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1Q 2014 Earnings Report

Forward-looking statements and non-GAAP information

This presentation and the accompanying press release and conference call contain “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include statements about expected financial metrics, such as revenue, non-GAAP adjusted EBITDA and EPS, as well as non-financial metrics, such as average monthly active users, mobile monthly active users and timeline views, for the second quarter of 2014, the full fiscal year and beyond. They also include statements about our possible or assumed business strategies, competitive position, industry environment, potential growth opportunities, potential market opportunities and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. For a discussion of these risks, you should read our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K that was filed with the SEC on March 6, 2014 and the 10-Q for the quarter ended March 31, 2014 that will be filed with the SEC. In addition, please note that the date of this presentation is April 29, 2014, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix.



Key metrics

Q1 2014



255

Million MAUs



614

Timeline Views
/ MAU



\$1.44

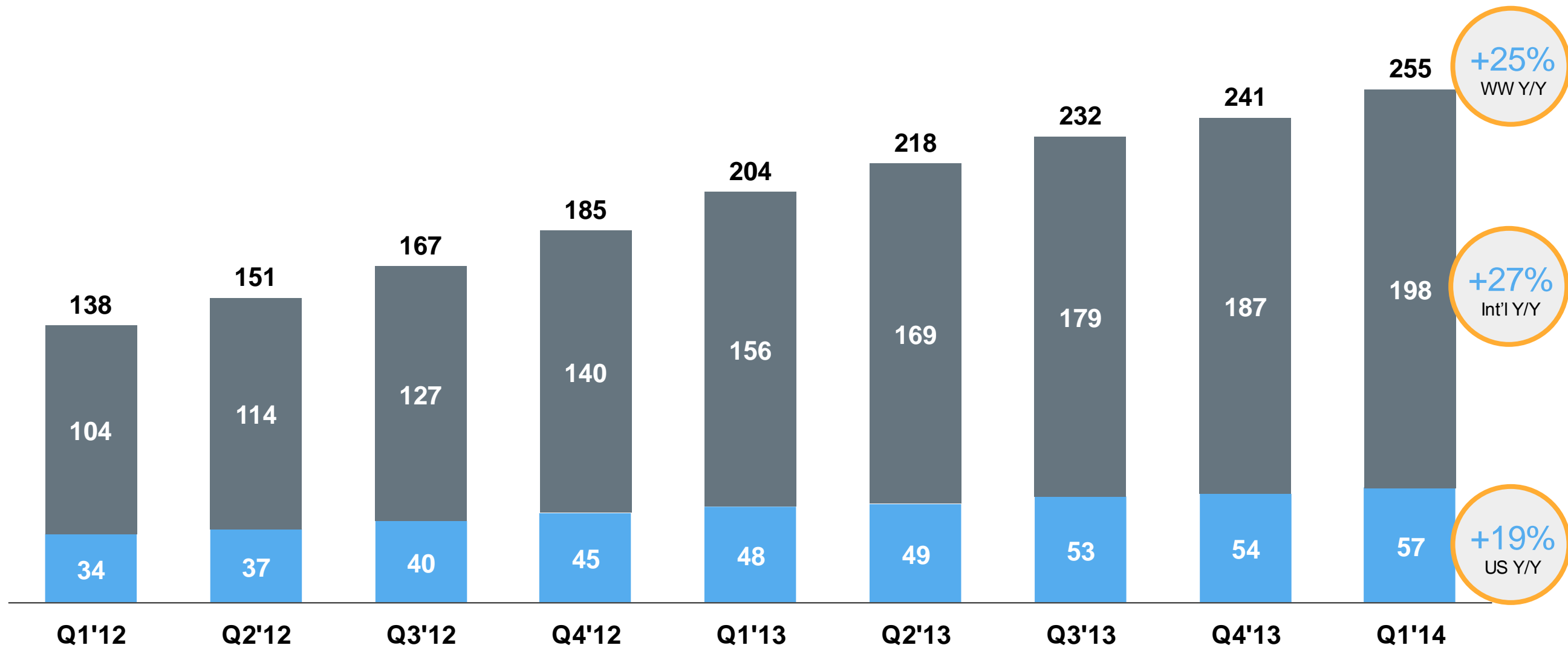
Ad Revenue / 1000
Timeline Views



Monthly active users

(quarterly average in millions)

