

MARK ZUCKERBERG

- 4 Company priorities remain the same as last year.
 - 1- Making progress on major social issues
 - 2- Building qualitatively new product experiences
 - 3- Continuing to grow business
 - 4- Communicating more transparently.
- Critical year for making progress on social issues.
 - ↳ Focused on election integrity.
- Greater focus on privacy as well → FTC settlement requires privacy controls & auditing as new standard.
 - ↳ Rolling out Privacy Checkup tool → remind ppl of the controls they have & make sure that they're set the way they want them.
- Introduced new tool that notifies you any time your account signs into a new service.
- Product area most focused on for the next chapter of the company is building out the private social platform & more intimate communities, enabling more commerce & payments & delivering the next computing platform.
- Across FB services, the greatest growth in how people are communicating continue to come from private messaging, small groups & disappearing stories where your data doesn't stick around forever.
- Spent the last year building infrastructure to turn private messaging apps, WhatsApp & Messenger, into richer, private social platforms where you can hang out & be present with friends, find groups with your interests, engage with businesses more naturally.
- Commerce & Payments is another area that will be important for the private social platform but also across all of FB apps.
- WhatsApp Payments: expect to start rolling out in a number of countries & make a lot of progress in the next 12 months.
- VR/AR.
 - ↳ Sales of Quest were higher than expected & people are engaging with more content than expected.
 - ↳ Last Q shipped hand tracking
 - ↳ Shipped Oculus Link → run Rift content from PC on Quest.
 - ↳ FB's Spark AR platform is the most widely used in the world.
 - ⇒ Artists are using to create new face filters & tools that are going viral on TikTok.
- Company will focus more on voicing opinion & explaining their principles.

SHERYL SANDBERG

- 140M businesses using FB platform.
 - ↳ 8M advertise with FB.
- 4M advertisers using stories, up from 2M this time last year.
- Hundreds of businesses in the US are experimenting with checkout.
- Improvements in transparency.
 - ↳ New features that gives people the option to see fewer political ads.
 - ↳ Updated library to make it more transparent & easier to navigate.

DAVID WETTER

- Plan to disclose FB-only community metrics through late 2020.
- Impression growth (+31%) driven by Facebook News Feed, Instagram Stories & Instagram Feed.
 - ↳ FB News Feed impression growth benefited largely from community growth & engagement trends on Facebook app.
- Avg Price Per ad decline (-5%) driven by ongoing mix shift towards ads on stories & in geographies which monetize at lower rates.
- Other revenue growth (+26%) driven by sales of Oculus Quest.
- R/D (+36%) expenses driven primarily by increased investments in core product as well as innovation efforts, primarily in AR/VR.
- G/A (+11%) expenses driven by higher legal fees & settlements.
 - ↳ \$550M settlement reached this month in connection with Illinois Biometric Information Privacy Act litigation. **Investigate**
- Opened 3 data centers in 2019.
- On track to meet 2020 goal of supporting global operations on 100% renewable energy & lowering carbon emissions by 75% from 2017 levels.
- FTC settlement was booked as an expense in 2019 but still has not been paid.
- Outlook:
 - ↳ Deceleration of growth rate
 - ⇒ Maturity of business
 - ⇒ Increasing impact from global privacy regulations
 - ⇒ Ad targeting-related headwinds

QUESTIONS

- ① Tighter integration under the FB umbrella. Update on branding to consumer as well as integrating on tech back end.
 - Keep brands for all apps → large communities love & associate with a specific app.
 - All apps run off of common integration.
 - ↳ An engineer improving the efficiency of one system makes all the apps better.
 - ↳ Everything is tightly integrated below the surface.
 - ⇒ **Not entirely run as separate companies → share efficiencies**
 - Want to make it so that features that get built across Instagram or Facebook or WhatsApp & when people engage on those, it can also make your experience across the other apps in the family better.
 - ⇒ bc voice calling, stick on WhatsApp & Messenger don't need to be different
 - FB did standardize the layer historically so now they have to put in twice the work to make it good.
 - If integrated, same engineering effort could make it better across everything at a faster rate.
- ② Facebook Dating. How is it going?
 - Strategy with FB app.
 - ↳ Everyone will use News Feed.
 - ↳ Other tabs won't be used by everyone but add value overall to the users (Watch, News, Dating).
 - ⇒ This helps with overall engagement in the app
 - ⇒ ppl have more than one use for FB
 - Strong engagement in the app → stronger results.
 - ↳ Plan to continue building these kind of apps.
- ③ Curious on some of the newer visual apps such as Threads and Lasso, what are you seeing in terms of usage & engagement?
 - Are these features that ultimately fit within existing apps or also might be distinct from current services?
 - Threads & Reels launched recently on Instagram.
 - **Validate TikTok**
 - Figuring out the extent to which these should grow to be big, independent apps over time, or should be integrated into the core of the IG service or other messaging apps.
- ④ Explore tab in Instagram as an area for ad inventory expansion. Any color on ad trends on the Explore tab?
 - More than 50% of accounts are using Explore every month.
 - As of Q3, ads were available to 100% of advertisers.
 - ↳ Great opportunity to reach customers who are already in a discovery mindset.
- ⑤ Payments. Initial markets, expectations, impacts on other parts of the ad business.
 - Focused on different place with different products.
 - ↳ FB & IG → more developed countries
 - ↳ WhatsApp → biggest countries on WhatsApp (India, Mexico, Brazil, Indonesia)
 - Focused on making it so that Payments can be free or really as cheap as possible.
 - ↳ As you complete more payments on WhatsApp & Messenger, you would expect it to be worth more for businesses to bid more in click-to-message ads.
- ⑥ Brought several gaming schemes on board & in December acquired Play Giga.
 - Hear a little more about FB gaming & the opportunities there & strategic overlap with Oculus.
 - Over the long term, there surely will be a connection between the work in FB app & Oculus, or there will be opportunities for that.
 - Right now are developing somewhat independently.
 - ↳ Gaming can be seen as an extension of the social utility → like Watch, Dating, etc.