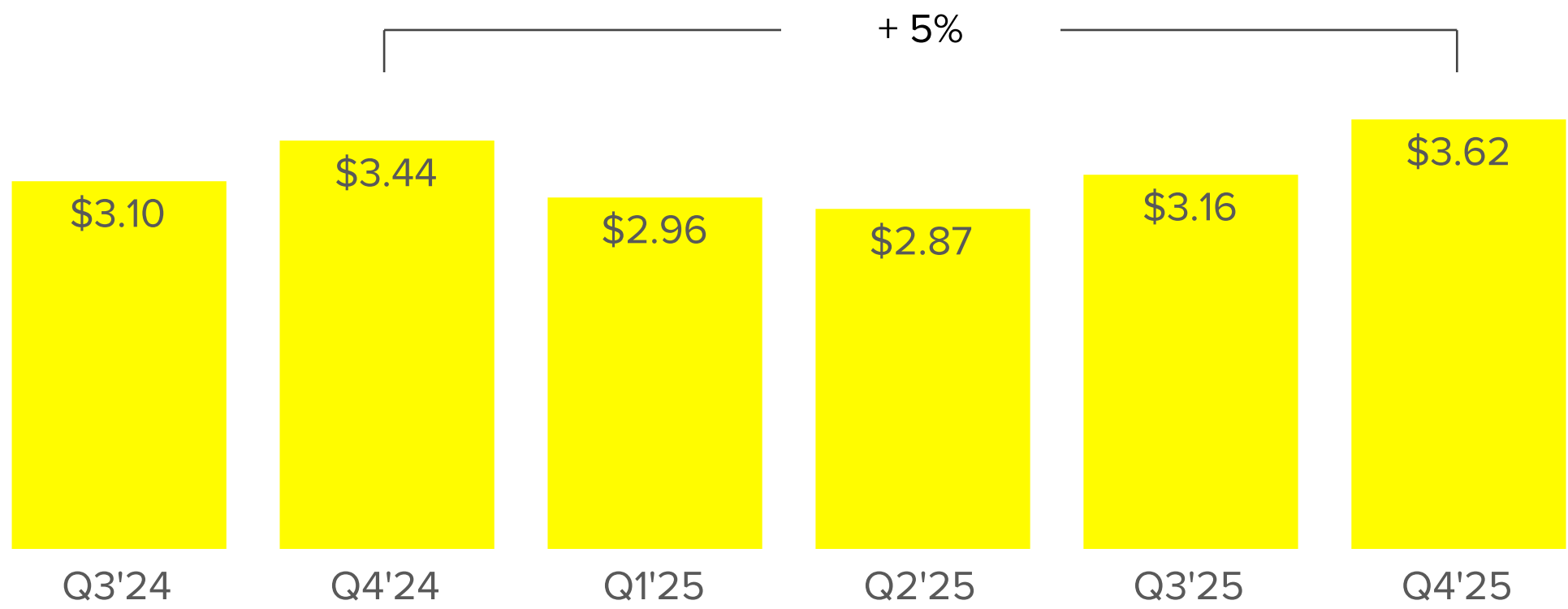
Numbers throughout presentation may not foot due to rounding.

GLOBAL REVENUE INCREASED 10% YoY

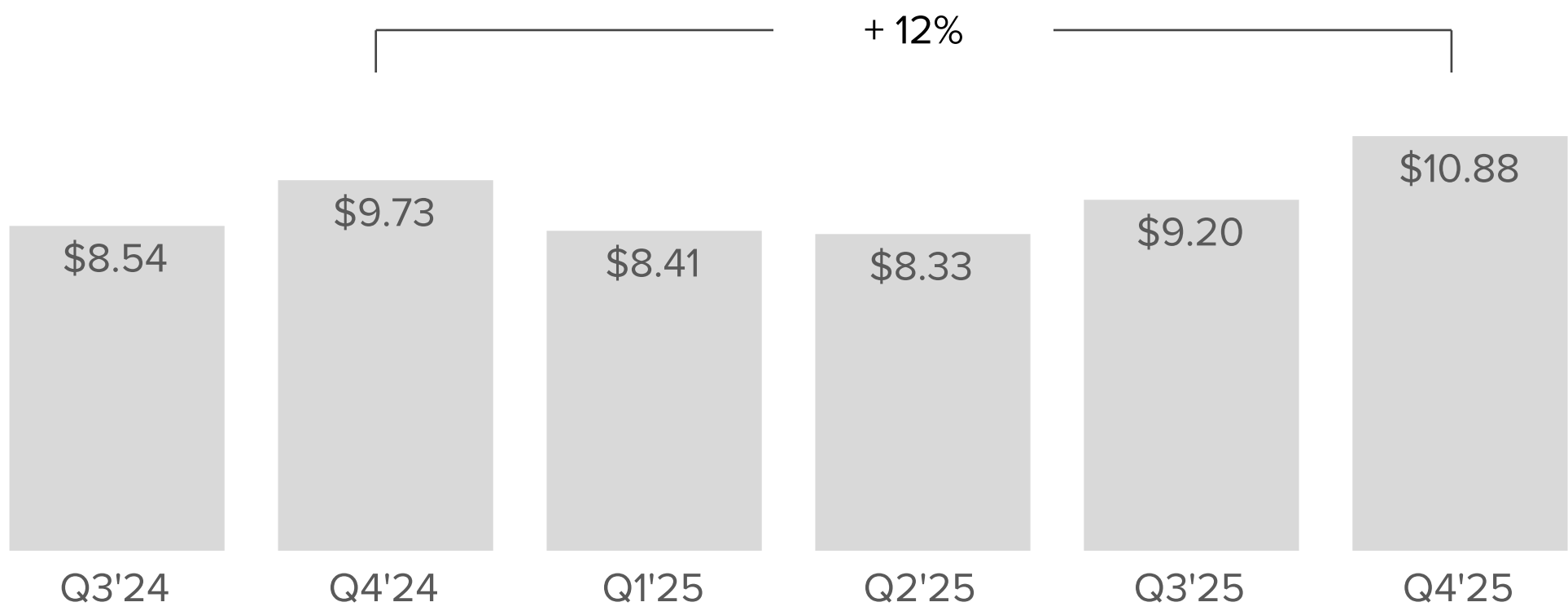
# Average Revenue Per User (ARPU)

(unaudited)

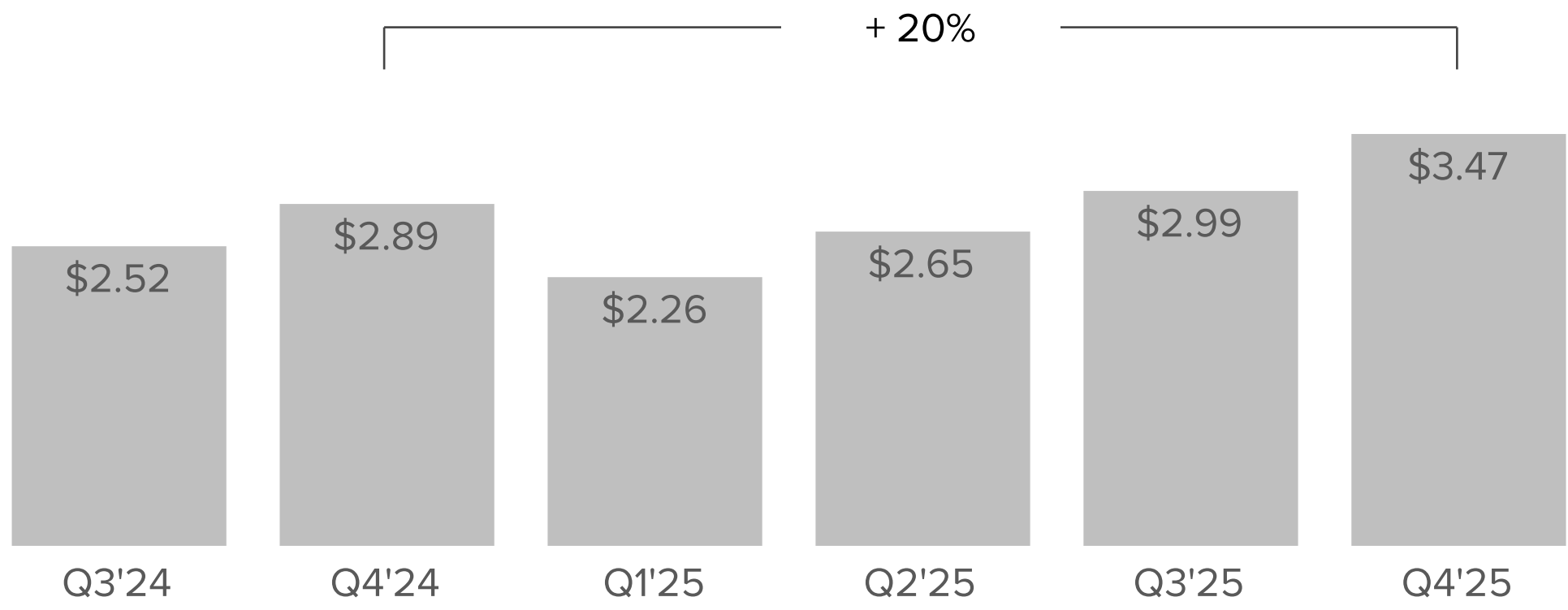
GLOBAL



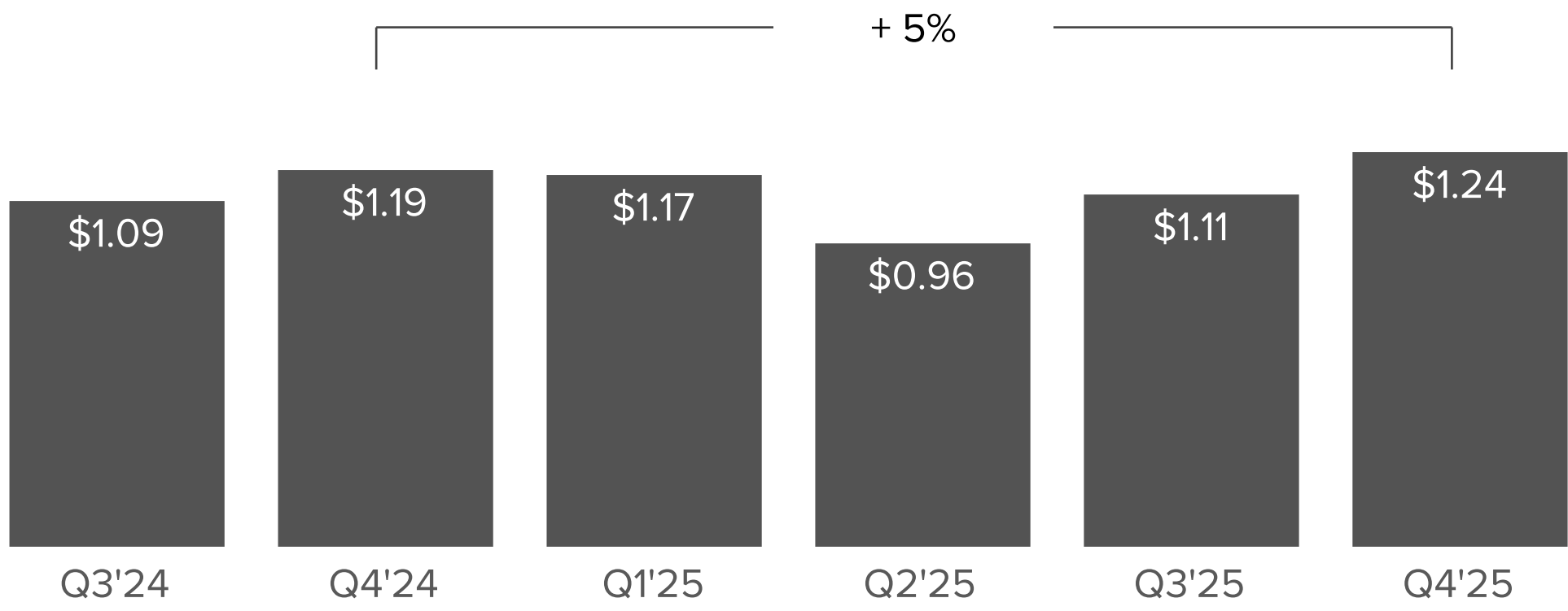
NORTH AMERICA<sup>1</sup>



EUROPE<sup>2</sup>



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.

<sup>1</sup>North America includes Mexico, the Caribbean, and Central America.

<sup>2</sup>Europe includes Turkey. Europe also includes Russia and Belarus; however, we maintain a policy prohibiting sales to entities in these countries.

