
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 15, 2026

SNAP INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38017
(Commission
File Number)

45-5452795
(IRS Employer
Identification No.)

3000 31st Street
Santa Monica, California
(Address of Principal Executive Offices)

90405
(Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 399-3339

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.00001 per share	SNAP	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On April 15, 2026, we posted an Investor Update presentation to our Investor Relations website at investor.snap.com, which includes, among other things, updated financial outlook information for the first quarter of 2026. In the presentation, we disclosed estimated total revenue of approximately \$1.529 billion, representing 12% growth year-over-year, and estimated adjusted EBITDA of approximately \$233 million, in each case for the first quarter of 2026. A copy of that Investor Update is attached as Exhibit 99.2 and is incorporated by reference.

The information presented in this Item 2.02 (including Exhibit 99.2) is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information shall not be deemed incorporated by reference into any other filing with the U.S. Securities and Exchange Commission made by Snap Inc., whether made before or after today’s date, regardless of any general incorporation language in such filing.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On April 15, 2026, we announced a plan to reduce our global headcount by approximately 16% of our global full-time employees. The headcount reduction is designed to further streamline our operations and reallocate resources toward our highest-priority initiatives, leveraging increased operational efficiencies to accelerate our path toward net-income profitability.

As a result, we currently estimate that we will incur pre-tax charges in the range of \$95 million to \$130 million, primarily consisting of severance and related costs, contract termination costs, and other impairment charges, of which \$75 million to \$100 million are expected to be future cash expenditures. The majority of these costs are expected to be incurred during the second quarter of 2026. Potential position eliminations in each country are subject to local law and consultation requirements, which may extend this process into the third quarter of 2026 or beyond in certain countries. The charges that we expect to incur are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual expenses may differ materially from the estimates disclosed above.

Item 7.01 Regulation FD Disclosure.

On April 15, 2026, we began notifying team members affected by the strategic reprioritization and communicated the changes to the entire company with a letter from Evan Spiegel, our Chief Executive Officer and Co-Founder, which is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated by reference.

On April 15, 2026, we posted an Investor Update presentation to our Investor Relations website at investor.snap.com, which, among other things, reaffirmed certain financial outlook information for the full year of 2026 and updated certain other financial outlook information for the full year of 2026. A copy of that Investor Update presentation is attached to this Current Report on Form 8-K as Exhibit 99.2 and is incorporated by reference.

The information presented in this Item 7.01 (including Exhibits 99.1 and 99.2) is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information shall not be deemed incorporated by reference into any other filing with the U.S. Securities and Exchange Commission made by Snap Inc., whether made before or after today’s date, regardless of any general incorporation language in such filing.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Current Report on Form 8-K, including statements regarding guidance, our future results of operations or financial condition, our plans to improve operational efficiencies, timing and charges associated with our headcount reduction and restructuring initiatives, our 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 Current Report on Form 8-K.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Current Report on Form 8-K primarily on our current expectations and projections about future events and trends, including, but not limited to, our updated first quarter and full year financial outlook, our headcount reduction and restructuring plans and the associated expected costs and expected future cost savings, our AI transformation, gross margin and business model targets and related business impacts, 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 and

uncertainties including, but not limited to, those related to: our financial performance; our ability to attain and sustain profitability and profitable growth; our ability to generate and sustain positive cash flow; our ability to achieve costs savings from our headcount reduction and restructuring plans; disruptions to our business as a result of our headcount reduction and restructuring plans; our ability to attract and retain users, partners, and advertisers; competition and new market entrants; managing our growth and future expenses; compliance with new laws, regulations, and executive actions; our ability to maintain, protect, and enhance our intellectual property; our ability to succeed in existing and new market segments; our ability to attract and retain qualified team members and key personnel; our ability to repay or refinance outstanding debt, or to access additional financing; future acquisitions, divestitures, or investments; and the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, and war or other armed conflict, as well as risks, uncertainties, and other factors described in “Risk Factors” and elsewhere in our most recent periodic report filed with the U.S. Securities and Exchange Commission, which report is available on the SEC’s website at www.sec.gov. Additional information will be made available in other filings that we make from time to time with the SEC. In addition, any forward-looking statements contained in this Current Report on Form 8-K are based on assumptions that we believe to be reasonable as of this date. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of this Current Report on Form 8-K 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.

