

## About Twitter, Inc.

Founded in San Francisco, CA.  
Incorporated in **April 2007**

**2,300** employees in over  
**15** cities worldwide

**230+ Million** Monthly  
Active Users



## Twitter

A new way to create, distribute and discover content



- ▶ **140 character** constraint drives a high velocity of information exchange - making Twitter uniquely **"live"**
- ▶ Democratizing content **creation** and **distribution**
- ▶ Enabling a single voice to echo around the world **instantly** and **unfiltered**



**350B** Tweets published  
since being founded

**1B** Tweets created  
every two days

## Global reach and engagement



**230+**

million MAUs



**77%**

average MAUs  
international



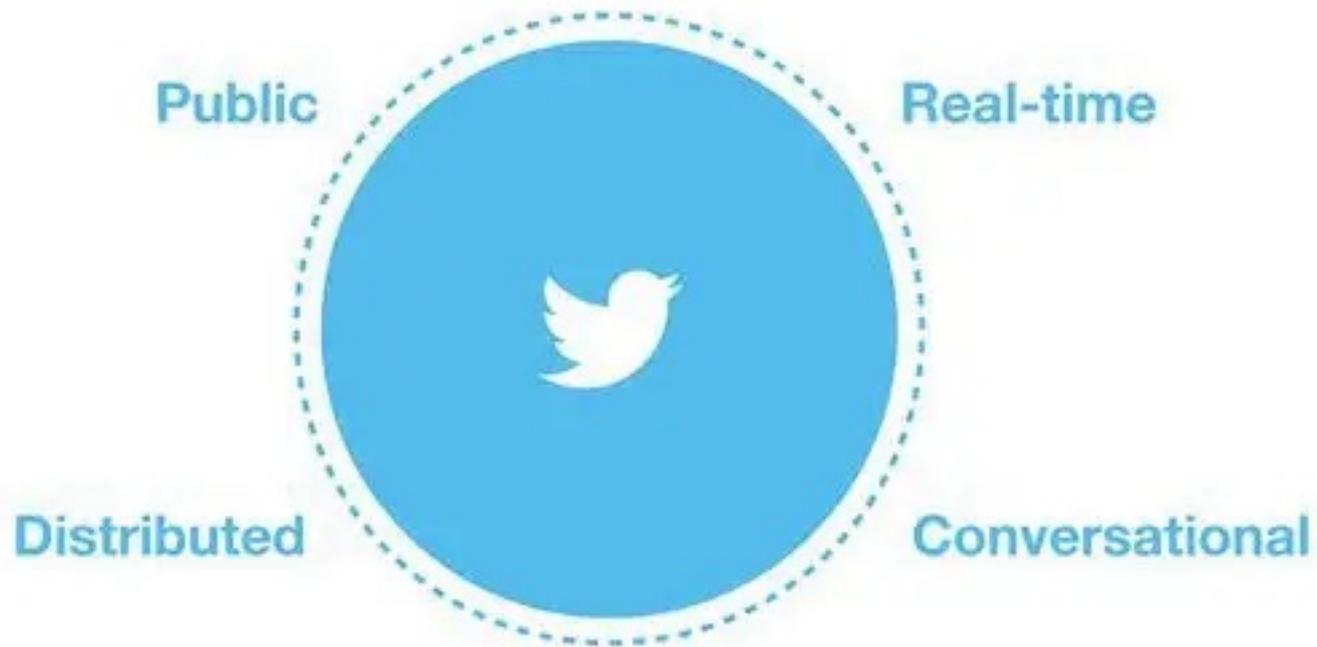
**76%**

average MAUs access  
Twitter on mobile



Most current data points as of September 2013

Twitter Confidential 10



## #Public: A personal broadcast network



**Drew Brees** @drewbrees



13 Jul 12

Deal is Done! Love you, Who Dat Nation.  
See you soon!



**Carl Icahn** @Carl\_C\_Icahn



13 Aug 13

We currently have a large position in APPLE. We believe the company to be extremely undervalued. Spoke to Tim Cook today. More to come.



**Clarence House** @ClarenceHouse



22 Jul 13

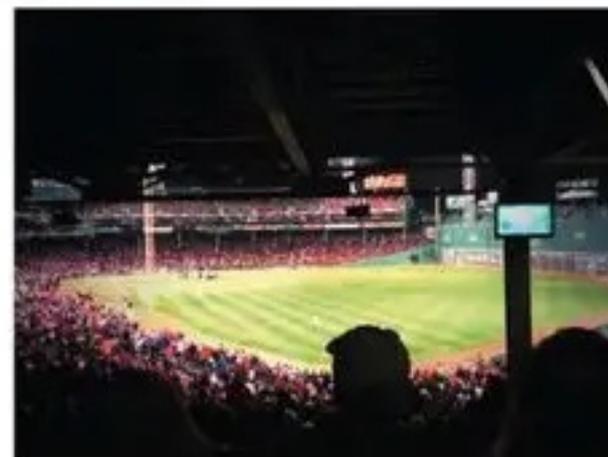
Her Royal Highness The Duchess of Cambridge has been admitted to St. Mary's Hospital, Paddington, London in the early stages of labour.



**Erin O'Flanagan** @erinoflan

19 Oct 13

Game 2 of ALCS at #Fenway @CWooldridge23  
@kellbelle2020 @KrisYoung12 pic.twitter.com/  
kqgGhFWaAn



## #Public: A personal broadcast network



**Carl Icahn**   
@Carl\_C\_Icahn

 Follow

We currently have a large position in APPLE.  
We believe the company to be extremely  
undervalued. Spoke to Tim Cook today.  
More to come.

## #Realttime: Live eyewitness content



**Jānis Krūms**

@jkrums

<http://twitpic.com/135xa> - There's a plane in the Hudson. I'm on the ferry going to pick up the people. Crazy.

1:28 PM - 15 Jan 09



## #Conversational: Unique user-to-user interaction



**Susan Mitchell** @amarah31

2/15/2012

@Mariobatali I am a very good cook, but my red sauce always tastes bitter. I give up? What could be the reason?



**Mario Batali** @Mariobatali

2/15/2012

use San Marzano tomatoes, cook garlic less? #heymb

RT@amarah31:i am a good cook, but my red sauce tastes bitter. What could be the reason?



**GAVIN ROSSDALE** @GavinRossdale

2/15/2012

@Mariobatali @amarah31 could be the basil-too much too long



**Mario Batali** @Mariobatali

2/15/2012

behind this handsome rocker facade lies a brilliant cook!!

