

# Snap Inc.

## Investor Presentation

February 2021

# Disclaimers

**Note Regarding User Metrics and Other Data**

We define a Daily Active User, or DAU, as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. We calculate average DAUs for a particular quarter by adding the number of DAUs on each day of that quarter and dividing that sum by the number of days in that quarter. DAUs are broken out by geography because markets have different characteristics. We define average revenue per user, or ARPU, as quarterly revenue divided by the average DAUs. For purposes of calculating ARPU, revenue by user geography is apportioned to each region based on our determination of the geographic location in which advertising impressions are delivered, as this approximates revenue based on user activity. This allocation differs from our components of revenue disclosure in the notes to our consolidated financial statements, where revenue is based on the billing address of the advertising customer. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 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). 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 included in this presentation. While these metrics are determined based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally. For example, there may be individuals who have unauthorized or multiple Snapchat accounts, even though we forbid that in our Terms of Service and implement measures to detect and suppress that behavior. We have not determined the number of such multiple accounts. Changes in our products, infrastructure, mobile operating systems, or metric tracking system, or the introduction of new products, may impact our ability to accurately determine active users or other metrics and we may not determine such inaccuracies promptly. We also believe that we don’t capture all data regarding each of our active users. Technical issues may result in data not being recorded from every user’s application. For example, because some Snapchat features can be used without internet connectivity, we may not count a DAU because we don’t receive timely notice that a user has opened the Snapchat application. This undercounting may grow 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 and new issues may continue in the future, including if there continues to be no uniform industry standard. Some of our demographic data may be incomplete or inaccurate. For example, because users self-report their dates of birth, our age-demographic data may differ from our users’ actual ages. And because users who signed up for Snapchat before June 2013 were not asked to supply their date of birth, we exclude those users and estimate their ages based on a sample of the self-reported ages 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. See <https://businesshelp.snapchat.com/> for details. In the past we have relied on third-party analytics providers to calculate our metrics, but today we rely primarily on our analytics platform that we developed and operate. We count a DAU only when a user opens the application and only once per user per day. We believe this methodology more accurately measures our user engagement. We have multiple pipelines of user data that we use to determine whether a user has opened the application during a particular day, and thus is a DAU. This provides redundancy in the event one pipeline of data were to become unavailable for technical reasons, and also gives us redundant data to help measure how users interact with our application. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. We regularly review, have adjusted in the past, and are likely in the future to adjust our processes for calculating our internal metrics to improve their accuracy. As a result of such adjustments, our DAUs or other metrics may not be comparable to those in prior periods. Our measures of DAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

# Disclaimers

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

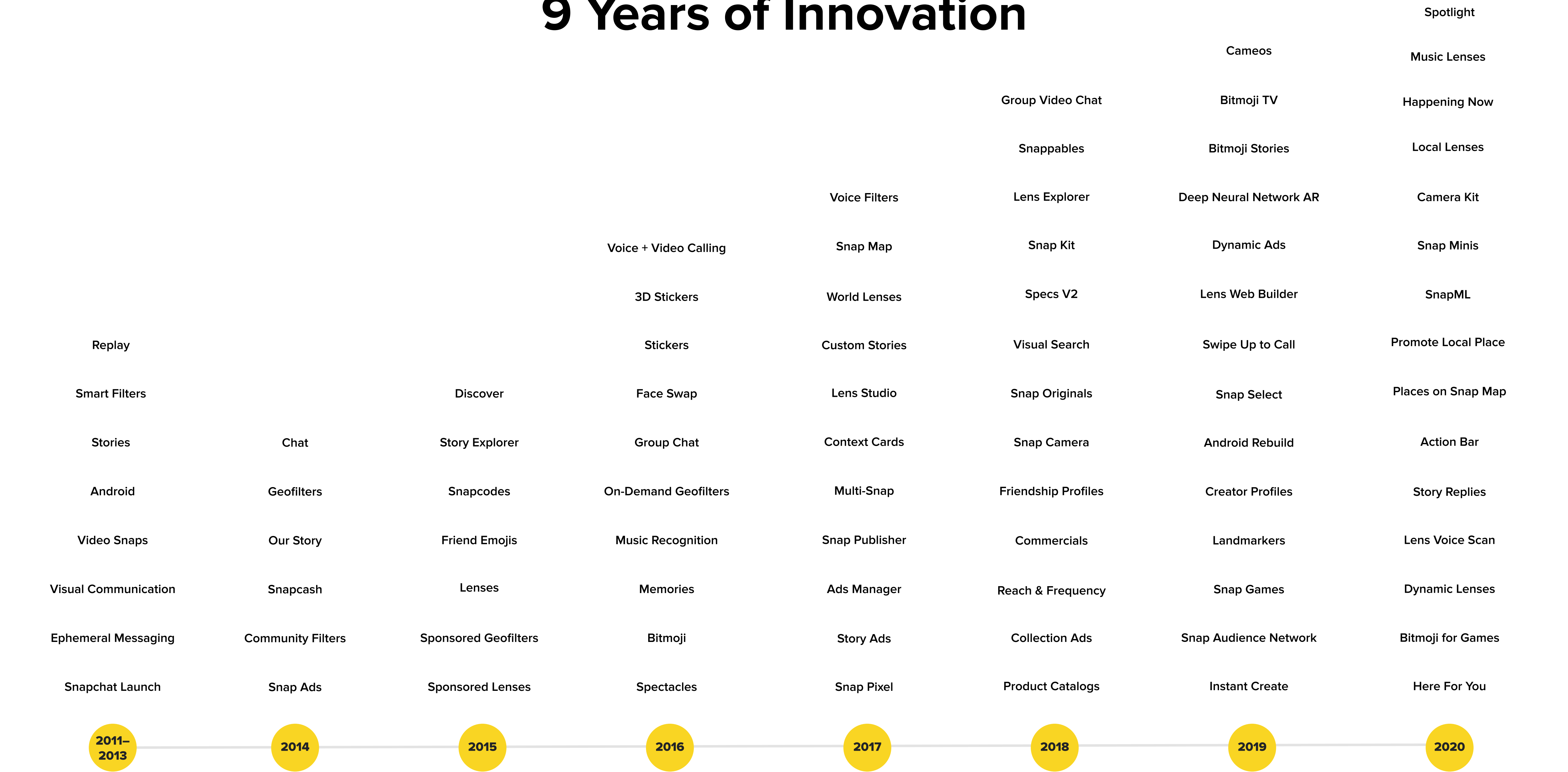
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, business strategy and plans, user growth and engagement, product initiatives, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “going to,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions. We caution you that the foregoing may not include all of the forward-looking statements made in this presentation. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. These forward-looking statements are subject to risks, uncertainties, and other factors described in “Risk Factors” and elsewhere in our Quarterly Report on Form 10-Q, for the quarter ended September 30, 2020 filed with the SEC, which is available on the SEC’s website at [www.sec.gov](http://www.sec.gov)., including among other things: our financial performance, including our revenues, cost of revenues, operating expenses, and our ability to attain and sustain profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users and publishers; our ability to attract and retain advertisers; our ability to compete effectively with existing competitors and new market entrants; our ability to effectively manage our growth and future expenses; our ability to comply with modified or new laws and regulations applying to our business; our ability to maintain, protect, and enhance our intellectual property; our ability to successfully expand in our existing market segments and penetrate new market segments; our ability to attract and retain qualified employees and key personnel; our ability to repay outstanding debt; future acquisitions of or investments in complementary companies, products, services, or technologies; and the potential adverse impact of the COVID-19 pandemic on our business, operations, and the markets and communities in which we and our partners, advertisers, and users operate. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation or in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 filed with the SEC, which is available on the SEC’s website at [www.sec.gov](http://www.sec.gov). The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of our most recent Quarterly Report on Form 10-Q. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. The forward-looking statements made in this presentation or in our most recent Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. 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, 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. Investors and others should note that we may announce material business and financial information to our investors using our investor relations website ([investor.snap.com](http://investor.snap.com)), filings with the SEC, webcasts, press releases, and conference calls. We use these mediums, including Snapchat and our website, to communicate with our members and the public about our company, our products, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website. 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.

# Snap Inc. Is a Camera Company

We believe that reinventing the camera represents our greatest opportunity to improve the way people live and communicate.

We contribute to human progress by empowering people to express themselves, live in the moment, learn about the world, and have fun together.

# 9 Years of Innovation



# Our Community

On average

**265M Daily Active Users**

**22% YoY Growth in 2020**

# High Penetration in Developed Markets

We reach more than 80% of 13 to 24-year-olds and more than 60% of 13 to 34-year-olds in the UK, France, Canada, and Australia.

**90%**

of 13 to 24-Year-Old US Population

**75%**

of 13 to 34-Year-Old US Population

# Progress in International Markets

The acceleration of growth in Rest of World reflects the benefit of our ongoing investments to better serve our community, including investments in local content, AR Lenses experiences, language support, and marketing partnerships.

**We continue to localize our product, onboard local content, and support local AR creators and experiences.**

**Over 150%**  
year-over-year  
DAU growth in India

LOCAL LENSES



LOCAL CONTENT



# The Snapchat Generation

## Millennials

Largest Generation in US History<sup>1</sup>

They’re expected to drive over half of the increase in expenditure growth over the next decade.<sup>2</sup>

## Gen Z

\$323 Billion in Direct Buying Power  
\$1.2 Trillion in Indirect Purchasing Power<sup>3</sup>

Still developing brand loyalty, which is attractive for advertisers who focus on lifetime value.

**Together, these generations have over \$1 trillion in direct spending power.<sup>3</sup>**

1.

Census Bureau.

2.

Fundstrat, commissioned by Snap Inc. 2019.

3.

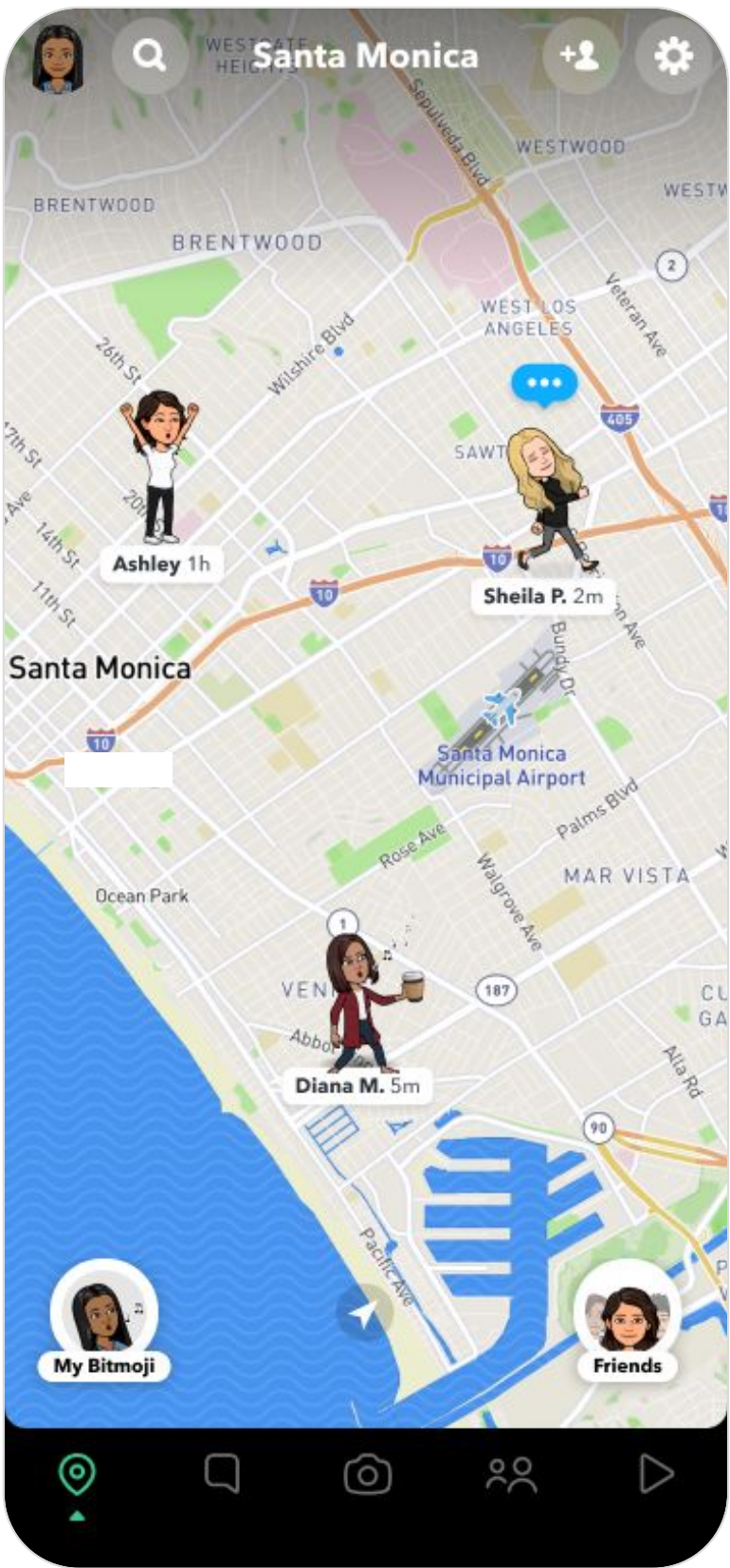
Cassandra an Engine Company. Generational Spend Research Q1’19.