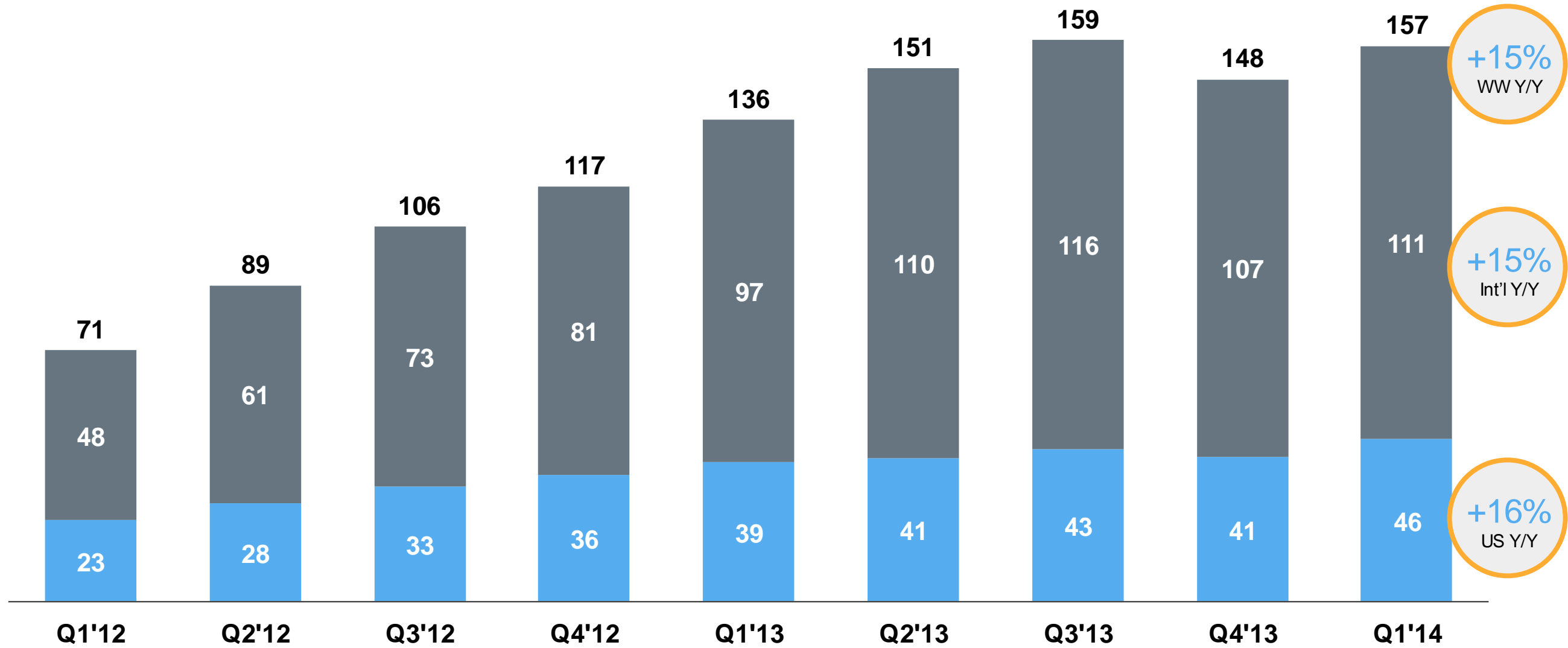
International
United States



Timeline views

(in billions)