Note Regarding Forward-Looking Non-GAAP Financial Estimates

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 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 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.

This Current Report on Form 8-K includes our estimate of adjusted EBITDA for the first quarter of 2026. We have not reconciled our estimate of adjusted EBITDA for the first quarter of 2026 to its most directly comparable GAAP measure due to the uncertainty and potential variability of expenses that may be incurred in the future. Accordingly, a reconciliation is not available without unreasonable effort and we are unable to address the probable significance of the unavailable information.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Letter to Snap Inc. team members from Evan Spiegel, dated April 15, 2026.
99.2	Investor Update, dated April 15, 2026.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SNAP INC.

Date: April 15, 2026

By: /s/ Derek Andersen

Derek Andersen
Chief Financial Officer

Subject: Organizational Changes at Snap

Dear Team,

Today we are announcing changes that will impact approximately 1,000 team members at Snap, including 16% of our full time employees, in addition to closing more than 300 open roles. This is an incredibly difficult decision, and I am deeply sorry to the colleagues who will be leaving us. You have made important contributions to Snap, and we are committed to supporting you through this transition.

Last fall, I described Snap as facing a crucible moment, requiring a new way of working that is faster and more efficient, while pivoting towards profitable growth. Over the past several months, we have carefully reviewed the work required to best serve our community and partners, and made tough choices to prioritize the investments we believe are most likely to create long-term value. As a result of these changes, we expect to reduce our annualized cost base by more than \$500 million by the second half of 2026, helping to establish a clearer path to net-income profitability.

While these changes are necessary to realize Snap's long-term potential, we believe that rapid advancements in artificial intelligence enable our teams to reduce repetitive work, increase velocity, and better support our community, partners, and advertisers. We have already witnessed small squads leveraging AI tools to drive meaningful progress across several important initiatives, including Snapchat+, enhanced ad platform performance, and efficiency improvements in our Snap Lite infrastructure.

If you are part of our North America team, please work from home today. In the US, impacted team members will receive an email notification within the next hour, including information about next steps. For non-US locations, you will receive additional details about next steps from leadership and HR.

To our departing colleagues: thank you. Your hard work has helped shape Snap, and we are deeply grateful for your contributions. For U.S.-based team members who are leaving, we will provide four months of severance, healthcare coverage, and equity vesting, along with career transition support. Outside the U.S., we will follow local processes and seek to provide comparable support aligned with local norms.

To everyone continuing on this journey: change of this magnitude and at this speed is never easy and it will not be seamless. Thank you for your resilience, compassion, and commitment to one another, and to the community and partners we serve. Our responsibility is to move forward with clarity, empathy, and determination as we build a faster, stronger, and more durable Snap for the long term.

Evan

Snap Inc.

Investor Update

Snap's Path to Net Income Profitability

April 2026

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 MAUs 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 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 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 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. 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. 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 or MAU only when a user visits Snapchat through our applications or websites and only once per user per period (daily for DAU and the 30-day period ending at calendar month-end for MAU). 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 and 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 applications and websites. 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, MAUs, ARPU, or other metrics may not be directly comparable to those in prior periods. Our measures of DAUs and MAUs may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or data used.

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 of 1933, as amended, or 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, our plans to improve operational efficiencies, timing and charges associated with our headcount reduction and restructuring initiatives, our ability to achieve the cost savings we estimate will result from our headcount reduction and restructuring plans, our use of AI, future stock repurchase programs or stock dividends, our 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 and uncertainties related to: our financial performance; our ability to attain and sustain profitability; our ability to generate and sustain positive cash flow; our ability to attract and retain users, partners, and advertisers; competition and new market entrants; managing our growth and future expenses; compliance with new laws, regulations, and executive actions; our ability to maintain, protect, and enhance our intellectual property; our ability to succeed in existing and new market segments; our ability to attract and retain qualified team members and key personnel; our ability to repay or refinance outstanding debt, or to access additional financing; future acquisitions, divestitures, or investments; and the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, and war or other armed conflict, as well as risks, uncertainties, and other factors described in "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 filings that we make from time to time with the SEC. 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. 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 this presentation. 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 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, 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. Investors and others should note that we may announce material business and financial information to our investors using our websites (including investors.snap.com), filings with the SEC, webcasts, press releases, investor letters, and conference calls. We use these mediums, including Snapchat and our websites, 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 websites. 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.