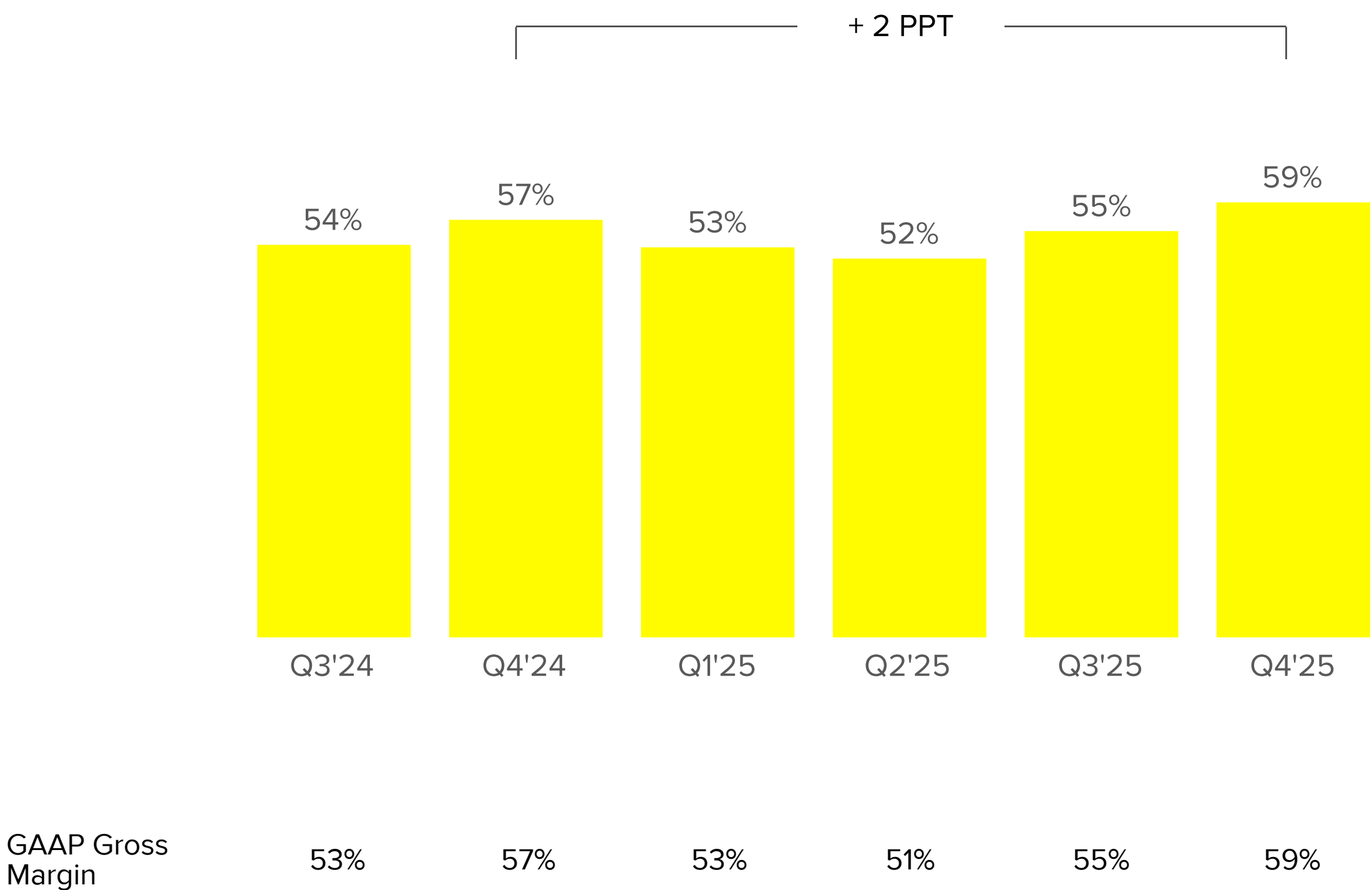
Numbers throughout presentation may not foot due to rounding.

GLOBAL ARPU WAS \$12.61 OVER THE TRAILING TWELVE MONTHS

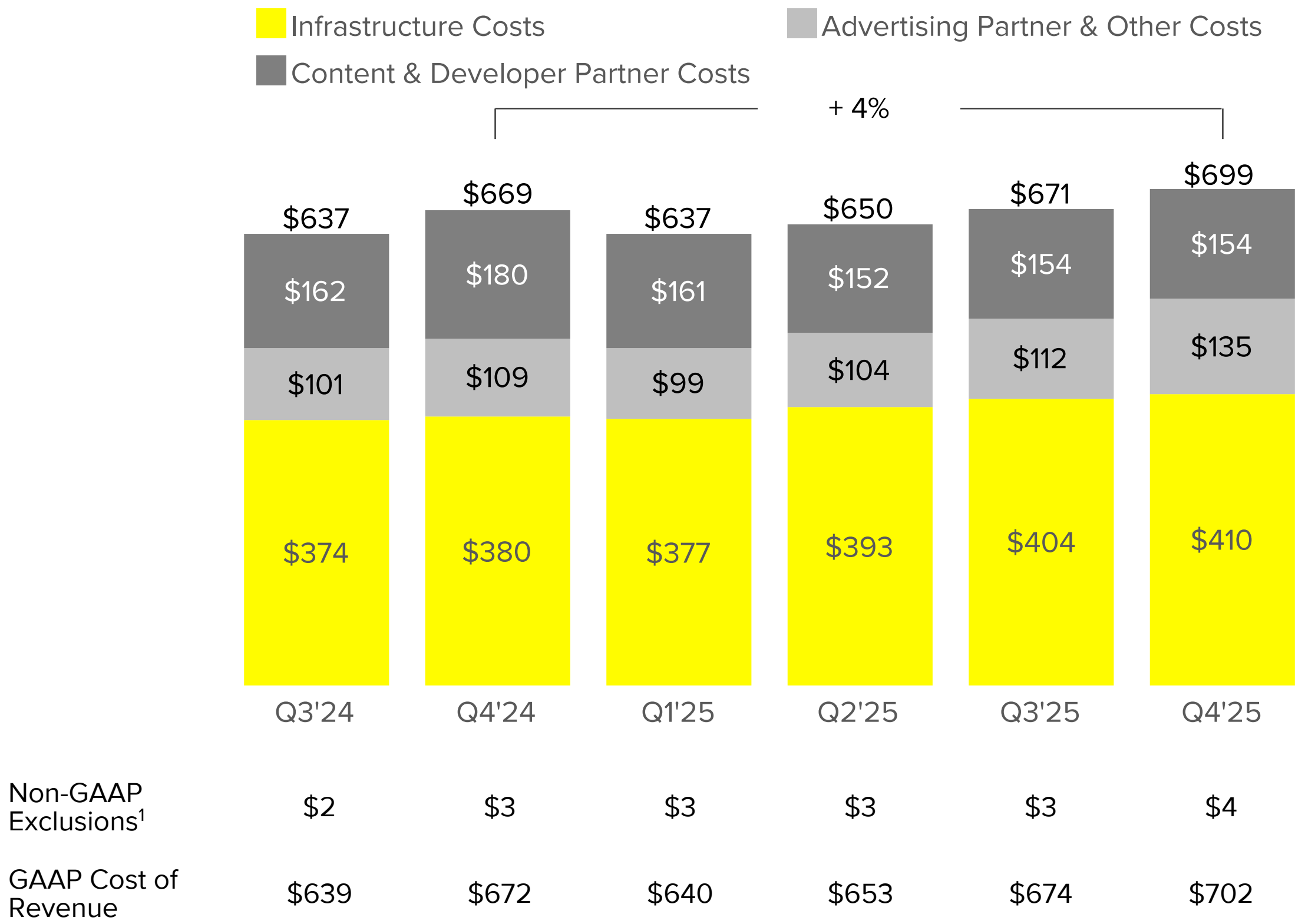
# Adjusted Gross Margin and Adjusted Cost of Revenue<sup>1</sup>

(dollars in millions, unaudited)

ADJUSTED GROSS MARGIN<sup>1</sup>



ADJUSTED COST OF REVENUE<sup>1</sup> COMPOSITION



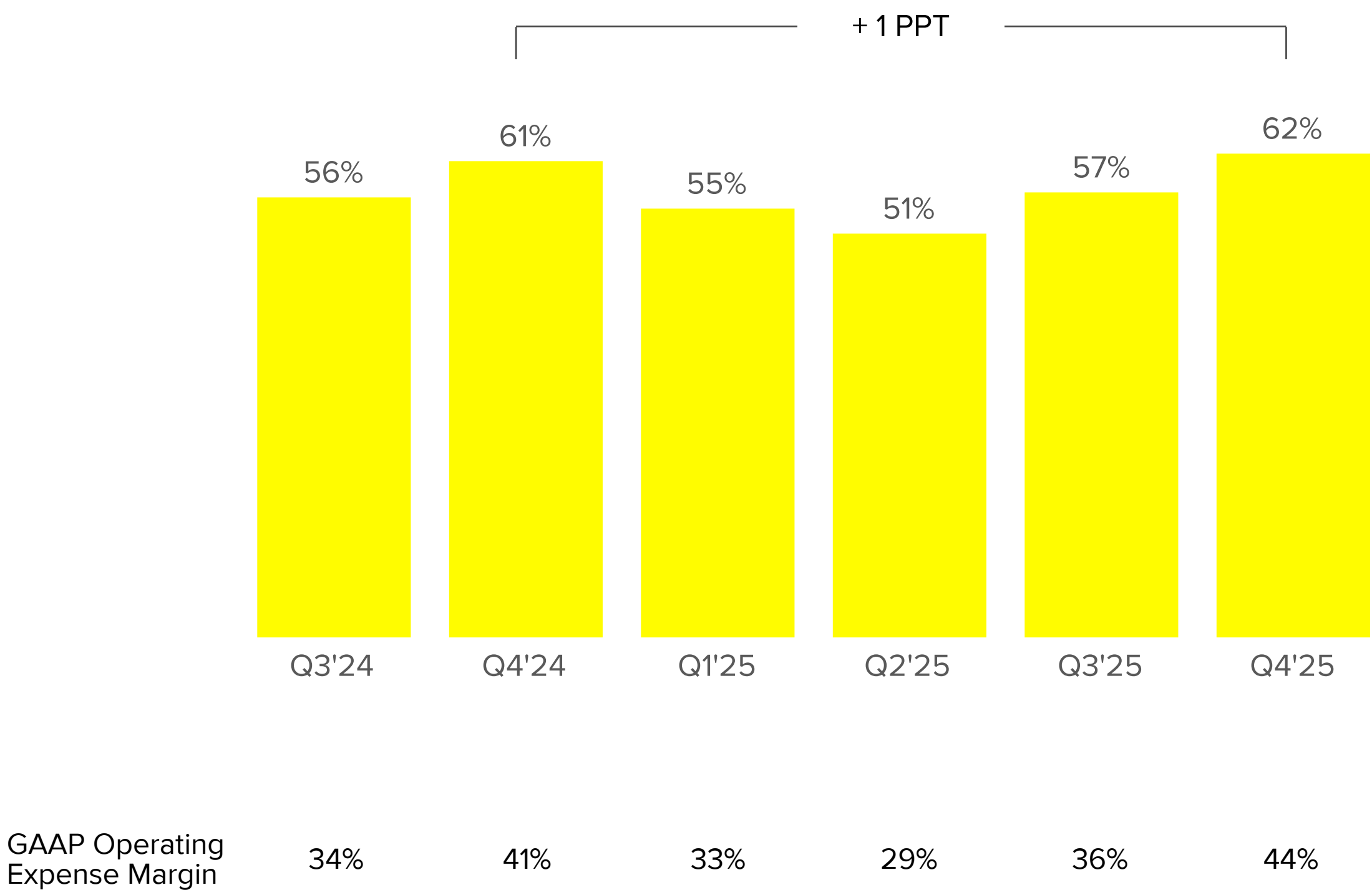
<sup>1</sup>Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue. Adjusted Cost of Revenue is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation,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

GAAP AND ADJUSTED GROSS MARGIN INCREASED BY 2 PPT YoY

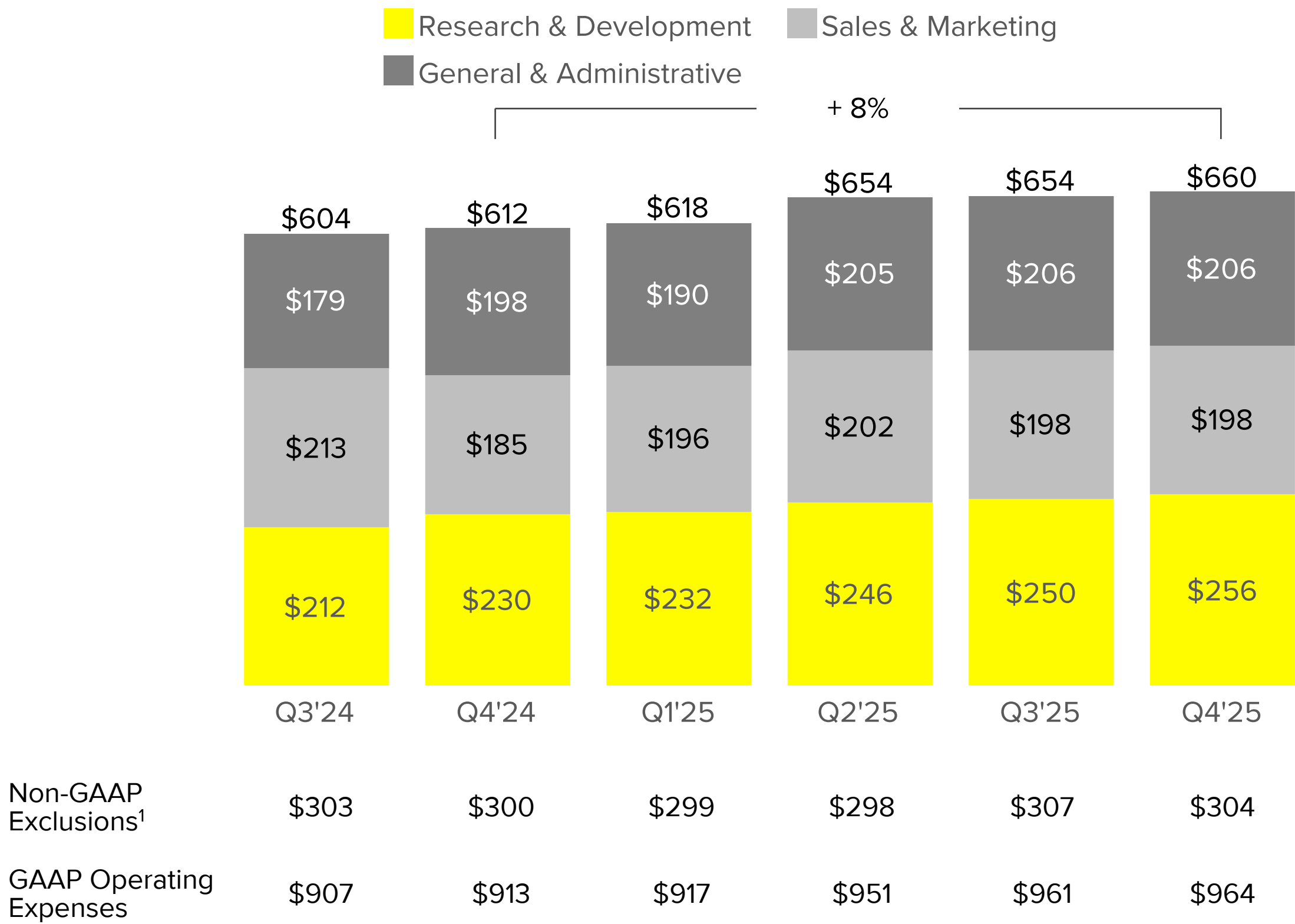
# Adjusted Operating Expense Margin and Adjusted Operating Expenses<sup>1</sup>

