

**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): February 4, 2026

SNAP INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

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

001-38017
(Commission File Number)

45-5452795
(IRS Employer
Identification No.)

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 February 4, 2026, Snap Inc. reported financial results for the three months and full year ended December 31, 2025. A copy of the press release and the investor letter are furnished as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and incorporated by reference.

The press release and investor letter are 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 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 8.01 Other Events.

On February 4, 2026, Snap Inc. announced its board of directors had authorized a stock repurchase program of up to \$500 million of its Class A common stock. Repurchases of Class A common stock may be made from time to time, either through open market transactions (including through Rule 10b5-1 trading plans) or through privately negotiated transactions in accordance with applicable securities laws. Repurchases under the program have been authorized for 12 months but the program may be initiated, modified, suspended, or terminated at any time during such period. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release dated February 4, 2026.
99.2	Investor Letter dated February 4, 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: February 4, 2026

By: /s/ Derek Andersen
Derek Andersen
Chief Financial Officer

Snap Inc. Announces Fourth Quarter and Full Year 2025 Financial Results*Fourth quarter revenue increased 10% year-over-year to \$1,716 million**Fourth quarter gross margin of 59%, up 4 percentage points sequentially and 2 percentage points year-over-year**Fourth quarter operating cash flow was \$270 million and Free Cash Flow was \$206 million**Fourth quarter net income of \$45 million and Adjusted EBITDA of \$358 million*

SANTA MONICA, Calif. – February 4, 2026 – Snap Inc. (NYSE: SNAP) today announced financial results for the quarter and full year ended December 31, 2025.

“Our Q4 results began to reflect the impact of our strategic pivot toward profitable growth, translating into revenue diversification and meaningful margin expansion,” said Evan Spiegel, CEO. “This progress reflects our commitment to building a more financially efficient and profitable business while continuing to invest in the future of augmented reality and the consumer launch of Specs.”

Snap Inc. also announced today its board of directors has authorized a stock repurchase program of up to \$500 million of its Class A common stock. Repurchases of the Class A common stock may be made from time to time, either through open market transactions (including through Rule 10b5-1 trading plans) or through privately negotiated transactions in accordance with applicable securities laws. The timing and actual number of shares repurchased will depend on a variety of factors, including stock price, trading volume, market and economic conditions, and other general business considerations. Repurchases under the program have been authorized for 12 months but the program may be initiated, modified, suspended, or terminated at any time during such period.

The goal of the program is to utilize the company’s strong balance sheet to opportunistically offset a portion of the dilution related to the issuance of restricted stock units to employees as part of the overall compensation program designed to foster an ownership culture.

Repurchases under this program will be funded from existing cash and cash equivalents. As of December 31, 2025, Snap had \$2.9 billion in cash, cash equivalents, and marketable securities.

Annual Financial Summary

- Revenue was \$5,931 million in 2025, compared to \$5,361 million in the prior year, an increase of 11% year-over-year.
- Net loss was \$460 million in 2025, compared to \$698 million in the prior year.
- Adjusted EBITDA was \$689 million in 2025, compared to \$509 million in the prior year.
- Operating cash flow was \$656 million in 2025, compared to \$413 million in the prior year.
- Free Cash Flow was \$437 million in 2025, compared to \$219 million in the prior year.

Q4 2025 Financial Summary

- Revenue was \$1,716 million, compared to \$1,557 million in the prior year, an increase of 10% year-over-year.
- Net income was \$45 million, compared to \$9 million in the prior year.
- Adjusted EBITDA was \$358 million, compared to \$276 million in the prior year.
- Operating cash flow was \$270 million, compared to \$231 million in the prior year.
- Free Cash Flow was \$206 million, compared to \$182 million in the prior year.

	Three Months Ended December 31,				Year Ended December 31,		
	2025	2024		Percent Change	2025	2024	Percent Change
(Unaudited)	(dollars in thousands, except per share amounts)						
Revenue	\$ 1,716,461	\$ 1,557,283		10 %	\$ 5,931,447	\$ 5,361,398	11 %
Operating income (loss)	\$ 49,717	\$ (26,877)		285 %	\$ (532,167)	\$ (787,294)	32 %
Net income (loss)	\$ 45,209	\$ 9,101		397 %	\$ (460,489)	\$ (697,856)	34 %
Adjusted EBITDA ⁽¹⁾	\$ 357,746	\$ 276,007		30 %	\$ 689,479	\$ 508,605	36 %
Net cash provided by (used in) operating activities	\$ 269,578	\$ 230,633		17 %	\$ 656,170	\$ 413,480	59 %
Free Cash Flow ⁽²⁾	\$ 205,556	\$ 182,358		13 %	\$ 437,189	\$ 218,654	100 %
Diluted net income (loss) per share attributable to common stockholders	\$ 0.03	\$ 0.01		200 %	\$ (0.27)	\$ (0.42)	36 %

- (1) See page 11 for a reconciliation of net income (loss) to Adjusted EBITDA. Total restructuring charges for the year ended December 31, 2024, and excluded from Adjusted EBITDA, was \$72.0 million. No restructuring charges were incurred during the year ended December 31, 2025 and the three months ended December 31, 2024.
- (2) See page 11 for a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow.

Q4 2025 Summary & Key Highlights

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.

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.

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.

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.

Q1 2026 and Full Year 2026 Outlook

Snap Inc. will discuss its Q1 2026 and full year 2026 outlook during its Q4 2025 Earnings Call (details below) and in its investor letter available at investor.snap.com.

Conference Call Information

Snap Inc. will host a conference call to discuss the results at 2:00 p.m. Pacific / 5:00 p.m. Eastern today. The live audio webcast along with supplemental information will be accessible at investor.snap.com. A recording of the webcast will also be available following the conference call.

Snap Inc. uses its websites (including snap.com and investor.snap.com) as means of disclosing material non-public information and for complying with its disclosure obligation under Regulation FD.

Definitions

Free Cash Flow is defined as net cash provided by (used in) operating activities, reduced by purchases of property and equipment.

Common shares outstanding plus shares underlying stock-based awards includes common shares outstanding, restricted stock units, restricted stock awards, and outstanding stock options.

Adjusted EBITDA 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.

A Daily Active User (DAU) is defined 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.

Average revenue per user (ARPU) is defined as quarterly revenue divided by the average DAUs.

A Monthly Active User (MAU) is defined 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.

Note: For adjustments and additional information regarding the non-GAAP financial measures and other items discussed, please see “Non-GAAP Financial Measures,” “Reconciliation of GAAP to Non-GAAP Financial Measures,” and “Supplemental Financial Information and Business Metrics.”

About Snap Inc.

Snap Inc. is a technology company. We believe the camera presents the 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. For more information, visit snap.com.

Contact

Investors and Analysts:
ir@snap.com

Press:
press@snap.com

Forward-Looking Statements

This press release 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 press release, 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 press release.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this press release 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 U.S. Securities and Exchange Commission, or SEC, which is available on the SEC’s website at www.sec.gov. Additional information will be made available in our periodic report that will be filed with the SEC for the period covered by this press release and other filings that we make from time to time with the SEC. In addition, any forward-looking statements contained in this press release 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 press release 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.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use the non-GAAP financial measure of Free Cash Flow, which is defined as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. We believe Free Cash Flow is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business and is a key financial indicator used by management. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth.