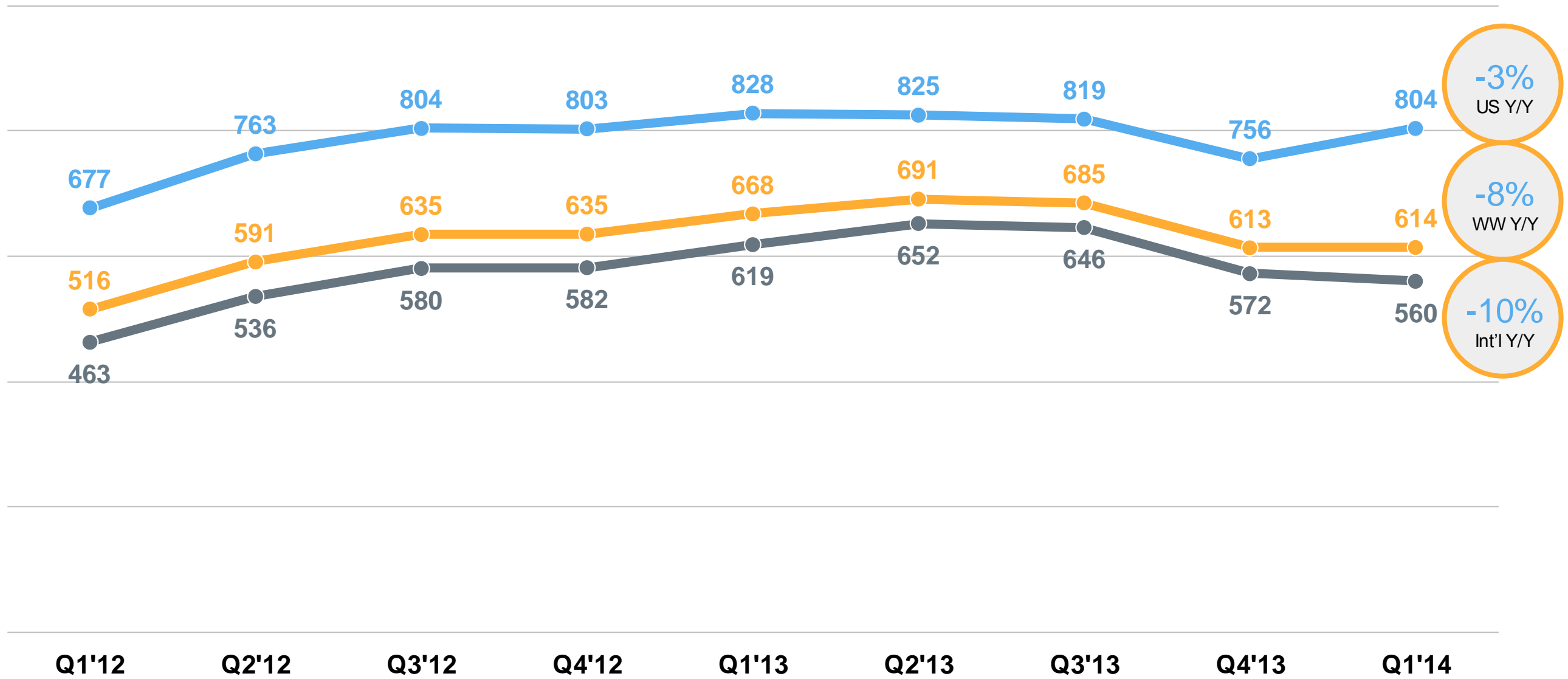
International
United States



Timeline views / MAU

(in units)