# Snapchat

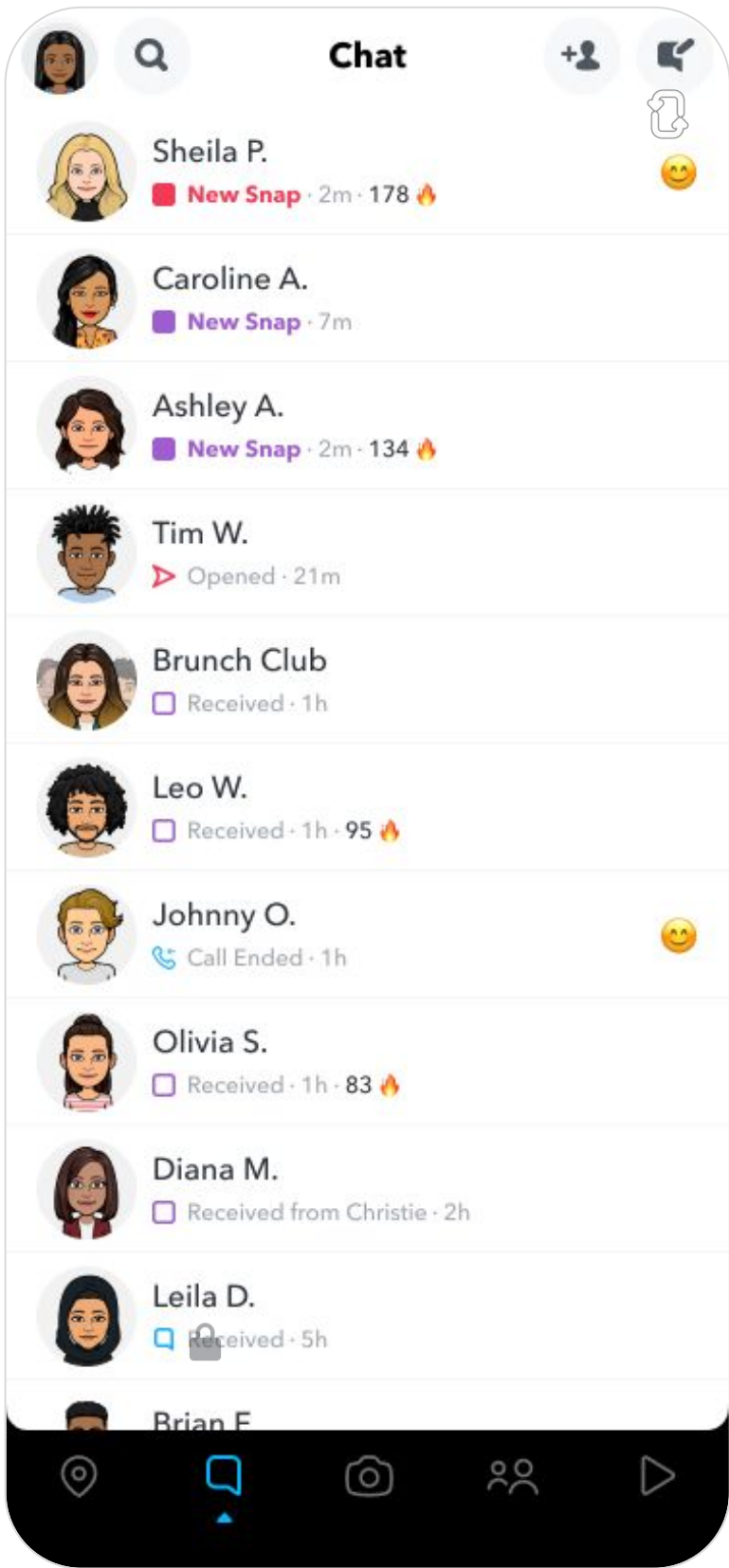
# Action Bar

Our new Action Bar provides top-level navigation, so Snapchatters can get to all of their favorite things in one tap.

MAP



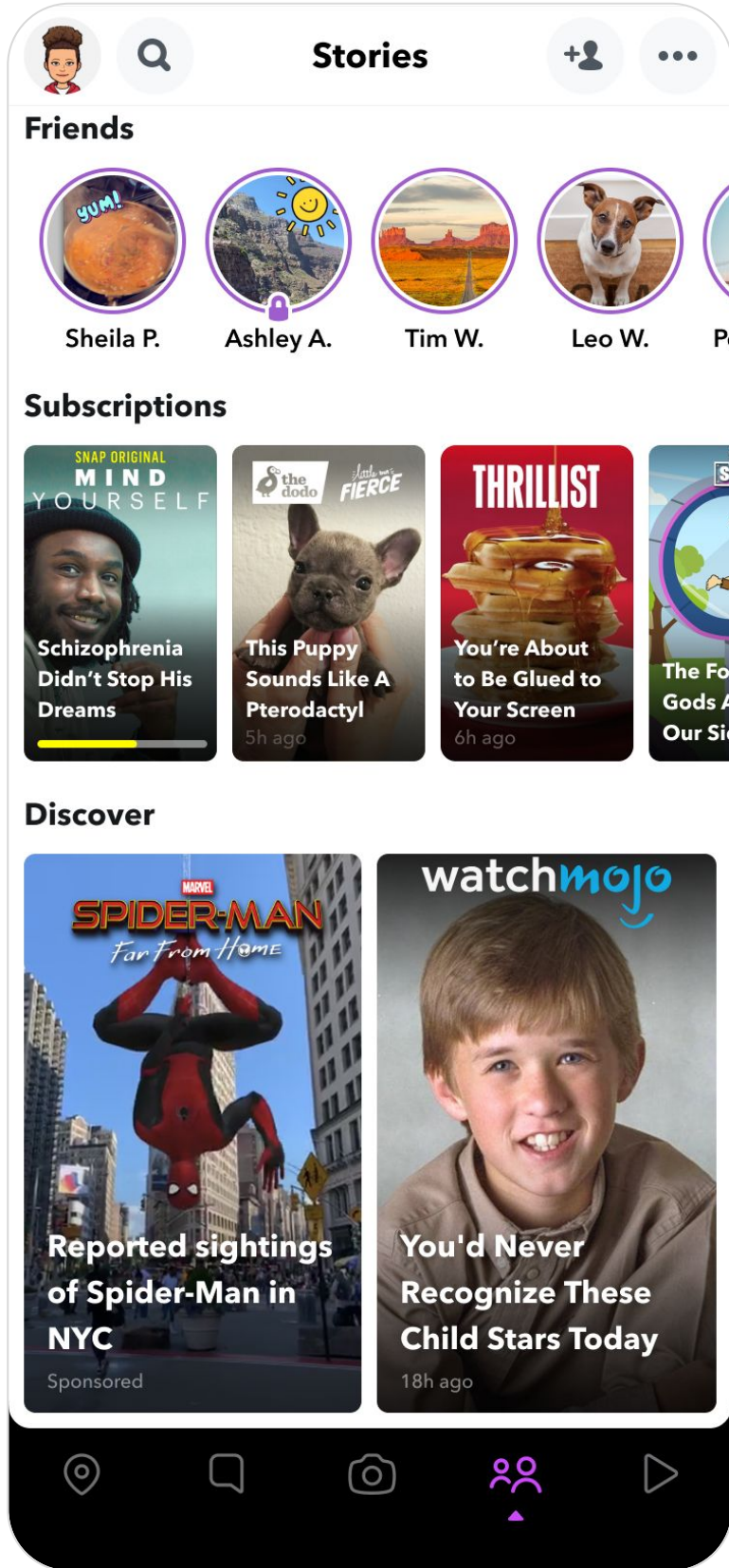
CHAT



CAMERA



STORIES



SPOTLIGHT



# Spotlight

Spotlight surfaces the most entertaining Snaps created by our community and provides a destination to share user-generated content broadly on Snapchat, in alignment with our privacy by design approach.

Over

100 Million

Monthly Active Users<sup>1</sup>

Over

175,000

video submissions per day on average<sup>1</sup>

Distributing over

\$1 Million

per day to top performing videos



1. Snap Inc. internal data January 2021. See Snap Inc. public filings with the SEC.

# Snap Map

Our Snap Map connects our community to their best friends and to different places around the world.

Over 250 Million

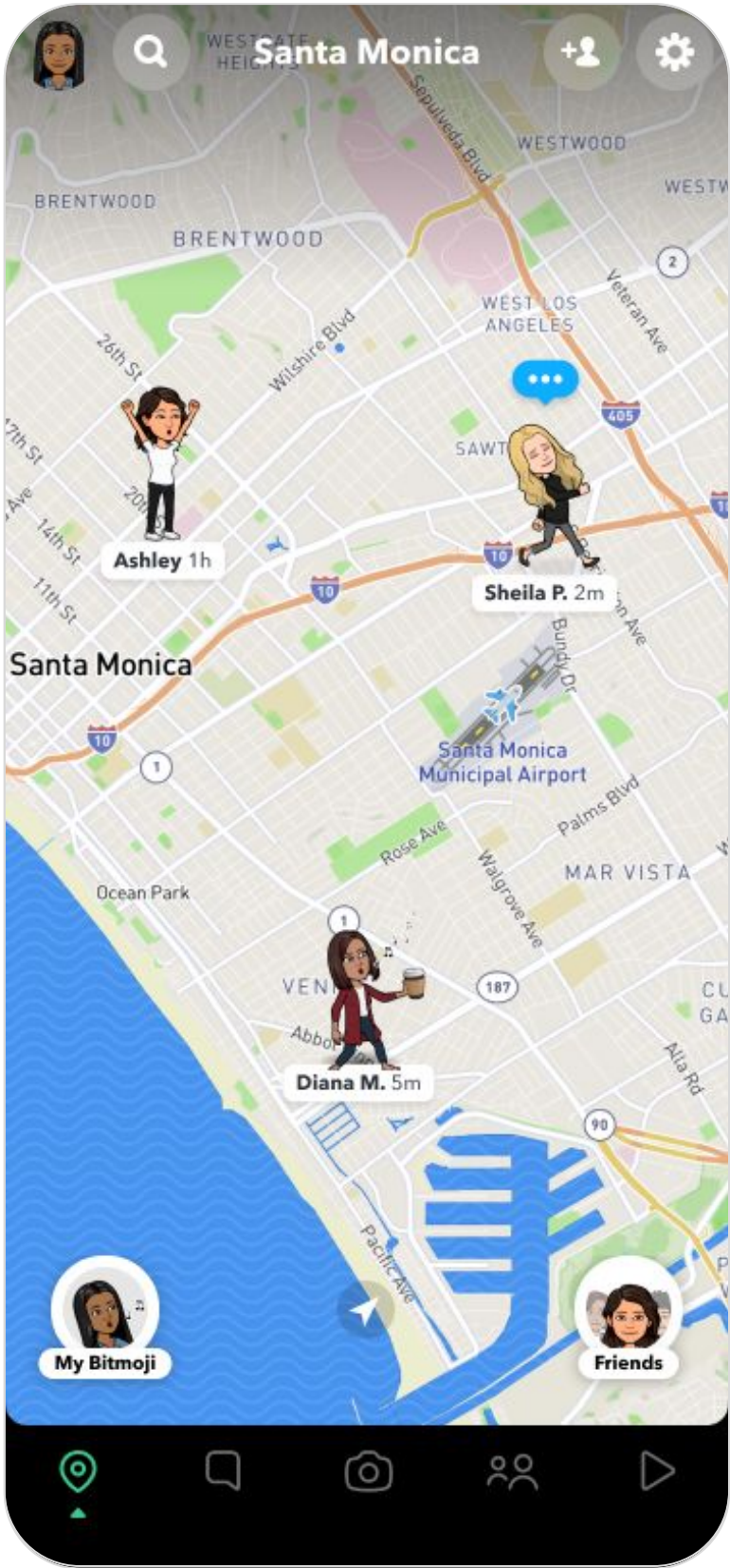
Snapchatters use our Snap Map every month, allowing them to find the people and places that mean the most to them