RT @GavinRossdale: @Mariobatali @amarah31 could be the basil-too much too long"

## #Conversational: Allowing brands to connect with users



**Garrett** @MotoMedic08

6/25/2013

1st full month=75 miles #FindYourGreatness  
@NikeRunning I just ran 3.90 mi with Nike+.  
[go.nike.com/05nni0kc](http://go.nike.com/05nni0kc) #nikeplus



**Nike Running** @NikeRunning

6/25/2013

@MotoMedic08 You could go for 100 next month, or  
you could go for more. #justdoit [pic.twitter.com/yNU3Gta6YF](http://pic.twitter.com/yNU3Gta6YF)



## #Distributed: Tweets go everywhere



**Barack Obama** 

@BarackObama

Four more years.  
[pic.twitter.com/bAJE6Vom](http://pic.twitter.com/bAJE6Vom)

8:16 PM - 6 Nov '12



## #Distributed: Tweets go everywhere



## #Distributed: Tweets go everywhere

**NEW YORK ZITZEN**

Der Papst war „Der kleine Nick“ nicht zurück  
Der Papst war „Der kleine Nick“ nicht zurück

„Right for your heart“ -  
das ist der „Singer“  
„Right for your heart“ -  
das ist der „Singer“  
„Right for your heart“ -  
das ist der „Singer“

Der geliebteste Mann  
des Kaisers  
Der geliebteste Mann  
des Kaisers  
Der geliebteste Mann  
des Kaisers

**DIE WELT**

Der Kaiser  
Der Kaiser  
Der Kaiser  
Der Kaiser  
Der Kaiser

**Barack Obama**  
@BarackObama

Four more years.  
[pic.twitter.com/bAJE6Vom](http://pic.twitter.com/bAJE6Vom)

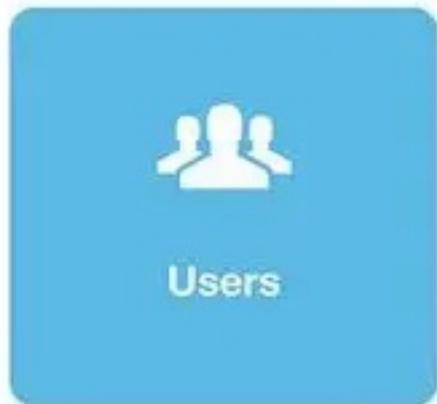


**48B** online impressions of  
Tweets *off* our properties

Source: Twitter Internal

**44%** of Americans hear about Tweets through media channels other than Twitter almost every day

Source: Edison Research



**Public**

**Real-time**

**Conversational**

**Distributed**



## Value proposition to users





## Value propositions for users



9:39 PM  
Tweet



**Karibu Nyaggah**  
@nkaribu

The line stretches on, for what I suspect is over a mile. But today, Kenyans will vote. #Kenyadecides [pic.twitter.com/FHSnZoKlJ9](https://pic.twitter.com/FHSnZoKlJ9)





JOURNALISTS



LOCAL POLITICIANS



HEADS OF STATE



COMEDIANS



CELEBRITIES



ATHLETES



ALL YOUR INTERESTS



## Value proposition to platform partners





## Value propositions for platform partners

### Bring great content into Twitter

- ▶ Distribution channel for partners to expand their reach
- ▶ Canvas for enhanced content and engagement



### Use Twitter content on their properties

- ▶ Complementary and relevant real-time content
- ▶ Build applications and services using Twitter



# Twitter for websites

**Oreo Cookie**  
@Oreo

Power out? No problem.  
[pic.twitter.com/dnQ7pOgC](http://pic.twitter.com/dnQ7pOgC)

8:48 PM · 12 Feb 2013



YOU CAN STILL DUNK IN THE DARK

Related headlines:

- These 10 key moments highlight important...  
Mashable @mashable
- A "war room" was put in place months before...  
Bt: Advertising @Bt\_Advertising
- One of the most buzz-worthy ads of the Super ...  
HuffPost Media @HuffPostMedia

Show 14 more



Mashable

## 10 Moments on Twitter That Will Go Down in History

Tweet 3.1K

Tweets That Changed the Way We See Twitter



YOU CAN STILL DUNK IN THE DARK

2013: The Power of Real-Time Marketing Tweets

When the lights went out on Feb. 12, 2013, Oreo's real-time marketing campaign was in full swing. The brand's social media team quickly pivoted to creating real-time content for Twitter, leading to a surge in interest and engagement.

Over the course of the night, Oreo's tweets were retweeted over 3 million times, and the brand's social media presence was amplified significantly. This real-time marketing campaign was a success, demonstrating the power of social media in crisis situations.



## Twitter Cards: canvas for enhanced content

### MEDIA SUMMARY



**The New York Times** @nytimes  
An Interview With Jason Wu [nyti.ms/19qwuXB](#)



**The New York Times** @nytimes

**Video: An Interview With Jason Wu**  
Malina Gichrist, senior market editor at T Magazine, interviews the fashion designer Jason Wu on his new makeup collaboration with Lancome and looking beyond fashion for inspiration.



[View on web](#)

### IN-TWEET PHOTO



**Lisa Scheele** @Scheelectronic  
Oh hey fog. Haven't seen you in a while. I ALMOST missed you.  
[pic.twitter.com/Oh0mWtRyiE](#)



### IN-TWEET AUDIO/VIDEO



**Lowe's** @Lowe's  
Stripped screw? No problem, just use a rubber band. [#lowesfixsix vine.co/v/bU61aqq2YOp](#)



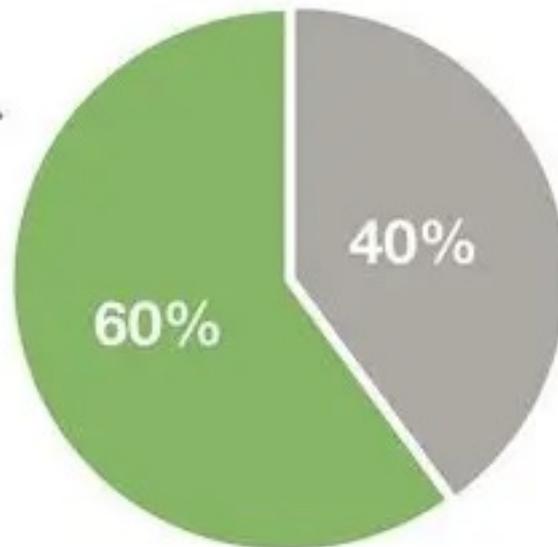


## Complementary real-time and relevant content

### Distribution of Twitter Integrations in Primetime TV

June 1 - 30, 2013

Include a Twitter  
#hashtag, @handle,  
or visual call-out



No Twitter  
integration

Twitter was mentioned in  
**26 of the 52** Super Bowl  
National TV Commercials



Source: MarketingLand.com, Game Over: Twitter Mentioned in 50%  
Of Super Bowl Commercials, Facebook Only 8%, Google+ Shut Out