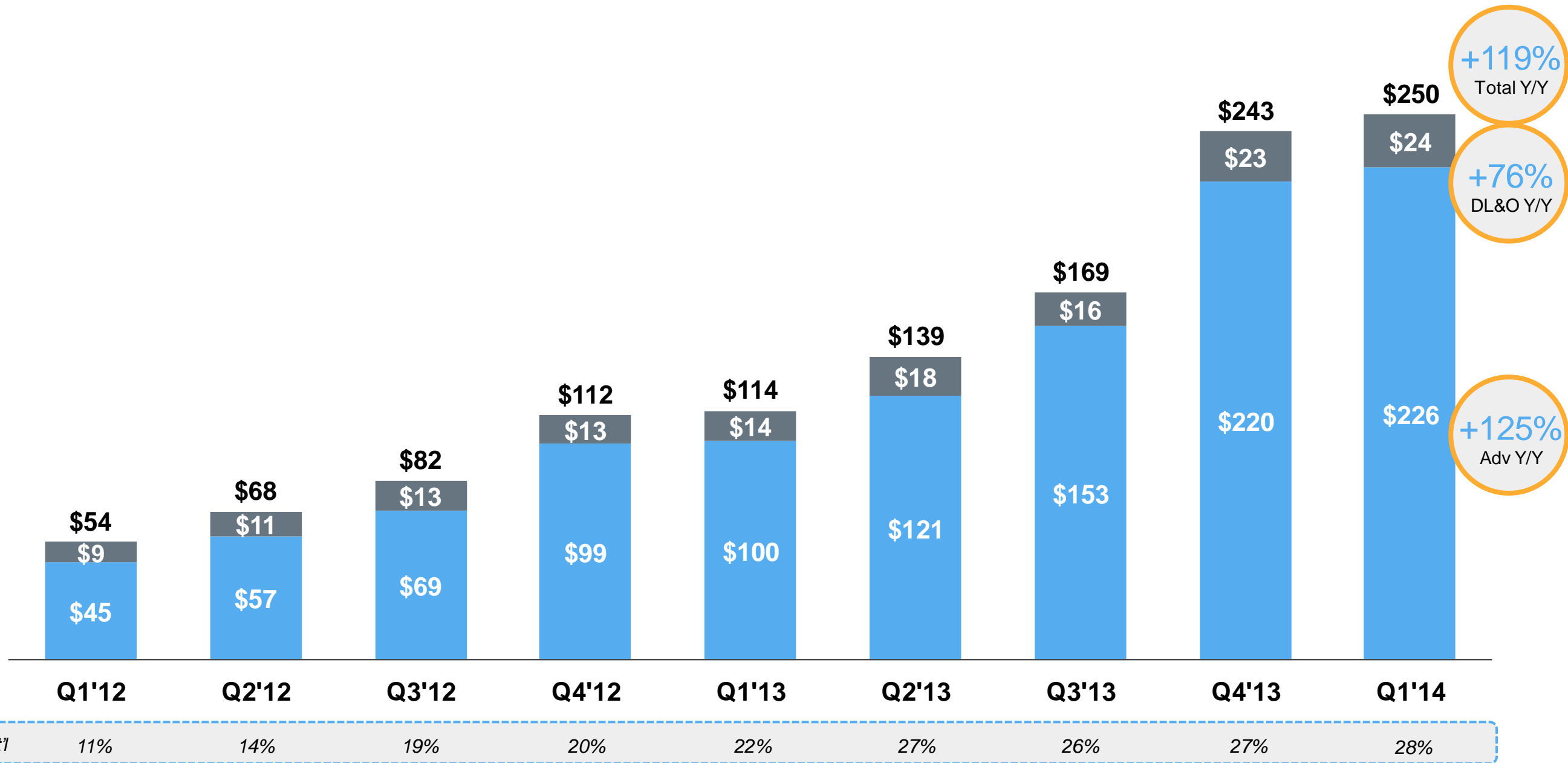
- Worldwide
- International
- United States