We use the non-GAAP financial measure of Adjusted EBITDA, which is defined as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other items impacting net income (loss) from time to time. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA.

We 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 “Reconciliation of GAAP to Non-GAAP Financial Measures.”

Snap Inc., “Snapchat,” and our other registered and common law trade names, trademarks, and service marks are the property of Snap Inc. or our subsidiaries.

SNAP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Cash flows from operating activities				
Net income (loss)	\$ 45,209	\$ 9,101	\$ (460,489)	\$ (697,856)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	43,381	39,581	163,633	158,074
Stock-based compensation	257,238	257,731	1,016,825	1,041,023
Amortization of debt issuance costs and debt discount (premium)	(898)	2,721	6,880	9,388
Losses (gains) on debt and equity securities, net	1,166	(3,706)	16,940	8,460
(Gain) loss on extinguishment of debt	—	—	(96,734)	6,672
Other	11,577	(10,324)	26,119	(20,825)
Change in operating assets and liabilities, net of effect of acquisitions:				
Accounts receivable, net of allowance	(133,859)	(167,355)	(31,827)	(94,005)
Prepaid expenses and other current assets	(20,545)	(303)	(66,744)	(36,544)
Operating lease right-of-use assets	14,385	12,892	57,214	54,127
Other assets	651	(6,945)	7,705	(9,952)
Accounts payable	67,736	11,559	45,918	(100,728)
Accrued expenses and other current liabilities	3,761	103,620	12,814	150,391
Operating lease liabilities	(10,269)	(18,409)	(34,429)	(62,663)
Other liabilities	(9,955)	470	(7,655)	7,918
Net cash provided by (used in) operating activities	269,578	230,633	656,170	413,480
Cash flows from investing activities				
Purchases of property and equipment	(64,022)	(48,275)	(218,981)	(194,826)
Purchases of strategic investments	(2,500)	—	(22,500)	(2,000)
Sales of strategic investments	—	183	11,050	1,755
Cash paid for acquisitions, net of cash acquired	—	—	(35,499)	—
Purchases of marketable securities	(260,479)	(342,078)	(1,275,796)	(2,287,668)
Sales of marketable securities	201,578	—	741,266	354,311
Maturities of marketable securities	191,842	241,378	977,159	1,411,444
Other	(3,581)	—	(3,581)	(100)
Net cash provided by (used in) investing activities	62,838	(148,792)	173,118	(717,084)
Cash flows from financing activities				
Proceeds from issuance of notes, net of issuance costs	—	—	2,014,193	740,350
Purchase of capped calls	—	—	—	(68,850)
Proceeds from termination of capped calls	—	—	—	62,683
Proceeds from the exercise of stock options	374	—	374	12,798
Repurchases of Class A non-voting common stock	(250,293)	—	(750,866)	(311,069)
Deferred payments for acquisitions	(5,000)	—	(72,539)	(3,695)
Repurchases of convertible notes	—	—	(1,994,550)	(859,042)
Repayment of convertible notes	—	—	(36,240)	—
Other	(1,599)	—	(8,497)	(1,799)
Net cash provided by (used in) financing activities	(256,518)	—	(848,125)	(428,624)
Change in cash, cash equivalents, and restricted cash	75,898	81,841	(18,837)	(732,228)
Cash, cash equivalents, and restricted cash, beginning of period	955,499	968,393	1,050,234	1,782,462
Cash, cash equivalents, and restricted cash, end of period	\$ 1,031,397	\$ 1,050,234	\$ 1,031,397	\$ 1,050,234

SNAP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenue	\$ 1,716,461	\$ 1,557,283	\$ 5,931,447	\$ 5,361,398
Costs and expenses:				
Cost of revenue	702,443	671,660	2,669,575	2,474,237
Research and development	472,693	422,937	1,793,601	1,691,683
Sales and marketing	249,280	248,214	1,021,305	1,063,675
General and administrative	242,328	241,349	979,133	919,097
Total costs and expenses	1,666,744	1,584,160	6,463,614	6,148,692
Operating income (loss)	49,717	(26,877)	(532,167)	(787,294)
Interest income	31,687	38,573	134,159	153,466
Interest expense	(36,498)	(5,813)	(121,998)	(21,552)
Other income (expense), net	(6,946)	8,382	68,870	(16,846)
Income (loss) before income taxes	37,960	14,265	(451,136)	(672,226)
Income tax benefit (expense)	7,249	(5,164)	(9,353)	(25,630)
Net income (loss)	\$ 45,209	\$ 9,101	\$ (460,489)	\$ (697,856)
Net income (loss) per share attributable to Class A, Class B, and Class C common stockholders:				
Basic	\$ 0.03	\$ 0.01	\$ (0.27)	\$ (0.42)
Diluted	\$ 0.03	\$ 0.01	\$ (0.27)	\$ (0.42)
Weighted average shares used in computation of net income (loss) per share:				
Basic	1,710,465	1,681,160	1,694,598	1,659,147
Diluted	1,720,347	1,717,119	1,694,598	1,659,147

SNAP INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value)

	December 31, 2025 (unaudited)	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,030,435	\$ 1,046,534
Marketable securities	1,910,137	2,329,745
Accounts receivable, net of allowance	1,372,237	1,348,472
Prepaid expenses and other current assets	272,065	182,006
Total current assets	4,584,874	4,906,757
Property and equipment, net	578,075	489,088
Operating lease right-of-use assets	506,216	530,441
Intangible assets, net	66,613	86,363
Goodwill	1,720,769	1,689,785
Other assets	221,255	233,914
Total assets	<u>\$ 7,677,802</u>	<u>\$ 7,936,348</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 219,793	\$ 173,197
Operating lease liabilities	48,479	24,885
Accrued expenses and other current liabilities	971,627	1,009,254
Short-term debt, net	46,969	36,212
Total current liabilities	1,286,868	1,243,548
Long-term debt, net	3,489,860	3,607,717
Operating lease liabilities, noncurrent	557,823	575,082
Other liabilities	61,756	59,240
Total liabilities	5,396,307	5,485,587
Commitments and contingencies		
Stockholders' equity		
Class A non-voting common stock, \$0.00001 par value. 3,000,000 shares authorized, 1,502,073 shares issued, 1,457,403 shares outstanding as of December 31, 2025, and 3,000,000 shares authorized, 1,483,718 shares issued, 1,436,495 shares outstanding as of December 31, 2024.	15	14
Class B voting common stock, \$0.00001 par value. 700,000 shares authorized, 22,523 shares issued and outstanding as of December 31, 2025 and December 31, 2024.	—	—
Class C voting common stock, \$0.00001 par value. 260,888 shares authorized, 231,627 shares issued and outstanding as of December 31, 2025 and December 31, 2024.	2	2
Treasury stock, at cost. 44,670 and 47,222 shares of Class A non-voting common stock as of December 31, 2025 and December 31, 2024, respectively.	(435,722)	(460,620)
Additional paid-in capital	16,637,324	15,644,132
Accumulated deficit	(13,946,816)	(12,735,461)
Accumulated other comprehensive income (loss)	26,692	2,694
Total stockholders' equity	2,281,495	2,450,761
Total liabilities and stockholders' equity	<u>\$ 7,677,802</u>	<u>\$ 7,936,348</u>