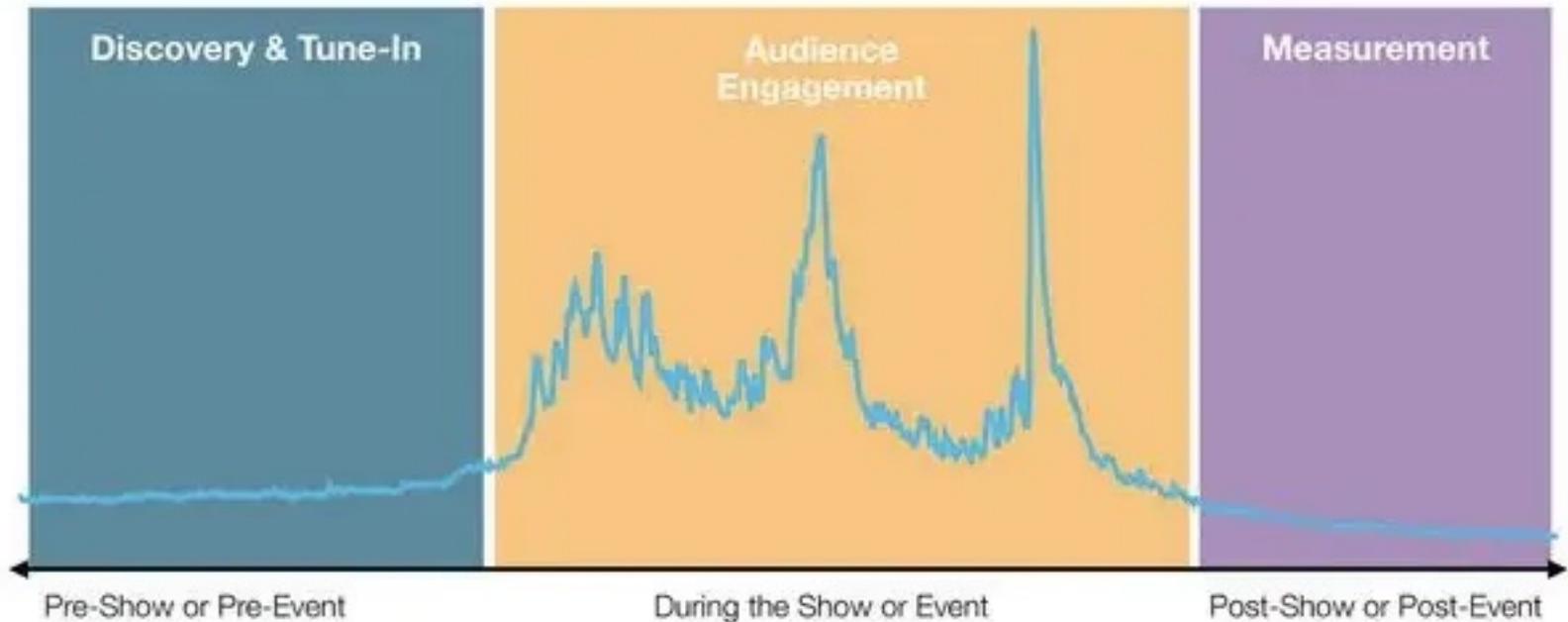
Source: Measured Projection

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## Live reach



**#SKYWIRE  
GENERATED  
1M TWEETS**



**Robert Flores** ✓  
@RoFloESPN

#Skywire is a victory for courage, perseverance, and dad jeans.



**Darren Rovell** ✓  
@darrenrovell

There was something so Twitter about #skywire. Betting most didn't even know it was on tonight. Drove tune in.



**Lee Jeans** ✓  
@LeeJeans

Denim: preferred by cowboys, rockstars and @NikWallenda #Skywire



## Complementary media relationships



## TV x Twitter: A new standard for TV Engagement

### SNEAK PEEK! NIELSEN TWITTER TV RATINGS TOP 5

9/23-9/29							
RANK	NETWORK	PROGRAM	DATE	UNIQUE AUDIENCE (000)	IMPRESSIONS* (000)	UNIQUE AUTHORS (000)	TWEETS (000)
1	AMC	Breaking Bad	9/29/2013	9,281.9	129,627.6	601.4	1,237.9
2	NBC	The Voice	9/23/2013	3,835.7	13,957.6	138.2	273.5
3	ABC	Jimmy Kimmel Live	9/26/2013	3,403.9	10,761.5	73.0	105.1
4	ABC	Dancing With the Stars	9/23/2013	3,200.4	10,983.6	46.4	83.9
5	ESPN	SEC Storied	9/24/2013	2,928.2	10,168.5	48.5	72.4

SocialGuide captures relevant Tweets from three hours before, during and three hours after an episode's initial broadcast, local time. Unique Audience measures the audience of relevant Tweets ascribed to an episode from when the Tweets are sent until the end of the broadcast day at 5am. The data excludes sports events.

\*Impressions measures the number of times any Tweets ascribed to a TV episode were seen. Impressions are de-duplicated by account, platform, and Tweet ID so that a unique Twitter account will accrue only a single impression per individual relevant Tweet viewed per platform.



## Value proposition to advertisers



## Value proposition to advertisers



The image shows a smartphone screen with the Twitter app interface. At the top, there is a blue navigation bar with the Twitter logo, the word "Home", and icons for adding a profile, search, and composing a tweet. Below this is a black navigation bar with icons for home, mentions (@), hashtags (#), and profile. The main content area displays four tweets from @Twitter, each featuring the Twitter logo and the word "ADVERTISING" in small letters. The tweets describe the value of native ads on Twitter.

Home

Home @

#

Twitter @Twitter  
Native ads that aren't disruptive to the user experience

Twitter @Twitter  
Powerful targeting capabilities

Twitter @Twitter  
Advertisers can connect in context

Twitter @Twitter  
Advertisers can use the viral nature of Twitter to extend their reach via earned media

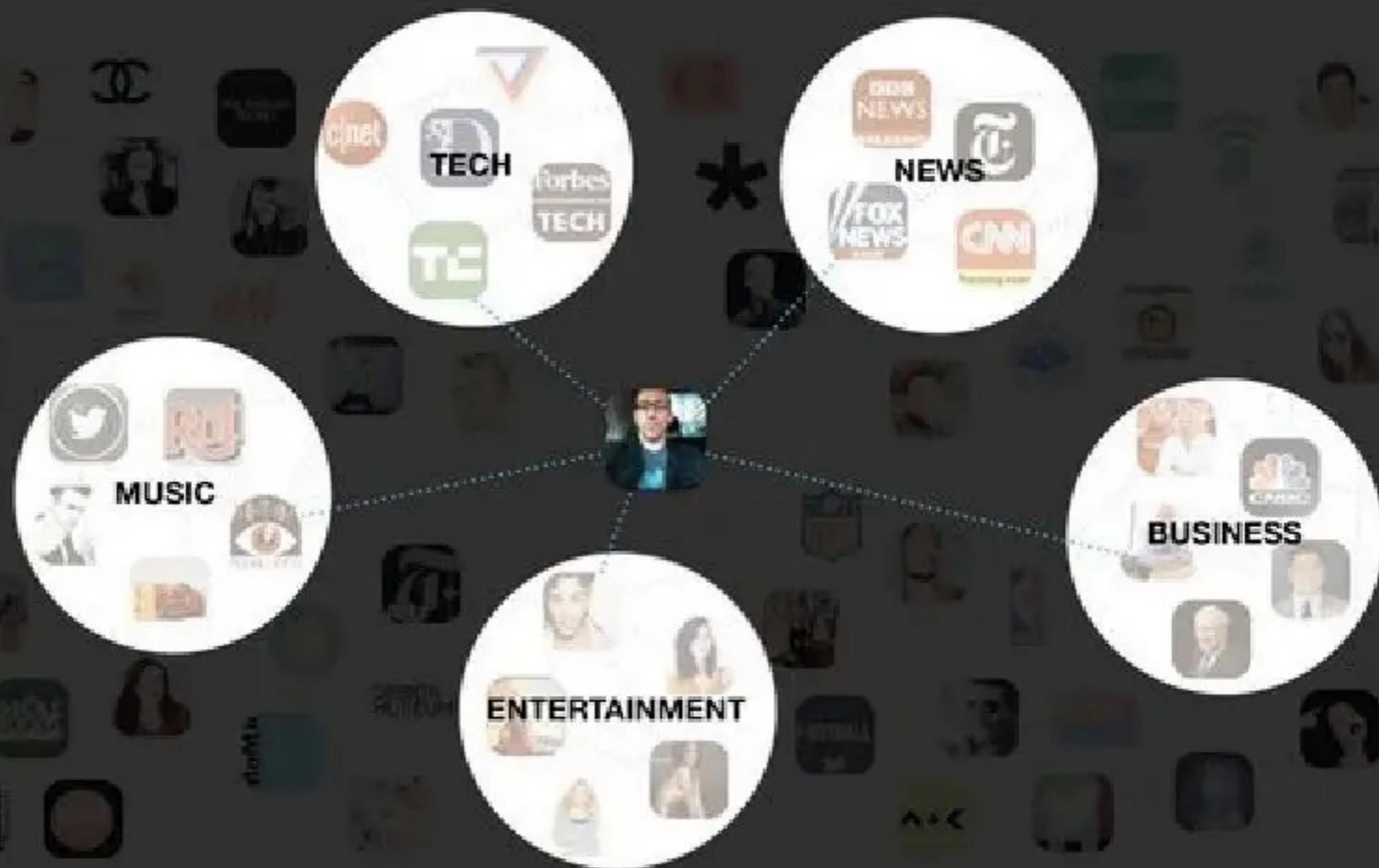


## Ad formats native to mobile experience



**71** % of advertising revenue  
generated from mobile devices

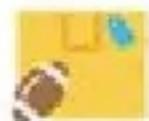
**↗ Interest Graph produces a clear and real-time signal**



## Powerful targeting based on interests and engagement



Keywords



Interests



TV ads



Device



Followers



Look-a-likes



Search



Location



Gender



# Connect in context



## Results for #WhyCantISleepAtNight

Related: #whycantisleepatnight insomnia, #flipyourmorning, gnooooomes, hd...