There are now more than

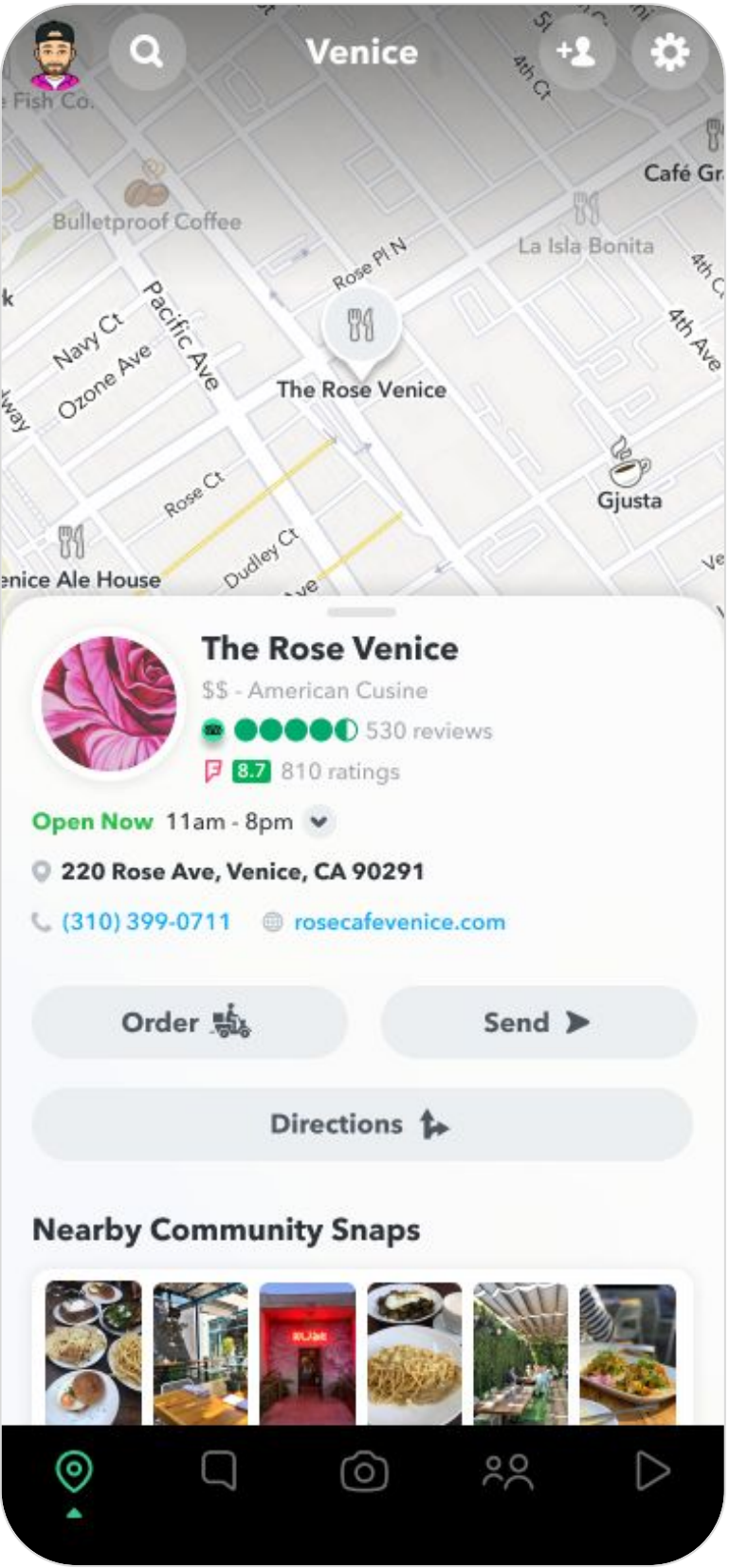
35 Million

businesses on the Map for our community to discover

MAP



PLACES



# Next-Generation Communication

Having conversations with  
real friends is a fulfilling  
and frequent behavior.