(dollars in millions, unaudited)

ADJUSTED OPERATING EXPENSE MARGIN<sup>1</sup>



ADJUSTED OPERATING EXPENSES<sup>1</sup> COMPOSITION



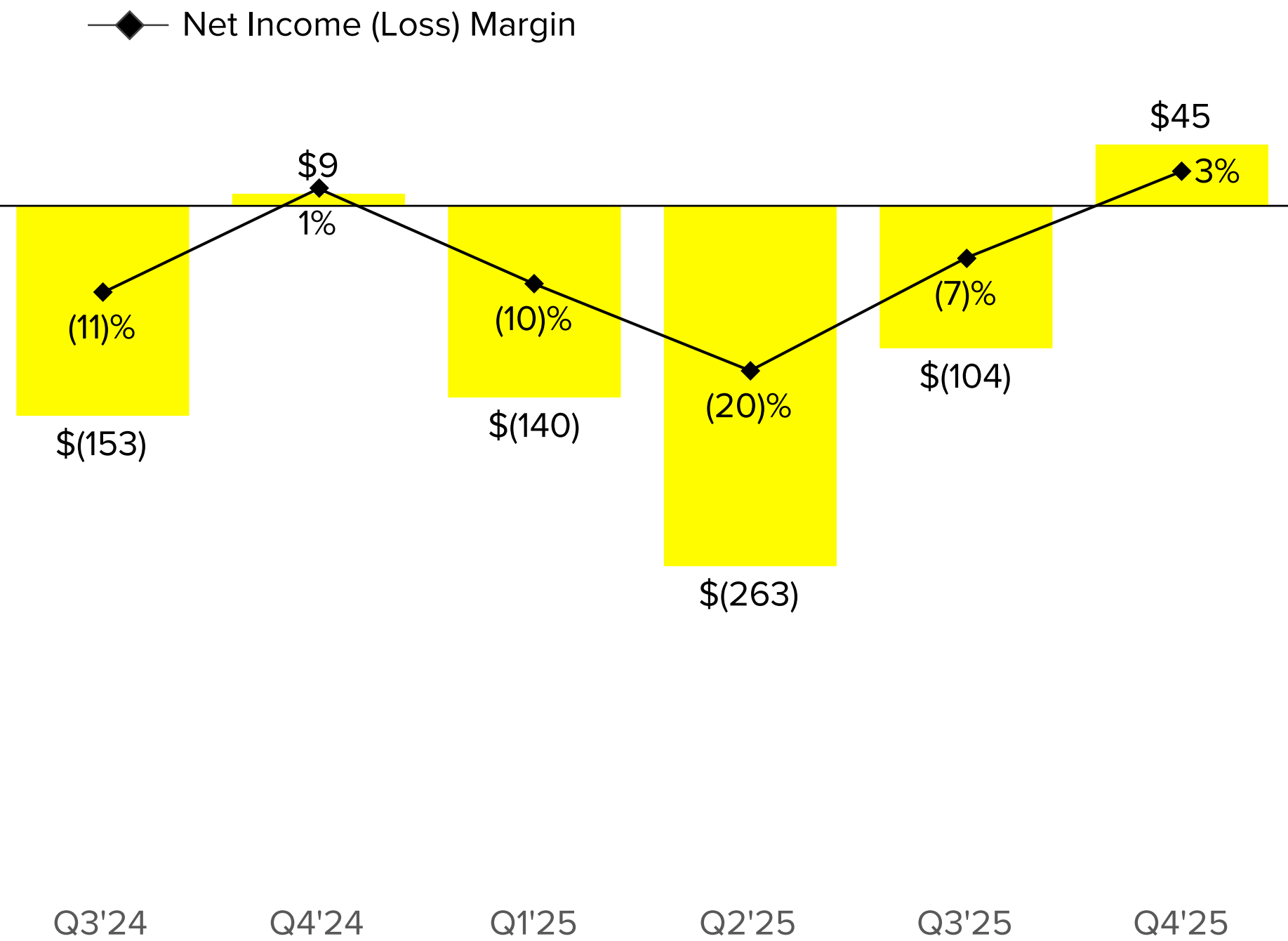
<sup>1</sup>Adjusted Operating Expense Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Operating Expenses, divided by GAAP revenue. Adjusted Operating Expenses is a non-GAAP measure and excludes stock-based compensation expense, payroll and other tax expense related to stock-based compensation, depreciation and amortization, and certain other items impacting net income (loss) from time to time. 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 3 PPT YoY

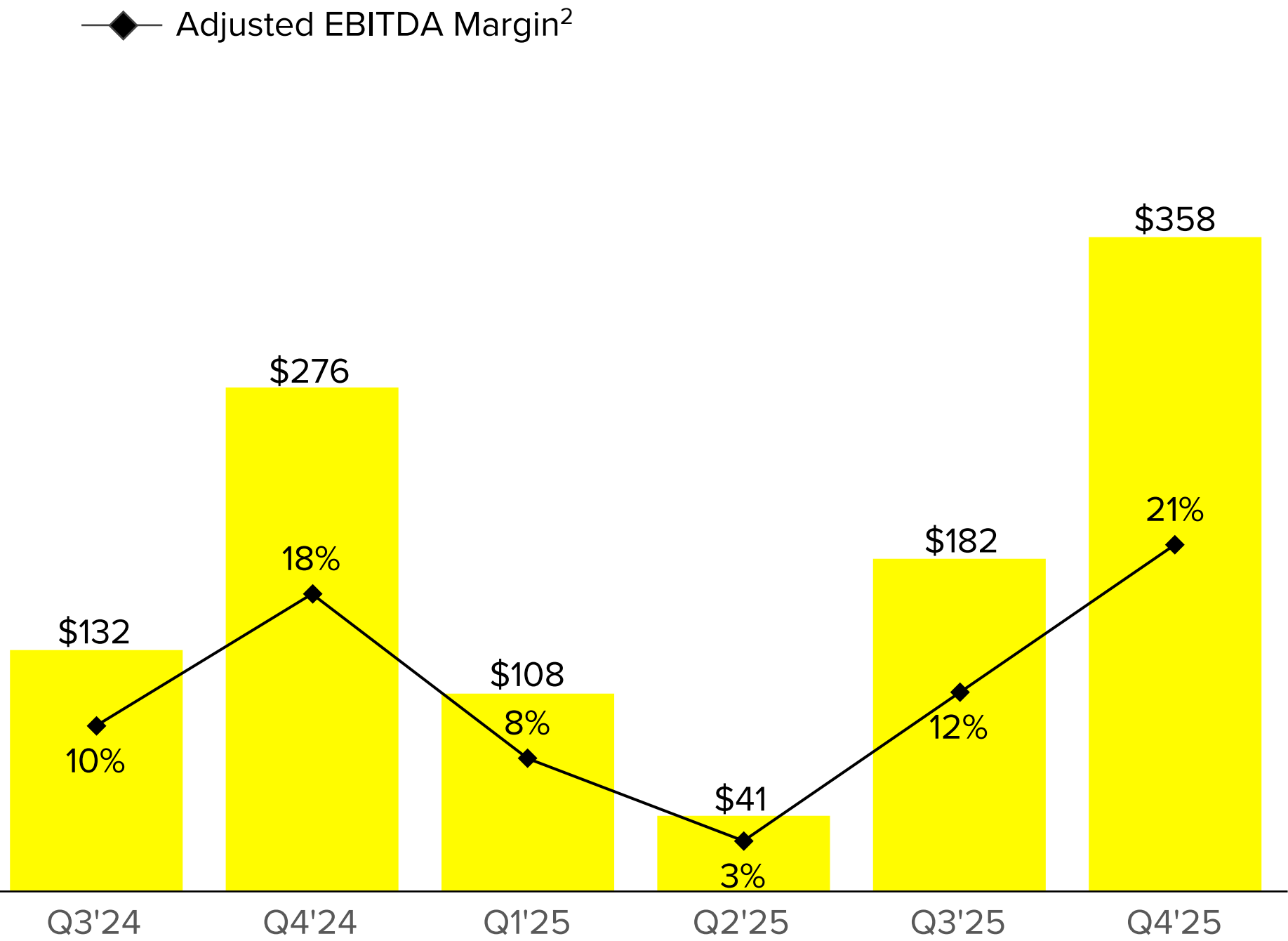
# Net Income (Loss) & Adjusted EBITDA<sup>1</sup>

(dollars in millions, unaudited)

## NET INCOME (LOSS)



## ADJUSTED EBITDA<sup>1</sup>



<sup>1</sup>Adjusted 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. See Appendix for a reconciliation of net income (loss) to Adjusted EBITDA.

<sup>2</sup>Adjusted 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.

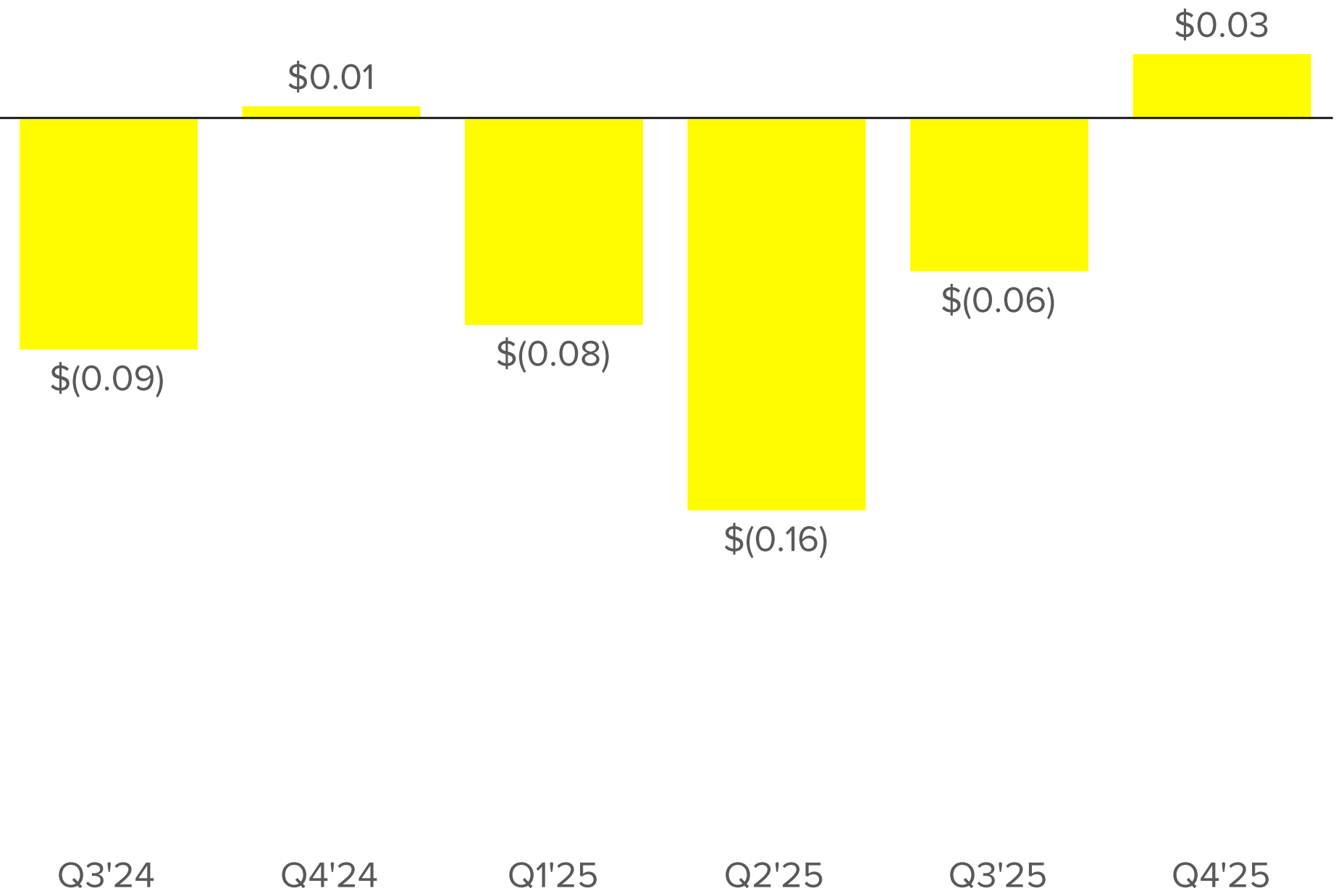
NET LOSS WAS \$460 MILLION AND ADJUSTED EBITDA WAS \$689 MILLION OVER THE TRAILING TWELVE MONTHS