Profitable Growth Through Improved Efficiency

Snap faces a crucible moment — squeezed between giants with enormous resources and nimble startups moving fast. To meet this moment, we are pivoting toward profitable growth.

Strategic Pivot

Disciplined investment
Improved operating leverage
Clear path to net income profitability

AI-Driven Transformation

“Jobs to be done” framework
AI-augmented workflows
Small, accountable teams driving rapid progress

Organizational Impact

~16% of Full Time Team
~1,000 Total Personnel
Estimated \$500M+ Annualized Cost Savings¹

¹Estimated based on the second half of 2026.

Catalysts to 60%+ Gross Margins

1

Monetizable Growth

Focusing growth investments in monetizable markets

2

Higher-Margin Ad Placements

Increasing the mix of higher margin ad placements

3

Scaling Subscriptions

Scaling Snapchat+ and direct revenue streams

60%+ gross margin target for 2026

Transforming How We Operate to Drive Efficiency

We are refining our operating model using a "jobs to be done" framework, mapping critical work to a combination of highly focused teams and increasingly capable AI agents. Focused teams aligned to top strategic priorities are allowing us to move faster, execute more efficiently, and better serve our community, partners, and advertisers.

65%+

of new code generated by AI

Level the playing field

AI gives small, creative teams the ability to do work that once required much larger organizations.

7,500+

bugs found by code review agent

Focus on what matters

Free up teams to concentrate on higher-value work and highest-priority strategic initiatives.

1M+

questions/month answered by support agent

Execute faster

Increase velocity of product development — as demonstrated by rapid progress on Snapchat+ and Snap Lite infrastructure improvements.

Updated Full-Year 2026 Cost Structure Guidance

As a result of the actions we are announcing today, we are updating our full-year 2026 cost structure guidance as follows:

Infrastructure Costs: Reiterating prior full-year guidance of \$1.6 billion to \$1.65 billion.

All Other Adjusted Cost of Revenue (excluding Infrastructure Costs)¹: Reiterating prior guidance of 16–17% of revenue for the full year.

Adjusted Operating Expenses²: Reduced to approximately \$2.75 billion, down \$250 million from prior guidance of approximately \$3.0 billion.

Stock-Based Compensation: Reduced to approximately \$1.05 billion, down \$150 million from prior guidance of approximately \$1.2 billion.

Restructuring costs³: Approximately \$95 million to \$130 million. The majority expected to be incurred within Q2'26.

¹ 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.

² 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.

³ The charges that we expect to incur include an estimated \$75 million to \$100 million of cash costs, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual expenses may differ materially from the estimates disclosed above.

Updated Q1 Financial Outlook

We are encouraged by our business trends in Q1 2026 and are updating our Q1 Guidance as follows:

Revenue: We currently estimate that total revenue will be approximately \$1.529 billion in Q1, up 12% year-over-year.

Adjusted EBITDA¹: We currently estimate that Adjusted EBITDA will be approximately \$233 million in Q1.

Full and Final Results: Join us for our earnings call at 2pm PST on **May 6, 2026**.

¹ 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.

Long-Term Value Creation



Path to 1 billion Monthly Active Users



Innovate to drive growth in content engagement



Accelerate growth of our direct response advertising business and take share in digital advertising



Scaling subscriptions and diversifying revenue sources



Sustainable profitable growth with continued EBITDA profitability, positive free cash flow, and a clear path to net income profitability



Well-positioned to lead the next computing platform transition

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 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 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. We have not reconciled our first quarter and full year 2026 estimates for non-GAAP financial measures to GAAP due to the uncertainty and potential variability of expenses that may be incurred in the future. Accordingly, a reconciliation is not available without unreasonable effort and we are unable to address the probable significance of the unavailable information.

Snap Inc.