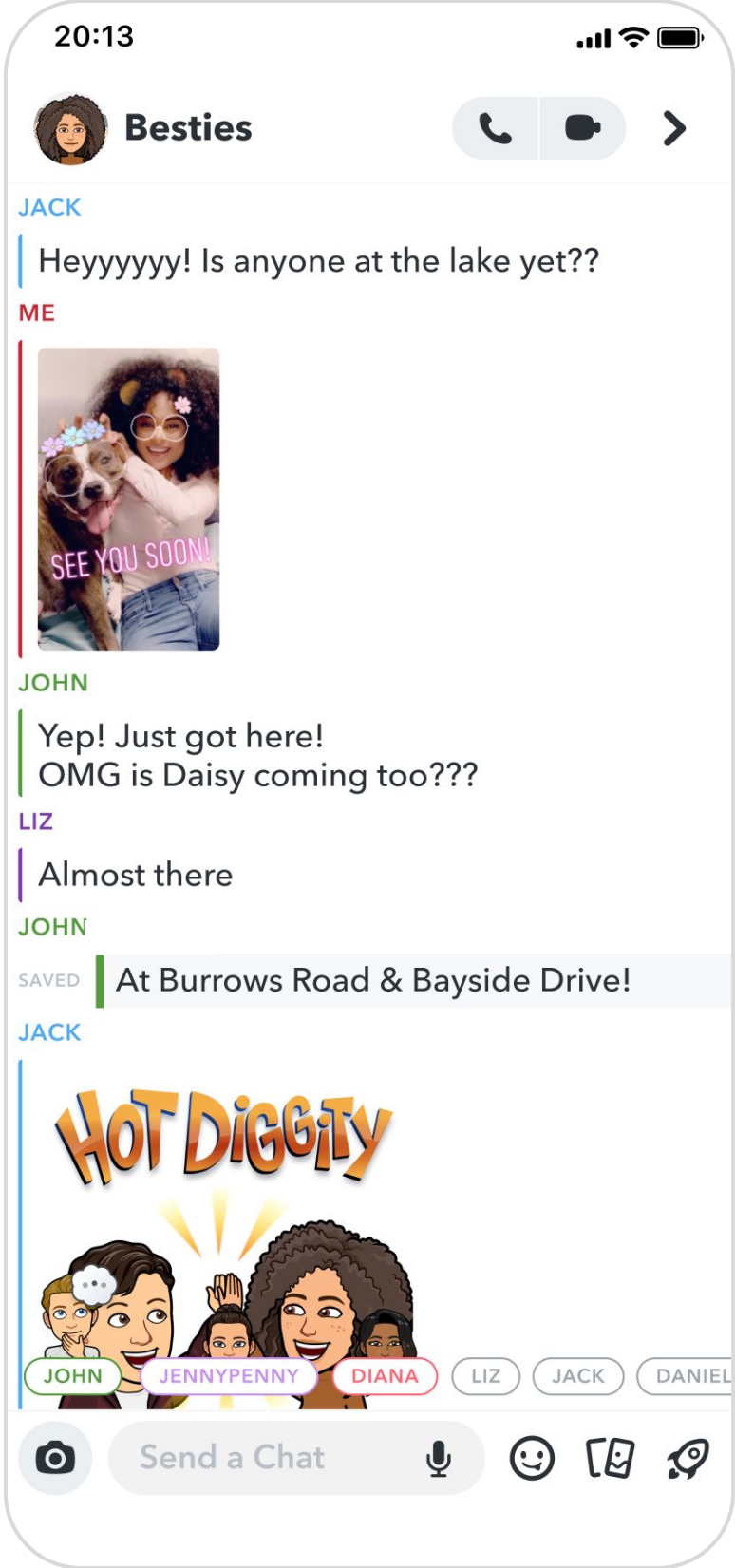
30

App Opens per Day

SNAP



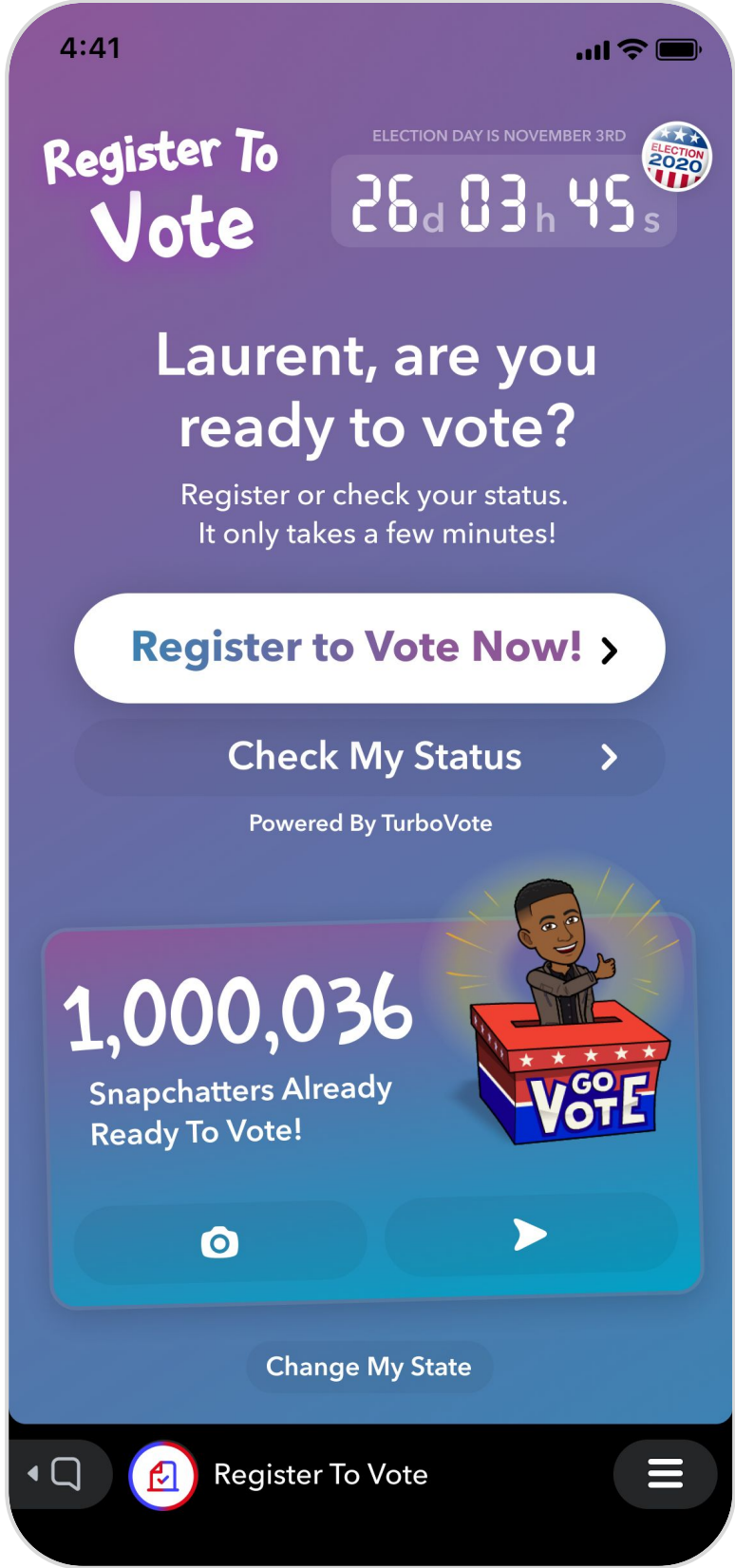
CHAT



GAMES



MINIS



# One of the Most-Used Cameras in the World

Over

**5 BILLION**

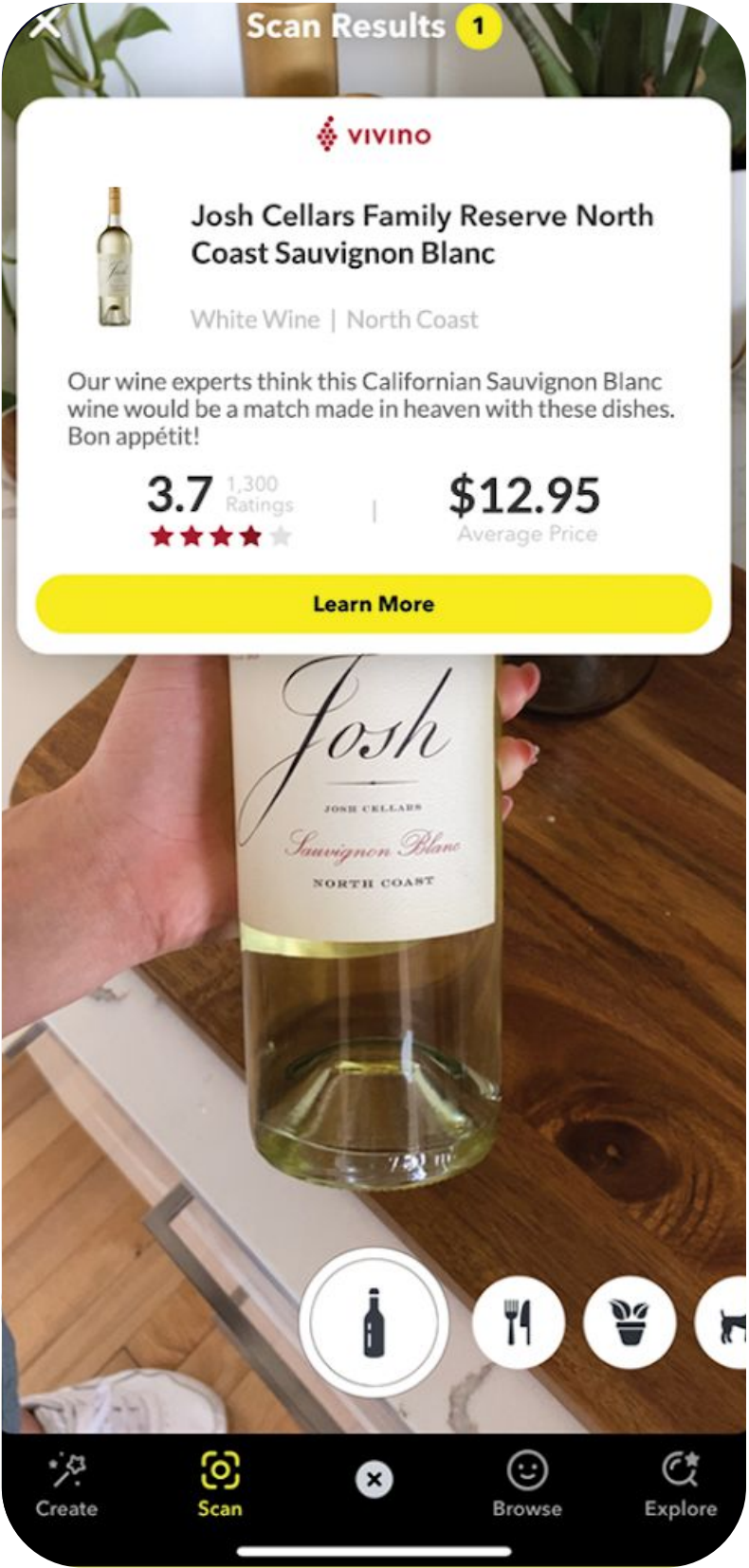
Snaps created every day, on average.

# AR at Scale

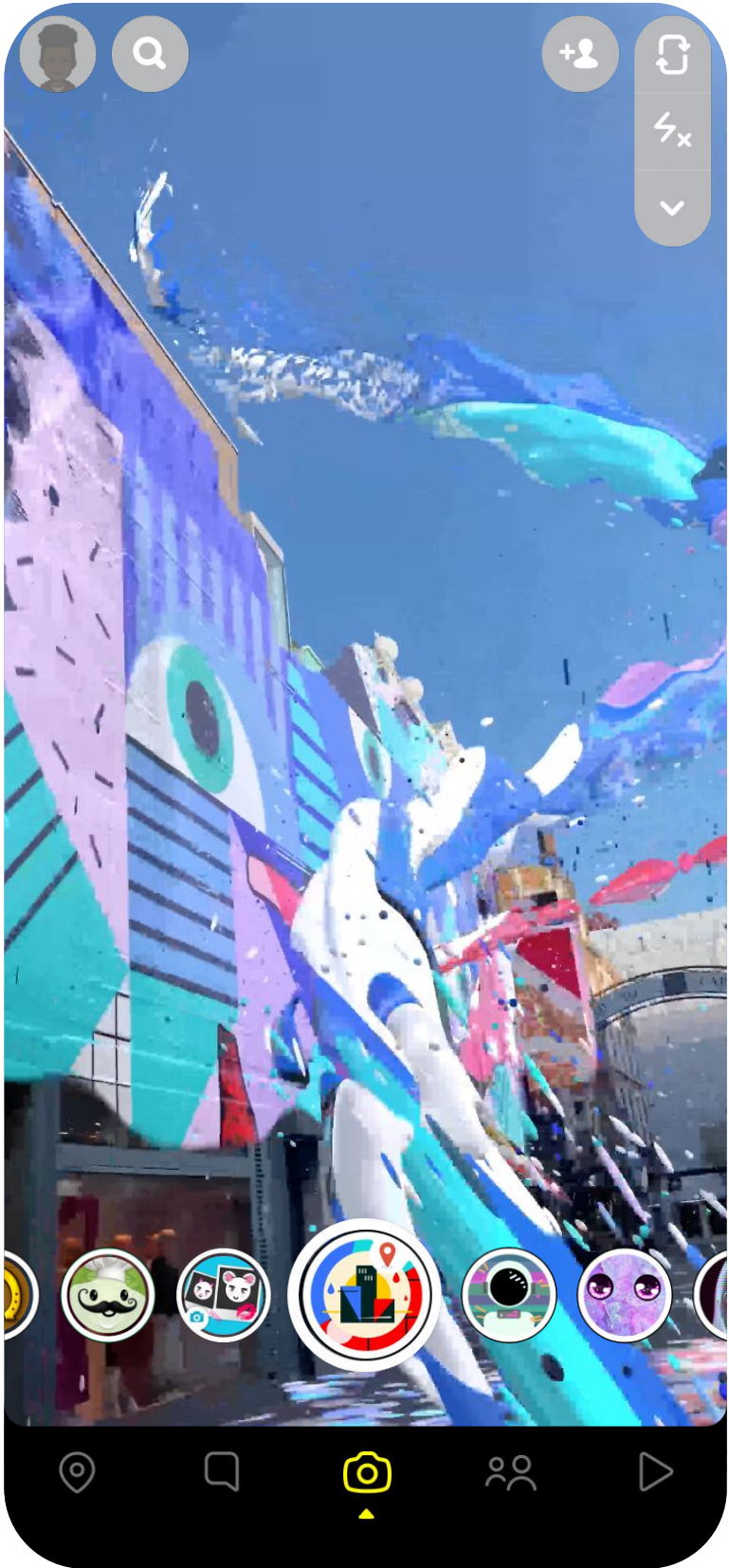
MACHINE-LEARNING LENSES



VISUAL SEARCH



LOCAL LENSES



High-frequency  
camera usage powers  
our AR platform.

Over  
**200 Million**  
Snapchatters engage with  
AR everyday on average

# Lens Studio

Our investments in Lens Studio continue to drive the growth of our augmented reality platform, with more than 90% of the Gen Z population in key markets like the US, France, and the UK engaging with AR on Snapchat.



# Our AR Creator Community

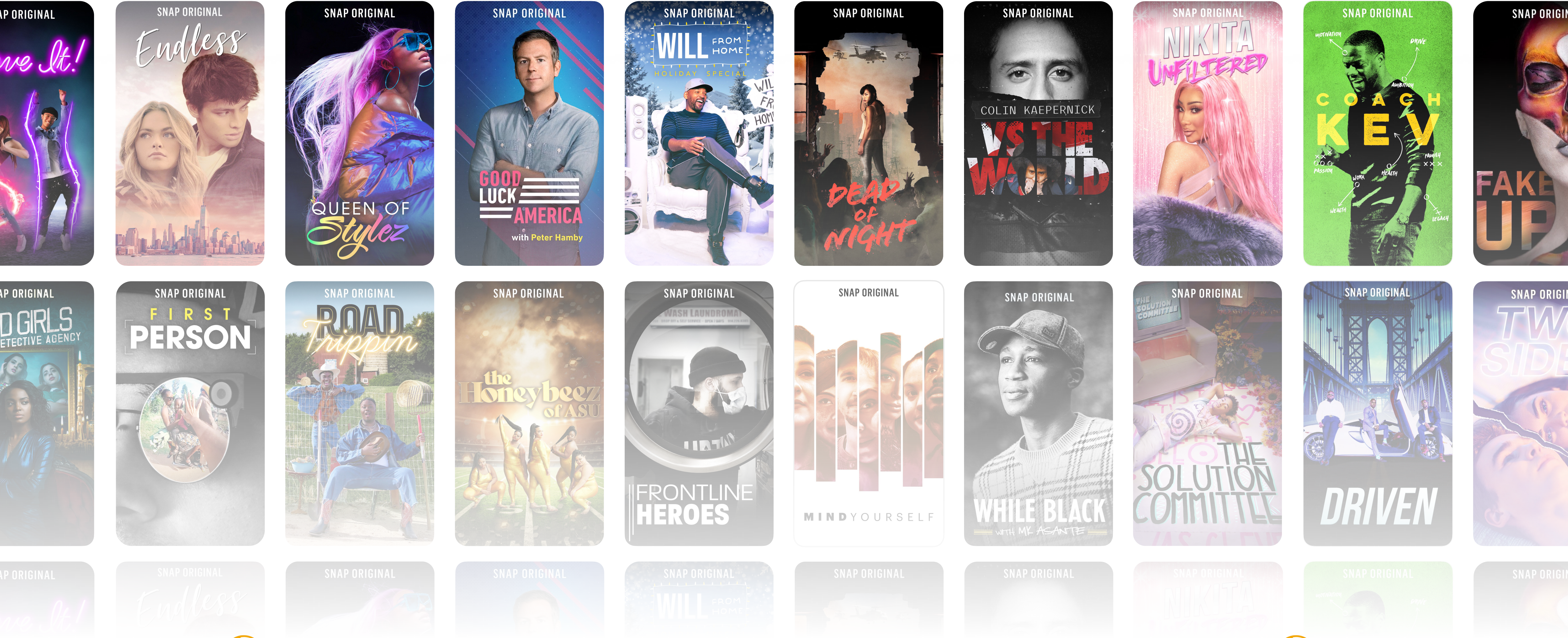
Our AR community is made up of creators from nearly 200 countries and territories who create a wide variety of AR experiences across different geographies and cultures <sup>1</sup>

**Over 1.5 million**

Lenses have been created by our community.<sup>1</sup>



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



High Quality, Award-Winning Content  
Made for Mobile



# Large, Engaged, and Growing Audience



NEWS

**Nearly 30 million**

Snapchatters watched election coverage on Snap during Election Week.<sup>1</sup>



SPORTS

**64 million**

Snapchatters watched WAVE.tv (digital native creator of sports and lifestyle content) each month on average.<sup>2</sup>