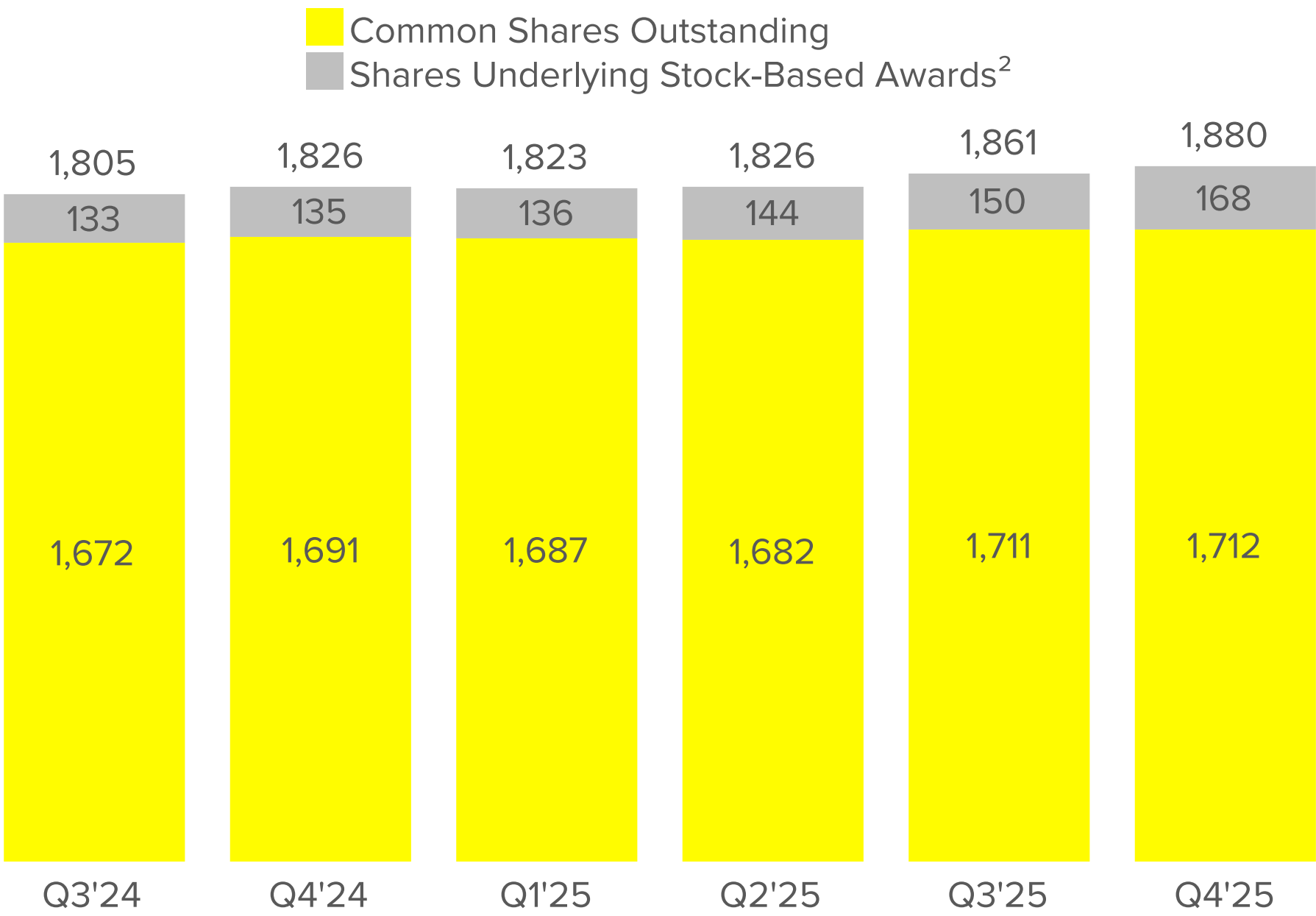
# Diluted Net Income (Loss) Per Share & Common Shares Outstanding Plus Shares Underlying Stock-Based Awards

(in millions, except per share data, unaudited)

DILUTED NET INCOME (LOSS) PER SHARE<sup>1</sup>



COMMON SHARES OUTSTANDING PLUS SHARES UNDERLYING STOCK-BASED AWARDS



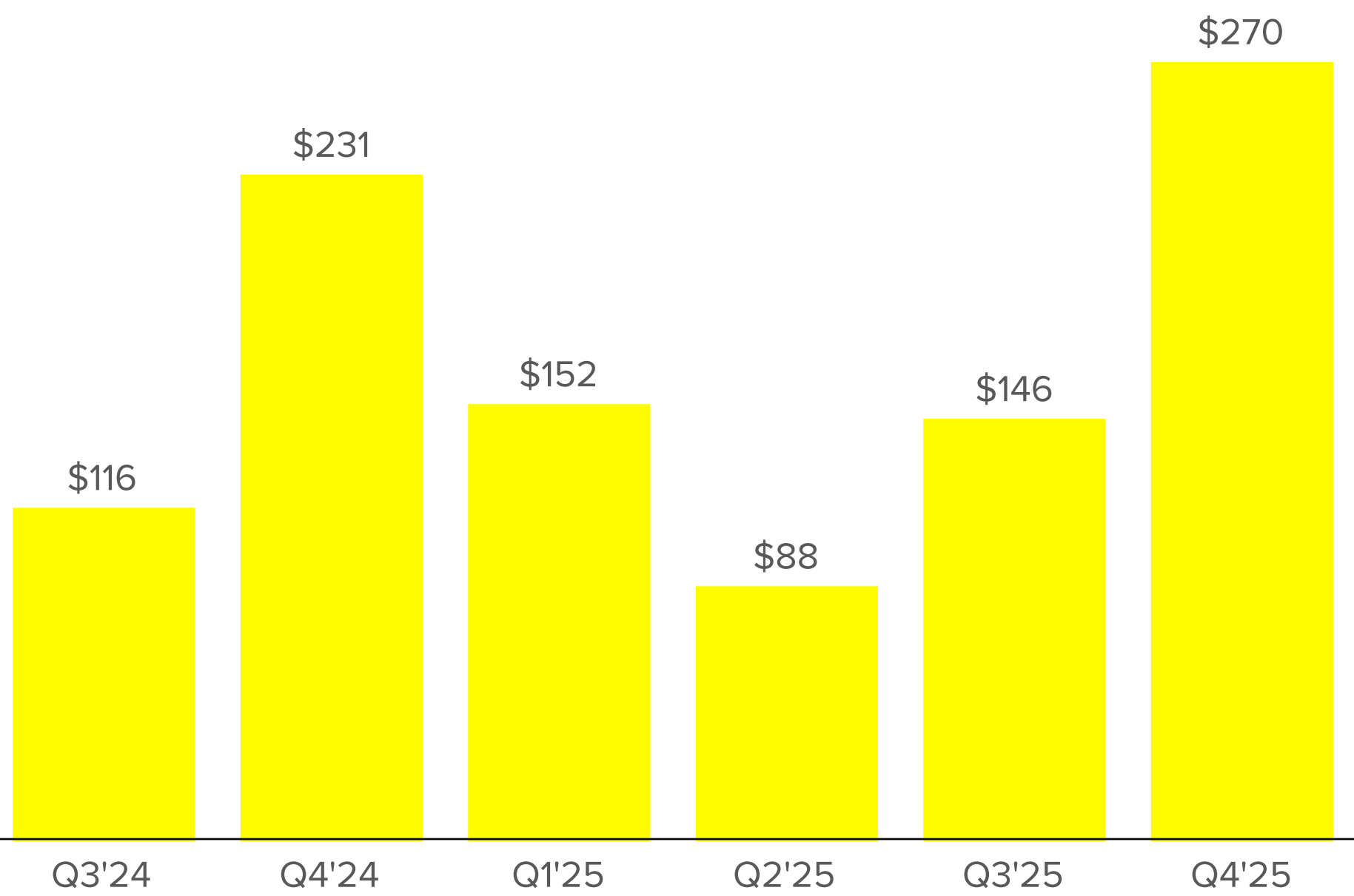
Shares repurchased	—	—	27.3	30.0	—	29.4
YoY Change	0.6%	1.2%	1.9%	1.6%	3.1%	3.0%

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

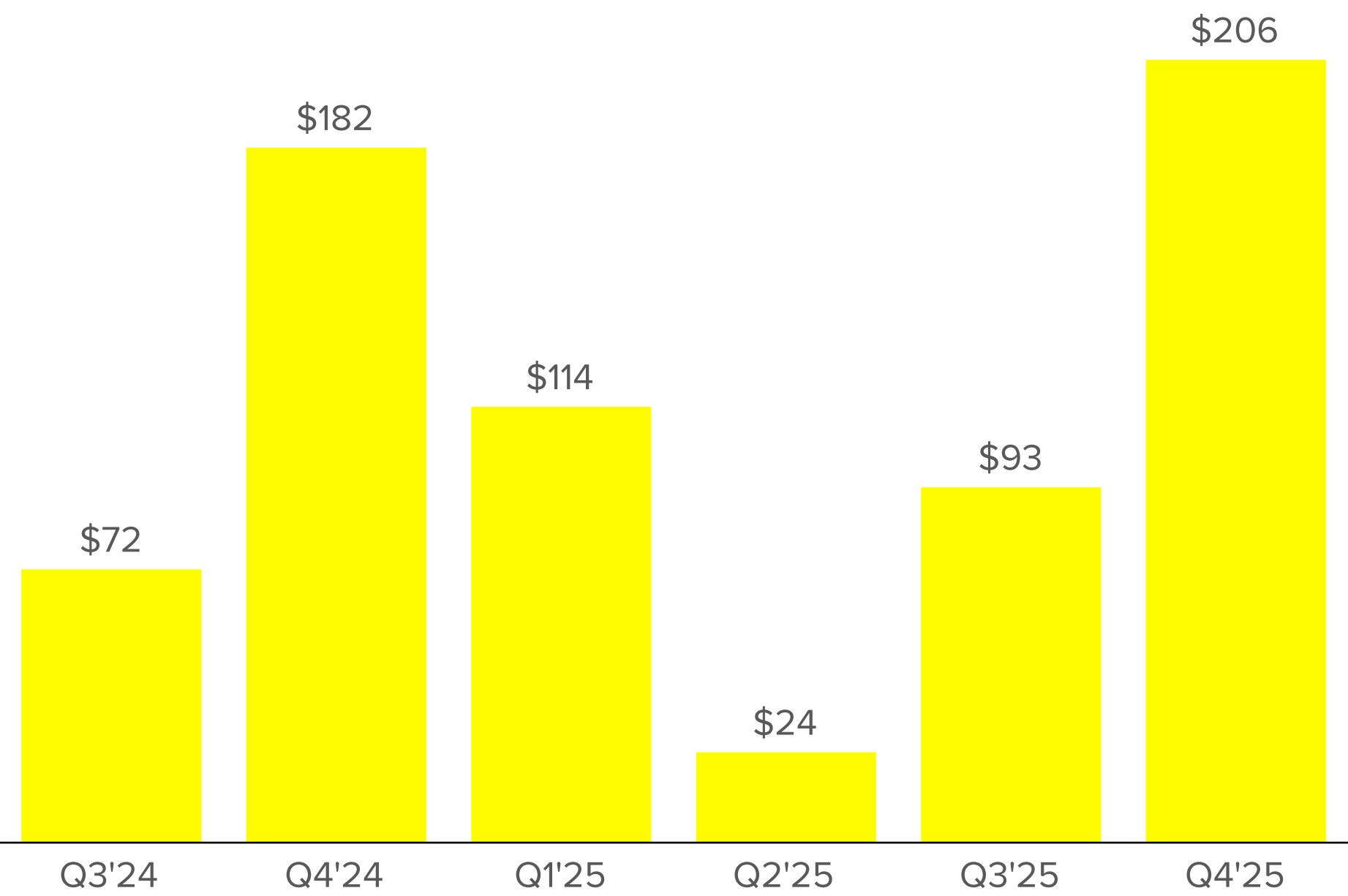
# Operating Cash Flow and Free Cash Flow<sup>1</sup>

(in millions, unaudited)

OPERATING CASH FLOW



FREE CASH FLOW<sup>1</sup>



Capex

\$(44)    \$(48)    \$(37)    \$(65)    \$(53)    \$(64)