SNAP INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(in thousands, unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Free Cash Flow reconciliation:				
Net cash provided by (used in) operating activities	\$ 269,578	\$ 230,633	\$ 656,170	\$ 413,480
Less:				
Purchases of property and equipment	(64,022)	(48,275)	(218,981)	(194,826)
Free Cash Flow	<u>\$ 205,556</u>	<u>\$ 182,358</u>	<u>\$ 437,189</u>	<u>\$ 218,654</u>

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Adjusted EBITDA reconciliation:				
Net income (loss)	\$ 45,209	\$ 9,101	\$ (460,489)	\$ (697,856)
Add (deduct):				
Interest income	(31,687)	(38,573)	(134,159)	(153,466)
Interest expense	36,498	5,813	121,998	21,552
Other (income) expense, net	6,946	(8,382)	(68,870)	16,846
Income tax (benefit) expense	(7,249)	5,164	9,353	25,630
Depreciation and amortization	43,381	39,581	163,633	154,459
Stock-based compensation expense	257,238	257,731	1,016,825	1,031,621
Payroll and other tax expense related to stock-based compensation	7,410	5,572	41,188	37,768
Restructuring charges ⁽¹⁾	—	—	—	72,051
Adjusted EBITDA	<u>\$ 357,746</u>	<u>\$ 276,007</u>	<u>\$ 689,479</u>	<u>\$ 508,605</u>

(1) Restructuring charges during 2024 primarily include \$70.2 million 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.

Total depreciation and amortization expense by function:

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Depreciation and amortization expense ⁽¹⁾:				
Cost of revenue	\$ 1,818	\$ 1,123	\$ 5,759	\$ 6,110
Research and development	26,568	24,351	101,531	99,656
Sales and marketing	5,945	5,333	21,363	19,947
General and administrative	9,050	8,774	34,980	32,361
Total	<u>\$ 43,381</u>	<u>\$ 39,581</u>	<u>\$ 163,633</u>	<u>\$ 158,074</u>

(1) Depreciation and amortization expense for the year ended December 31, 2024 includes restructuring charges.

SNAP INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)
(in thousands, except per share amounts, unaudited)

Total stock-based compensation expense by function:

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Stock-based compensation expense ⁽¹⁾:				
Cost of revenue	\$ 2,009	\$ 1,626	\$ 7,426	\$ 6,034
Research and development	185,456	165,330	680,602	683,830
Sales and marketing	43,627	56,463	198,013	216,672
General and administrative	26,146	34,312	130,784	134,487
Total	<u>\$ 257,238</u>	<u>\$ 257,731</u>	<u>\$ 1,016,825</u>	<u>\$ 1,041,023</u>

(1) Stock-based compensation expense for the year ended December 31, 2024 includes restructuring charges.

SNAP INC.
SUPPLEMENTAL FINANCIAL INFORMATION AND BUSINESS METRICS
(dollars and shares in thousands, except per user amounts, unaudited)

	Q3 2024		Q4 2024		Q1 2025		Q2 2025		Q3 2025		Q4 2025	
	(NM = Not Meaningful)											
Cash Flows and Shares												
Net cash provided by (used in) operating activities	\$	115,872	\$	230,633	\$	151,610	\$	88,494	\$	146,488	\$	269,578
Net cash provided by (used in) operating activities - YoY (year-over-year)		NM		40 %		72 %		514 %		26 %		17 %
Net cash provided by (used in) operating activities - TTM (trailing twelve months)	\$	347,421	\$	413,480	\$	476,738	\$	586,609	\$	617,225	\$	656,170
Purchases of property and equipment	\$	(44,041)	\$	(48,275)	\$	(37,214)	\$	(64,701)	\$	(53,044)	\$	(64,022)
Purchases of property and equipment - YoY		(40)%		(10)%		(26)%		24 %		20 %		33 %
Purchases of property and equipment - TTM	\$	(200,270)	\$	(194,826)	\$	(181,592)	\$	(194,231)	\$	(203,234)	\$	(218,981)
Free Cash Flow	\$	71,831	\$	182,358	\$	114,396	\$	23,793	\$	93,444	\$	205,556
Free Cash Flow - YoY		218 %		65 %		202 %		132 %		30 %		13 %
Free Cash Flow - TTM	\$	147,151	\$	218,654	\$	295,146	\$	392,378	\$	413,991	\$	437,189
Common shares outstanding		1,672,212		1,690,645		1,686,678		1,682,350		1,710,909		1,711,554
Common shares outstanding - YoY		2 %		3 %		3 %		2 %		2 %		1 %
Shares underlying stock-based awards		132,783		135,036		136,044		144,011		150,460		168,060
Shares underlying stock-based awards - YoY		(14)%		(15)%		(7)%		— %		13 %		24 %
Total common shares outstanding plus shares underlying stock-based awards		1,804,995		1,825,681		1,822,722		1,826,361		1,861,369		1,879,614
Total common shares outstanding plus shares underlying stock-based awards - YoY		1 %		1 %		2 %		2 %		3 %		3 %
Results of Operations												
Revenue	\$	1,372,574	\$	1,557,283	\$	1,363,217	\$	1,344,930	\$	1,506,839	\$	1,716,461
Revenue - YoY		15 %		14 %		14 %		9 %		10 %		10 %
Revenue - TTM	\$	5,165,402	\$	5,361,398	\$	5,529,842	\$	5,638,004	\$	5,772,269	\$	5,931,447
Revenue by region ⁽¹⁾												
North America	\$	857,621	\$	968,943	\$	831,691	\$	820,600	\$	897,814	\$	1,025,498
North America - YoY		9 %		8 %		12 %		7 %		5 %		6 %
North America - TTM	\$	3,267,854	\$	3,337,255	\$	3,425,815	\$	3,478,855	\$	3,519,048	\$	3,575,603
Europe	\$	248,902	\$	287,031	\$	224,015	\$	265,343	\$	297,950	\$	341,134
Europe - YoY		24 %		20 %		14 %		15 %		20 %		19 %
Europe - TTM	\$	912,834	\$	961,612	\$	989,783	\$	1,025,291	\$	1,074,339	\$	1,128,442
Rest of World	\$	266,051	\$	301,309	\$	307,511	\$	258,987	\$	311,075	\$	349,829
Rest of World - YoY		32 %		35 %		20 %		8 %		17 %		16 %
Rest of World - TTM	\$	984,714	\$	1,062,531	\$	1,114,244	\$	1,133,858	\$	1,178,882	\$	1,227,402
Operating income (loss)	\$	(173,210)	\$	(26,877)	\$	(193,846)	\$	(259,676)	\$	(128,362)	\$	49,717
Operating income (loss) - YoY		54 %		89 %		42 %		(2)%		26 %		285 %
Operating income (loss) - Margin		(13)%		(2)%		(14)%		(19)%		(9)%		3 %
Operating income (loss) - TTM	\$	(1,009,130)	\$	(787,294)	\$	(647,908)	\$	(653,609)	\$	(608,761)	\$	(532,167)
Net income (loss)	\$	(153,247)	\$	9,101	\$	(139,587)	\$	(262,570)	\$	(103,541)	\$	45,209
Net income (loss) - YoY		58 %		104 %		54 %		(6)%		32 %		397 %
Net income (loss) - Margin		(11)%		1 %		(10)%		(20)%		(7)%		3 %
Net income (loss) - TTM	\$	(955,204)	\$	(697,856)	\$	(532,353)	\$	(546,303)	\$	(496,597)	\$	(460,489)
Adjusted EBITDA	\$	131,962	\$	276,007	\$	108,425	\$	41,270	\$	182,038	\$	357,746
Adjusted EBITDA - YoY		229 %		73 %		137 %		(25)%		38 %		30 %
Adjusted EBITDA - Margin ⁽²⁾		10 %		18 %		8 %		3 %		12 %		21 %
Adjusted EBITDA - TTM	\$	391,747	\$	508,605	\$	571,371	\$	557,664	\$	607,740	\$	689,479