ORIGINALS

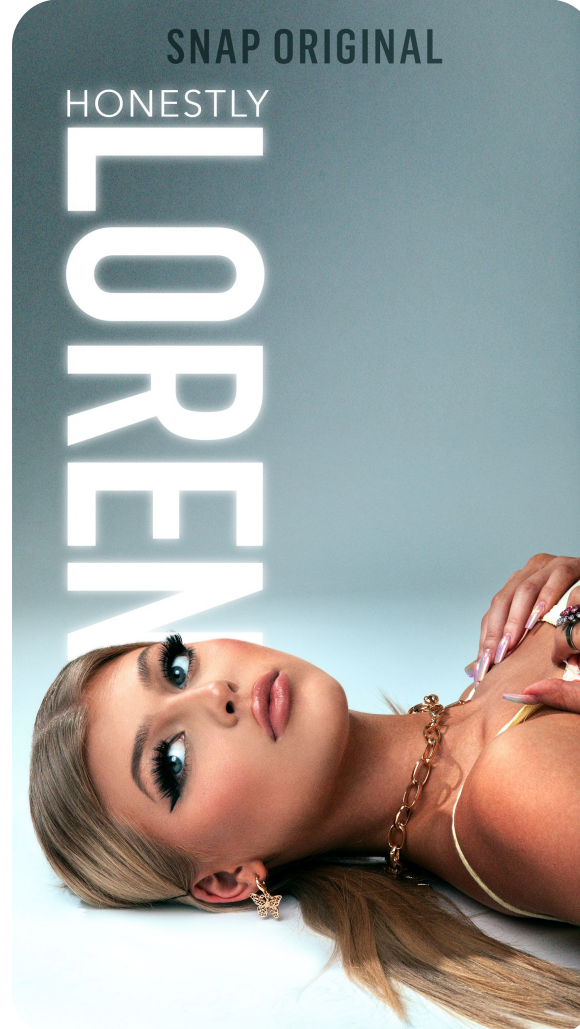
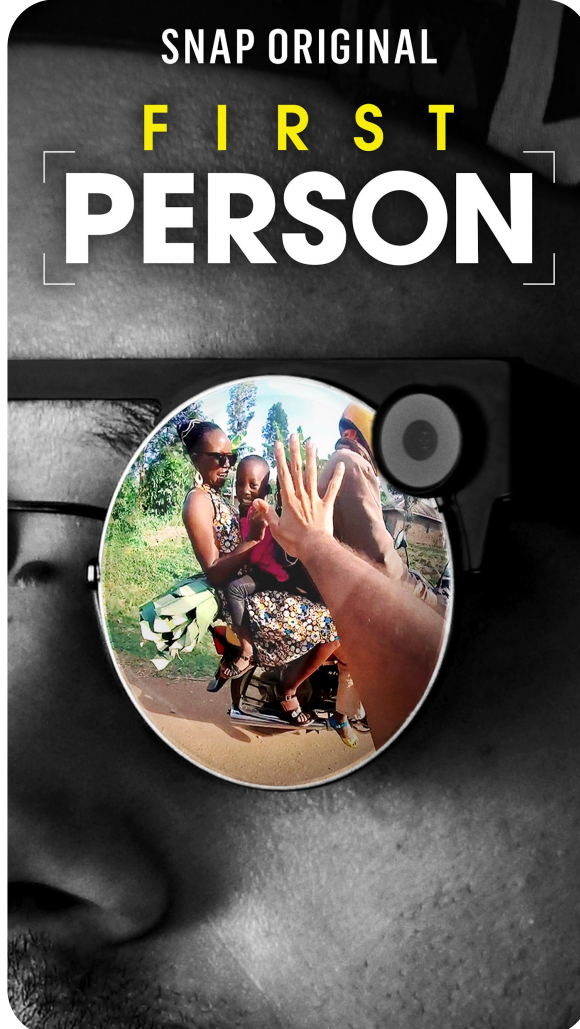
**43 million**

Snapchatters have watched Will Smith's Will From Home Snap Original to date.<sup>3</sup>

1. Snap Inc. internal data November 1-7, 2020. See Snap Inc. public filings with the SEC.  
2. Snap Inc. internal data Q4 2020. See Snap Inc. public filings with the SEC.  
3. Snap Inc. internal data March 1, 2020 - December 31, 2020. See Snap Inc. public filings with the SEC.

# New Snap Originals Announced

Snap Originals have reached more than 85% of the US Gen Z population in the second half of 2020.

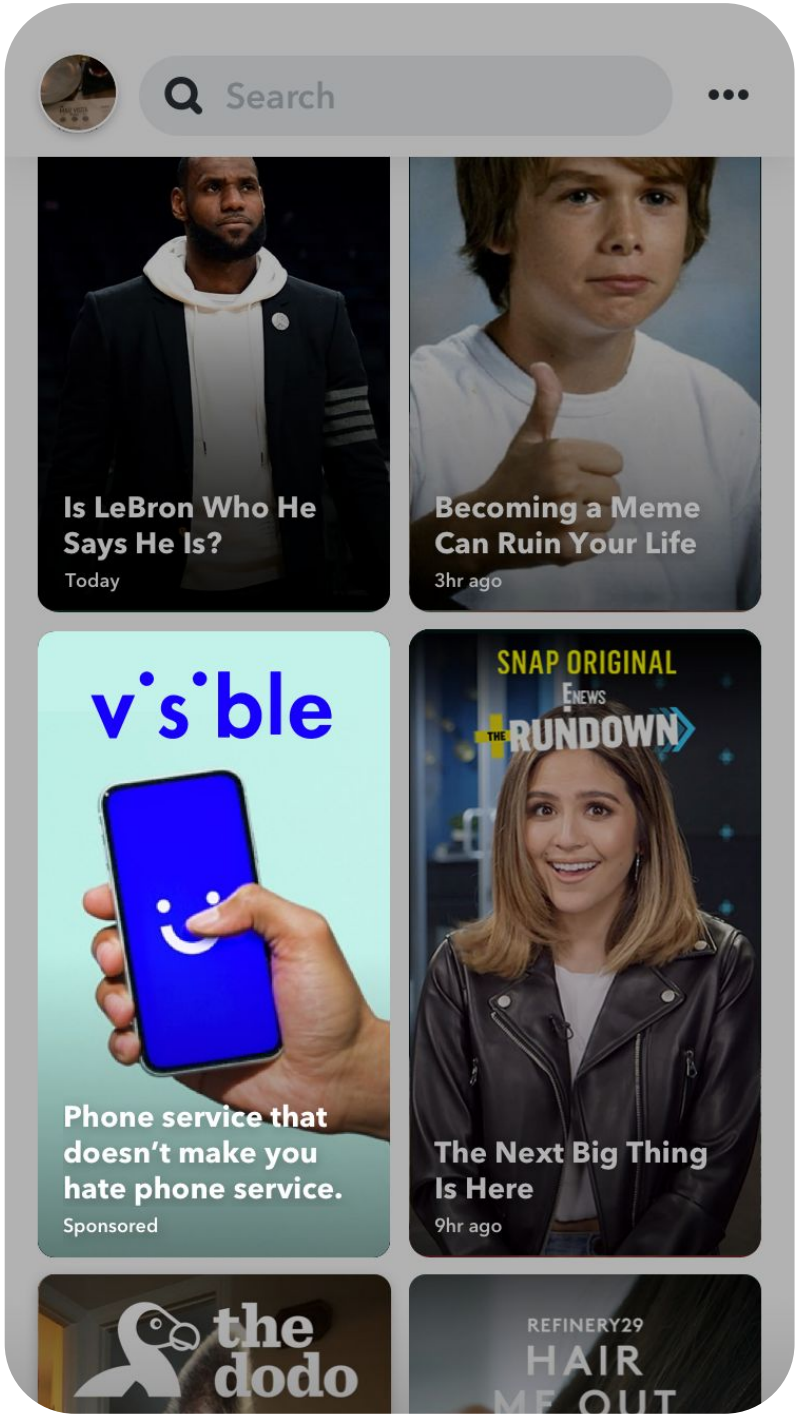


# Our Business

# Creative Ad Formats That Deliver Results



SNAP ADS



STORY ADS



AR LENSES



FILTERS



# COVERGIRL

## BRAND BUILDING


COVERGIRL Clean Fresh came to Snapchat to get in front of the hard-to-reach Gen Z and millennial female audience. Their campaign leaned heavily into Premium Video, featuring Snap Select Commercials, Snap Ads and Filters. Of the total Snapchat reach, 62% was unique to Snap. The campaign drove a 9-point lift in Ad Awareness and a lift in Purchase Intent that was 4.5x the Snap US CPG Norm.

**+9 pt**

Lift in Ad Awareness

**4.5x**

Norm for Lift in Purchase Intent



**adidas X 19.1 Turf Boots**

£99.95

Shop Now

Ad

# adidas

## DYNAMIC ADS

In the wake of COVID-19, adidas accelerated its digital business in response to consumer demand. With e-commerce a key focus in 2020 and beyond, adidas was keen to reach new Gen Z and millennial audiences while driving significant ROAS. adidas Beta tested Snapchat’s Dynamic Ads in the UK, Germany, and the Netherlands to create a new route to reach its target audiences with relevant product creative throughout the consumer journey.

Within weeks, adidas saw a 52% increase in Return on Ad Spend (ROAS) and has subsequently grown its investment, adding in the US, Canada and MENA.

**+52%**

Growth in ROAS



# OnePlus

AR

OnePlus (India) created Lenses for Diwali as a means to bring people together safely during a pandemic. Their Lenses garnered over 80 million impressions and reached over 14 million Snapchatters in India. Overall the campaign was highly successful and drove a 9pt lift in both Ad Awareness and a 7pt lift in Message Awareness.



















































**9pt**  
Ad Awareness Lift <sup>1</sup>

**7pt**  
Message Awareness Lift <sup>2</sup>

1. Snap Inc Brand Lift Results November 2020. Control n = 820, exposed n=1053  
2. Snap Inc. internal data for November 14-15, 2020.

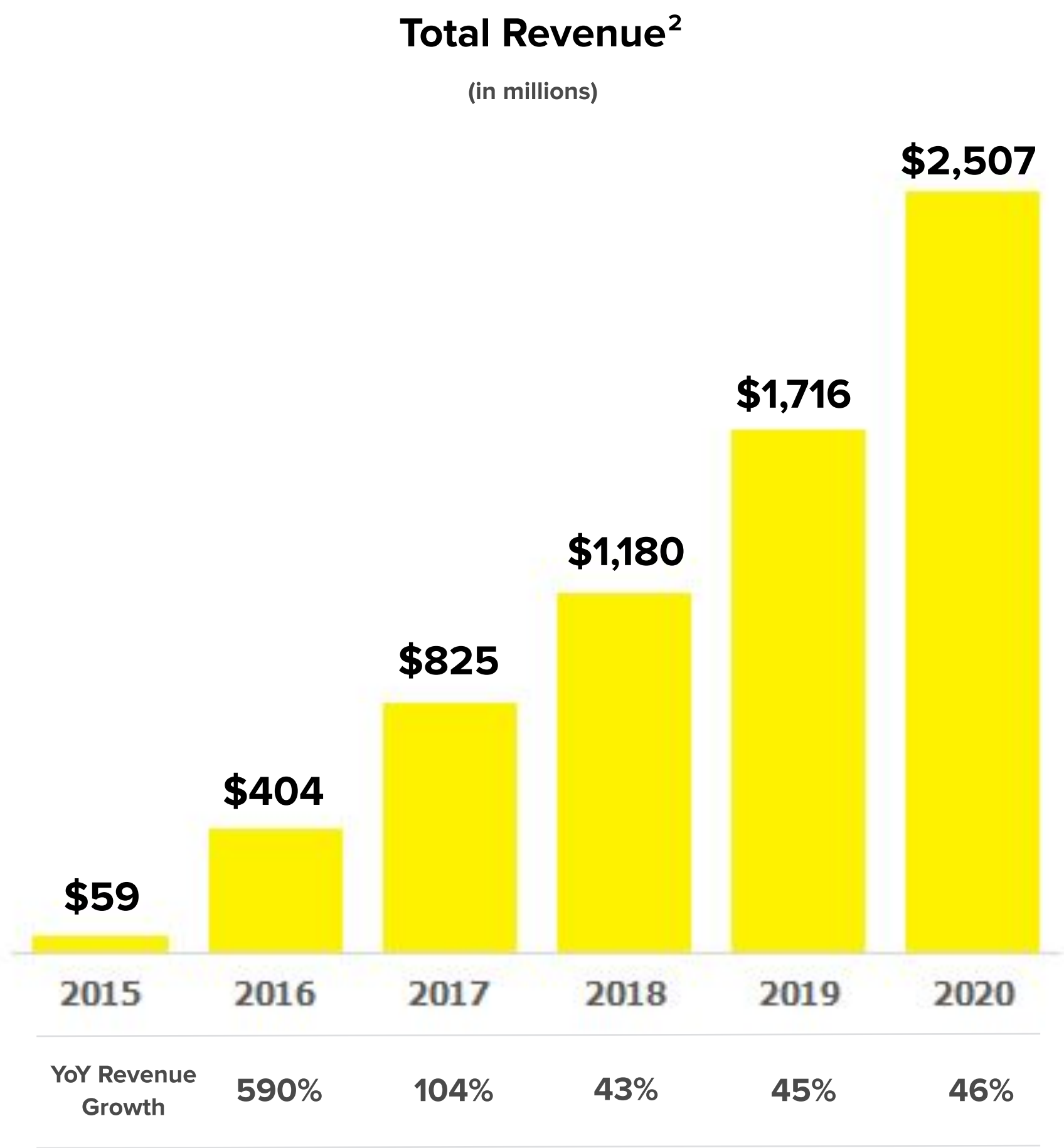
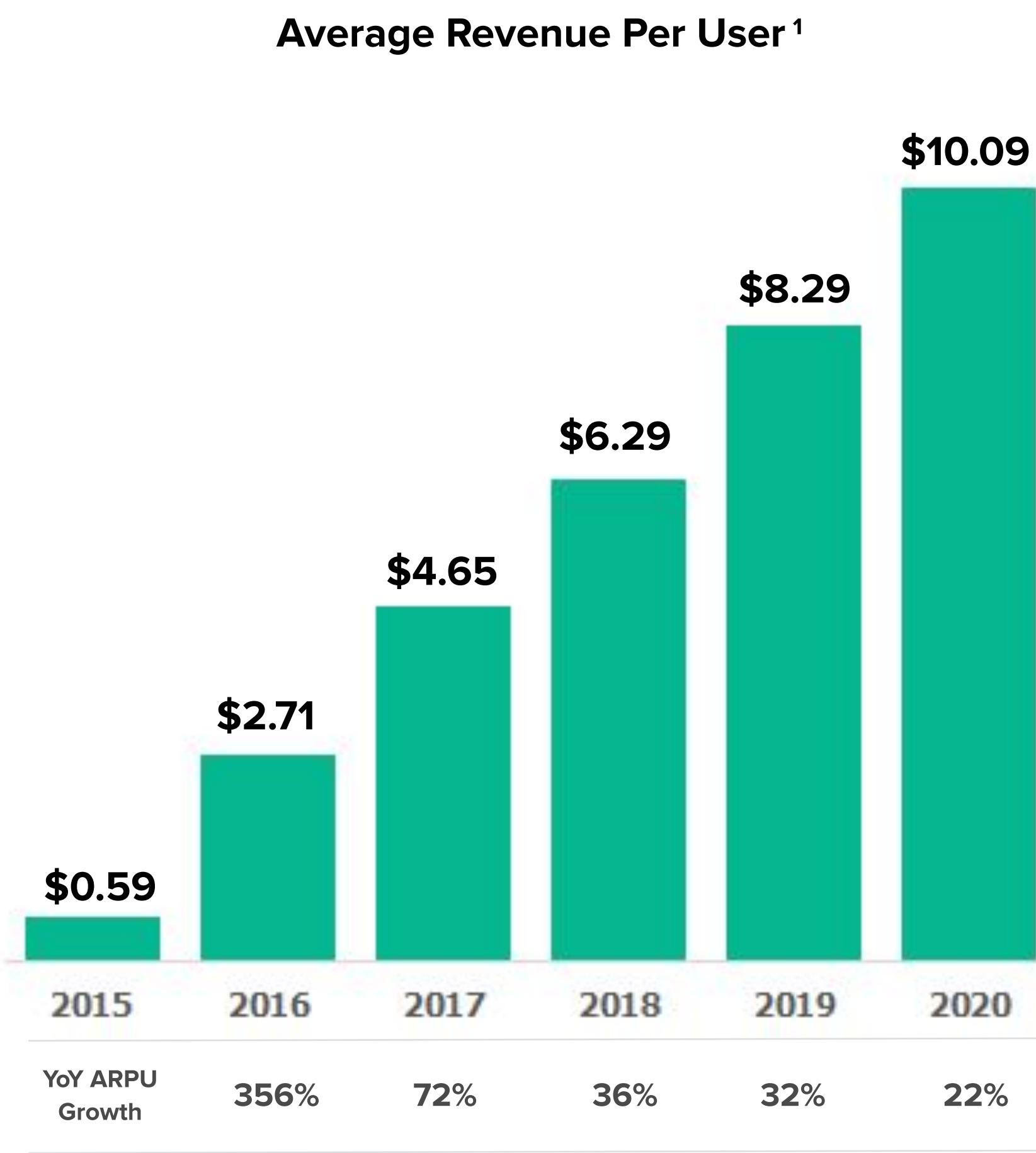
# A Sophisticated Ad Platform