YoY Change

218%    65%    202%    132%    30%    13%

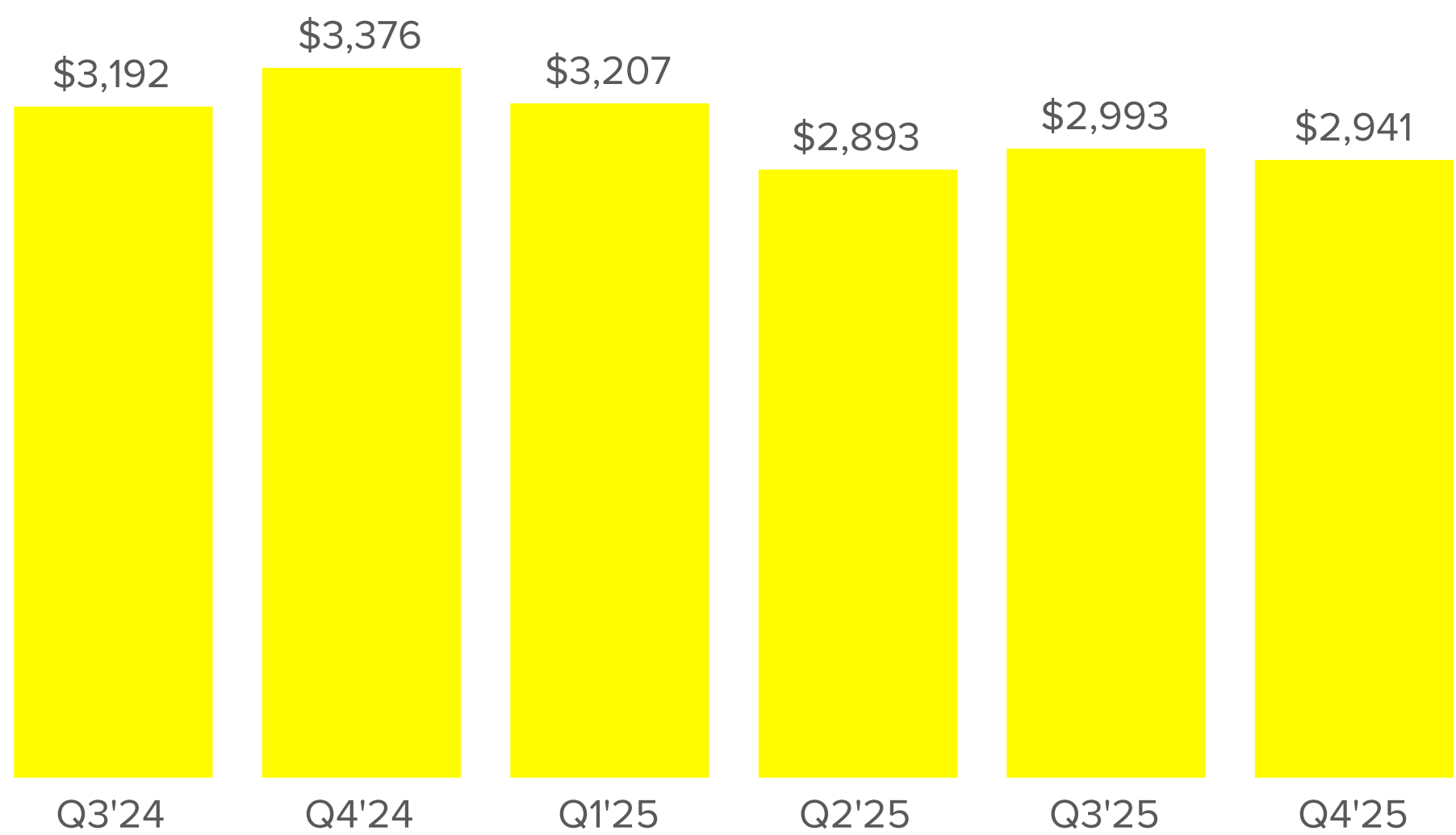
<sup>1</sup>Free Cash Flow is a non-GAAP measure, which we define as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. See Appendix for a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow. Numbers throughout presentation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

**OPERATING CASH FLOW WAS \$656 MILLION OVER THE TRAILING TWELVE MONTHS**  
**FREE CASH FLOW WAS \$437 MILLION OVER THE TRAILING TWELVE MONTHS**

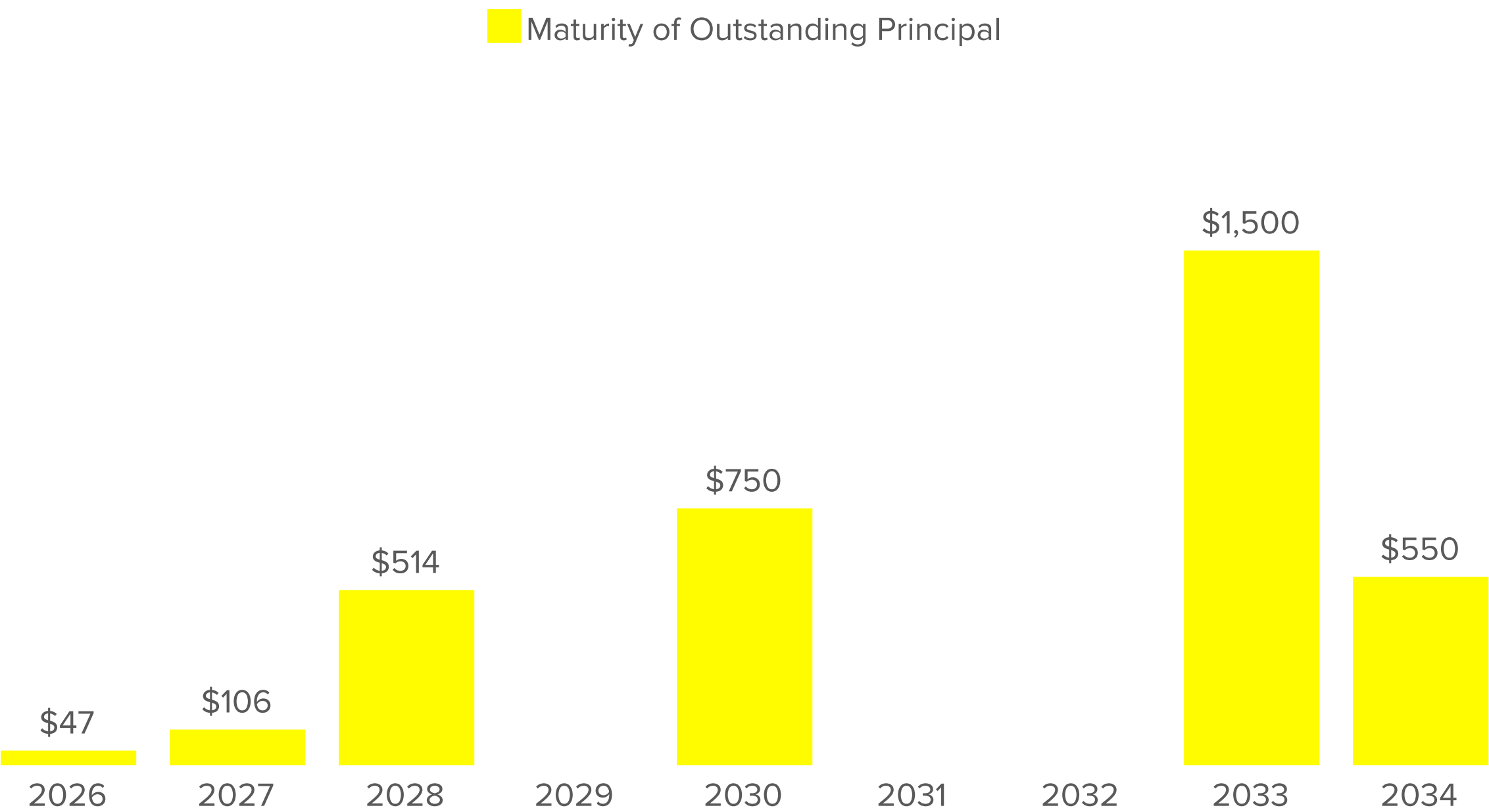
# Capital Resources and Liquidity

(in millions, unaudited)

CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES



OUTSTANDING DEBT



Significant financing activities

Note Repurchases	—	—	\$(1,445)	—	\$(550)	—
Stock Repurchases	—	—	\$(257)	\$(243)	—	\$(250)
Issuance of Notes <sup>1</sup>	—	—	\$1,473	—	\$541	—
Other <sup>2</sup>	—	—	—	\$(36)	—	—

<sup>1</sup> In Q3 2025, we issued the 2034 Notes. In Q1 2025, we issued the 2033 Notes.  
<sup>2</sup> In Q2 2025, other is composed of the repayment of the outstanding balance of the 2025 Notes at maturity.  
Numbers throughout presentation may not foot due to rounding.

\$2.9 BILLION IN CASH, CASH EQUIVALENTS, AND MARKETABLE SECURITIES ON HAND AT Q4 2025

# Full Year Summary

# Full Year Financial Summary

Revenue	<ul style="list-style-type: none"><li>• Revenue was \$5,931 million<sup>1</sup> in 2025, compared to \$5,361 million in the prior year.</li><li>• Average revenue per user<sup>2</sup> was \$12.61 in 2025, compared to \$12.23 in the prior year.</li></ul>
Operating Performance	<ul style="list-style-type: none"><li>• GAAP gross margin was 55% in 2025, compared to 54% in the prior year.</li><li>• Adjusted Gross Margin<sup>3</sup> was 55% in 2025, compared to 54% in the prior year.</li><li>• Net loss was \$460 million in 2025, compared to \$698 million in the prior year.</li><li>• Adjusted EBITDA<sup>4</sup> was \$689 million in 2025, compared to \$509 million in the prior year.</li><li>• Net loss margin was (8)% in 2025, compared to (13)% in the prior year.</li><li>• Adjusted EBITDA Margin<sup>4</sup> was 12% in 2025, compared to 9% in the prior year.</li></ul>
Cash	<ul style="list-style-type: none"><li>• Operating cash flow was \$656 million in 2025, compared to \$413 million in the prior year.</li><li>• Free Cash Flow<sup>4</sup> was \$437 million in 2025, compared to \$219 million in the prior year.</li><li>• Cash, cash equivalents, and marketable securities were \$2.9 billion as of December 31, 2025.</li></ul>

<sup>1</sup>On a constant currency basis, the impact of foreign exchange rates on revenue was less than 1% in 2025. Constant currency revenue is a non-GAAP measure. Refer to Appendix slide 3 for further detail.

<sup>2</sup>ARPU is presented as an annual ARPU, calculated as the sum of each reported quarterly Global ARPU.

<sup>3</sup>Adjusted 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.

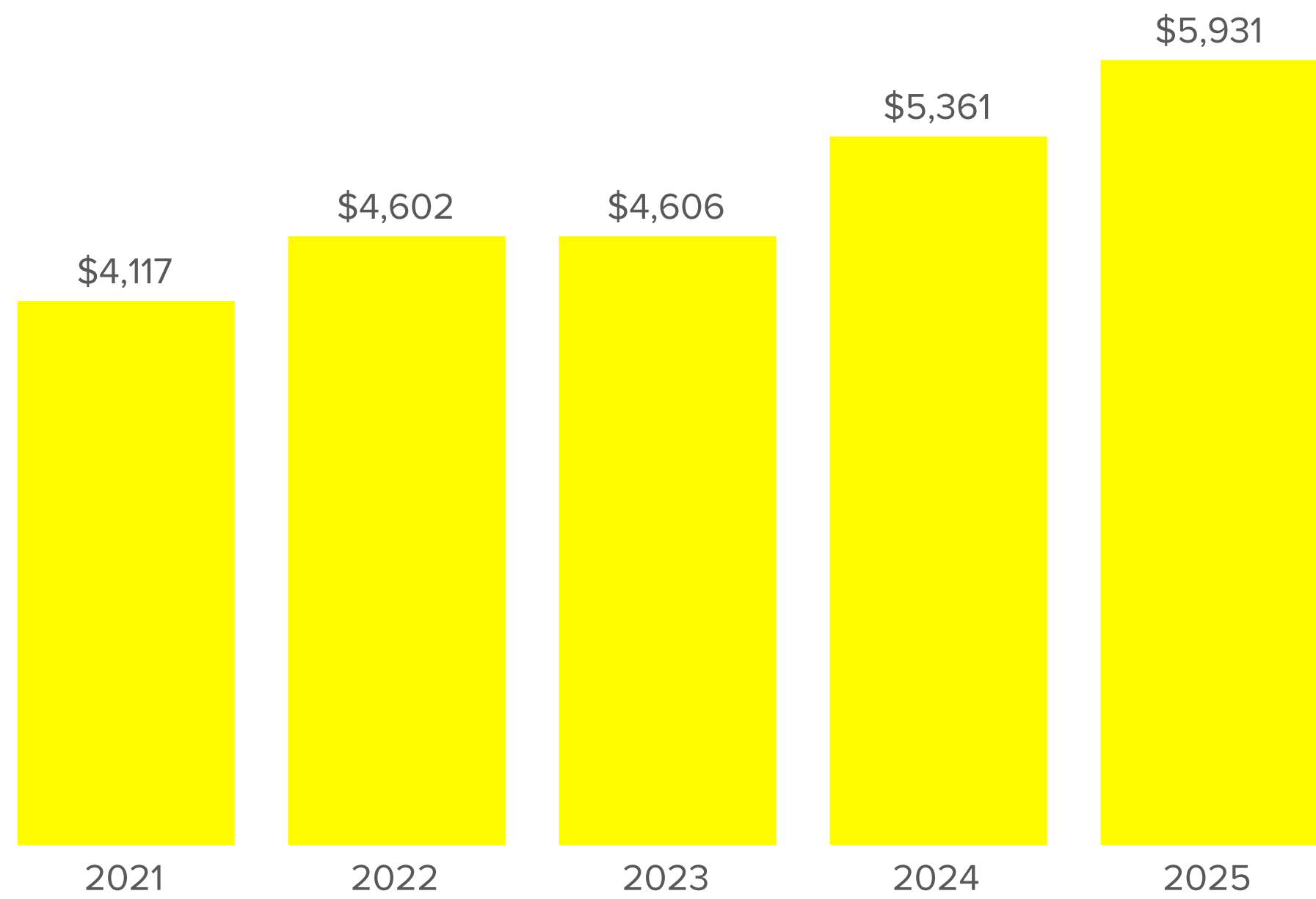
<sup>4</sup>Adjusted EBITDA Margin is a non-GAAP measure, which we define as Adjusted EBITDA divided by GAAP revenue. See Appendix for reconciliations of net income (loss) to Adjusted EBITDA and net cash provided by (used in) operating activities to Free Cash Flow.