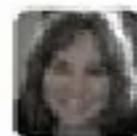
### Tweets [Top](#) / [All](#) / [Timeline](#)



**zzzQuil** @zzzQuil 

Seriously, these tweets will still be here tomorrow. Let's go to bed together.

 Promoted by zzzQuil



**Melissa** @MsHarrick

Two nights in a row I'm up at 4am. #whycantisleepatnight



**Taylor Bird** @BirdTaylor

I shouldn't be awake right now... #nighttime #sleep #whycantisleepatnight



**Dum Dum** @IsmailFarooq

Too many things to study, very less time. #whycantisleepatnight

# Earned media and viral global reach



**Starbucks Coffee**

@Starbucks

V-Day ♥ Buy a Vanilla Spice Latte, Mocha or Hot Chocolate & get one on us. Today 2-5pm. [pic.twitter.com/yfcfdWBg](http://pic.twitter.com/yfcfdWBg)



Promoted by Starbucks Coffee



21,656  
RETWEETS

6,216  
FAVORITES



7:01 AM - 14 Feb 13

Flag media

## Key growth vectors



Users



Platform partners



Advertisers



## Significant user growth potential



**Users**

- Mainstream product
- Geographic expansion
- Mobile application
- Use case marketing



Source: IDC (Jul-2013), Gartner (June-2013)

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## Deeper partnerships with traditional media



### Platform partners

**Provide richer media capabilities for cards**

Analytics and measurement standards



## Significant opportunities for growth among new and existing advertisers

**Advertisers**

- Expand self-serve to attract additional advertisers**
- Provide new advertising formats
- Expand international advertising
- Real-time bidding (MoPub)



# Canvas for enhanced content

Distribute products, lead generation or app downloads in-tweet



## Advertisers

Expand self-serve to attract additional advertisers

Provide new advertising formats

Expand international advertising

Real-time bidding (MoPub)

## PRODUCT

**ModCloth** @ModCloth  
Dress up your office space one pretty piece at a time. [mod.com/17p4K9NC](#)

Product images: a dark blue dress, a green blazer, a red dress, and a handbag.

Small text at the bottom: All Products & More Shipped for Women. Shop our new Fall 2013 collection. Perfect for work, holiday, night out, travel, and more. [http://modcloth.com](#)

## LEAD GENERATION

**H&M USA** @HMusa  
Transition into fall w. 60% off! Visit our site [bit.ly/15013dg](#) & sign up for #FashionNews for more offers. [cards.twitter.com/cards/9nu/1/1gd](#)

Promoted by H&M USA

Sign up & receive 20% off any one item

Lead generation form with a blue "Sign up now" button.

Small text at the bottom: [http://www.hmusa.com](#)

## APP

**Spotify** @Spotify  
Enjoy unlimited mobile free radio on your Android device. Download Spotify now! [spot.ly/3uQAS](#)

Promoted by Spotify

Spotify  
4.5K+ users • 104,268 ratings

FREE

With the Spotify app and a Spotify Premium subscription you can listen to unlimited music on your mobile. Try it free for 48 hours. Premium 48-hour free trial if you haven't used Premium before. [Join...](#)

[View on web](#)



## Twitter management team



**DICK COSTOLO**  
**CEO**

Previous: Google, Feedburner



**ALI ROWGHANI**  
**COO**

Previous: Pixar, McKinsey & Company



**MIKE GUPTA**  
**CFO**

Previous: Yahoo, Zynga, Merrill Lynch



**CHRIS FRY**  
**SVP ENGINEERING**

Previous: Salesforce.com



**ADAM BAIN**  
**PRESIDENT GLOBAL REVENUE**

Previous: News Corp.