- (1) 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.
- (2) We define Adjusted EBITDA margin as Adjusted EBITDA divided by GAAP revenue.

SNAP INC.
SUPPLEMENTAL FINANCIAL INFORMATION AND BUSINESS METRICS (continued)
(dollars and shares in thousands, except per user amounts, unaudited)

	Q3 2024		Q4 2024		Q1 2025		Q2 2025		Q3 2025		Q4 2025	
Other												
DAU (in millions) ⁽¹⁾		443		453		460		469		477		474
DAU - YoY ⁽²⁾		9 %		9 %		9 %		9 %		8 %		5 %
DAU by region (in millions)												
North America		100		100		99		98		98		94
North America - YoY		— %		(1)%		(1)%		(2)%		(3)%		(5)%
Europe		99		99		99		100		100		98
Europe - YoY		4 %		4 %		3 %		3 %		1 %		(1)%
Rest of World		244		254		262		271		280		282
Rest of World - YoY		16 %		17 %		16 %		15 %		15 %		11 %
MAU (in millions)		883		895		913		932		943		946
MAU - YoY ⁽²⁾		7 %		7 %		7 %		7 %		7 %		6 %
ARPU	\$	3.10	\$	3.44	\$	2.96	\$	2.87	\$	3.16	\$	3.62
ARPU - YoY		6 %		5 %		5 %		— %		2 %		5 %
ARPU by region												
North America	\$	8.54	\$	9.73	\$	8.41	\$	8.33	\$	9.20	\$	10.88
North America - YoY		9 %		9 %		13 %		9 %		8 %		12 %
Europe	\$	2.52	\$	2.89	\$	2.26	\$	2.65	\$	2.99	\$	3.47
Europe - YoY		19 %		16 %		11 %		13 %		19 %		20 %
Rest of World	\$	1.09	\$	1.19	\$	1.17	\$	0.96	\$	1.11	\$	1.24
Rest of World - YoY		14 %		16 %		4 %		(6)%		2 %		5 %
Employees (full-time; excludes part-time, contractors, and temporary personnel)												
		4,800		4,911		5,061		5,206		5,194		5,261
Employees - YoY		(11)%		(7)%		5 %		10 %		8 %		7 %
Depreciation and amortization expense												
Cost of revenue	\$	965	\$	1,123	\$	1,420	\$	1,505	\$	1,016	\$	1,818
Research and development		24,798		24,351		22,987		24,849		27,127		26,568
Sales and marketing		4,953		5,333		4,823		5,108		5,487		5,945
General and administrative		8,134		8,774		8,485		8,561		8,884		9,050
Total	\$	38,850	\$	39,581	\$	37,715	\$	40,023	\$	42,514	\$	43,381
Depreciation and amortization expense - YoY		(6)%		(24)%		(10)%		6 %		9 %		10 %
Stock-based compensation expense												
Cost of revenue	\$	1,333	\$	1,626	\$	1,434	\$	1,656	\$	2,327	\$	2,009
Research and development		172,516		165,330		156,688		166,809		171,649		185,456
Sales and marketing		53,345		56,463		54,440		48,710		51,236		43,627
General and administrative		33,035		34,312		34,776		34,711		35,151		26,146
Total	\$	260,229	\$	257,731	\$	247,338	\$	251,886	\$	260,363	\$	257,238
Stock-based compensation expense - YoY		(27)%		(23)%		(6)%		(3)%		— %		— %

(1) Numbers may not foot due to rounding.

(2) In the first quarter of 2025, we refined our processes and controls to allow us to more accurately record user activity that would not otherwise be recorded during such period due to delays in receiving user metric information resulting from carrier or other user connectivity issues during the measurement period. For additional information concerning these refinements, see the “Note Regarding User Metrics and Other Data” in our Quarterly Report filed on Form 10-Q for the first quarter of 2025. As a result of such refinements, our DAUs and MAUs may not be directly comparable to those in prior periods.

Snap Inc.

Investor Letter Q4 2025

February 4, 2026

Introduction

Last fall, we embarked on a new chapter for our company with the articulation of the Crucible Moment faced by our business. At that time, we laid out our plans to accelerate and diversify our revenue growth, pivot our business toward more profitable growth, and deliver on the commercial launch of Specs in 2026. The impacts of this strategic direction began to manifest in the operating results of our business in Q4, and we are excited to build on this momentum in the year ahead.

Over the last 3 years, we have grown Monthly Active Users (MAU) by more than 150 million, reaching 946 million in the most recent quarter, and bringing us within striking distance of our goal to reach 1 billion global MAU. We have already achieved immense reach and depth of engagement in many of the world's most attractive advertising geographies, and we believe this affords us a significant opportunity to grow our topline and expand average revenue per user (ARPU) over time. Growing our community in these prosperous geographies remains a priority, and we remain committed to our long term goal of reaching 1 billion MAU, but going forward we will seek to strike a better balance between the pace of community growth and rate of topline growth in order to pivot our business to more profitable growth.

For the advertising business, our focus will be on three core initiatives. The first is fostering direct connections between Brands and Snapchatters by leveraging our core product capabilities across Snapchat. The second will be making it easier and more performant for advertisers to connect with Snapchatters by leveraging AI tooling and capabilities end-to-end through our ad platform including creative development, campaign set up, and performance optimization. Finally, we plan to grow our advertiser base by scaling and optimizing our go-to-market operations that support the success of small and medium sized businesses (SMBs). Ultimately, we will grade the performance of our advertising business based on the rate of growth in advertising revenue, with a focus on gaining share over time.

The Other Revenue portion of our business has become an outsized source of growth, and is playing a critical role in diversifying our topline. In the year ahead, we will focus on growing existing subscription offers, including Snapchat+ and Memories Storage Plans, while innovating to bring compelling new offers to our platform. This momentum is already materializing, with subscribers growing 71% year-over-year to reach 24 million in Q4. In the year ahead, growth in subscribers will be a critical input metric to track our progress, and we will ultimately grade our performance based on growth of the annualized run rate for Other Revenue.