Numbers throughout presentation may not foot due to rounding.

# Revenue and Average Revenue Per User (ARPU)<sup>1</sup>

(in millions, unaudited)

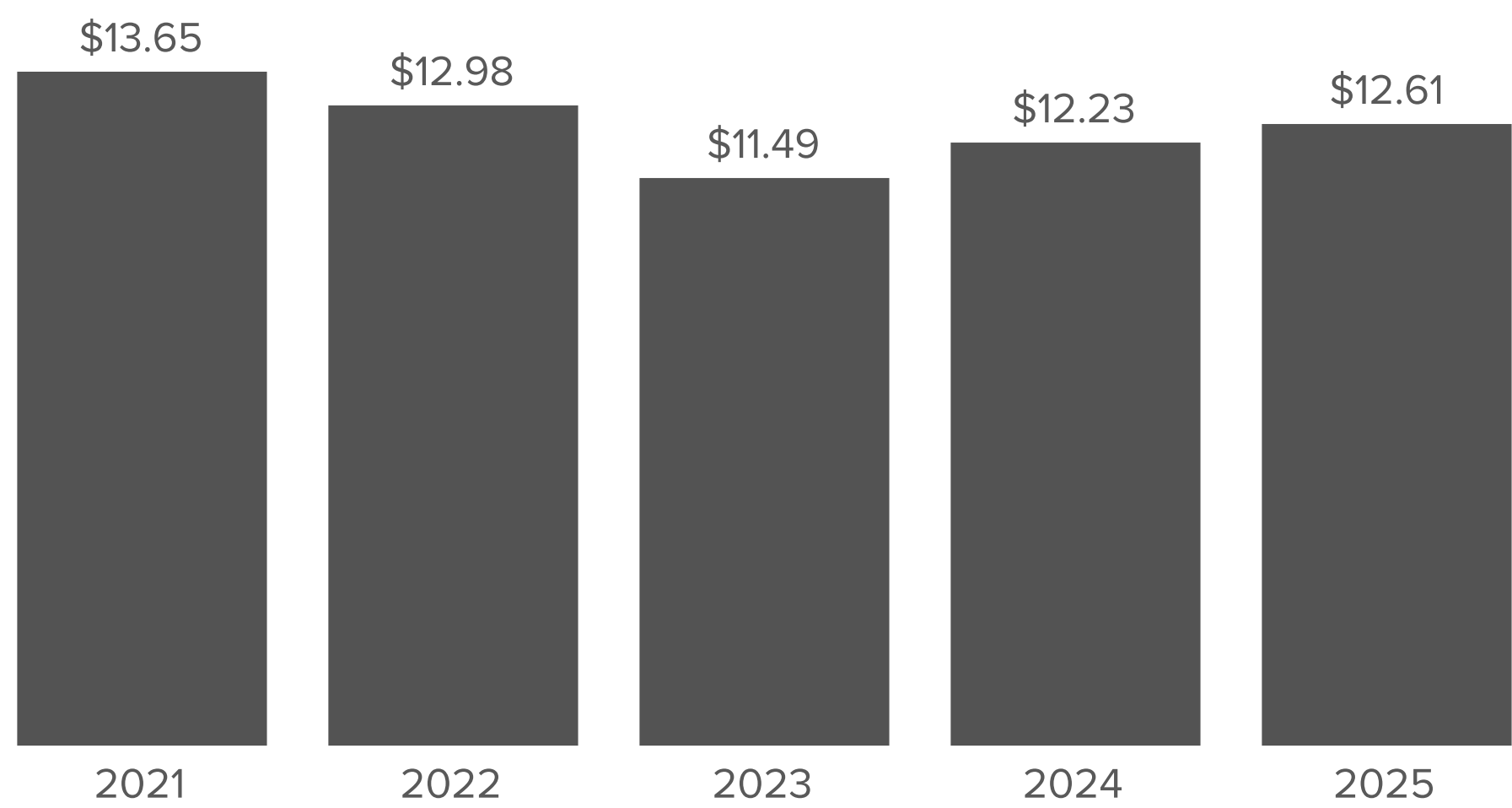
REVENUE



YoY Change

64%      12%      —%      16%      11%

ARPU<sup>1</sup>



YoY Change

35%      (5)%      (11)%      6%      3%

<sup>1</sup>ARPU is presented as an annual ARPU, calculated as the sum of each reported quarterly Global ARPU. Numbers throughout presentation may not foot due to rounding.

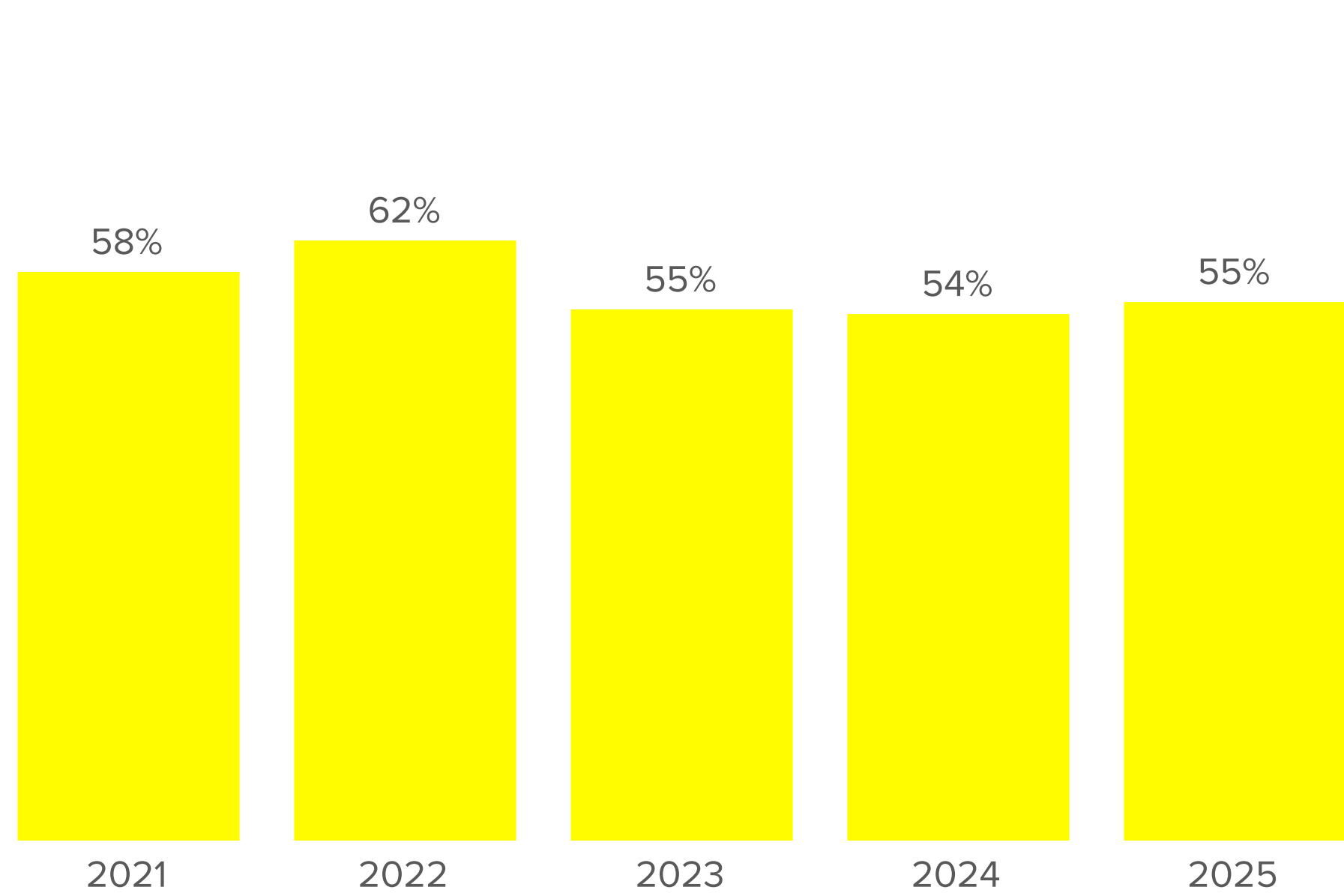
REVENUE INCREASED 11% YoY TO \$6 BILLION IN 2025  
ARPU INCREASED 3% YoY TO \$12.61 IN 2025



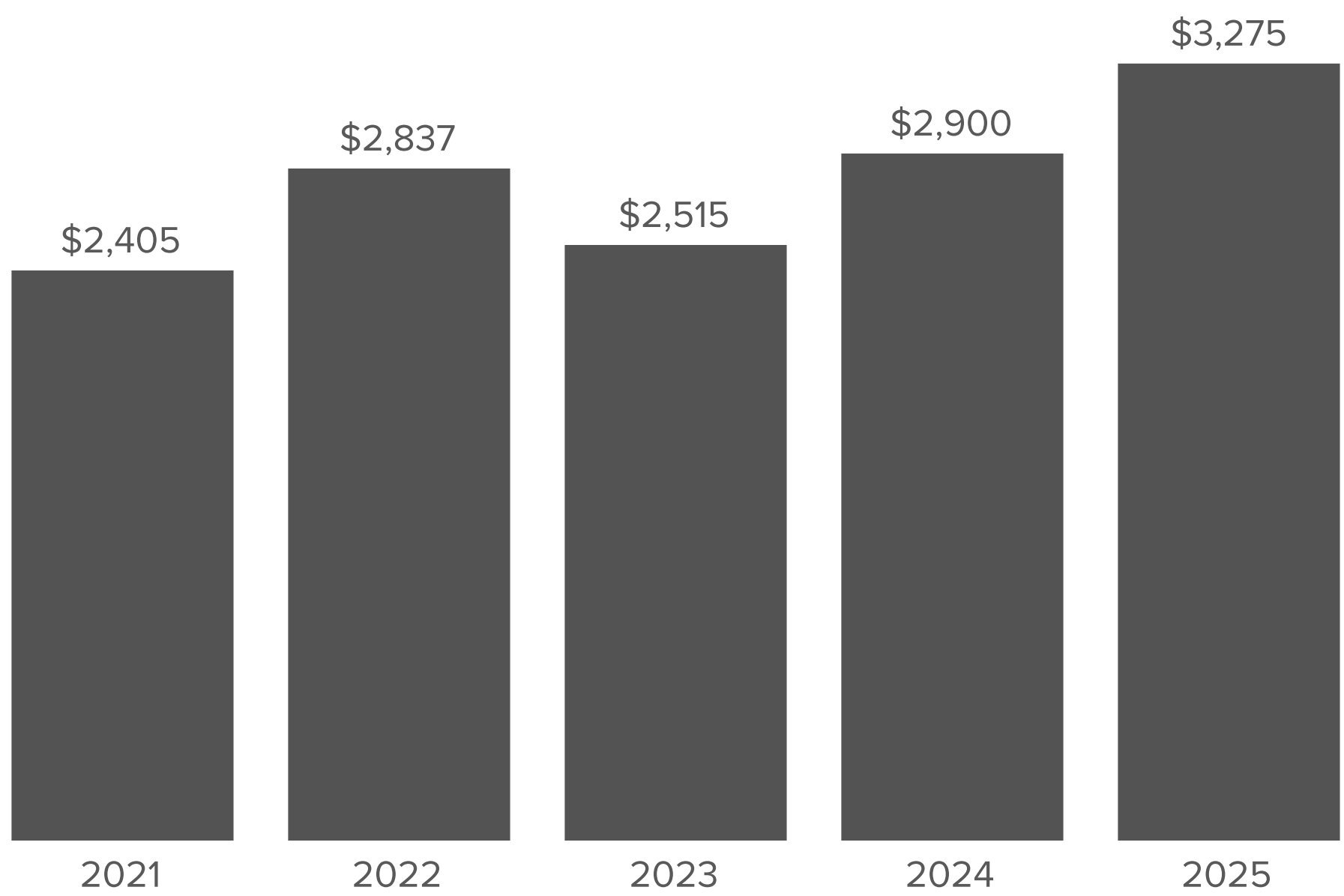
# Adjusted Gross Margin and Adjusted Gross Profit<sup>1</sup>

(dollars in millions, unaudited)