					
Demographic Targeting					
Interest-based Targeting					
Location Targeting					
Bulk CRUD Tools / Advanced Buy Flow					
Scalable Ads API					
Premium Content Targeting					
Advanced Delivery Options (e.g., GBBs)					
Audience and Delivery Insights					
Reach and Frequency					

Data from Snap Ads Manager as of April 20, 2020. Data from Facebook Ads Manager and official websites as of April 20, 2020. Data from Google Ads Manager and official websites as of April 20, 2020. Data from Twitter Ads Manager and official websites as of April 20, 2020.

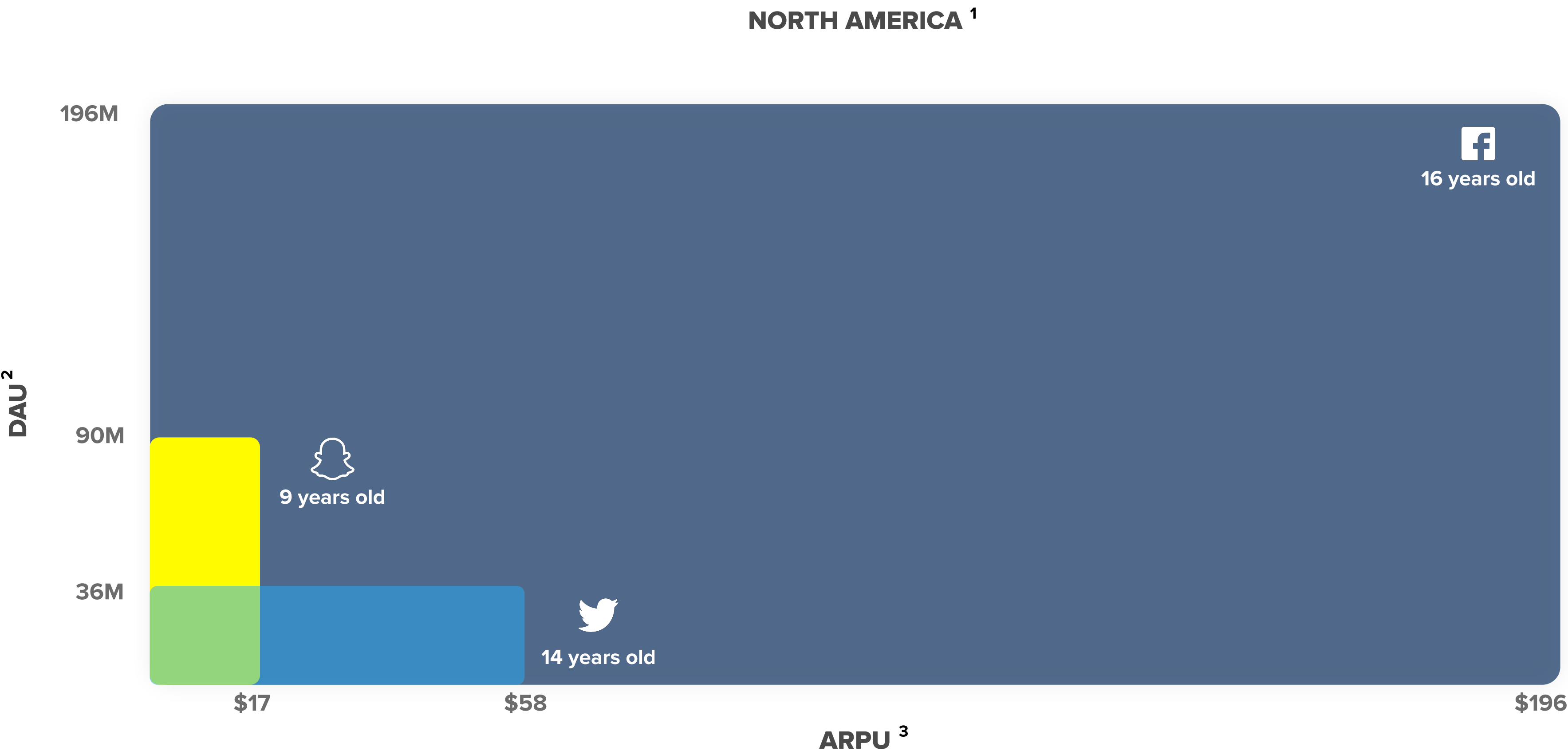
# Strong Results Over Six Years



1. We define ARPU as quarterly revenue divided by the average Daily Active Users. ARPU is presented as annual ARPU, calculated as the sum of each reported quarterly ARPU. See Snap Inc. public filings with the SEC.  
2. See Snap Inc. public filings with the SEC.

# Our Opportunity

# Significant DAU and ARPU Opportunity



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

1.

Snap Inc. includes the US, Canada, Mexico, the Caribbean, and Central America. Facebook includes the US and Canada only. Twitter includes the US only.

2.

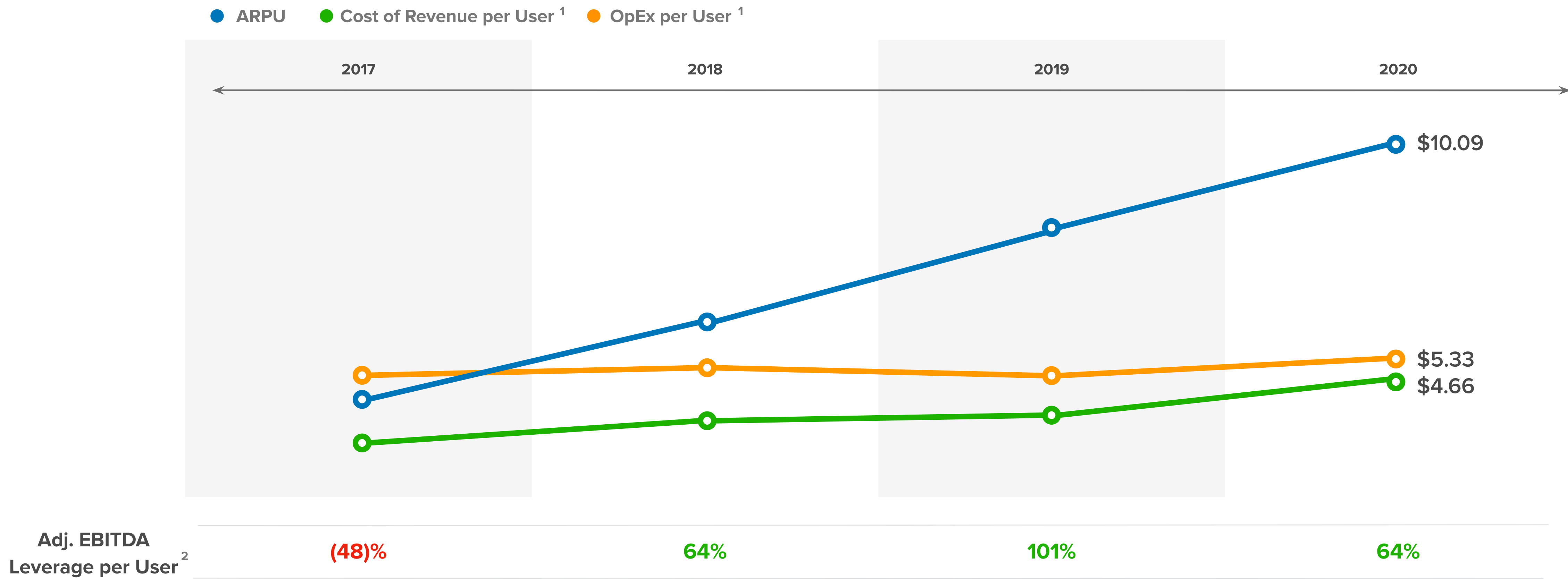
Snap Inc. internal data for Q3 2020 as compared to publicly reported Facebook and Twitter data for Q3 2020. We define a Daily Active User as a registered Snapchat user who opens the Snapchat application at least once during a defined 24-hour period. Twitter’s monetizable Daily Active Users are shown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

3.

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

# Building a Path to Profitability

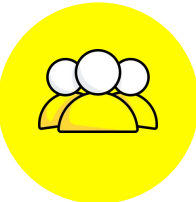
Nine Straight Quarters of YoY Improvement in Adjusted EBITDA  
and 2020 Adjusted EBITDA Leverage per User of 64%



We define ARPU as quarterly revenue divided by the average Daily Active Users. Full year ARPU is the sum of the quarterly ARPUs. We define Adjusted EBITDA as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense and related payroll tax expense; and certain other non-cash or non-recurring items impacting net income (loss) from time to time. See Appendix for reconciliation of net loss to Adjusted EBITDA.

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

2. We define Adjusted EBITDA leverage per user as the year-over-year change in Adjusted EBITDA per user divided by the year-over-year change in ARPU. Adjusted EBITDA per user is calculated as Adjusted EBITDA divided by the average Daily Active Users. See Snap Inc. public filings with the SEC.



