

Snapchat parent Snap lifted by quarterly update

February 6 2019

Snap shares surged on Tuesday after it reported rising revenue, narrowing losses and a stable number of people using its Snapchat smartphone image-themed social network.

The Southern California-based company said it lost \$192 million on revenue of \$390 million in the final three months of last year, compared with a loss of \$350 million on revenue of \$286 million in the same period a year earlier.

"We ended the year with user engagement stabilizing and have started rolling out the new version of our Android application to a small percentage of our community," chief executive Evan Spiegel said.

"We are substantially closer to achieving profitability, as we have maintained a relatively flat cost structure across the past five quarters while growing full-year revenue."

Initially known for its disappearing messages, Snapchat has been ramping up new kinds of video content with a focus on reaching young smartphone users.

Snap shares jumped more than 17 percent to \$8.25 in after-market trades that followed release of the earnings figures.

"The fact that Snap was able to maintain its daily active user base quarter over quarter is a positive sign," said eMarketer principal analyst Debra

Aho Williamson.

"When Snap finally rolls out its updated Android app it could move the company back into growth territory."

She noted that Snap [revenue](#) gains were "fairly strong," matching eMarketer expectations.

Snap said that even though its user base has been little changed it is connecting more with users, especially youth.

It said its premium mobile ads reached 70 percent of the 13- to 34-year-old US and that more people are watching its new video content.

© 2019 AFP

Citation: Snapchat parent Snap lifted by quarterly update (2019, February 6) retrieved 25 April 2024 from <https://phys.org/news/2019-02-snapchat-parent-snap-quarterly.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.