

TWITTER, INC.
Form S-1
October 03, 2013
Table of Contents

As filed with the Securities and Exchange Commission on October 3, 2013

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Twitter, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

7370
(Primary Standard Industrial
Classification Code Number)

1355 Market Street, Suite 900

San Francisco, California 94103

20-8913779
(I.R.S. Employer
Identification Number)

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(415) 222-9670

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Richard Costolo

Chief Executive Officer

Twitter, Inc.

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee
Common Stock, \$0.000005 par value per share	\$1,000,000,000	\$128,800

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the right to purchase from the Registrant, if any.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject To Completion. Dated October 3, 2013.

Shares

Twitter, Inc.

Common Stock

This is an initial public offering of shares of common stock of Twitter, Inc.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between \$ and \$. We intend to list the common stock on the under the symbol TWTR .

We are an emerging growth company as defined under the federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for future filings.

See Risk Factors beginning on page 16 to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Per Share Total

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Initial public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to Twitter	\$	\$

To the extent that the underwriters sell more than _____ shares of common stock, the underwriters have the option to purchase up to an additional _____ shares from Twitter at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on _____, 2013.

Goldman, Sachs & Co.

Morgan Stanley

J.P. Morgan

BofA Merrill Lynch

Deutsche Bank Securities

Allen & Company LLC

CODE Advisors

Prospectus dated _____, 2013

Table of Contents

Table of Contents

Table of Contents

Table of Contents

TABLE OF CONTENTS

Prospectus

	Page
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	16
<u>Special Note Regarding Forward-Looking Statements</u>	48
<u>Industry Data and Company Metrics</u>	49
<u>Use of Proceeds</u>	51
<u>Dividend Policy</u>	51
<u>Capitalization</u>	52
<u>Dilution</u>	54
<u>Selected Consolidated Financial and Other Data</u>	57
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	59
<u>Letter from @twitter</u>	91
<u>Business</u>	92
<u>Management</u>	118
<u>Executive Compensation</u>	126
<u>Certain Relationships and Related Party Transactions</u>	138
<u>Principal Stockholders</u>	143
<u>Description of Capital Stock</u>	146
<u>Shares Eligible for Future Sale</u>	152
<u>Material U.S. Federal Income Tax Consequences to Non-U.S. Holders of Our Common Stock</u>	155
<u>Underwriting</u>	159
<u>Legal Matters</u>	164
<u>Experts</u>	164
<u>Where You Can Find Additional Information</u>	164
<u>Index to Consolidated Financial Statements</u>	F-1

Through and including _____, 2013 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, the terms Twitter, the company, we, us and our in this prospectus refer to Twitter, Inc. and its consolidated subsidiaries.

TWITTER, INC.

Twitter is a global platform for public self-expression and conversation in real time. By developing a fundamentally new way for people to create, distribute and discover content, we have democratized content creation and distribution, enabling any voice to echo around the world instantly and unfiltered.

Our platform is unique in its simplicity: Tweets are limited to 140 characters of text. This constraint makes it easy for anyone to quickly create, distribute and discover content that is consistent across our platform and optimized for mobile devices. As a result, Tweets drive a high velocity of information exchange that makes Twitter uniquely live. We aim to become an indispensable daily companion to live human experiences.

People are at the heart of Twitter. We have already achieved significant global scale, and we continue to grow. We have more than 215 million monthly active users, or MAUs, and more than 100 million daily active users, spanning nearly every country. Our users include millions of people from around the world, as well as influential individuals and organizations, such as world leaders, government officials, celebrities, athletes, journalists, sports teams, media outlets and brands. Our users create approximately 500 million Tweets every day.