**VIJAYA GADDE**  
**GENERAL COUNSEL**

Previous: WSGR, Juniper Networks

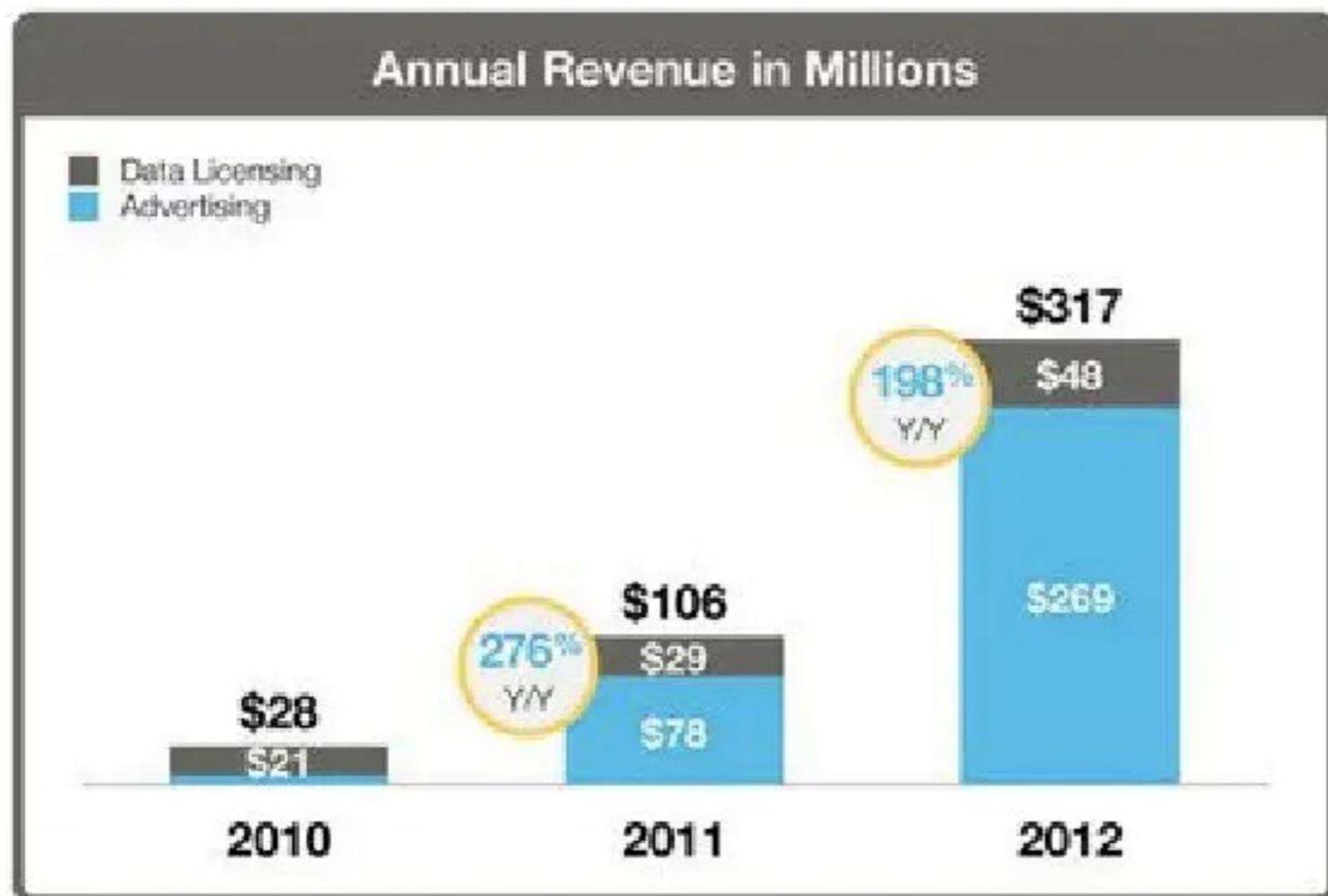


**Mike Gupta**

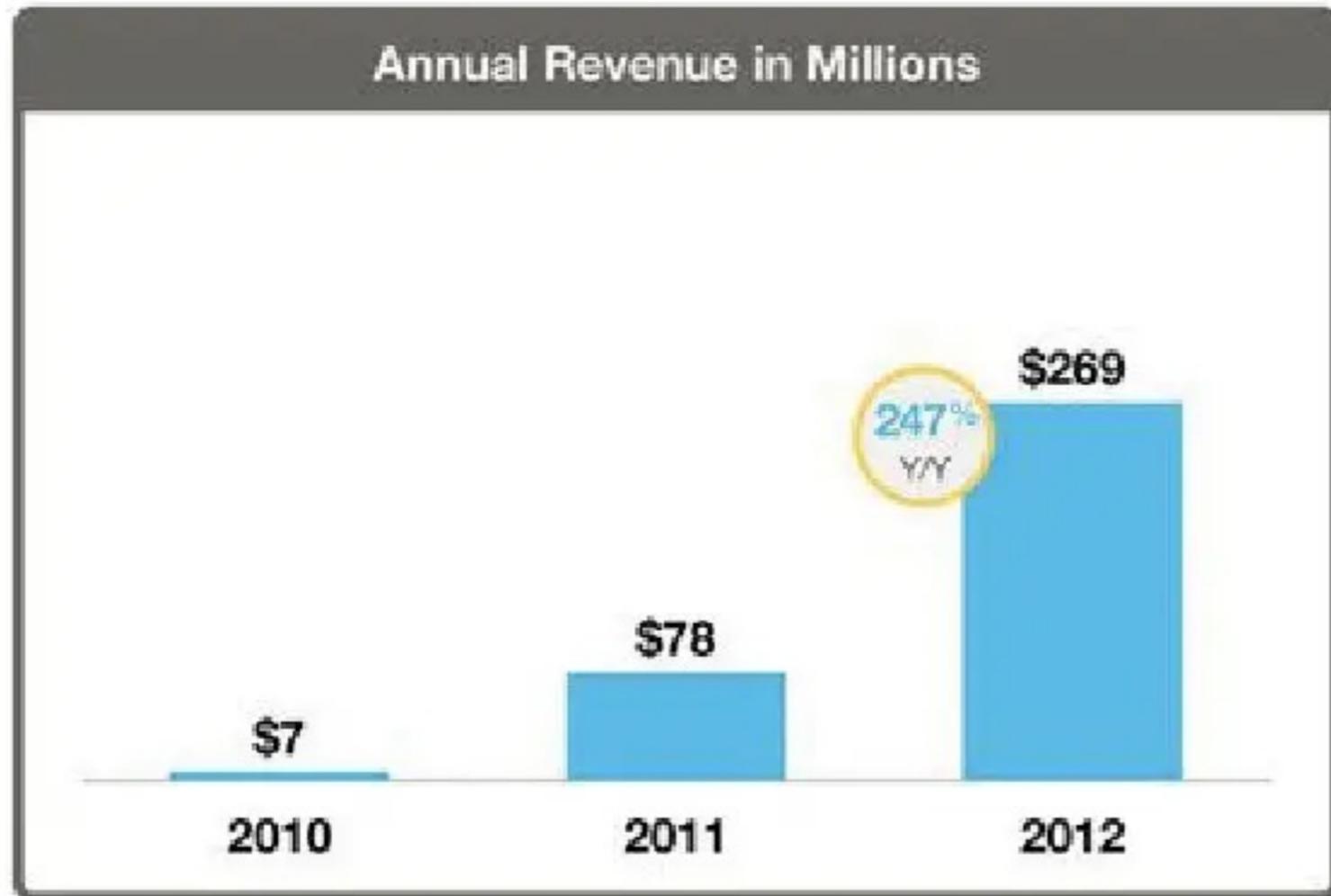
Chief Financial Officer



## Delivering significant growth



# Advertising revenue



## Key metrics

Q3 2013



**230+**

Million MAUs



**685**

Timeline  
Views / MAU



**\$0.97**

Ad Revenue /1000  
Timeline Views





## Monthly Active Users





## Home timeline

The image displays the Twitter home timeline on both a mobile phone and a desktop browser. The mobile view on the left shows a white smartphone with a blue header and a black navigation bar. The desktop view on the right shows a grey header with navigation links and a search bar. Both views feature a list of tweets with user avatars, names, and text. The tweets are highlighted with a yellow border. The desktop view also includes a 'Who to follow' section with user profiles and a 'Trends' section at the bottom.

**Mobile View:**

- Time: 1:09 PM
- Home
- Navigation: Home, @, #, Me
- Tweet 1: Dylan Matthews (@dylanmatt) "Universal knew it needed to find another male lead to slip inside its waiting role - and oh, it needed it now" [avclub.com/articles/charl...](#)
- Tweet 2: Samsung Mobile US (@SamsungMobile) Capture Toto's leap or Dad's goofy dance in one dynamic photo with Drama Shot from the #GalaxyS4. Learn more: [smsg.us/153cj4D](#)  
Promoted by Samsung Mobile US
- Tweet 3: James Morrison (@JamesPMorrison) If you are tired of the #shutdown, @SenWarren is really good at expressing your feelings. (via @Upworthy) [upworthy.com/a-senator-gets...](#)
- Tweet 4: Ioannia Ioannou (@ioannoulas) Thank you @thinkers50 for shortlisting me for the Future Thinker Award! [goo.gl/...](#)