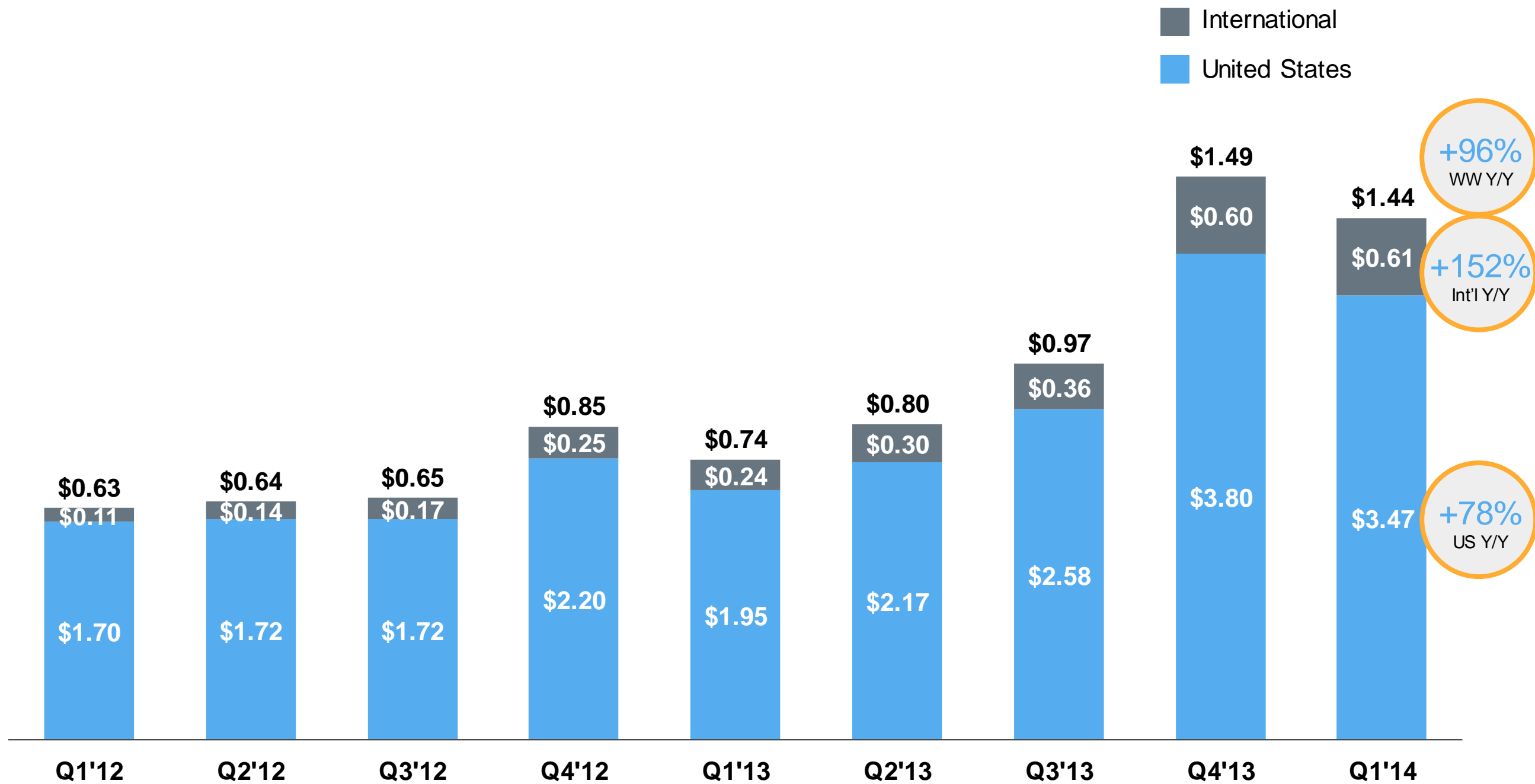
Quarterly revenue

(in millions)