Twitter is a public, real-time platform where any user can create a Tweet and any user can follow other users. We do not impose restrictions on whom a user can follow, which greatly enhances the breadth and depth of available content and allows users to discover the content they care about most. Additionally, users can be followed by thousands or millions of other users without requiring a reciprocal relationship, enhancing the ability of our users to reach a broad audience. The public nature of our platform allows us and others to extend the reach of Twitter content beyond our properties. Media outlets distribute Tweets beyond our properties to complement their content by making it more timely, relevant and comprehensive. Tweets have appeared on over one million third-party websites, and in the second quarter of 2013 there were approximately 30 billion online impressions of Tweets off of our properties.

Twitter provides a compelling and efficient way for people to stay informed about their interests, discover what is happening in their world right now and interact directly with each other. We enable the timely creation and distribution of ideas and information among people and organizations at a local and global scale. Our platform allows users to browse through Tweets quickly and explore content more deeply through links, photos, media and other applications that can be attached to each Tweet. As a result, when events happen in the world, whether planned, like sporting events and television shows, or unplanned, like natural disasters and political revolutions, the digital experience of those events happens in real time on Twitter. People can communicate with each other during these events as they occur, creating powerful shared experiences.

Table of Contents

We are inspired by how Twitter has been used around the world. President Obama used our platform to first declare victory publicly in the 2012 U.S. presidential election, with a Tweet that was viewed approximately 25 million times on our platform and widely distributed offline in print and broadcast media. A local resident in Abbottabad, Pakistan unknowingly reported the raid on Osama Bin Laden's compound on Twitter hours before traditional media and news outlets began to report on the event. During the earthquake and subsequent tsunami in Japan, people came to Twitter to understand the extent of the disaster, find loved ones and follow the nuclear crisis that ensued. For individuals and organizations seeking timely distribution of content, Twitter moves beyond traditional broadcast mediums by assembling connected audiences. Twitter brings people together in shared experiences allowing them to discover and consume content and just as easily add their own voice in the moment.

Our platform partners and advertisers enhance the value we create for our users.

Platform Partners. Millions of platform partners, which include publishers, media outlets and developers, have integrated with Twitter, adding value to our user experience by contributing content to our platform, broadly distributing content from our platform across their properties and using Twitter content and tools to enhance their websites and applications. Many of the world's most trusted media outlets, including the BBC, CNN and Times of India, regularly use Twitter as a platform for content distribution.

Advertisers. Advertisers use our Promoted Products, the majority of which are pay-for-performance, to promote their brands, products and services, amplify their visibility and reach, and complement and extend the conversation around their advertising campaigns. We enable our advertisers to target an audience based on a variety of factors, including a user's Interest Graph. The Interest Graph maps, among other things, interests based on users followed and actions taken on our platform, such as Tweets created and engagement with Tweets. We believe a user's Interest Graph produces a clear and real-time signal of a user's interests, greatly enhancing the relevance of the ads we can display for users and enhancing our targeting capabilities for advertisers.

Although we do not generate revenue directly from users or platform partners, we benefit from network effects where more activity on Twitter results in the creation and distribution of more content, which attracts more users, platform partners and advertisers, resulting in a virtuous cycle of value creation.

Mobile has become the primary driver of our business. Our mobile products are critical to the value we create for our users, and they enable our users to create, distribute and discover content in the moment and on-the-go. The 140 character constraint of a Tweet emanates from our origins as an SMS-based messaging system, and we leverage this simplicity to develop products that seamlessly bridge our user experience across all devices. In the three months ended June 30, 2013, 75% of our average MAUs accessed Twitter from a mobile device, including mobile phones and tablets, and over 65% of our advertising revenue was generated from mobile devices. We expect that the proportion of active users on, and advertising revenue generated from, mobile devices, will continue to grow in the near term.