ADJUSTED GROSS MARGIN<sup>1</sup>



ADJUSTED GROSS PROFIT<sup>1</sup>



GAAP Gross Margin

57%      61%      54%      54%      55%

GAAP Gross Profit

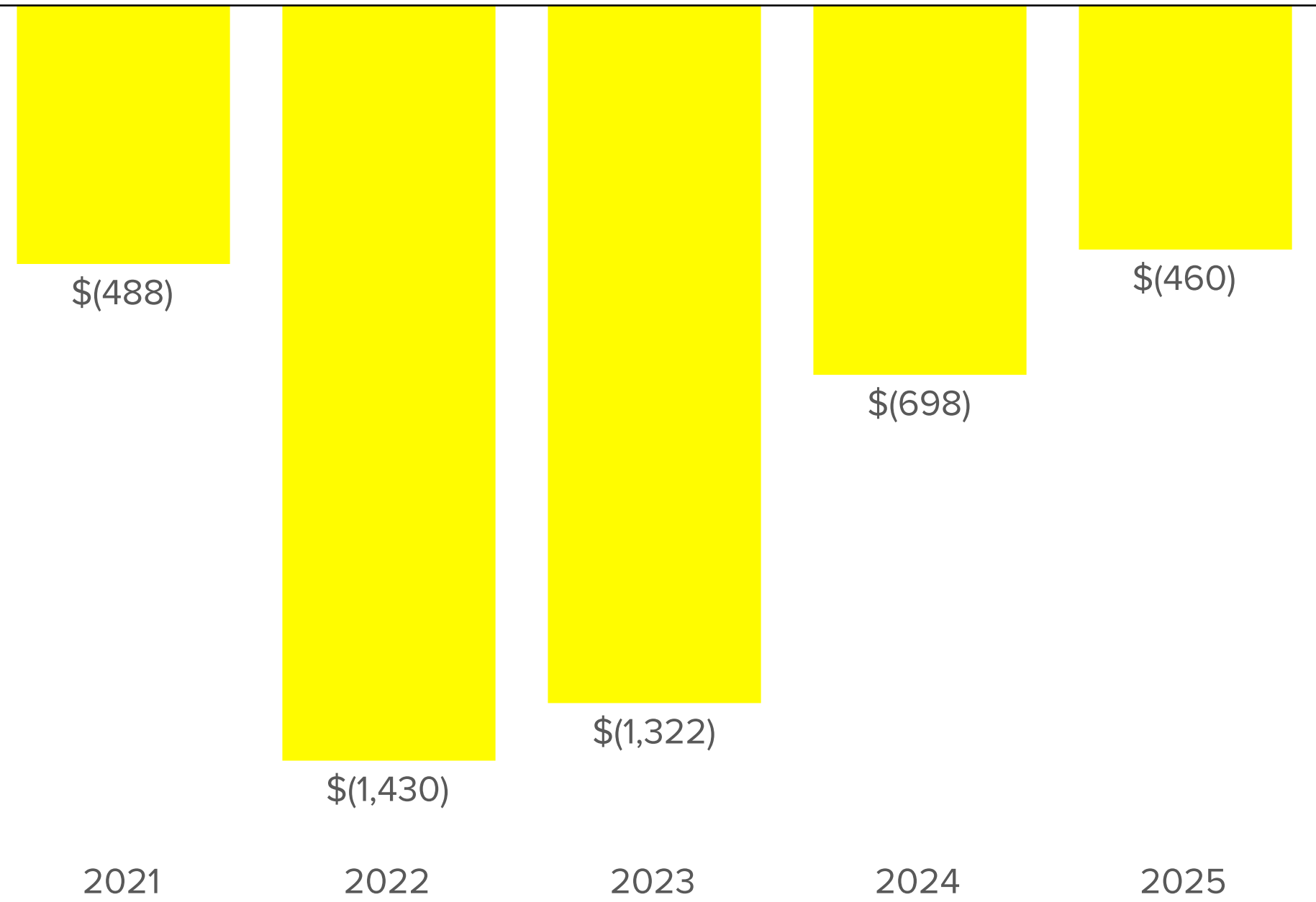
\$2,367      \$2,787      \$2,492      \$2,887      \$3,262

<sup>1</sup>Adjusted Gross Margin is a non-GAAP measure, which we define as Adjusted Gross Profit divided by GAAP revenue. Adjusted Gross Profit is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of 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 2022 and 2024, other items included restructuring charges of \$21 million and \$1 million, respectively. See Appendix for further detail.  
Numbers throughout presentation may not foot due to rounding.

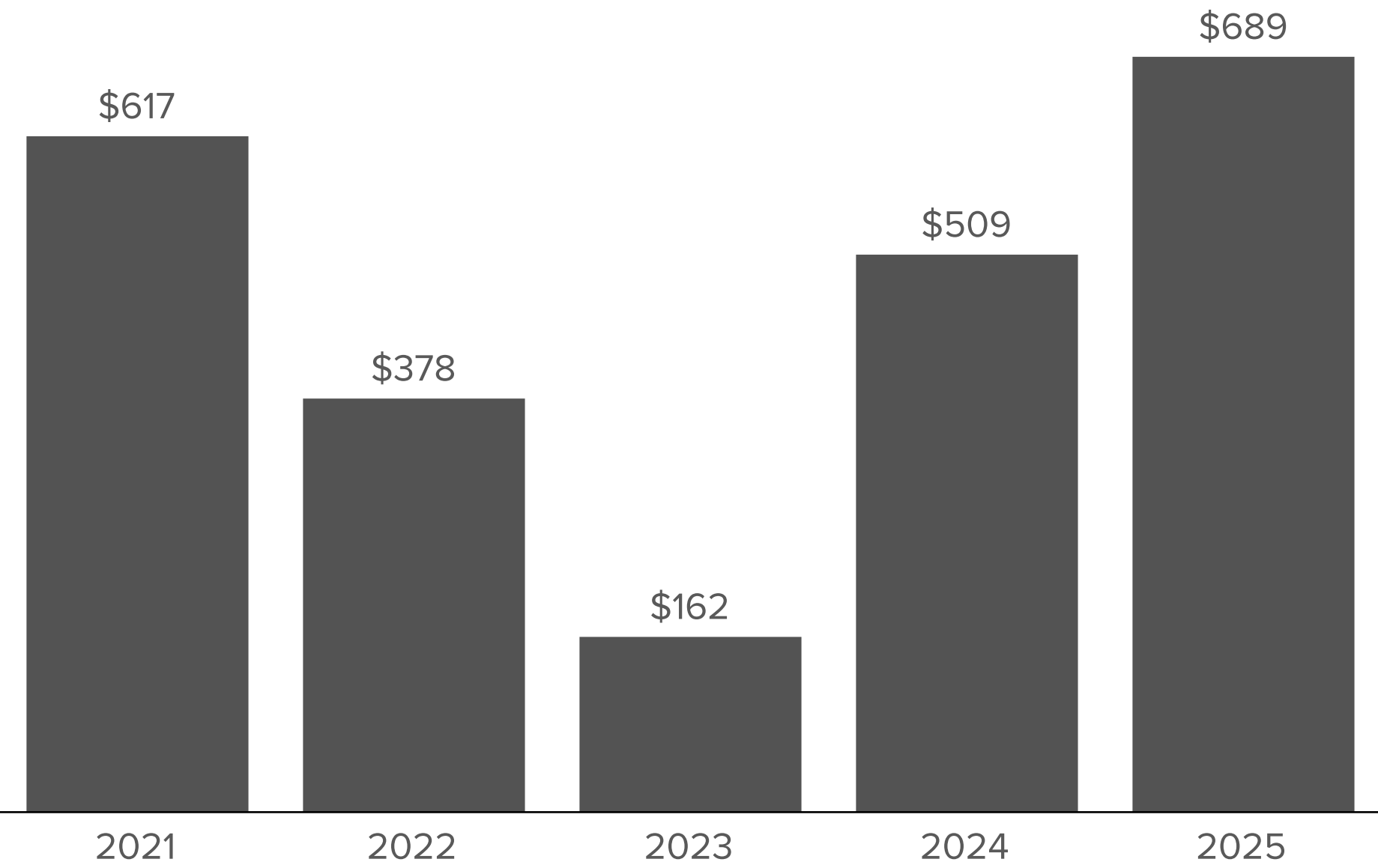
# Net Loss & Adjusted EBITDA<sup>1</sup>

(in millions, unaudited)

NET LOSS



ADJUSTED EBITDA<sup>1</sup>

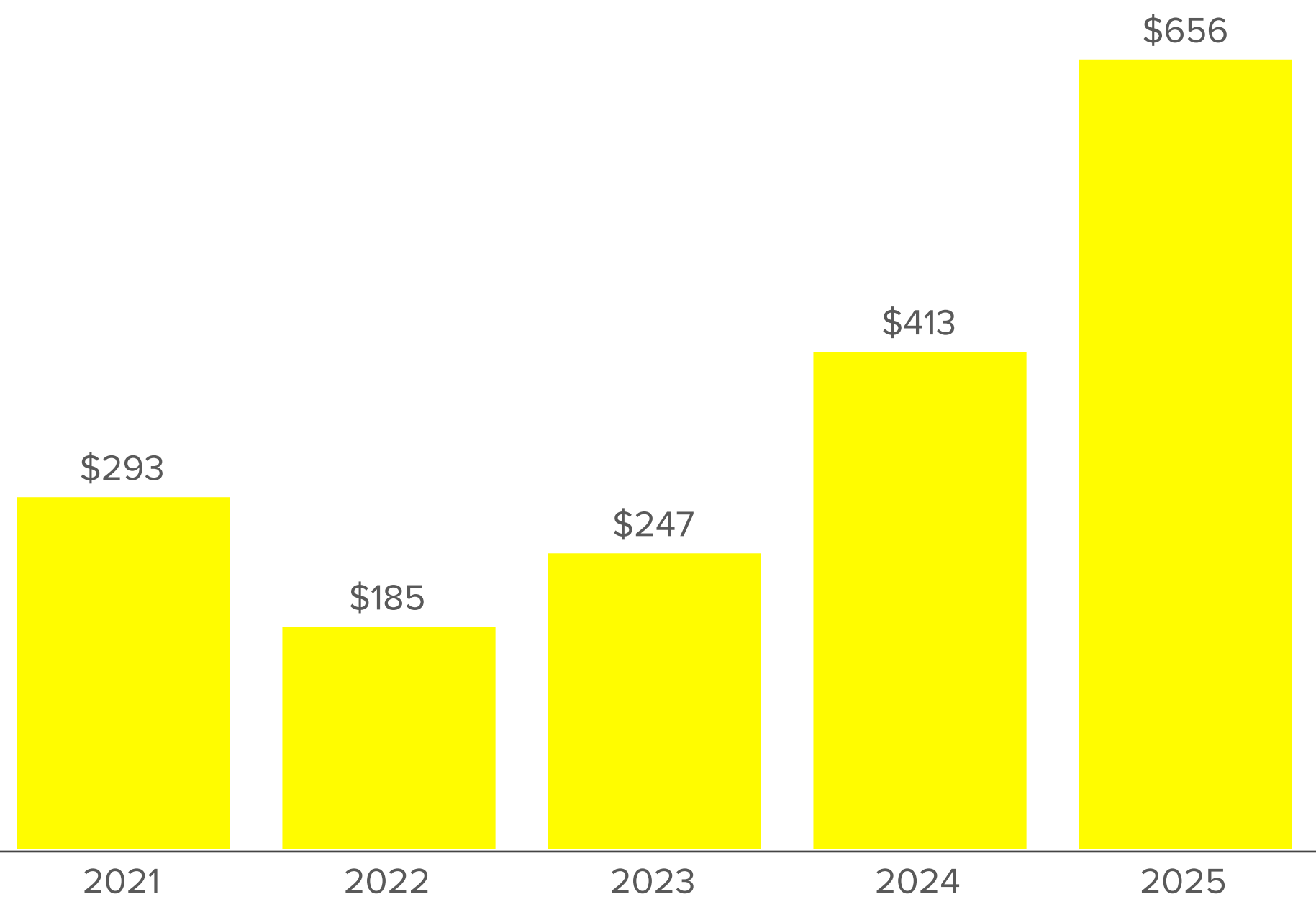


<sup>1</sup>Adjusted EBITDA is a non-GAAP measure, which we define as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other items impacting net income (loss) from time to time. In 2022, 2023, and 2024, other items included restructuring charges of \$189 million, \$41 million, and \$72 million, respectively. See Appendix for reconciliation of net income (loss) to Adjusted EBITDA. Numbers throughout presentation may not foot due to rounding.

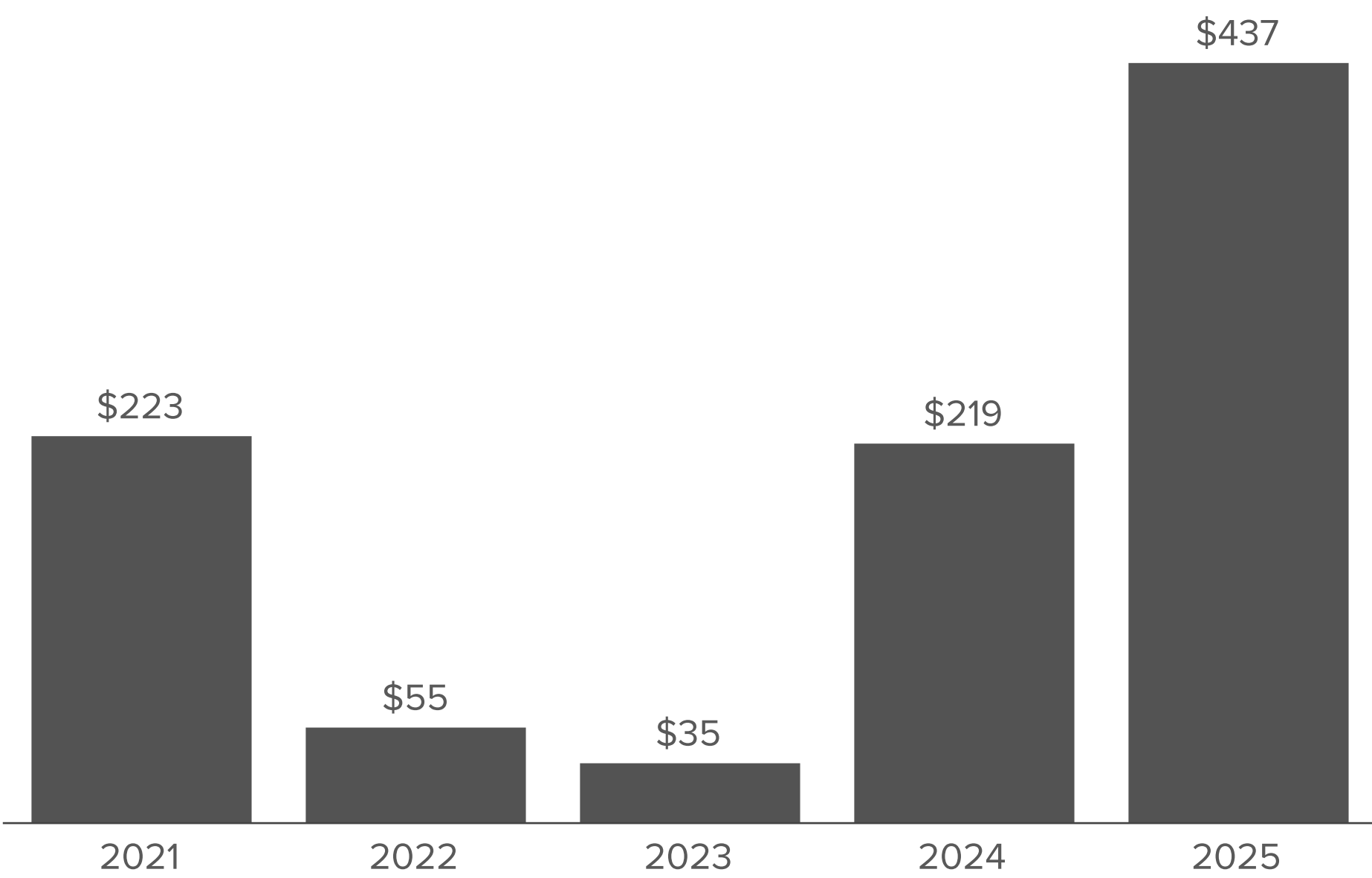
# Operating Cash Flow and Free Cash Flow<sup>1</sup>

(in millions, unaudited)

OPERATING CASH FLOW



FREE CASH FLOW<sup>1</sup>



Capex

\$(70)      \$(129)      \$(212)      \$(195)      \$(219)

<sup>1</sup>Free 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.