Community

X



Engagement

X



Monetization

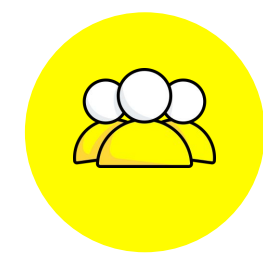
X



Capital Efficiency



Free Cash Flow



# Grow Our Community

## Improved App Performance Drives Engagement and Retention

- Android rebuild improves performance in key International markets
- Significant efficiency improvements across both iOS and Android



## Localization Efforts in More Markets

- Lenses AR and filters
- Local Discover Content
- Local language support



## Investing in Partnerships and Marketing

- Carrier Partnerships – Verizon 5G
- Partnerships with local content providers
- Marketing to support Real Friends

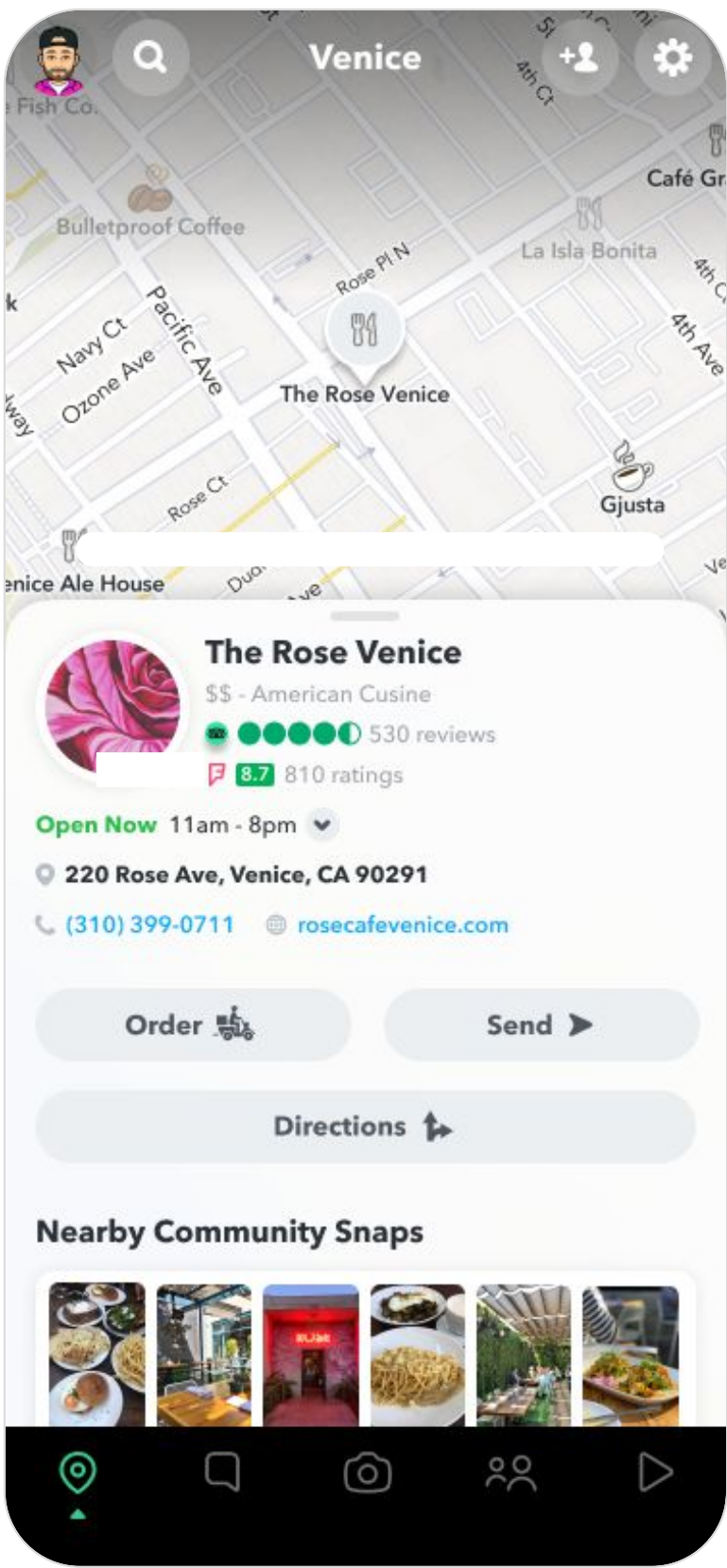




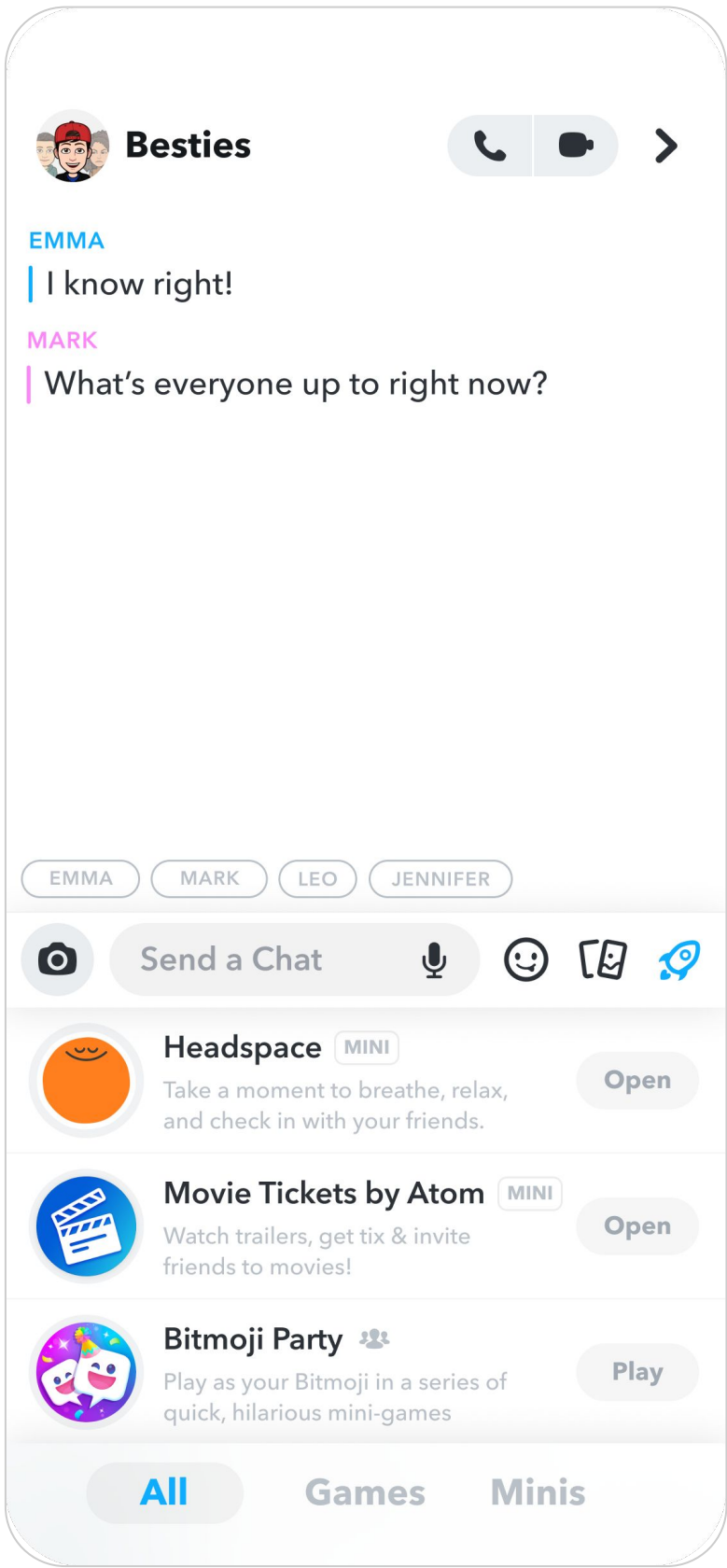
# Increase Engagement

Scale our Map, Communications, Camera, Stories, and Spotlight Platforms

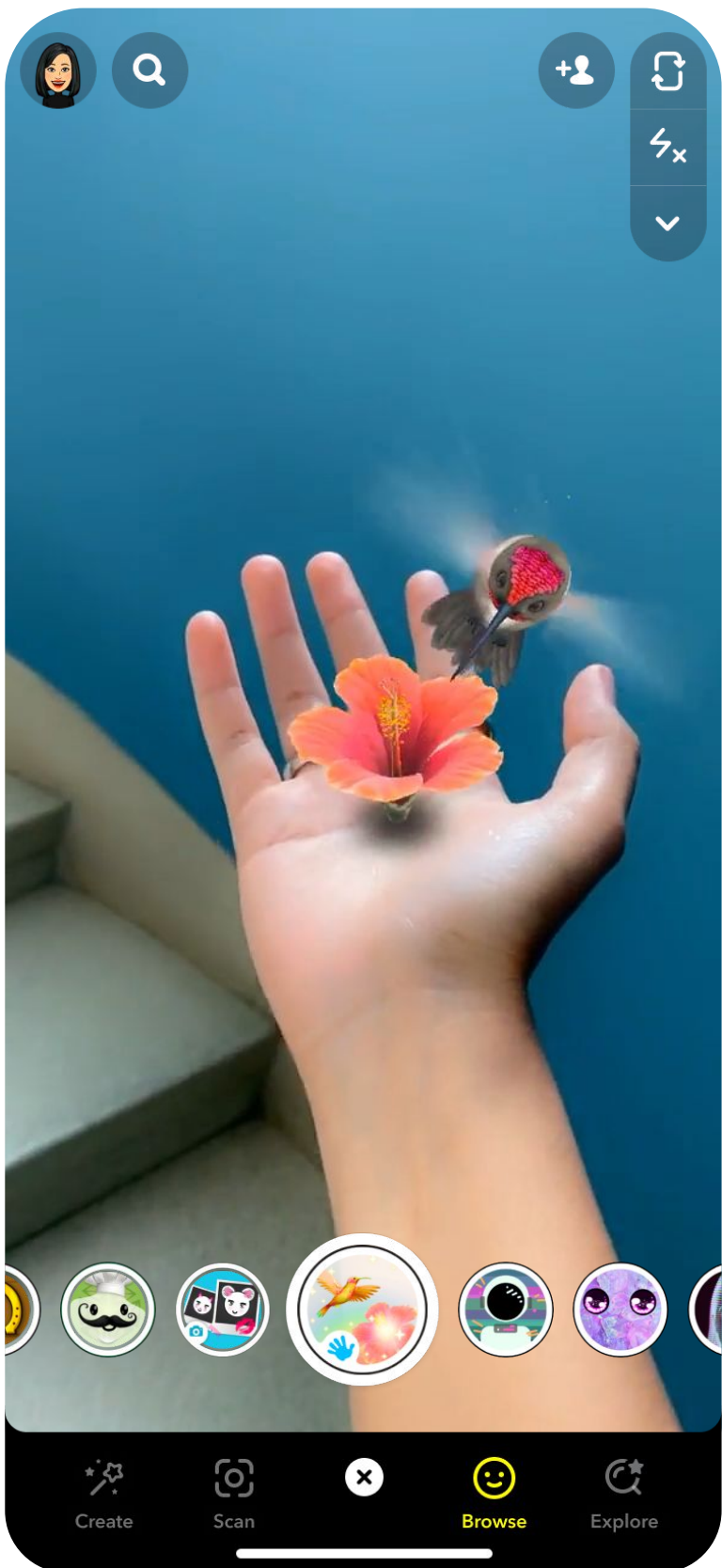
MAP



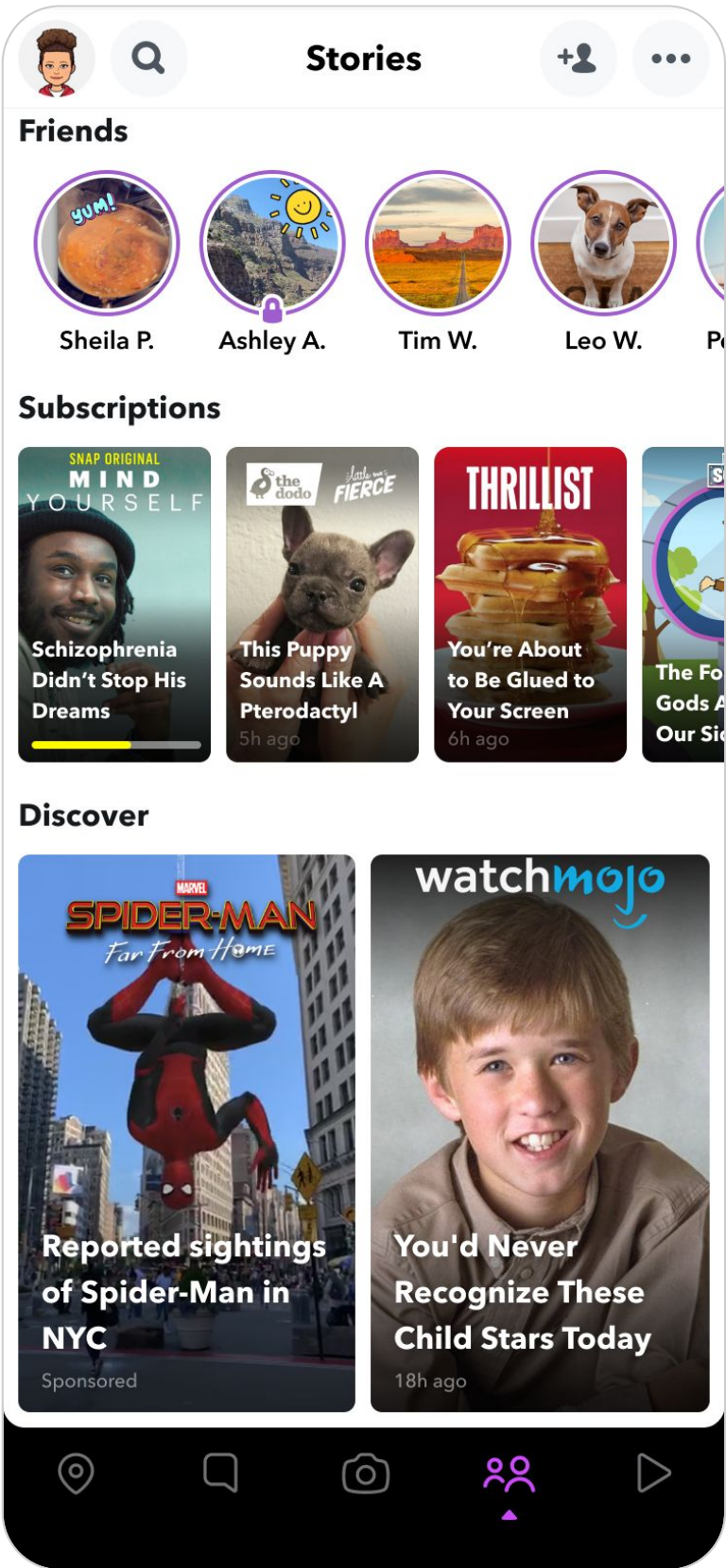
COMMUNICATIONS



CAMERA



STORIES



SPOTLIGHT





# Monetize Our Audience

We are focused on **three key priorities** to drive advertiser demand:

- 1. Improve **ranking, optimization, and measurement**** to drive relevance and deliver ROI.
  - Self-serve tools, lower-funnel optimization goals, pixel purchase optimization, advanced delivery solutions
- 2. Build out our **sales and marketing functions**** to support the needs of our advertising partners around the world.
  - Dedicated teams to support our Enterprise, Emerging, Scaled Services, and Agency advertising partners
- 3. Deliver **innovative ad experiences**** through video and augmented reality that drive real business value.
  - Commercials, Dynamic Ads, Sponsored AR Lenses experiences and Filters

Our three priorities — **along with our unique reach and growing global audience** — allow us to drive performance at scale for businesses around the world



# Scale Operations Efficiently

## Multi-Cloud Infrastructure

- Google Cloud Platform and Amazon Web Services partnerships allow us to scale efficiently without making capital investments in data centers.
- We are constantly optimizing our cost structure by focusing on unit cost efficiencies of various services
- These initiatives have allowed us to maintain roughly flat infrastructure costs per DAU while engagement has been increasing.

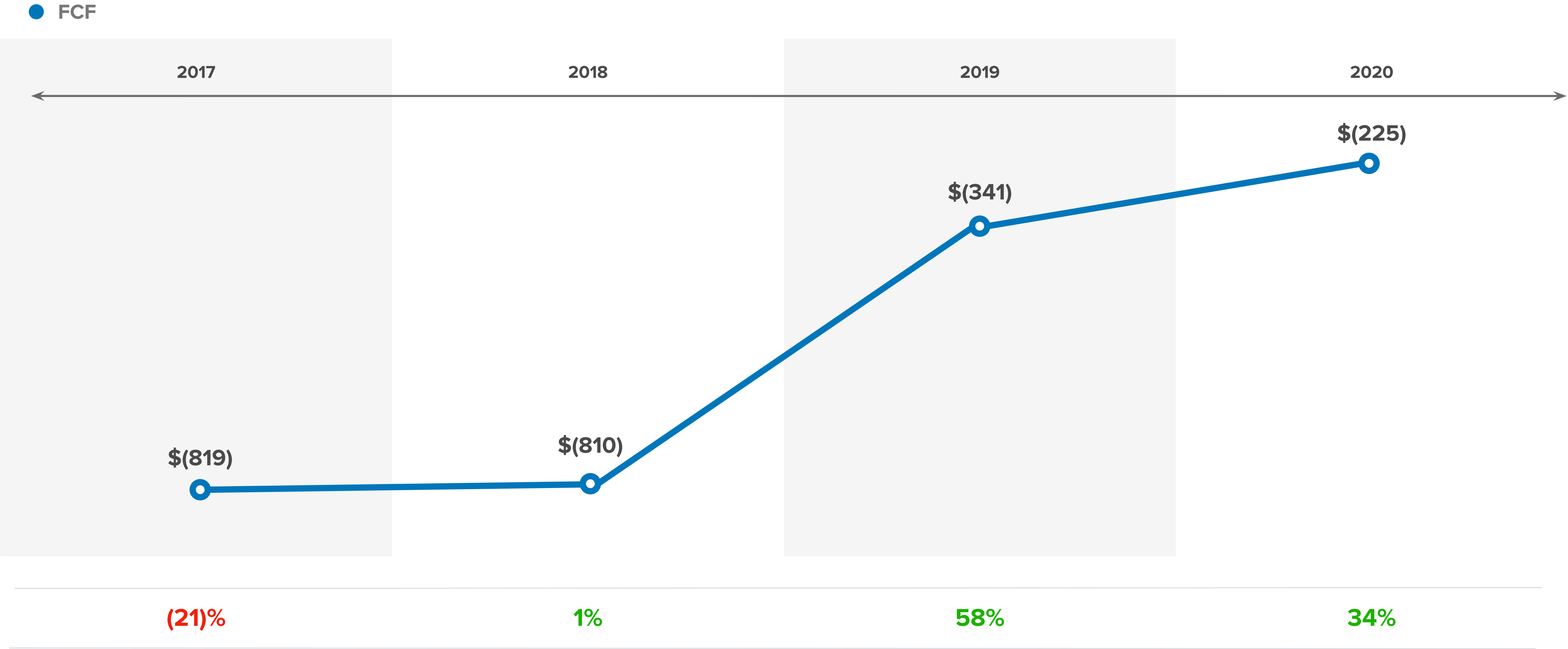
## Operating Expense Discipline

- We have been making focused investments in areas of the business that are highly productive, including investments in our talent base and marketing to grow our community and advertiser base.
- Our privacy by design product approach substantially reduces the cost of maintaining safety and privacy on our platform.

**We will continue to focus on scaling our cost structure efficiently while making disciplined investments in the future of our business as we drive toward profitability and positive free cash flow.**

# Free Cash Flow

(in millions, unaudited)

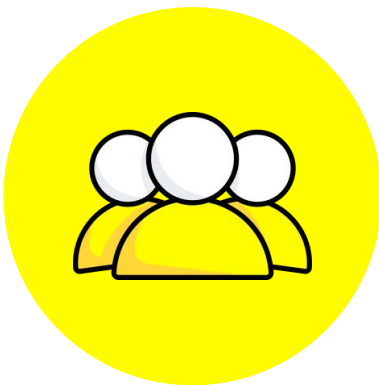


We define Free Cash Flow, or FCF, as net cash provided by (used in) operating activities reduced by purchases of property and equipment. See Appendix for reconciliation of net cash used in operating activities to Free Cash Flow. Snap Inc. public filings.

# 2018 to 2020

## Laying the Groundwork for Future Scale

### Team



Established an experienced leadership team for the next chapter in our growth.

### Android Rebuild



Rebuilt our Android app to access new markets.

### Scalable Ad Platform



Transitioned our advertising business to a scalable self-serve model.

### Operating Efficiency



Balanced big investments with operating cost discipline.

# 2021 and Beyond

## Opportunities for Growth

User Growth



Expanding Demographics and Geographies

Revenue