We have experienced rapid growth in our revenue in recent periods. From 2011 to 2012, revenue increased by 198% to \$316.9 million, net loss decreased by 38% to \$79.4 million and Adjusted EBITDA increased by 149% to \$21.2 million. From the six months ended June 30, 2012 to the six months ended June 30, 2013, revenue increased by 107% to \$253.6 million, net loss increased by 41% to \$69.3 million and Adjusted EBITDA increased by \$20.7 million to \$21.4 million. For information on how we define and calculate Adjusted EBITDA, and a reconciliation of net loss to Adjusted EBITDA, see the section titled "Summary Consolidated Financial and Other Data - Non-GAAP Financial Measures."

Table of Contents

We have also experienced significant growth in our user base, as measured by MAUs, and user engagement, as measured by timeline views.

For information on how we define and calculate the number of MAUs and the number of timeline views and factors that can affect these metrics, see the sections titled Management's Discussion and Analysis of Financial Condition and Results of Operations Key Metrics and Industry Data and Company Metrics.

The Evolution of Content Creation, Distribution and Discovery

The Internet and digitization have allowed for virtually all content to be made available online, but the vast array of content has made it difficult for people to find what is important or relevant to them. Over time, technologies have been developed to address this challenge:

Web Browsers. In the early to mid-1990s, browsers, including Netscape Navigator and Internet Explorer, presented content on the Internet in a visually appealing manner and allowed people to navigate to specific websites, but the content experience was generally not personalized or tailored to a person's interests and information was often difficult to find.

Web Portals. In the mid to late-1990s, Yahoo!, AOL, MSN and other web portals aggregated and categorized popular content and other communication features to help people discover relevant information on the Internet. These portals, while convenient, and with some ability to personalize, offer access to a limited amount of content.

Search Engines. In the early-2000s, Google and other search engines began providing a way to search a vast amount of content, but search results are limited by the quality of the search algorithm and the amount of content in the search index. In addition, given the lag between live events and the creation and indexing of digital content, search engine results may lack real-time information. Also, search engines generally do not surface content that a person has not requested, but may find interesting.

Social Networks. In the mid-2000s, social networks, such as Facebook, emerged as a new way to connect with friends and family online, but they are generally closed, private networks that do not include content from outside a person's friends, family and mutual connections. Consequently, the depth and breadth of content available to people is generally limited. Additionally, content from most social networks is not broadly available off their networks, such as on other websites, applications or traditional media outlets like television, radio and print.

Table of Contents

Twitter Continues the Evolution

Twitter continues the evolution of content creation, distribution and discovery by combining the following four elements at scale to create a global platform for public self-expression and conversation in real time. We believe Twitter can be the content creation, distribution and discovery platform for the Internet and evolving mobile ecosystem.

Public. Twitter is open to the world. Content on Twitter is broadly accessible to our users and unregistered visitors. All users can create Tweets and follow other users. In addition, because the public nature of Twitter allows content to travel virally on and off our properties to other websites and media, such as television and print, people can benefit from Twitter content even if they are not Twitter users or following the user that originally tweeted.

Real-Time. News breaks on Twitter. The combination of our tools, technology and format enables our users to quickly create and distribute content globally in real time with 140 keystrokes or the flash of a photo, and the click of a button. The ease with which our users can create content combined with our broad reach results in users often receiving content faster than other forms of media.

Conversational. Twitter is where users come to express themselves and interact with the world. Our users can interact on Twitter directly with other users, including people from around the world, as well as influential individuals and organizations. Importantly, these interactions can occur in public view, thereby creating an opportunity for all users to follow and participate in conversations on Twitter.

Distributed. Tweets go everywhere. The simple format of a Tweet, the public nature of content on Twitter and the ease of distribution off our properties allow media outlets to display Tweets on their online and offline properties, thereby extending the reach of Tweets beyond our properties. A 2013 study conducted by Arbitron Inc. and Edison Research found that 44% of Americans hear about Tweets through media channels other than Twitter almost every day.

Our Value Proposition to Users

People are at the heart of Twitter. We have more than 215 million MAUs from around the world. People come to Twitter for many reasons, and we believe that two of the most significant are the breadth of Twitter content and our broad reach. Our users consume content and engage in conversations that interest them by discovering and following the people and organizations they find most compelling.