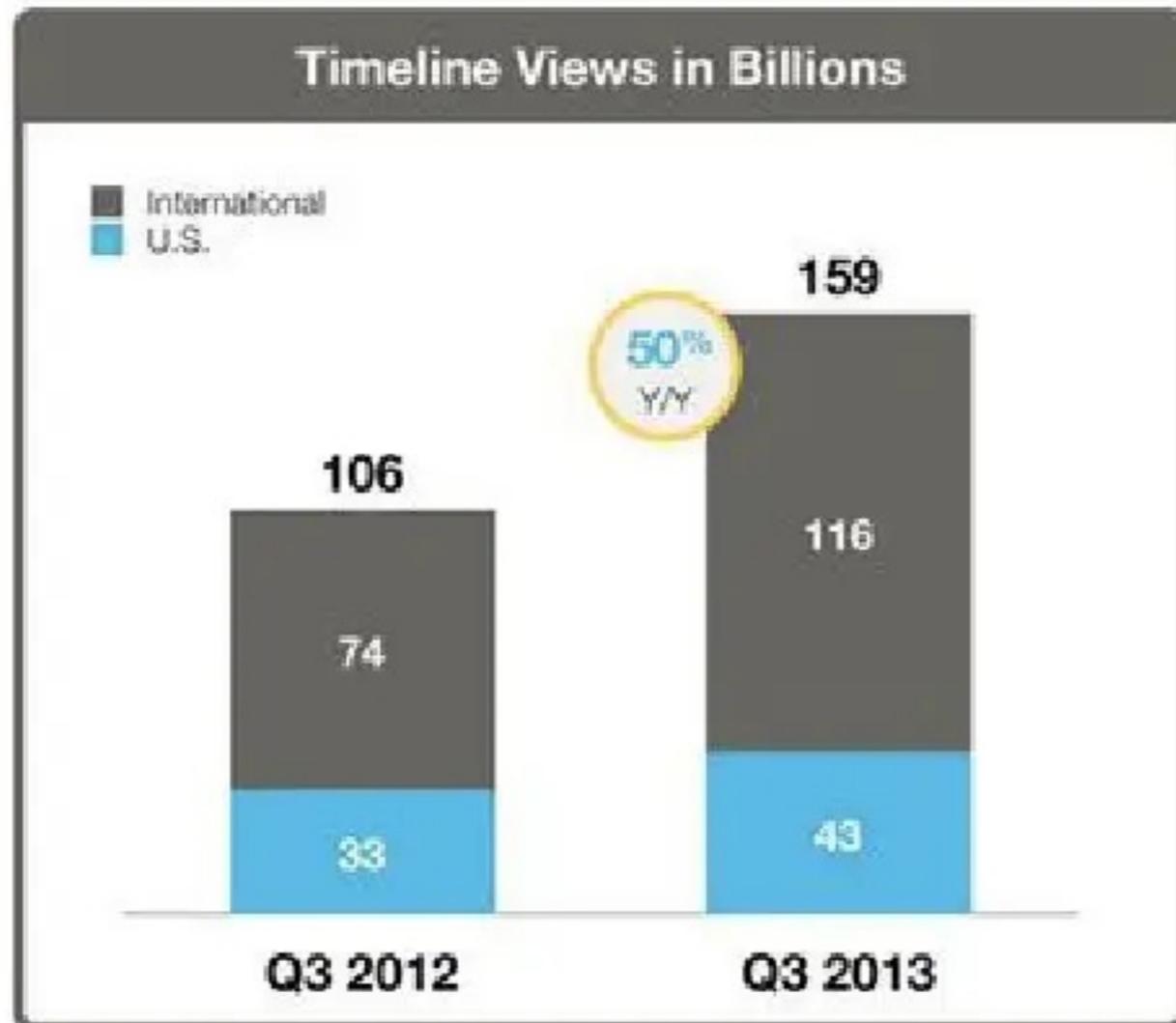
**Desktop View:**

- Home | Connect | Discover | Me
- Search
- Profile: Amir Movafaghi (Verified public user)
- Stats: 440 Followers, 2,055 Following
- Who to follow: McDonald's, Adnan Nalk, davewengel
- Trends: San Francisco Trends
- Tweet 1: Dylan Matthews (@dylanmatt) "Universal knew it needed to find another male lead to slip inside its waiting role - and oh, it needed it now" [avclub.com/articles/charl...](#)  
View Summary
- Tweet 2: Samsung Mobile US (@SamsungMobileUS) Capture Toto's leap or your Dad's goofy dance in one dynamic photo with Drama Shot from the #GalaxyS4. Learn more: [smsg.us/153cj4D](#)  
Promoted by Samsung Mobile US
- Tweet 3: James Morrison (@JamesPMorrison) If you are tired of the #shutdown, @SenWarren is really good at expressing your feelings. (via @Upworthy) [upworthy.com/a-senator-gets...](#)  
View Summary
- Tweet 4: Ioannia Ioannou (@ioannoulas) Thank you @thinkers50 for shortlisting me for the Future Thinker Award! [goo.gl/78ZcaM](#) #rusty #for #esp #strategy #impact #climate
- Tweet 5: Constance Hale (@sinandsyntax) Fun with dots, dashes, squiggles and slashes: [sinandsyntax.com/...](#)





## Timeline views





# Advertising products

Amir Movafaghi  
View my profile page  
268 TWEETS 440 FOLLOWING 2,055 FOLLOWERS  
Compose new Tweet...

Who to follow - Refresh - View all

McDonald's @McDonalds  
Follow Promoted

Tweets

Samsung Mobile US @SamsungMobileUS  
Capture Toto's leap or your Dad's goofy da photo with Drama Shot from the #GalaxyS-smong.us/153cJ4D  
Promoted by Samsung Mobile US

James Morrison @JamesJMorrison  
If you are tired of the #shutdown, @SenW expressing your feelings. (via @Upworthy) senator-gets...  
View Summary

Ioannia Ioannou @IoannouIo  
Thank you @thinkers50 for shortlisting me Award! goo.gl/78ZcaM #susty for Feag #climate

Constance Hale @constancehale  
Fun with dots, dashes, squiggles and slas blog/punctuati...#wworton #shadychars