We are focusing on three significant catalysts for gross margin expansion to drive profitable growth. First, with community growth focused on monetizable markets, and with our cost to serve increasingly calibrated to the monetization potential of each market, we expect that our infrastructure costs will pivot from being a source of gross margin pressure to become a margin accretive investment. Second, as more of our ad revenue is derived from higher margin placements such as Sponsored Snaps and Promoted Places, we expect advertising margins to improve. Third, we expect that the growing scale of our subscription business, which is built on a foundation of existing engagement and infrastructure investment, will become increasingly accretive to overall gross margins. In the Crucible Moment letter shared last fall, we set a near term goal to achieve 60% gross margins. We have already made meaningful progress toward that goal by achieving a 59% gross margin in Q4, and we believe there is a clear path to exceed this goal in 2026.

We are excited about our plans to accelerate topline growth, diversify our revenue streams, and build a more financially efficient business in the year ahead. Ultimately, we will grade our performance on our progress toward achieving



meaningful Net Income profitability over the medium term. Importantly, we believe we can deliver on this profitable growth path as we continue to invest in the future of augmented reality and support the consumer launch of Specs later this year.

Community

For our community, we are focused on strengthening engagement in the world's most developed advertising geographies, by building experiences across Snapchat that spark conversations and deepen relationships between Snapchatters. The connections between friends and family are what unify our camera, messaging, Snap Map, and content experiences and enable our platform to enrich the lives of Snapchatters around the world. By prioritizing features that encourage creativity, discovery, and interaction across these surfaces, we aim to increase the relevance and durability of engagement in ways that support long-term community growth and monetization.

Our camera remains central to how Snapchatters communicate and express themselves, and it is often the starting point for conversations on Snapchat. We are enhancing our camera with AI-powered capabilities that make creation more intuitive, dynamic, and social. Recent breakthroughs in our proprietary models allow us to deliver high-quality generative AI camera experiences efficiently at scale by running our models on-device. AI-driven Lenses represent a meaningful evolution from traditional Lenses, shifting the experience from applying a fixed set of visual overlays to creating images and scenes dynamically through generative AI. Snapchatters can now prompt, explore, and co-create personalized content in real time, and this shift is already resonating with our community. More than 700 million Snapchatters have engaged with generative AI Lenses more than 17 billion times, often discovering and sharing these Lenses through conversations with friends and family. Our Imagine Lens, launched in September, has already been engaged with nearly two billion times, highlighting strong early traction and repeat usage. This momentum is supported by a global creator and developer ecosystem that is unmatched in scale. More than 450,000 creators from nearly every country have built over 5 million Lenses using our industry-leading AR and AI tools, helping ensure that camera experiences remain fresh, relevant, and closely aligned with how our community builds relationships.



More than **700 million**
Snapchatters have
engaged with Gen
AI-powered Lenses over
17 billion times.

Sharing Snaps with friends and family remains the foundation of Snapchat and a core driver of engagement, retention, and long-term value creation. Our platform is designed around visual communication that enables frequent interactions and helps our community maintain close relationships over time. We continue to see strong momentum in direct communication between friends and family, with messaging behaviors reflecting the durability of Snapchat's core value proposition. For example, average daily messages sent increased 5% year-over-year, and the number of bidirectional communicators increased 5% year-over-year in Q4. We are investing in product experiences that make it easier to start conversations, sustain them over time, and introduce new ways for friends and family to interact. For example, in Q4, we began testing Topic Chats, a new feature that allows Snapchatters to participate in public conversations around trending topics and events, discover shared interests, and explore what's happening visually across our community. We also began rolling out new two player turn-based games designed to create playful, low-friction ways for friends and family to connect, such as 2



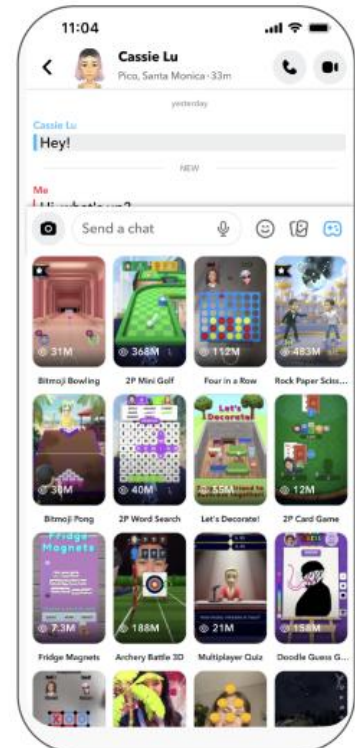
Player Mini Golf and *Magic Jump*. In Q4, these experiences contributed to more than 200 million Snapchatters playing Games every month on average, representing an increase of 90% year-over-year.

The Snap Map has become an increasingly important driver of engagement by helping Snapchatters stay connected to friends, local communities, and places in the real world. Snapchatters use the Snap Map to see where friends are spending time, discover what is happening nearby, and engage with local businesses and events. Monthly active Snap Map users reached 435 million in Q4, up 6% year-over-year, creating natural opportunities for both organic engagement and monetization through ad placements such as Promoted Places.

We have built a differentiated content platform powered by authentic content that is native to Snapchat and that reinforces human connection through content sharing as a conversation starter. Our systems increasingly surface timely, relevant content by identifying emerging trends and original formats across Spotlight and Stories and matching them to the right audiences. In Q4, enhancements to our ranking and trend-detection models contributed to improved content freshness and engagement. For example, the number of Spotlight reposts and shares increased 69% year-over-year in the US, reflecting our ability to surface timely content at scale. In addition, Snapchat continues to be a platform where both established and emerging creators can grow an audience and build a sustainable business. For example, Randa Adami, a nail designer and travel creator, grew her follower base by more than 20x over the last six months by consistently posting to Spotlight and leveraging engagement tools such as Q&A and Spotlight comments to strengthen connections with her viewers.

As we continue to innovate across these surfaces, we are seeing the impact of better calibrating our investments in community growth and cost to serve with the long term monetization potential of each market. In Q4, global monthly active users increased by 3 million quarter-over-quarter to 946 million, while global daily active users declined by 3 million quarter-over-quarter to 474 million⁵. The decline in Global DAU in Q4 reflects, in part, our decision to substantially reduce our community growth marketing investments in order to focus on more profitable growth. Improving ARPU through more direct monetization of our core product remains a key priority, including continued growth in Snapchat+, the expansion of Sponsored Snaps and Promoted Places, the launch of Lens+, and Memories Storage Plans. While these initiatives involve trade-offs with engagement, they are strengthening topline performance, supporting more stable and retentive subscription-based revenue streams, and improving the gross margin profile of our business.