Our platform provides our users with the following benefits:

Sharing Content with the World. Users leverage our platform to express themselves publicly to the world, share with their friends and family and participate in conversations. The public, real-time nature and tremendous global reach of our platform make it the content distribution platform of choice for many of the world's most influential individuals and organizations, as well as millions of people and small businesses.

Discovering Unique and Relevant Content. Twitter's over 215 million MAUs, spanning nearly every country, provide great breadth and depth of content across a broad range of topics, including literature, politics, finance, music, movies, comedy, sports and news.

Breaking News and Engaging in Live Events. Users come to Twitter to discover what is happening in the world right now directly from other Twitter users. On Twitter, users tweet about live events instantly, whether it is celebrities tweeting to their fans, journalists breaking news or people providing eyewitness accounts of events as they unfold. Many individuals and

Table of Contents

organizations choose to break news first on Twitter because of the unique reach and speed of distribution on our platform. As a result, Twitter is a primary source of information and complements traditional media as a second screen, enhancing the overall experience of an event by allowing users to share the experience with other users in real time. We believe this makes Twitter the social soundtrack to life in the moment.

Participating in Conversations. Through Twitter, users not only communicate with friends and family, but they also participate in conversations with other people from around the world, in ways that would not otherwise be possible. In addition to participating in conversations, users can simply follow conversations on Twitter or express interest in the conversation by retweeting or favoriting.

Our Value Proposition to Platform Partners

The value we create for our users is enhanced by our platform partners, which include publishers, media outlets and developers. These platform partners have integrated with Twitter through an application programming interface, or API, that we provide which allows them to contribute their content to our platform, distribute Twitter content across their properties and use Twitter content and tools to enhance their websites and applications. We provide a set of development tools, APIs and embeddable widgets that allow our partners to seamlessly integrate with our platform.

We provide our platform partners with the following benefits:

Distribution Channel. Platform partners use Twitter as a complementary distribution channel to expand their reach and engage with their audiences. Publishers and media outlets contribute content created for other media channels to Twitter and tweet content specifically created for Twitter. We provide platform partners with a set of widgets that they can embed on their websites and an API for their mobile applications to enable Twitter users to tweet content directly from those properties. As our users engage with this content on Twitter, they can be directed back to our partners' websites and applications.

Complementary Real-Time and Relevant Content. Twitter enables platform partners to embed or display relevant Tweets on their online and offline properties to enhance the experience for their users. Additionally, by enhancing the activity related to their programming or event on Twitter, media outlets can drive tune-in and awareness of their original content, leveraging Twitter's strength as a second screen for television programming. For example, during Super Bowl XLVII, over 24 million Tweets regarding the Super Bowl were sent during the game alone and 45% of television ads shown during the Super Bowl used a hashtag to invite viewers to engage in conversation about those television ads on Twitter.

Canvas for Enhanced Content with Twitter Cards. Platform partners use Twitter Cards to embed images, video and interactive content directly into a Tweet. Twitter Cards allow platform partners to create richer content that all users can interact with and distribute.

Building with Twitter Content. Platform partners leverage Tweets to enhance the experience for their users. Developers incorporate Twitter content and use Twitter tools to build a broad range of applications. Media partners incorporate Twitter content to enrich their programming and increase viewer engagement by providing real-time Tweets that express public opinion and incorporate results from viewer polls on Twitter.

Table of Contents

Our Value Proposition to Advertisers

We provide compelling value to our advertisers by delivering the ability to reach a large global audience through our unique set of advertising services, the ability to target ads based on our deep understanding of our users and the opportunity to generate significant earned media. Advertisers can use Twitter to communicate directly with their followers for free, but many choose to purchase our advertising services to reach a broader audience and further promote their brands, products and services.