Promoted Accounts

Promoted Tweets





# Advertising products



Promoted Trends

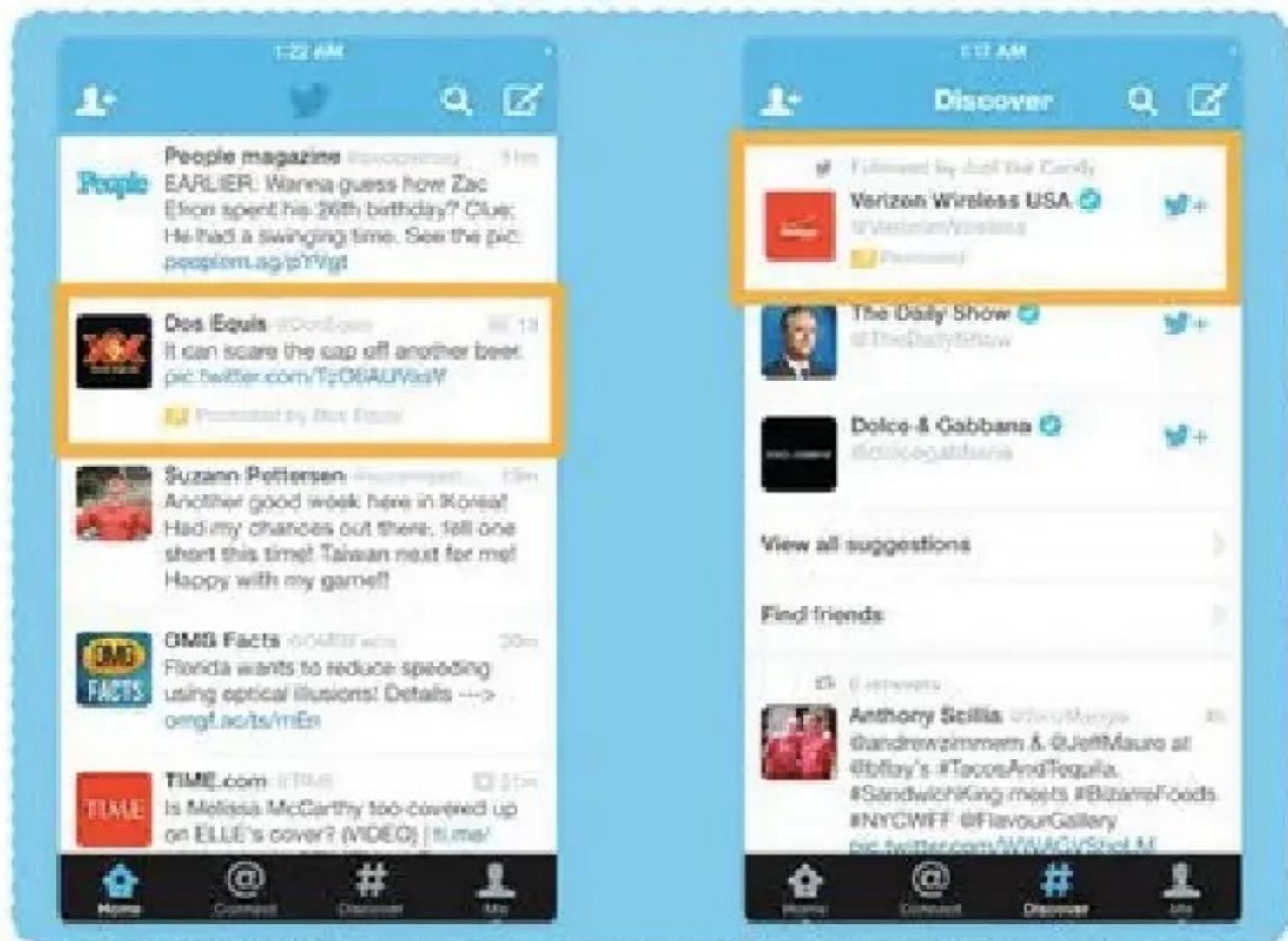
Promoted Trends





# Advertising products

## Pay for performance



Promoted Tweets

Promoted Accounts

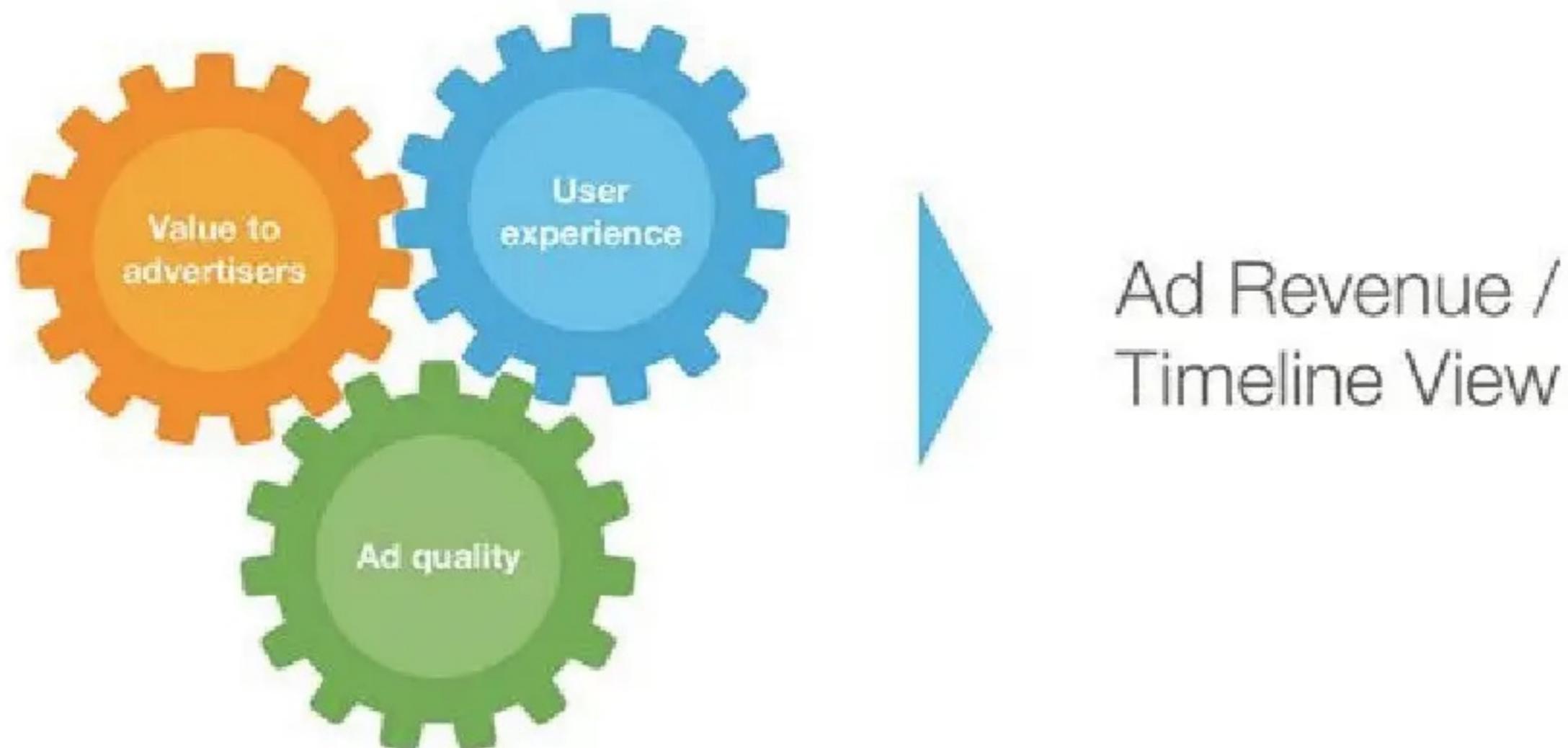


Promoted Trends



## Monetization

Maximizing long-term value for users and advertisers

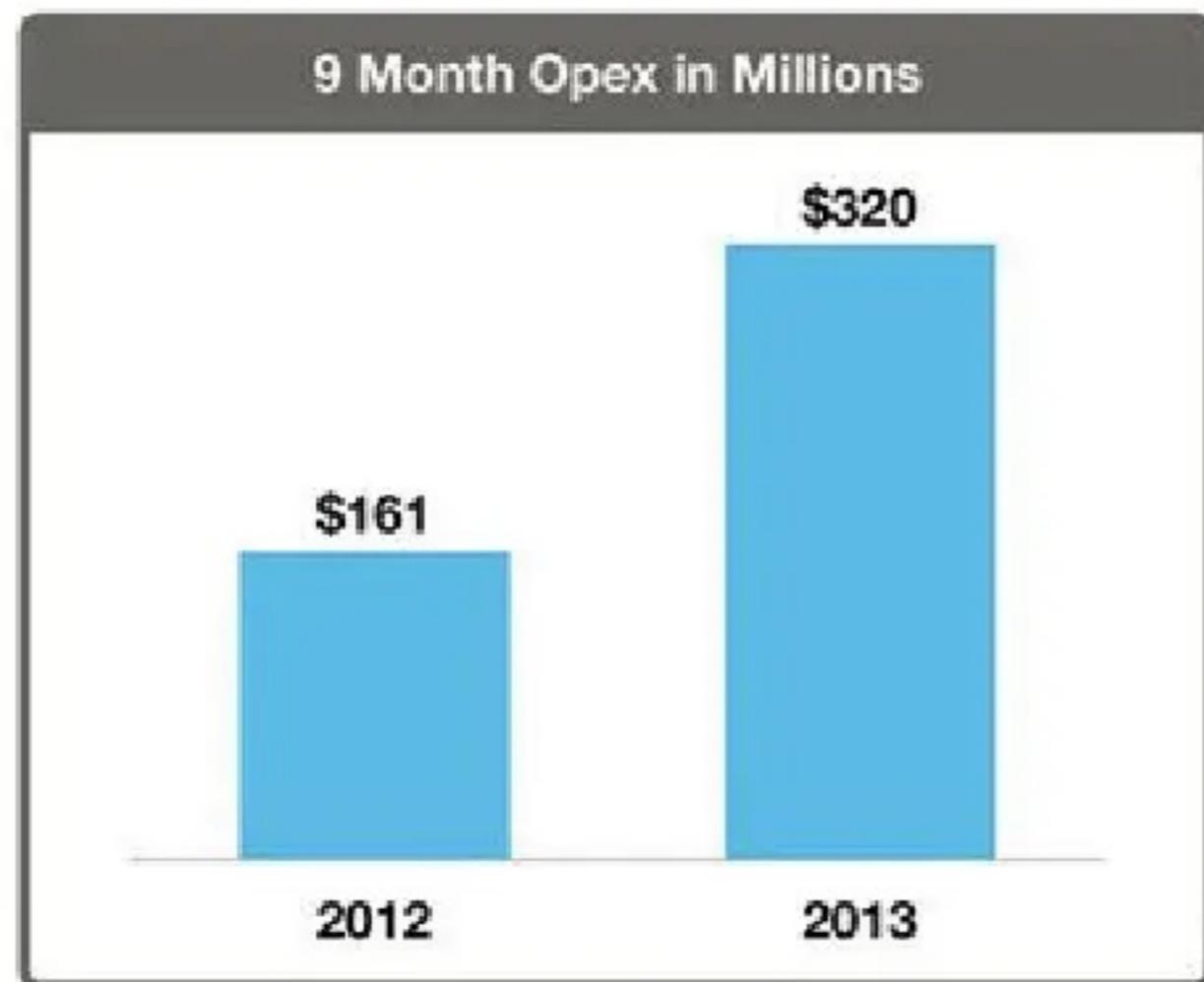




## Ad Revenue / 1000 Timeline Views



## Investing against the opportunity



Note: 9 month period ended September 30. Opex includes Non-GAAP research and development, sales and marketing, general and administration expenses and excludes stock-based compensation. See Appendix for a reconciliation of Non-GAAP operating expenses to operating expenses.

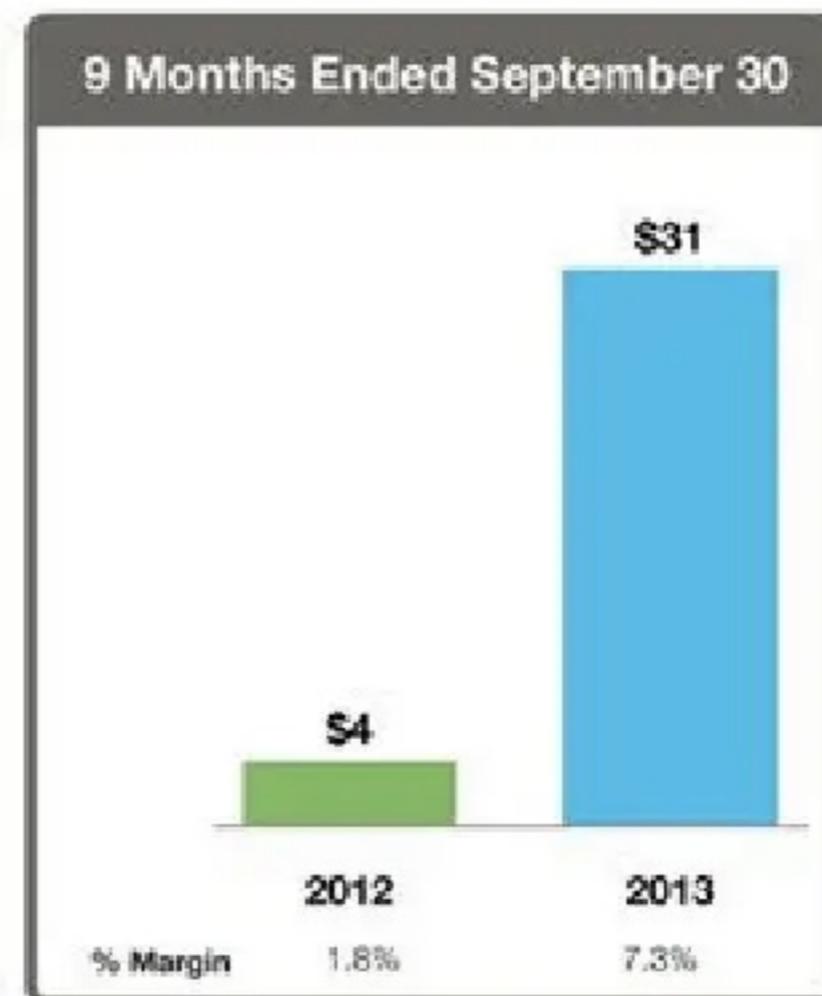
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## Quarterly adjusted EBITDA

In millions (Non-GAAP)



Note: Adjusted EBITDA is defined as net loss adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expenses and provision (benefit) for income taxes. See slide 69 for a reconciliation of net loss to Adjusted EBITDA.



# Attractive target model

Non-GAAP

	Annual 2012	9 Months Ended Sept-2013	Target Model
<b>Cost of Revenue</b>	34%	33%	21% - 23%
<b>R&amp;D</b>	34%	35%	19% - 21%
<b>S&amp;M</b>	27%	30%	20% - 22%
<b>G&amp;A</b>	15%	11%	10%
<b>D&amp;A</b>	17%	16%	10%
<b>Adjusted EBITDA Margin</b>	7%	7%	35% - 40%

Note: All metrics are calculated as a percentage of revenue and exclude stock-based compensation expense and amortization of acquired intangible assets. Adjusted EBITDA is defined as net loss adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expenses and provision (benefit) for income taxes. See slide 70 for a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure. With respect to our expectations under "Target Model," a reconciliation of non-GAAP measures to corresponding GAAP measures is not available without unreasonable efforts on a forward-looking basis due to the high variability and low visibility with respect to charges which are excluded from these non-GAAP measures.





