

Snap Inc

04:16 22 Apr 2020

Snap shares rally as user activity surges in coronavirus lockdown

Lockdown evidently makes work for idle thumbs as Snapchat owner Snap Inc (NYSE:SNAP) has observed, with communications on its platform spiking in the latter portion of the first quarter.

Communications between friends on the platform increased by 30% on average, but as much as 50% in some geographies, and the time spent playing games has doubled, the company said in a statement released in after-hours in New York on Tuesday.

"We are seeing sustained communication volumes on our service that eclipse the peaks we see during major holidays," said Snap chief executive Evan Spiegel.

There has also been a 30-fold increase in daily downloads for Snap Camera, the firm's standalone video conference and live streaming app, it added.

Snap's active users increased by 20% in the first quarter overall, to 229mln, and, the company is forecasting a further 18% increase in the current three month period.

Advertising revenue was seen ahead of estimates, albeit actual ad spending is weak amid coronavirus, and the company told investors it expects a slowing of growth across March and April - for example, in the most recent week year-on-year revenue growth was marked at 11% versus an overall Q2 target for 15%.

Snap said revenue for the first quarter came in at US\$426.5mln, up from US\$320.4mln in Q1 2019. It reported a first-quarter loss of US\$305.9mln, broadly in-line with the US\$310.4mln loss for the same three months last year.

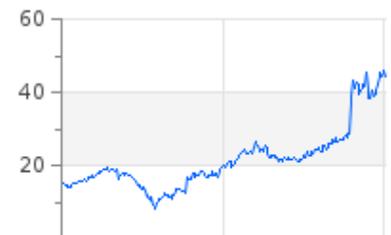
Commenting on Snap's operations during lockdown, Spiegel added: "Snapchat is helping people stay close to their friends and family while they are separated physically, and I am proud of our team for overcoming the many challenges of working from home during this time while we continue to grow our business and support those who are impacted by COVID-19."

In after-hours trading Snap shares rose by 19.6% to US\$14.88, reversing a 3.7% drop during Tuesday's market session.

Price: 44.42

Market Cap: \$66.18 billion

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: SNAP

Listing:

52 week	High	Low
	47.25	7.89

Sector: Telecoms

Website: www.snapchat.com

Company Synopsis:

The Company's flagship product, Snapchat, is a camera application that helps people to communicate through short videos and images known as a Snap. The Company offers three ways for people to make Snaps: the Snapchat application, Publishers Tools that help its partners to create Publisher Stories, and Spectacles, its sunglasses that make Snaps.

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