Our platform provides our advertisers with the following benefits:

Unique Ad Formats Native to the User Experience. Our Promoted Products, which are Promoted Tweets, Promoted Accounts and Promoted Trends, provide advertisers with an opportunity to reach our users without disrupting or detracting from the user experience on our platform.

Targeting. Our pay-for-performance Promoted Products enable advertisers to reach users based on many factors. Importantly, because our asymmetric follow model does not require mutual follower relationships, people can follow the users that they find most interesting. These follow relationships are then combined with other factors, such as the actions that users take on our platform, including the Tweets they engage with and what they tweet about, to form a user's Interest Graph. We believe a user's Interest Graph produces a clear and real-time signal of a user's interests, greatly enhancing our targeting capability.

Earned Media and Viral Global Reach. The public and widely distributed nature of our platform enables Tweets to spread virally, potentially reaching all of our users and people around the world. Our users retweet, reply to or start conversations about interesting Tweets, whether those Tweets are Promoted Tweets or organic Tweets by advertisers. An advertiser only gets charged when a user engages with a Promoted Tweet that was placed in a user's timeline because of its promotion. By creating highly compelling and engaging ads, our advertisers can benefit from users retweeting their content across our platform at no incremental cost.

Advertising in the Moment. Twitter's real-time nature allows our advertisers to capitalize on live events, existing conversations and trending topics. By using our Promoted Products, advertisers can create a relevant ad in real time that is shaped by these events, conversations and topics.

Pay-for-Performance and Attractive Return on Investment. Our advertisers pay for Promoted Tweets and Promoted Accounts on a pay-for-performance basis. Our advertisers only pay us when a user engages with their ad, such as when a user clicks on a link in a Promoted Tweet, expands a Promoted Tweet, replies to or favorites a Promoted Tweet, retweets a Promoted Tweet for the first time, follows a Promoted Account or follows the account that tweets a Promoted Tweet. The pay-for-performance structure aligns our interests in delivering relevant and engaging ads to our users with those of our advertisers.

Extension of Offline Advertising Campaigns. Twitter advertising complements offline advertising campaigns, such as television ads. Integrating hashtags allows advertisers to extend the reach of an offline ad by driving significant earned media and continued conversation on Twitter.

Our Value Proposition to Data Partners

We offer data licenses that allow our data partners to access, search and analyze historical and real-time data on our platform. Since the first Tweet, our users have created over 300 billion Tweets

Table of Contents

spanning nearly every country. Our data partners use this data to generate and monetize data analytics, from which data partners can identify user sentiment, influence and other trends. For example, one of our data partners applies its algorithms to Twitter data to create and sell products to its customers that identify activity trends across Twitter which may be relevant to its customers' investment portfolios.

Growth Strategy

We have aligned our growth strategy around the three primary constituents of our platform: users, platform partners and advertisers.

Users. We believe that there is a significant opportunity to expand our user base. Industry sources estimate that as of 2012 there were 2.4 billion Internet users and 1.2 billion smartphone users, of which only 215 million are MAUs of Twitter.

Geographic Expansion. We plan to develop a broad set of partnerships globally to increase relevant local content on our platform and make Twitter more accessible in new and emerging markets.

Mobile Applications. We plan to continue to develop and improve our mobile applications to drive user adoption of these applications.

Product Development. We plan to continue to build and acquire new technologies to develop and improve our products and services and make our platform more valuable and accessible to people around the world. We also plan to continue to focus on making Twitter simple and easy to use, particularly for new users.

Platform Partners. We believe growth in our platform partners is complementary to our user growth strategy and the overall expansion of our platform.

Expand the Twitter Platform to Integrate More Content. We plan to continue to build and acquire new technologies to enable our platform partners to distribute content of all forms.

Partner with Traditional Media. We plan to continue to leverage our media relationships to drive more content distribution on our platform and create more value for our users and advertisers.

Advertisers. We believe we can increase the value of our platform for our advertisers by enhancing our advertising services and making our platform more accessible.

