

Snapchat gains users but continues to lose money

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Snapchat parent Snap has yet to make a profit as it battles with Meta and Google for online ad revenue.

Snap shares plunged more than 16 percent on Thursday when a disappointing financial outlook eclipsed a rise in users of the image-

centric social network Snapchat.

California-based Snap said its loss in the recently-ended quarter shrank to \$249 million from \$377 million in the same period a year earlier, while revenue grew to \$1.2 billion from \$1 billion.

Snap touted hitting a milestone of more than 850 million monthly users in the quarter.

"We continued to scale our advertising platform with active advertisers more than doubling year-over-year," Snap chief executive Evan Spiegel said in an earnings release.

Investors appeared to focus on Snap's forecast that revenue would grow 12 percent to 16 percent in the current quarter, expecting more from the social network's ad platform.

Snap shares were down more than 16 percent to \$10.73 in after-market trades.

In recent years, the company has been challenged to compete for ad [revenue](#) against Meta's Instagram, Google-owned YouTube and TikTok.

After its [launch](#) in 2011, Snapchat became a hit, particularly with young smartphone users, by letting people share photos or videos in messages that self-destruct after being viewed.

It also innovated with the use of filters for shared content, but an expansion into hardware such as drones and eyeglasses failed to gain traction.

Snap's generative artificial intelligence (AI)-powered Snapchat+ service now has 11 million subscribers, up from 7 million at the end of 2023,

according to the company.

"We continue to invest in Generative AI models and automation for the creation of ML and AI Lenses," Snap said in the earnings release.

Early this year, Snap let go ten percent of its staff, saying it was "reorganizing our team to reduce hierarchy and promote in-person collaboration."

Its full year loss for 2023 was \$1.4 billion.

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