**Twitter**

## Non-GAAP Opex reconciliation *(in thousands)*

9 Months ended September 30	GAAP Opex	Stock-based compensation expense	Non-GAAP Opex
2012	\$181,143	\$19,777	\$161,366
2013	394,303	74,155	320,148



# Adjusted EBITDA reconciliation

## Reconciliation of Net Loss to Adjusted EBITDA *(in thousands)*

	Three Months Ended						Nine Months Ended September 30		
	Q1-2012	Q2-2012	Q3-2012	Q4-2012	Q1-2013	Q2-2013	Q3-2013	2012	2013
Net loss	-\$21,521	-\$27,583	-\$21,590	-\$8,705	-\$27,026	-\$42,225	-\$64,601	-\$70,694	-\$133,852
Stock-based compensation expense	5,227	10,900	4,268	5,346	12,922	22,646	43,602	20,395	79,170
Depreciation and amortization expense	14,029	17,520	19,956	21,001	22,730	26,917	29,023	61,505	77,670
Interest and other expense	636	266	-172	1,357	2,762	2,532	909	730	6,203
Provision (benefit) for income taxes	754	442	461	-1,428	357	777	360	1,657	1,494
Adjusted EBITDA	-\$875	\$1,545	\$2,923	\$17,571	\$11,745	\$9,647	\$9,293	\$3,593	\$30,685



# Non-GAAP reconciliation for target model financial measures

Year Ended December 31, 2012 *(in thousands)*

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Non-GAAP
Cost of Revenue	\$128,768	\$800	\$18,687	\$109,281
Research and development	119,004	12,622	-	106,382
Sales and marketing	86,551	1,346	-	85,205
General and administrative	59,693	10,973	-	48,720

Nine Months Ended September 30, 2013 *(in thousands)*

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Non-GAAP
Cost of Revenue	\$154,067	\$5,015	\$10,961	\$138,091
Research and development	199,144	53,377	-	145,767
Sales and marketing	138,911	10,356	-	128,555
General and administrative	56,248	10,422	-	45,826