FIFTH CONSECUTIVE YEAR OF BOTH POSITIVE OPERATING CASH FLOW AND FREE CASH FLOW

# Appendix

# Non-GAAP Financial Measures Reconciliation – Quarterly

(in thousands, unaudited)

	Three Months Ended					
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<b>Adjusted Cost of Revenue reconciliation</b>						
GAAP Cost of Revenue	\$ 638,907	\$ 671,660	\$ 639,579	\$ 653,333	\$ 674,220	\$ 702,443
Stock-based compensation expense	(1,333)	(1,626)	(1,434)	(1,656)	(2,327)	(2,009)
Payroll and other tax expense related to stock-based compensation	(48)	(36)	(102)	(74)	(69)	(48)
Depreciation and amortization	(965)	(1,123)	(1,420)	(1,505)	(1,016)	(1,818)
<b>Adjusted Cost of Revenue<sup>1</sup></b>	<b>\$ 636,561</b>	<b>\$ 668,875</b>	<b>\$ 636,623</b>	<b>\$ 650,098</b>	<b>\$ 670,808</b>	<b>\$ 698,568</b>
<b>GAAP Gross Margin</b>	53 %	57 %	53 %	51 %	55 %	59 %
<b>Adjusted Gross Margin<sup>1</sup></b>	54 %	57 %	53 %	52 %	55 %	59 %
<b>Adjusted Operating Expenses reconciliation</b>						
GAAP Operating Expenses <sup>2</sup>	\$ 906,877	\$ 912,500	\$ 917,484	\$ 951,273	\$ 960,981	\$ 964,301
Stock-based compensation expense	(258,896)	(256,105)	(245,904)	(250,230)	(258,036)	(255,229)
Payroll and other tax expense related to stock-based compensation	(6,045)	(5,536)	(17,116)	(8,963)	(7,454)	(7,362)
Depreciation and amortization	(37,885)	(38,458)	(36,295)	(38,518)	(41,498)	(41,563)
<b>Adjusted Operating Expenses<sup>3</sup></b>	<b>\$ 604,051</b>	<b>\$ 612,401</b>	<b>\$ 618,169</b>	<b>\$ 653,562</b>	<b>\$ 653,993</b>	<b>\$ 660,147</b>
<b>GAAP Operating Expense Margin<sup>2</sup></b>	34 %	41 %	33 %	29 %	36 %	44 %
<b>Adjusted Operating Expense Margin<sup>3</sup></b>	56 %	61 %	55 %	51 %	57 %	62 %

<sup>1</sup>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. Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue.

<sup>2</sup>GAAP 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.

<sup>3</sup>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. 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					
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<b>Adjusted Research and Development Expenses reconciliation</b>						
GAAP Research and Development Expenses	\$ 412,791	\$ 422,937	\$ 424,165	\$ 443,325	\$ 453,418	\$ 472,693
Stock-based compensation expense	(172,516)	(165,330)	(156,688)	(166,809)	(171,649)	(185,456)
Payroll and other tax expense related to stock-based compensation	(3,634)	(3,582)	(12,109)	(5,761)	(4,780)	(4,852)
Depreciation and amortization	(24,798)	(24,351)	(22,987)	(24,849)	(27,127)	(26,568)
<b>Adjusted Research and Development Expenses<sup>1</sup></b>	<b>\$ 211,843</b>	<b>\$ 229,674</b>	<b>\$ 232,381</b>	<b>\$ 245,906</b>	<b>\$ 249,862</b>	<b>\$ 255,817</b>
<b>Adjusted Sales and Marketing Expenses reconciliation</b>						
GAAP Sales and Marketing Expenses	\$ 273,107	\$ 248,214	\$ 257,957	\$ 257,853	\$ 256,215	\$ 249,280
Stock-based compensation expense	(53,345)	(56,463)	(54,440)	(48,710)	(51,236)	(43,627)
Payroll and other tax expense related to stock-based compensation	(1,449)	(1,340)	(2,937)	(1,804)	(1,502)	(1,418)
Depreciation and amortization	(4,953)	(5,333)	(4,823)	(5,108)	(5,487)	(5,945)
<b>Adjusted Sales and Marketing Expenses<sup>1</sup></b>	<b>\$ 213,360</b>	<b>\$ 185,078</b>	<b>\$ 195,757</b>	<b>\$ 202,231</b>	<b>\$ 197,990</b>	<b>\$ 198,290</b>
<b>Adjusted General and Administrative Expenses reconciliation</b>						
GAAP General and Administrative Expenses	\$ 220,979	\$ 241,349	\$ 235,362	\$ 250,095	\$ 251,348	\$ 242,328
Stock-based compensation expense	(33,035)	(34,312)	(34,776)	(34,711)	(35,151)	(26,146)
Payroll and other tax expense related to stock-based compensation	(962)	(614)	(2,070)	(1,398)	(1,172)	(1,092)
Depreciation and amortization	(8,134)	(8,774)	(8,485)	(8,561)	(8,884)	(9,050)
<b>Adjusted General and Administrative Expenses<sup>1</sup></b>	<b>\$ 178,848</b>	<b>\$ 197,649</b>	<b>\$ 190,031</b>	<b>\$ 205,425</b>	<b>\$ 206,141</b>	<b>\$ 206,040</b>

<sup>1</sup>Adjusted 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					
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<b>Adjusted EBITDA reconciliation</b>						
Net income (loss)	\$ (153,247)	\$ 9,101	\$ (139,587)	\$ (262,570)	\$ (103,541)	\$ 45,209
Add (deduct):						
Interest income	(38,533)	(38,573)	(37,018)	(33,199)	(32,255)	(31,687)
Interest expense	5,883	5,813	23,399	27,607	34,494	36,498
Other (income) expense, net	4,355	(8,382)	(49,069)	823	(27,570)	6,946
Income tax (benefit) expense	8,332	5,164	8,429	7,663	510	(7,249)
Depreciation and amortization	38,850	39,581	37,715	40,023	42,514	43,381
Stock-based compensation expense	260,229	257,731	247,338	251,886	260,363	257,238
Payroll and other tax expense related to stock-based compensation	6,093	5,572	17,218	9,037	7,523	7,410
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 131,962</b>	<b>\$ 276,007</b>	<b>\$ 108,425</b>	<b>\$ 41,270</b>	<b>\$ 182,038</b>	<b>\$ 357,746</b>
Net income (loss) margin	(11)%	1 %	(10)%	(20)%	(7)%	3 %
Adjusted EBITDA Margin <sup>1</sup>	10 %	18 %	8 %	3 %	12 %	21 %

	Three Months Ended					
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025
<b>Free Cash Flow reconciliation</b>						
Net cash provided by (used in) operating activities	\$ 115,872	\$ 230,633	\$ 151,610	\$ 88,494	\$ 146,488	\$ 269,578
Less:						
Purchases of property and equipment	(44,041)	(48,275)	(37,214)	(64,701)	(53,044)	(64,022)
<b>Free Cash Flow<sup>2</sup></b>	<b>\$ 71,831</b>	<b>\$ 182,358</b>	<b>\$ 114,396</b>	<b>\$ 23,793</b>	<b>\$ 93,444</b>	<b>\$ 205,556</b>

<sup>1</sup>Adjusted 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.

<sup>2</sup>Free 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.

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.

# Non-GAAP Financial Measures Reconciliation – Annual

(in thousands, unaudited)

	Year Ended					
	2021	2022	2023	2024	2025	
<b>Adjusted EBITDA reconciliation</b>						
Net income (loss)	\$ (487,955)	\$ (1,429,653)	\$ (1,322,485)	\$ (697,856)	\$ (460,489)	
Add (deduct):						
Interest income	(5,199)	(58,597)	(168,394)	(153,466)	(134,159)	
Interest expense	17,676	21,459	22,024	21,552	121,998	
Other (income) expense, net	(240,175)	42,529	42,414	16,846	(68,870)	
Income tax (benefit) expense	13,584	28,956	28,062	25,630	9,353	
Depreciation and amortization	119,141	186,434	159,999	154,459	163,633	
Stock-based compensation expense	1,092,135	1,353,283	1,319,783	1,031,621	1,016,825	
Payroll and other tax expense related to stock-based compensation	107,479	44,213	39,324	37,768	41,188	
Restructuring charges <sup>1</sup>	—	188,949	40,850	72,051	—	
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 616,686</b>	<b>\$ 377,573</b>	<b>\$ 161,577</b>	<b>\$ 508,605</b>	<b>\$ 689,479</b>	
Net income (loss) margin	(12)%	(31)%	(29)%	(13)%	(8)%	
Adjusted EBITDA Margin <sup>2</sup>	15 %	8 %	4 %	9 %	12 %	

	Year Ended					
	2021	2022	2023	2024	2025	
<b>Free Cash Flow reconciliation</b>						
Net cash provided by (used in) operating activities	\$ 292,880	\$ 184,614	\$ 246,521	\$ 413,480	\$ 656,170	
Less:						
Purchases of property and equipment	(69,875)	(129,306)	(211,727)	(194,826)	(218,981)	
<b>Free Cash Flow<sup>3</sup></b>	<b>\$ 223,005</b>	<b>\$ 55,308</b>	<b>\$ 34,794</b>	<b>\$ 218,654</b>	<b>\$ 437,189</b>	

<sup>1</sup>Restructuring charges in 2022 relating to the strategic reprioritization plan were composed primarily of severance and related charges of \$97 million, stock-based compensation expense, lease exit and related charges, impairment charges, contract termination charges, and intangible asset amortization. Restructuring charges in 2023 relating to the wind down of our AR Enterprise business were composed primarily of cash severance, stock-based compensation expense, and charges related to the revision of the useful lives and disposal of certain acquired intangible assets. Additionally, we recognized an income tax benefit of \$6 million in 2023 relating to the wind down, which is included in the income tax (benefit) expense line item above. Restructuring charges in 2024 were composed primarily of cash severance, stock-based compensation expense, and other charges associated with the 2024 restructuring. These charges are not reflective of underlying trends in our business.

<sup>2</sup>Adjusted 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.

<sup>3</sup>Free 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 – Annual

(in thousands, unaudited)

	Year Ended					
	2021	2022	2023	2024	2025	
Revenue	\$ 4,117,048	\$ 4,601,847	\$ 4,606,115	\$ 5,361,398	\$ 5,931,447	
Adjusted Cost of Revenue reconciliation						
GAAP Cost of Revenue	\$ 1,750,246	\$ 1,815,342	\$ 2,114,117	\$ 2,474,237	\$ 2,669,575	
Stock-based compensation expense	(17,221)	(11,579)	(9,555)	(5,845)	(7,426)	
Payroll and other tax expense related to stock-based compensation	(1,042)	(400)	(325)	(240)	(293)	
Depreciation and amortization	(19,711)	(18,244)	(12,751)	(6,110)	(5,759)	
Restructuring charges	—	(20,585)	(260)	(1,127)	—	
Adjusted Cost of Revenue <sup>1</sup>	\$ 1,712,272	\$ 1,764,534	\$ 2,091,226	\$ 2,460,915	\$ 2,656,097	
GAAP Gross Profit	\$ 2,366,802	\$ 2,786,505	\$ 2,491,998	\$ 2,887,161	\$ 3,261,872	
Adjusted Gross Profit	\$ 2,404,776	\$ 2,837,313	\$ 2,514,889	\$ 2,900,483	\$ 3,275,350	
GAAP Gross Margin	57 %	61 %	54 %	54 %	55 %	
Adjusted Gross Margin <sup>1</sup>	58 %	62 %	55 %	54 %	55 %	

<sup>1</sup>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. Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue. Numbers throughout presentation may not foot due to rounding.

# Non-GAAP Measures

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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

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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](http://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)

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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.