

Twilio - Annual 2022 Financial Report

Metric	Value
Revenue	\$9,515,324.00
Growth Rate	-3.7%
Profit Margin	28.4%

****Twilio Inc. - Annual Report 2022**** **Executive Summary:** Twilio delivered solid performance in 2022, navigating a dynamic macroeconomic environment while continuing to strengthen its position as a leader in cloud communications. Revenue growth remained robust, albeit moderating from previous years due to challenging market conditions. The company focused on strategic investments in product innovation and operational efficiency, driving towards sustainable profitability and long-term shareholder value.

****Revenue and Growth:**** Total revenue for 2022 reached \$3.83 billion, representing a 35% year-over-year increase. This growth was fueled by continued expansion in core messaging and voice services, as well as strong adoption of Twilio Segment and Twilio Flex. The US market contributed significantly, however, international expansion, particularly in EMEA and APAC, also drove meaningful growth. Organic revenue growth, excluding contributions from acquisitions, was 28%. While demonstrating a deceleration compared to previous years, this rate indicates Twilio's strength as other cloud communications companies struggled.

****Key Business Highlights:**** 2022 saw significant product advancements, including enhancements to Twilio Flex for improved contact center scalability and AI integration in messaging. Strategic partnerships were forged to expand market reach and integrate Twilio's services into diverse enterprise platforms. Continued expansion into contact centers with Flex contributed meaningfully to revenue and customer engagement. The company also increased its focus on developer engagement, solidifying Twilio's position as the platform of choice for building communication solutions.

****Market Conditions and Competitive Landscape:**** The cloud communications market remains highly competitive. Twilio faces competition from established players like Vonage and Cisco, as well as emerging cloud-native platforms. Macroeconomic headwinds, including inflation and rising interest rates, impacted customer spending and lengthened sales cycles. Twilio differentiates itself through its robust platform, developer-centric approach, and global reach.

****Forward-Looking Statements and Guidance:**** While the macroeconomic environment is expected to remain uncertain in 2023, Twilio is focused on driving profitable growth through disciplined cost management and strategic investments. The company anticipates revenue growth of 15-20% for 2023, driven by continued adoption of its platform across diverse industries and geographies. Twilio remains committed to achieving profitability on an adjusted operating basis by 2024, prioritizing efficient resource allocation and delivering innovative communication solutions to empower businesses worldwide.