■ Data Licensing & Other
■ Advertising

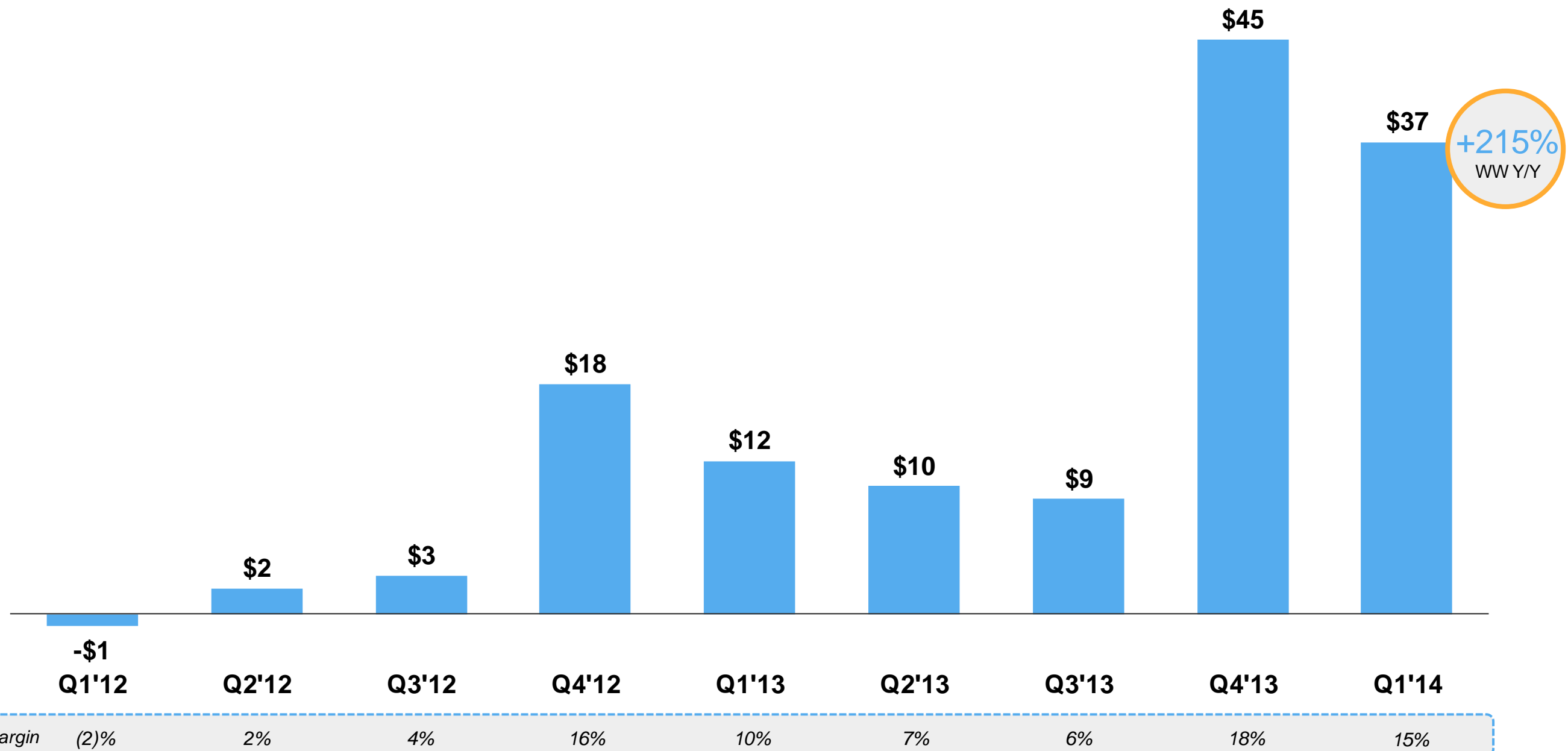


Ad revenue / 1,000 timeline views



Quarterly adjusted EBITDA

(in millions)



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 Appendix for a reconciliation of net loss to Adjusted EBITDA.





Appendix

Adjusted EBITDA reconciliation

(in thousands)

Reconciliation of Net Loss to Adjusted EBITDA

	Three Months Ended								
	Q1'2012	Q2'2012	Q3'2012	Q4'2012	Q1'2013	Q2'2013	Q3'2013	Q4'2013	Q1'2014
Net loss	\$(21,521)	\$(27,583)	\$(21,590)	\$(8,705)	\$(27,026)	\$(42,225)	\$(64,601)	\$(511,471)	\$(132,362)
Stock-based compensation expense	5,227	10,900	4,268	5,346	12,922	22,646	43,602	521,197	126,369
Depreciation and amortization expense	14,029	17,520	19,956	21,001	22,730	25,917	29,023	33,224	39,951
Interest and other expense (income)	636	266	(172)	1,357	2,762	2,532	909	5,112	1,769
Provision (benefit) for income taxes	754	442	461	(1,428)	357	777	360	(3,317)	1,222
Adjusted EBITDA	\$(875)	\$1,545	\$2,923	\$17,571	\$11,745	\$9,647	\$9,293	\$44,745	\$36,949

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.



GAAP to Non-GAAP reconciliations

(in thousands)

Three Months Ended March 31, 2013

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Non-GAAP
Cost of Revenue	\$41,255	\$484	\$3,876	\$36,895
Research and development	47,574	8,425	-	39,149
Sales and marketing	32,439	2,065	-	30,374
General and administrative	16,982	1,948	-	15,034

Three Months Ended March 31, 2014

	GAAP	Stock-based compensation expense	Amortization of acquired intangible assets	Non-GAAP
Cost of Revenue	\$85,503	\$9,831	\$4,140	\$71,532
Research and development	149,391	78,318	140	70,933
Sales and marketing	106,235	27,801	1,896	76,538
General and administrative	38,734	10,419	-	28,315





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