Targeting. We plan to continue to improve the targeting capabilities of our advertising services.

Opening our Platform to Additional Advertisers. We believe that advertisers outside of the United States represent a substantial opportunity and we plan to invest to increase our advertising revenue from international advertisers, including by launching our self-serve advertising platform in selected international markets.

New Advertising Formats. We intend to develop new and unique ad formats for our advertisers. For example, we recently introduced our lead generation and application download Twitter Cards and Twitter Amplify, which allows advertisers to

embed ads into real-time video content.

Table of Contents

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

If we fail to grow our user base, or if user engagement or the number of paid engagements with our pay-for-performance Promoted Products, which we refer to as ad engagements, on our platform decline, our revenue, business and operating results may be harmed;

If our users do not continue to contribute content or their contributions are not valuable to other users, we may experience a decline in the number of users accessing our products and services, which could result in the loss of advertisers and revenue;

We generate the substantial majority of our revenue from advertising, and the loss of advertising revenue could harm our business;

If we are unable to compete effectively for users and advertiser spend, our business and operating results could be harmed;

Our operating results may fluctuate from quarter to quarter, which makes them difficult to predict;

User growth and engagement depend upon effective interoperation with operating systems, networks, devices, web browsers and standards that we do not control;

If we fail to expand effectively in international markets, our revenue and our business will be harmed;

We anticipate that we will expend substantial funds in connection with the tax liabilities that arise upon the initial settlement of restricted stock units, or RSUs, in connection with this offering, and the manner in which we fund that expenditure may have an adverse effect on our financial condition; and

Existing executive officers, directors and holders of 5% or more of our common stock will collectively beneficially own % of our common stock and continue to have substantial control over us after this offering, which will limit your ability to influence the outcome of important transactions, including a change in control.

Channels for Disclosure of Information

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission, or the SEC, our corporate blog at blog.twitter.com, the investor relations page on our website, press releases, public conference calls and webcasts. We also intend to announce information regarding us and our business, operating results, financial condition and other matters through Tweets on the following Twitter accounts: _____, _____ and _____.

The information that is tweeted by the foregoing Twitter accounts could be deemed to be material information. As such, we encourage investors, the media and others to follow the Twitter accounts listed above and to review the information tweeted by such accounts.

Any updates to the list of Twitter accounts through which we will announce information will be posted on the investor relations page on our website.

Table of Contents

Corporate Information

Twitter, Inc. was incorporated in Delaware in April 2007. Our principal executive offices are located at 1355 Market Street, Suite 900, San Francisco, California 94103, and our telephone number is (415) 222-9670. Our website address is www.twitter.com. Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

Twitter, the Twitter bird logo, Tweet, Retweet and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Twitter, Inc. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

Table of Contents

THE OFFERING

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock from us	shares
Use of proceeds	<p>We estimate that the net proceeds from the sale of shares of our common stock in this offering will be approximately \$ (or approximately \$ if the underwriters' option to purchase additional shares of our common stock from us is exercised in full), based upon the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and enable access to the public equity markets for us and our stockholders. We intend to use the net proceeds from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We also may use a portion of the net proceeds to satisfy our anticipated tax withholding and remittance obligations related to the settlement of our outstanding RSUs. Additionally, we may use a portion of the net proceeds to acquire businesses, products, services or technologies. However, except for our proposed acquisition of MoPub, Inc., or MoPub, in exchange for shares of our common stock, we do not have agreements or commitments for any material acquisitions at this time. See the section titled "Use of Proceeds" for additional information.</p>
Concentration of Ownership	<p>Upon completion of this offering, our executive officers, directors and holders of 5% or more of our common stock will beneficially own, in the aggregate, approximately % of our outstanding shares of common stock.</p>
Proposed symbol	TWTR

Table of Contents

The number of shares of our common stock that will be outstanding after this offering is based on 472,613,753 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of June 30, 2013, and excludes:

