- Revenue by geography (P. 16)
- Equity Investments: (P.19)
    - Our equity investments are investments in equity securities of privately-held companies without readily determinable market values. On July 7, 2020, we completed our equity investment in Jio Platforms Limited (Jio), a subsidiary of Reliance Industries Limited, for $5.82 billion. As of September 30, 2020, our equity investments in Jio and other companies had a carrying value of $6.16 billion. There was no material impairment in the three and nine months ended September 30, 2020.
- Illinois Biometric Information Privacy Act,
    - On July 22, 2020, the parties executed an amended settlement agreement, which, among other terms, provides for a payment of $650 million by us. On August 19, 2020, the court granted preliminary approval of the settlement. The settlement is subject to final court approval. The settlement amount is reflected in accrued expenses and other current liabilities on our condensed consolidated balance sheet as of September 30, 2020.
- During the nine months ended September 30, 2020, we repurchased and subsequently retired 20 million shares of our Class A common stock for an aggregate amount of $4.36 billion. As of September 30, 2020, $10.55 billion remained available and authorized for repurchases.
- During the third quarter of 2020, worldwide ARPP was $6.76, an increase of 7% from the third quarter of 2019.

RESULTS OF OPERATIONS

FACTOR	VARIATION YOY	DRIVER

Revenue	+ 22%	• Advertising +22% | Payments -7%
		• The increase was almost entirely due to an increase in advertising revenue as a result of an increase in the number of ads delivered, partially offset by a decrease in the average price per ad.
		• # of ads increase 35%
		  ◦ The increase in the ads delivered was driven by an increase in the number and frequency of ads displayed across our products and an increase in users.
		• Avg price of ad -9%
		  ◦ The decrease in average price per ad during the three months ended September 30, 2020 was caused by an increasing proportion of the number of ads delivered as Stories ads and in geographies that monetize at lower rates.
		• In the near-term, we anticipate that future advertising revenue growth will be determined primarily by several factors: the extent to which we continue to see increasing advertising demand in connection with the shift of commerce from offline to online as a result of the COVID-19 pandemic; the status of the economic recovery from the slowdown caused by the COVID-19 pandemic; and the extent to which changes to the regulatory environment and third-party mobile operating systems and browsers result in limitations on our ad targeting and measurement tools.
		• Weakening of US dollar had favorable impact on revenue.

Cost of Revenue	+33%	The increases in both periods were mostly due to increases in operational expenses related to our data centers and technical infrastructure, higher costs associated with partner arrangements, including traffic acquisition and content acquisition costs, and increases in the cost of consumer hardware devices.
R&D	+34%	Payroll | +41% headcount
Marketing & Sales	+11%	The increases were mostly driven by increases in marketing expenses and payroll and benefits expenses, which were partially offset by decreases in travel-related expenses due to the COVID-19 pandemic. Our payroll and benefits expenses increased as a result of an 18% increase in employee headcount from September 30, 2019 to September 30, 2020 in our marketing and sales functions.
General & Admin	+33%	• The majority of the increases was due to increases in other legal-related costs and payroll and benefits expenses as a result of a 26% increase in employee headcount from September 30, 2019 to September 30, 2020 in our general and administrative functions.
Taxes	-77%	• mostly due to the effects of a tax election to capitalize and amortize certain expenses.

		• Our effective tax rate in the three months ended September 30, 2020 decreased compared to the same period in 2019, primarily due to the effects of a tax election to capitalize and amortize certain expenses.
		• Effective tax rate was 4% vs 17% last year.
		    • In the third quarter of 2020, as part of finalizing our U.S. income tax return, we elected to capitalize and amortize certain research and development expenses for U.S. income tax purposes. As a result, we recorded a one-time income tax benefit of $913 million, which is comprised of an increase in current income tax liability of $746 million offset by an increase in deferred income tax assets of $1.66 billion. The deferred income tax asset amount is greater than the current income tax liability due to different tax rates applicable for the periods in which capitalized expenses will be amortized versus the period in which the increased current tax liability was accrued. We do not believe this election will materially affect our effective tax rate trend in the future.
		    • Can assume that in the future taxes will be higher as capitalization and amortization of the expenses at this rate may not be recurrent

LIQUIDITY & CAPITAL RESOURCES

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    - net operating loss carryforward was $9.99 billion
    - $378 million of federal tax credit carryforward
    - As of September 30, 2020, $6.52 billion of the $55.62 billion in cash and cash equivalents and marketable securities was held by our foreign subsidiaries.