

MARK ZUCKERBERG

- 2.7B overall MAU & 2.8B overall DAU
- Changed the way they build products to focus more on preventing harm.
- 4 priorities for 2019:
 - 1- continue making progress on major social issues facing the Internet & our company.
 - 2- Build new experiences that meaningfully improve people's lives today & set the stage for bigger improvements in the future.
 - 3- keep building our business by supporting the millions of businesses, mostly small businesses, that rely on our services to grow & create jobs.
 - 4- communicate more transparency about what we're doing & the role our services play in the world.
- ① Build systems that can proactively identify harmful content.
 - Raises broader set of values questions about how to use these systems.
 - ↳ Who decides what speech is acceptable & what isn't?
 - Blueprint for a system of content governance & enforcement, which includes giving people the ability to appeal internal content decisions to an independent body.
 - Currently working with experts to design the system & we plan to start piloting it this fall.
 - Future of privacy & encryption
 - ↳ Working on making FB products end-to-end encrypted by default & making more products ephemeral.
- ② Want to create new ways to share → like Stories.
 - ↳ 1500M DAU on Stories in US.
 - Roll out Payments on WhatsApp to more countries.
 - Private sharing in Groups & Stories will become more central to the experience.
 - FB will become even more community-centric.
 - Expect this year Watch will become more mainstream.
 - ↳ 100M ppl use it every month & spend ~20 mins daily.
 - Instagram → natural activity in commerce & shopping.
 - Oculus Quest ships this spring.
 - Portal was done better than expected.
- ③ ~90M small businesses use FB products, most for free.
 - ↳ Of surveyed, half say they've been able to grow their business & hire more people since joining FB.
- ④ Have a clearer sense of the path ahead & will work with ppl to understand their role & move towards good outcome.

SHERYL SANDBERG

- ~7M advertisers across all services.
- ~2M advertisers using Stories across family of apps.
- Expanded automatic placements → converts feed ads into a format that works for Stories & delivers ads wherever they'll get the best result.
- Launched ads in Messenger Stories → advertisers can easily buy Stories ads across Facebook, Instagram & Messenger.
 - ↳ Started in Q4 at making ads more relevant to the products people are looking for.
 - Plan to keep working on this to provide a better experience before value over time.
- Investing in AI to make ads more relevant & effective.
 - ↳ Developed new AI ranking models.
 - ↳ Also using AI to identify & more quickly review ads that might violate policies.
 - See more opportunities to use AI to keep people safe on FB & help the business grow.

DAVID WERNER

- For the time being, disclosing both FB & family metrics.
- Expect family metrics will play primary role in how we talk about the company & will eventually phase out FB-only community metrics.
- In Q4 avg price per ad ~2x & ad impressions +34%.
- Impression growth driven by ads on Instagram both feed & Stories, as well as FB mobile News Feed.
 - ↳ decline in avg price → on going mix shift towards product services & geographers that monetize at lower rates.
- Payments & other fees +42%.
- Sales of Oculus Go & launch of Portal contributed to revenue growth.
- Expenses +62%.
- ↳ additional to continued investments → expansion driven by seasonal factors including marketing efforts, notably the promotion of Portal & Oculus Go.
- Outlook:
 - ↳ Revenue growth rate to decelerate significantly throughout 2019.
 - ↳ Expenses +40-50%.
 - ↳ CapEx: \$18-\$20B → large investments in building data centers.

QUESTIONS

- ① Instagram commerce opportunity → most important steps to execute.
 - First nail discovery product experience.
 - Big opportunity in basically enabling transactions & making it so that the buying experience is good & that when you buy from someone/seller that you know you can trust them, that you're going to have a good experience & in facilitating & making it go well.
 - ↳ work being done in Instagram will go across efforts in Marketplace & Facebook & WhatsApp.
- ② Are ads performance on Stories narrowing the gap with feed ads in terms of pricing or performance?
 - Helps that FB is helping make the transition easier.
 - Growth rate is expected to decline → in 2018 FB was benefited from strong impressions growth on IG in both feed & Stories.
 - ↳ Are more reliant on Stories impressions growth in 2019.
 - In pricing → must improve ability to grow the # of advertisers using Stories & improve price there.
- ③ Possibility of stitching together the messaging apps, WhatsApp, Instagram, Messenger.
 - First reason Mark is excited is moving more to end-to-end encryption by default in more of their apps.
 - People are telling FB they want to be able to message across the different devices.
 - Wouldn't expect anything to launch soon.
 - Validate this in order to understand where this question is coming from.
- ④ Possible impact of macroeconomic situation → Brexit, gov't shutdown in US.
 - Stands out as a risk leading to deceleration of revenue growth in 2019.
- ⑤ Watch → Things you're still trying to solve from either the content side or the consumer engagement side to drive higher adoption.
 - By limiting video in News Feed → unlocked growth in Watch by bunching video-watching behavior on a different tab.
 - ↳ Increased the amount of video people are watching without getting in the way of the core mission → helping people interact.
 - Within the Watch tab, also make sure that consumption isn't all just passive.
 - ↳ Interaction between viewers and creators → help build community.
 - ↳ Interaction helps drive engagement.
 - Monetization for creators → motivation for content creation.
 - ↳ The more money creators can make, there will be a virtuous cycle.
- ⑥ Early learnings from testing status ads on WhatsApp? Stories on FB is moving slower, why?
 - There are no ads in WhatsApp Stories.
 - ↳ WhatsApp Business app is available but not monetizing.
 - Stories on FB is growing quickly → started a bit later.
 - ↳ Optimistic of their ability to grow.