The regulatory environment also presents near-term risk to engagement metrics. In Q4, we implemented platform-level age verification in Australia in accordance with a new law requiring users to be at least 16 years old, resulting in the removal of approximately 400,000 accounts. We have since begun testing new signals from Apple's Declared Age Range API, and we plan to test Google's solution once it becomes available. While these actions may adversely affect engagement metrics as



Over 200 million Snapchatters play Games every month on average, representing an increase of 90% year-over-year.



implementation progresses, we believe it is the right thing to do to maintain the long term trust of our community and partners, and we remain committed to our long-term goal of serving more than 1 billion global monthly active users.

Specs

Our long-term vision for augmented reality extends beyond the smartphone to a future where computing is more natural, contextual, and seamlessly integrated into the real world. For more than a decade, we have invested in building a platform that brings digital experiences closer to how people see, move through, and interact with their everyday environments. Specs are central to this vision. After five generations of development and refinement, we plan to launch Specs publicly in 2026, which we believe represents a significant step forward in human-centered computing and the evolution of our AR platform.

As we prepare for launch, we have continued to strengthen both the platform and the ecosystem that is designed to support adoption at scale. We began testing Snap Cloud, powered by Supabase, to make advanced backend capabilities more accessible within Lens Studio, enabling developers to build richer, more dynamic AR experiences. We also announced that all Lenses built today for Spectacles will be compatible with Specs at launch, providing continuity and scale for developers from day one.

Partners and developers are already building compelling AR experiences that demonstrate the breadth of what is possible on Specs. Star Wars: Holocron Histories from ILM is now live on Spectacles, highlighting the power of smart glasses for immersive storytelling with one of the world's most beloved franchises. This experience showcases the studio's continued innovation in technology and platforms through an extension of the Star Wars galaxy. In addition, 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.

We believe Snap is uniquely positioned to lead the next wave of spatial computing. With Snap OS 2.0, Lens Studio, Snap Cloud, and a global developer ecosystem, we have built an end-to-end AR platform spanning software, tools, and hardware. Together, these capabilities position us to deliver fully standalone, human-centered eyewear that expands creative expression and unlocks new ways for people to engage with the world around them.



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.

Advertising Platform

In Q4, we made meaningful progress executing against the three priorities guiding the evolution of our advertising business: fostering more direct connections between brands and Snapchatters, making advertising on Snapchat easier and more performant through our AI-driven ad platform, and expanding our advertiser base by scaling and optimizing our go-to-market operations for small and medium-sized businesses. Together, these efforts delivered measurable improvements in advertiser performance, positioning us for more durable growth as we enter 2026.



We are focused on fostering more direct connections between brands and Snapchatters by enabling advertisers to participate natively in the experiences our community use every day on Snapchat, including messaging, the Snap Map, our AI-powered camera, and creator-led content. These surfaces allow brands to show up in ways that feel timely, relevant, and aligned with how our community communicates and discovers the world around them.

High-impact, conversation-driven placements are playing an increasingly important role across both upper- and lower-funnel objectives. Sponsored Snaps continued to gain traction in Q4 as one of our most differentiated ad placements, allowing brands to engage directly with Snapchatters. Sponsored Snaps revenue grew meaningfully quarter-over-quarter, supported by in-app optimizations and early testing of Dynamic Product Ad (DPA) integrations. Advertisers are seeing strong results from this placement: 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. For example, global travel company Contiki used Sponsored Snaps to drive lower-funnel bookings, achieving a 283% increase in ROAS and a 72% reduction in cost per purchase, highlighting the format's ability to connect creativity with measurable outcomes. In addition, SHEIN used Sponsored Snaps as part of a total takeover campaign to amplify the launch of its 2025 Collection, connecting an online-to-offline event with high-impact, camera-native creative that drove engagement beyond digital impressions. The campaign exceeded impression benchmarks by 20% while delivering CPMs below standard benchmarks, demonstrating strong efficiency, scale, and the effectiveness of clear product-led creative with a direct call to action. We are also seeing advertisers amplify lower-funnel outcomes by combining complementary ad formats across the Snapchat experience. For example, Saudi QSR brand KUDU combined creative AR Lenses with Sponsored Snaps to drive full-funnel performance, achieving up to 49.5% lower cost per sign-up, 3.76x more app installs at 76% lower CPI, and 38x more purchases at an 84% lower cost per purchase.

Promoted Places further extends this strategy by translating digital engagement into real-world action. Early results from our Promoted Places beta saw an average 65% reduction in cost per incremental visit and an average double-digit visitation lift according to third-party foot traffic measurement by InMarket.

We continue to leverage AI to make it easier for advertisers to connect with Snapchatters while delivering stronger performance and more consistent returns. By embedding AI across our advertising platform, from creative development and campaign setup to delivery and optimization, we are reducing friction for advertisers and improving ROAS at scale, particularly across Direct Response use cases.

A central focus of our AI strategy is simplifying how advertisers plan, launch, and manage campaigns on Snapchat. Our Smart Campaign Solutions suite, including Smart Targeting and Smart Budget, uses AI to identify incremental high-value audiences and dynamically allocates spend across objectives, reducing the need for manual setup and ongoing optimization. We also began early testing of Smart Ads, which automatically assemble and iterate creative elements to identify the highest-performing combinations. These tools are designed to reduce creative friction, accelerate learning cycles, and shorten time to spend.



Contiki used
Sponsored Snaps
to drive lower-funnel
booking, achieving a
283% increase in
ROAS and a 72%
reduction in cost
per purchase.



Improving Direct Response performance remains a core priority within this effort. In Q4, we delivered meaningful progress across both DPA and App advertising. For DPA, targeted ranking, format, and delivery improvements delivered a 55% reduction in cost per action for 7-0 conversions and a 45% reduction in cost per action for 1-0 conversions amongst all Pixel Purchase GBBs, based on cumulative internal testing over the past year. DPA revenue grew 19% year-over-year, supported by expanded adoption among large advertisers and continued migration to higher-performing dynamic solutions. For example, WOLFpak, a North America retail fashion & apparel brand, leveraged Dynamic Product Ads to drive lower-funnel performance, delivering 90% higher return on ad spend compared to non-DPA campaigns.

Our App advertising business also accelerated meaningfully in Q4. 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. For example, our partnership with Triumph Arcade delivered 2.6x more app installs at 37% lower CPI and 94% more purchases at a 15% lower cost per purchase, demonstrating how native formats can drive strong lower-funnel outcomes.

We are growing our advertiser base by scaling and optimizing go-to-market operations that support the success of small and medium-sized businesses. SMBs contributed the majority of advertising revenue growth for the sixth consecutive quarter, underscoring sustained product-market fit and the impact of our investments. In Q4, total active advertisers increased 28% year-over-year, driven in part by simplified onboarding, improved campaign workflows, and increased performance. We reduced setup friction by enhancing Ads Manager workflows and expanding integrations across the commerce and measurement ecosystem, enabling advertisers to launch campaigns directly from partner platforms. We also strengthened our SMB offering through new partnerships, including a global integration with Wix, which allows ecommerce businesses to more easily create campaigns, manage catalogs, and improve measurement. In addition, we are investing in AI agents designed to accelerate SMB activation through automated recommendations and onboarding optimizations that reduce decision friction and improve performance.

