

Snap, Inc. reveals underwhelming Q2 results, stock plummets

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Snap is looking to diversify revenue streams for topline growth. Image credit: Snap, Inc.

By LUXURY DAILY NEWS SERVICE

Media company Snap, Inc. saw a **39 percent decrease in shares** on July 22 after reporting less than ideal second quarter financial results.

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While daily active users went up 18 percent year-over-year and revenue increased 13 percent to \$1.1 billion, the company experienced a net loss of \$422 million. These results are likely due to sustained economic tension and growing competition from other platforms, notably, TikTok.

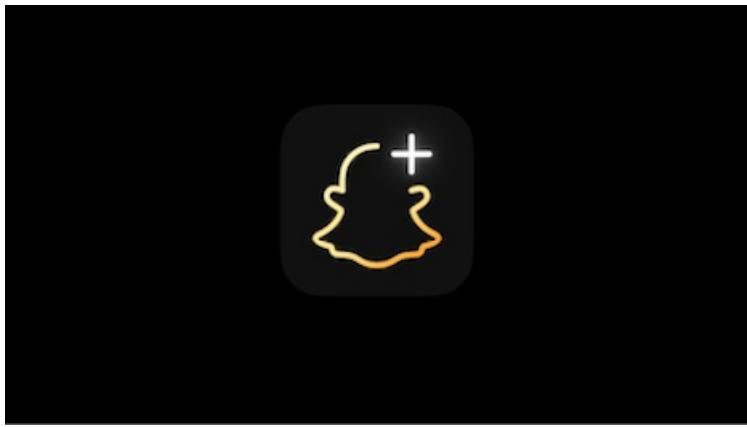
"While the continued growth of our community increases the long-term opportunity for our business, our financial results for Q2 do not reflect our ambition," said Evan Spiegel, CEO of Snap, Inc, in a statement.

"We are evolving our business and strategy to reaccelerate revenue growth, including innovating on our products, investing heavily in our direct response advertising business and cultivating new sources of revenue to help diversify our topline growth."

Moving forward

The company also announced that its board of directors has authorized a stock repurchase program of up to \$500 million of its Class A common stock.

Repurchases of the Class A common stock may be made on a discretionary basis from time to time, either through open market transactions or through privately negotiated transactions in accordance with applicable securities laws.



In June, the company introduced subscription service Snapchat+. Image credit: Snap, Inc.

According to the company, the timing and actual number of shares repurchased will depend on a variety of factors, including stock price, trading volume, market and economic conditions and other general business considerations.

Repurchases under the program have been authorized for the next 12 months but the program may be modified, suspended or terminated at any time.

Snap, Inc.'s goal with this program is to offset a portion of the dilution related to restricted stock units to employees as part of the overall compensation program designed to foster an ownership culture.

After reporting less than favorable [financial results in April](#), the company may be looking for new revenue streams a strategy not foreign to Snapchat's counterparts.

Last month, Snap announced the launch of Snapchat+, a collection of exclusive prerelease features available in the app for \$3.99 per month. Inspired by the growing number of global users who use Snapchat to express themselves and their creativity, the new program intends to provide users with additional features and tools ([see story](#)).

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