Increasing ARPU by Scaling Demand and ROI

Investing in Innovation



Augmented Reality, Premium Content, Gaming, Maps, Minis, and More

# Appendix

# Non-GAAP Financial Measures Reconciliation

(in thousands, unaudited)

	Three Months Ended					
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
<b>Free Cash Flow Reconciliation</b>						
Net cash used in operating activities	\$ (76,149)	\$ (66,842)	\$ 6,283	\$ (66,554)	\$ (54,828)	\$ (52,545)
Less:						
Purchases of property and equipment	(7,938)	(9,093)	(10,891)	(15,767)	(14,727)	(16,447)
<b>Free Cash Flow<sup>1</sup></b>	<b>\$ (84,087)</b>	<b>\$ (75,935)</b>	<b>\$ (4,608)</b>	<b>\$ (82,321)</b>	<b>\$ (69,555)</b>	<b>\$ (68,992)</b>

	Three Months Ended					
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
<b>Adjusted EBITDA Reconciliation</b>						
Net loss	\$ (227,375)	\$ (240,704)	\$ (305,936)	\$ (325,951)	\$ (199,853)	\$ (113,099)
Add (deduct):						
Interest income	(10,317)	(10,463)	(8,589)	(4,768)	(2,801)	(1,969)
Interest expense	8,654	14,775	15,113	24,727	28,212	29,176
Other (income) expense, net	1,481	(17,536)	12,389	(3,575)	5,669	(29,471)
Income tax (benefit) expense	(1,296)	332	659	(1,041)	909	18,127
Depreciation and amortization	20,646	20,620	21,204	20,925	21,804	22,811
Stock-based compensation expense	161,228	166,655	172,049	186,171	192,080	219,882
Payroll tax expense related to stock-based compensation	4,604	8,628	11,874	7,942	10,341	20,152
Securities class actions legal charges	-	100,000	-	-	-	-
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ (42,375)</b>	<b>\$ 42,307</b>	<b>\$ (81,237)</b>	<b>\$ (95,570)</b>	<b>\$ 56,361</b>	<b>\$ 165,609</b>

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

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

# Non-GAAP Financial Measures Reconciliation (Continued)

(in thousands, except per share amounts, unaudited)

	Three Months Ended					
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
<b>Non-GAAP net income (loss) reconciliation</b>						
Net loss	\$ (227,375)	\$ (240,704)	\$ (305,936)	\$ (325,951)	\$ (199,853)	\$ (113,099)
Amortization of intangible assets	6,915	7,067	7,980	7,378	8,422	9,727
Stock-based compensation expense	161,228	166,655	172,049	186,171	192,080	219,882
Payroll tax expense related to stock-based compensation	4,604	8,628	11,874	7,942	10,341	20,152
Securities class actions legal charges	-	100,000	-	-	-	-
Income tax adjustments	200	289	(59)	86	388	(511)
<b>Non-GAAP net income (loss)<sup>1</sup></b>	<b>\$ (54,428)</b>	<b>\$ 41,935</b>	<b>\$ (114,092)</b>	<b>\$ (124,374)</b>	<b>\$ 11,378</b>	<b>\$ 136,151</b>
<b>Weighted-average common shares - Diluted</b>	<b>1,392,864</b>	<b>1,409,519</b>	<b>1,426,305</b>	<b>1,447,022</b>	<b>1,466,420</b>	<b>1,484,277</b>
	Three Months Ended					
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
<b>Non-GAAP diluted net income (loss) per share reconciliation</b>						
GAAP diluted net loss per share	\$ (0.16)	\$ (0.17)	\$ (0.21)	\$ (0.23)	\$ (0.14)	\$ (0.08)
Non-GAAP adjustment to net loss	0.12	0.20	0.13	0.14	0.15	0.17
<b>Non-GAAP diluted net income (loss) per share<sup>1</sup></b>	<b>\$ (0.04)</b>	<b>\$ 0.03</b>	<b>\$ (0.08)</b>	<b>\$ (0.09)</b>	<b>\$ 0.01</b>	<b>\$ 0.09</b>

<sup>1</sup> We define Non-GAAP Net income (loss) as net income (loss); excluding amortization of intangible assets; stock-based compensation expense and related payroll tax expense; certain other non-cash or non-recurring items impacting net income (loss) from time to time; and related income tax adjustments. Non-recurring items include securities class actions legal charges described in the preceding slide. Non-GAAP Net Loss and weighted average diluted shares are then used to calculate Non-GAAP diluted net Income (loss) per share.