Our Q4 results reinforce our confidence in the strategic direction outlined in our 2026 plan. By fostering deeper connections between brands with Snapchatters, improving advertiser performance through AI, and expanding our advertiser base with greater discipline, we are building a more resilient and competitive advertising business. As we move into 2026, we will continue to grade our progress based on growth in conversions, improvements in ROAS, expansion of our active advertiser base, and ultimately the rate of growth in advertising revenue and share over time.

Financials

Q4 was a pivotal quarter for our business as we began to see the impact of our strategic focus on profitable growth translate into further revenue diversification, meaningful gross margin expansion, elevated flow through of topline growth to adjusted EBITDA, the achievement of Net Income profitability, and substantially improved free cash flow generation.

REVENUE

Q4'24	\$1,557M
Q4'25	\$1,716M

+10%
year-over-year



WOLFpak leveraged Dynamic Product Ads to drive lower funnel performance, delivering 90% higher ROAS compared to non-DPA campaigns.



Total revenue was \$1.72 billion in Q4, up 10% year-over-year. Advertising revenue reached \$1.48 billion in Q4, up 5% year-over-year, driven primarily by growth in DR advertising revenue. The growth in DR advertising revenue was driven by strong demand for our Pixel Purchase and App Purchase optimizations, as well as continued strength from the SMB client segment. 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.

Global impression volume increased approximately 14% year-over-year, driven in large part by expanded advertising delivery across Sponsored Snaps and Spotlight. Total eCPMs declined approximately 8% year-over-year, with the rate of decline moderating by 5 percentage points quarter-over-quarter, driven by growing demand for Sponsored Snaps that helped boost yields for this new placement. We are encouraged to see our advertising partners experience strong advertising performance alongside this supply growth, and that the improvements in pricing and performance are bringing increased demand to the platform.

Adjusted Cost of Revenue was \$699 million in Q4, up 4% year-over-year, but growing at less than half the rate of our topline. Infrastructure cost per DAU was \$0.86 in Q4 and below the top end of our full year cost structure guidance range as we began to experience the initial benefits of better calibrating our cost to serve relative to the long term monetization potential of the geographies in which we operate. The remaining components of Adjusted Cost of Revenue were \$289 million in Q4, or 17% of revenue, which is below the low end of our full year cost structure guidance range, due in large part to the outsized growth of higher margin ad placements, including Sponsored Snaps and Spotlight. With the combination of Revenue growth outpacing Infrastructure cost growth, and a favorable shift in impression delivery mix, Adjusted Gross Margin reached 59% in Q4, up from 55% in Q3 and 57% in Q4 of the prior year.

Adjusted Operating Expenses were \$660 million in Q4, up 8% year-over-year, but growing 2 percentage points slower than revenue. Personnel costs increased 8% year-over-year, driven primarily by a 7% increase in headcount with hiring tightly focused on our core strategic priorities. Higher legal costs, including litigation and regulatory compliance related costs, were an additional driver of operating expense growth in Q4. These factors were partially offset by reductions in community growth marketing spending as we began to execute on our strategic initiative to better calibrate our investments in community growth with the long term monetization potential of each geography.

Adjusted EBITDA was \$358 million in Q4, an improvement of \$82 million compared to the prior year. Adjusted EBITDA flow through, or the percentage of year-over-year revenue growth that flowed through to Adjusted EBITDA, was 51% in Q4 and contributed to Adjusted EBITDA margins expanding 9 percentage points to reach 21% in Q4. Importantly, we delivered positive Net income of \$45 million in Q4, up from \$9M in prior year. The \$36 million year-over-year improvement largely reflects the flow-through in Adjusted EBITDA, offset by a \$31 million increase in interest expense reflecting the high yield notes issued earlier in the year. Stock based compensation and related payroll expenses (SBC) were \$265 million in Q4, or approximately flat year-over-year, as progress toward a flatter and leaner leadership structure helped power the business to Net Income profitability in Q4.

Free Cash Flow was \$206 million in Q4 while Operating Cash Flow was \$270 million. Over the trailing twelve months, Free Cash Flow was \$437 million and Operating Cash Flow was \$656 million, as we continue to execute on translating topline growth into sustained growth in cash flow.

OPERATING CASH FLOW (TTM)

Q4'24	\$413M
Q4'25	\$656M

FREE CASH FLOW (TTM)⁴

Q4'24	\$219M
Q4'25	\$437M



We continued to manage our share count carefully, with share repurchases completed throughout 2025 helping limit share count growth to 3% in Q4. We ended Q4 with approximately \$2.9 billion in cash and marketable securities, and just \$47 million in convertible notes set to mature in fiscal 2026. Given the strength of our balance sheet, our progress towards sustained free cash flow generation, and our desire to opportunistically manage our share count for the benefit of our long term shareholders, we have authorized a new share repurchase program in the amount of \$500 million.

For the full year, we generated \$5.93 billion in revenue, reflecting 11% year-over-year growth, driven by a combination of ongoing strength in our SMB advertising segment as well as the rapid growth in our subscription business. We delivered \$689 million in Adjusted EBITDA, representing Adjusted EBITDA flow-through of 32% in 2025. Importantly, we came within or below our full-year cost structure guidance across all key metrics as we managed our investment levels in balance with the rate of revenue growth realized by our business throughout the year.

Financial Outlook

As we begin 2026, we are focused on accelerating topline growth, further diversifying our revenue streams, expanding gross margins, and making meaningful progress toward Net Income profitability. Our investment plans for 2026 reflect these priorities, and our intention is to calibrate our investments to revenue growth as we move through the year. Our Infrastructure investment levels for 2026 will be driven by our strategic initiative to better align our cost to serve with the long term monetization potential of each geography in which we operate. As a result, our full year cost structure guidance range for Infrastructure costs is \$1.6 billion to \$1.65 billion, which would represent flat year-over-year infrastructure costs at the low end. We estimate that the remaining components of Adjusted Cost of Revenue will be a combined 16% to 17% of revenue in each quarter of 2026, which would represent a 1-2 percentage point improvement over 2025, driven by the benefit of outsized growth in higher margin ad placements.

Personnel costs are the largest component of Adjusted Operating Expenses and we expect headcount growth in 2026 to be roughly inline with the 7% headcount growth we experienced in Q4 2025, with hiring tightly focused on our core strategic priorities. We anticipate continued elevated legal and regulatory related costs, and we plan to make meaningful proactive investments in community safety that will contribute to Adjusted Operating Expense growth. In addition, our Adjusted Operating Expense range for 2026 includes incremental investments in product development and go-to-market support for the consumer launch of Specs later this year. These factors will be partially offset by reduced spending on community growth marketing as we adjust these investments to better reflect the long term monetization potential of each geography. As a result, we estimate that full-year Adjusted Operating Expenses will be approximately \$3.0 billion. For SBC and related expenses, we estimate approximately \$1.2 billion in 2026.

