

**SNAP Q1 2025:**

Snap reported advertising revenue of \$1.211 billion, up 9% YoY, driven primarily by a 14% increase in direct response (DR) ads, which now constitute 75% of total ad revenue for the first time. Brand-oriented advertising declined by 3%, reflecting some softness in that segment. The company highlighted strong growth in advertiser adoption of advanced AI/ML bidding and targeting tools, with improvements in ROAS and cost efficiency, alongside early testing of Sponsored Snaps as a new ad format. Despite a 7% decline in eCPMs due to inventory growth, Snap emphasized innovation in ad products and AI-powered personalization as key drivers for sustained monetization growth.

**SNAP Q2 2025:**

Advertising revenue grew more modestly to \$1.174 billion, up 4% YoY, with direct response ads up 5% and brand advertising flat, indicating some near-term softness. The rollout of Sponsored Snaps expanded to more regions, showing promising incremental conversions and advertiser ROI, though initial supply growth caused lower eCPMs. Snap continued investing heavily in AI/ML to enhance ad targeting and attribution, with SMB clients driving much of the direct response growth. The company expects ad revenue to recover and accelerate in Q3 as Sponsored Snaps adoption increases and platform changes stabilize, maintaining a focus on balancing investment with profitability amid macro uncertainties.