For Q1 specifically, our guidance range for revenue is \$1.50 billion to \$1.53 billion. Our Q1 revenue guidance range excludes any potential revenue from the Perplexity integration as we have yet to mutually agree on a path to a broader roll out. Given this revenue range, and our investment plans for the year ahead, we estimate that Adjusted EBITDA will be between \$170 million and \$190 million in Q1. As we begin 2026, we are excited to execute on our pivot toward profitable growth and to make incremental progress toward our medium term goal of delivering meaningful Net Income profitability. The impacts of this strategic direction are already evident in our Q4 results, and we are incredibly proud of the work our team is doing to build on this momentum in Q1.



-
1. Adjusted Gross Profit is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue. 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 reconciliation of GAAP Cost of Revenue to Adjusted Cost of Revenue.
 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. See Appendix for reconciliation of GAAP Operating Expenses to Adjusted Operating Expenses.
 3. 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 reconciliation of net income (loss) to Adjusted EBITDA.
 4. 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.
 5. In the first quarter of 2025, we refined our processes and controls to allow us to more accurately record user activity that would not otherwise be recorded during such period due to delays in receiving user metric information resulting from carrier or other user connectivity issues during the measurement period. For additional information concerning these refinements, see the "Note Regarding User Metrics and Other Data" in our Quarterly Report filed on Form 10-Q for the first quarter of 2025. As a result of such refinements, our DAUs may not be directly comparable to those in prior periods, as they reflect a comparison to previously reported numbers.



Appendix

Forward Looking Statements

This letter 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 letter, 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 letter. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this letter 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 U.S. Securities and Exchange Commission, or SEC, which is available on the SEC’s website at www.sec.gov. Additional information will be made available in Snap Inc.’s periodic report that will be filed with the SEC for the period covered by this letter and other filings that we make from time to time with the SEC. In addition, any forward-looking statements contained in this letter 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 letter 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.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We use the non-GAAP financial measure of Free Cash Flow, which is defined as net cash provided by (used in) operating activities, reduced by purchases of property and equipment. We believe Free Cash Flow is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business and is a key financial indicator used by management. Additionally, we believe that Free Cash Flow is an important measure since we use third-party infrastructure partners to host our services and therefore we do not incur significant capital expenditures to support revenue generating activities. Free Cash Flow is useful to investors as a liquidity measure because it measures our ability to generate or use cash. Once our business needs and obligations are met, cash can be used to maintain a strong balance sheet and invest in future growth. We use the non-GAAP financial measure of Adjusted EBITDA, which is defined as net income (loss), excluding interest income; interest expense; other income (expense), net; income tax benefit (expense); depreciation and amortization; stock-based compensation expense; payroll and other tax expense related to stock-based compensation; and certain other items impacting net income (loss) from time to time. We believe that Adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA. We use other non-GAAP financial measures such as Adjusted Cost of Revenue and Adjusted Operating Expenses. 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 Profit, which we define as GAAP revenue less Adjusted Cost of Revenue. 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. 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 “Reconciliation of GAAP to Non-GAAP Financial Measures” included as an Appendix to this letter. Snap Inc., “Snapchat,” and our other registered and common law trade names, trademarks, and service marks are the property of Snap Inc. or our subsidiaries.



Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands, unaudited)

Three Months Ended					
Adjusted Cost of Revenue reconciliation	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
GAAP Cost of Revenue	\$671,660	\$639,579	\$653,333	\$674,220	\$702,443
Stock-based compensation expense	(1,626)	(1,434)	(1,656)	(2,327)	(2,009)
Payroll and other tax expense related to stock-based compensation	(36)	(102)	(74)	(69)	(48)
Depreciation and amortization	(1,123)	(1,420)	(1,505)	(1,016)	(1,818)
Adjusted Cost of Revenue¹	\$668,875	\$636,623	\$650,098	\$670,808	\$698,568
GAAP Gross Profit	885,623	723,638	691,597	832,619	1,014,018
Adjusted Gross Profit¹	888,408	726,594	694,832	836,031	1,017,893
GAAP Gross Margin	57%	53%	51%	55%	59%
Adjusted Gross Margin¹	57%	53%	52%	55%	59%

Three Months Ended					
Adjusted Operating Expenses reconciliation:	12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
GAAP Operating Expenses ²	\$912,500	\$917,484	\$951,273	\$960,981	\$964,301
Stock-based compensation expense	(256,105)	(245,904)	(250,230)	(258,036)	(255,229)
Payroll and other tax expense related to stock-based compensation	(5,536)	(17,116)	(8,963)	(7,454)	(7,362)
Depreciation and amortization	(38,458)	(36,295)	(38,518)	(41,498)	(41,563)
Adjusted Operating Expenses³	\$612,401	\$618,169	\$653,562	\$653,993	\$660,147

- 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. Adjusted Gross Margin is a non-GAAP measure, which we define as GAAP revenue less Adjusted Cost of Revenue divided by GAAP revenue.
- GAAP Operating Expenses is defined as total costs and expenses, as reported on our consolidated statements of operations, minus GAAP cost of 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.



Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands, unaudited)

	Three Months Ended				
	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25
Adjusted EBITDA reconciliation:					
Net income (loss)	\$9,101	\$(139,587)	\$(262,570)	\$(103,541)	\$45,209
Add (deduct):					
Interest income	(38,573)	(37,018)	(33,199)	(32,255)	(31,687)
Interest expense	5,813	23,399	27,607	34,494	36,498
Other (income) expense, net	(8,382)	(49,069)	823	(27,570)	6,946
Income tax (benefit) expense	5,164	8,429	7,663	510	(7,249)
Depreciation and amortization	39,581	37,715	40,023	42,514	43,381
Stock-based compensation expense	257,731	247,338	251,886	260,363	257,238
Payroll and other tax expense related to stock-based compensation	5,572	17,218	9,037	7,523	7,410
Adjusted EBITDA¹	\$276,007	\$108,425	\$41,270	\$182,038	\$357,746

	Three Months Ended				
	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25
Free Cash Flow reconciliation:					
Net cash provided by (used in) operating activities	\$230,633	\$151,610	\$88,494	\$146,488	\$269,578
Less:					
Purchases of property and equipment	(48,275)	(37,214)	(64,701)	(53,044)	(64,022)
Free Cash Flow²	\$182,358	\$114,396	\$23,793	\$93,444	\$205,556

- 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.
- 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.



Reconciliation of GAAP to Non-GAAP Financial Measures

(In thousands, unaudited)

	Years Ended	
	2024	2025
Adjusted EBITDA reconciliation:		
Net income (loss)	\$(697,856)	\$(460,489)
Add (deduct):		
Interest income	(153,466)	(134,159)
Interest expense	21,552	121,998
Other (income) expense, net	16,846	(68,870)
Income tax (benefit) expense	25,630	9,353
Depreciation and amortization	154,459	163,633
Stock-based compensation expense	1,031,621	1,016,825
Payroll and other tax expense related to stock-based compensation	37,768	41,188
Restructuring charges ¹	72,051	—
Adjusted EBITDA²	\$508,605	\$689,479

	Years Ended	
	2024	2025
Free Cash Flow reconciliation:		
Net cash provided by (used in) operating activities	\$413,480	\$656,170
Less:		
Purchases of property and equipment	(194,826)	(218,981)
Free Cash Flow³	\$218,654	\$437,189

1. 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.
2. 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.
3. 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.