44,157,061 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2013, with a weighted-average exercise price of \$1.82 per share;

59,913,992 shares of our common stock subject to RSUs outstanding as of June 30, 2013;

116,512 shares of our common stock, on an as-converted basis, issuable upon the exercise of a warrant to purchase convertible preferred stock outstanding as of June 30, 2013, with an exercise price of \$0.34 per share;

27,002,040 shares of our common stock subject to RSUs granted after June 30, 2013;

up to 14,791,464 shares of our common stock issuable upon completion of our acquisition of MoPub; and

shares of our common stock reserved for future issuance under our equity compensation plans which will become effective prior to the completion of this offering, consisting of:

shares of our common stock reserved for future issuance under our 2013 Equity Incentive Plan, or our 2013 Plan;

7,814,902 shares of our common stock reserved for future issuance under our 2007 Equity Incentive Plan, or our 2007 Plan (after giving effect to an increase of 20,000,000 shares of our common stock reserved for issuance under our 2007 Plan after June 30, 2013 and the grant of 27,002,040 shares of our common stock subject to RSUs granted after June 30, 2013), which number of shares will be added to the shares of our common stock to be reserved under our 2013 Plan upon its effectiveness; and

shares of our common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan, or our ESPP. Our 2013 Plan and ESPP each provide for annual automatic increases in the number of shares reserved thereunder and our 2013 Plan also provides for increases to the number of shares that may be granted thereunder based on shares under our 2007 Plan that expire, are forfeited or otherwise repurchased by us, as more fully described in the section titled "Executive Compensation, Employee Benefit and Stock Plans."

Except as otherwise indicated, all information in this prospectus assumes:

the automatic conversion of all outstanding shares of our Class A junior preferred stock and our convertible preferred stock into an aggregate of 333,099,000 shares of our common stock, the conversion of which will occur immediately prior to the completion of this offering;

the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering; and

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no exercise by the underwriters of their option to purchase up to an additional shares of our common stock from us.

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA**

The following tables summarize our consolidated financial and other data. We have derived the summary consolidated statement of operations data for the years ended December 31, 2010, 2011 and 2012 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statement of operations data for the six months ended June 30, 2012 and 2013 and our balance sheet data as of June 30, 2013 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for a fair statement of the unaudited interim consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future and the results in the six months ended June 30, 2013 are not necessarily indicative of results to be expected for the full year or any other period. The following summary consolidated financial and other data should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,			Six Months Ended June 30,	
	2010	2011	2012	2012	2013
(In thousands, except per share data)					
Consolidated Statement of Operations Data:					
Revenue	\$ 28,278	\$ 106,313	\$ 316,933	\$ 122,359	\$ 253,635
Costs and expenses ⁽¹⁾					
Cost of revenue	43,168	61,803	128,768	58,157	91,828
Research and development	29,348	80,176	119,004	46,345	111,837
Sales and marketing	6,289	25,988	86,551	34,105	77,697
General and administrative	16,952	65,757	59,693	30,758	35,096
Total costs and expenses	95,757	233,724	394,016	169,365	316,458
Loss from operations	(67,479)	(127,411)	(77,083)	(47,006)	(62,823)
Interest income (expense), net	55	(805)	(2,486)	(890)	(2,746)
Other income (expense), net	(117)	(1,530)	399	(12)	(2,548)
Loss before income taxes	(67,541)	(129,746)	(79,170)	(47,908)	(68,117)
Provision (benefit) for income taxes	(217)	(1,444)	229	1,196	1,134
Net loss	\$ (67,324)	\$ (128,302)	\$ (79,399)	\$ (49,104)	\$ (69,251)
Deemed dividend to investors in relation to the tender offer		35,816			
Net loss attributable to common stockholders	\$ (67,324)	\$ (164,118)	\$ (79,399)	\$ (49,104)	\$ (69,251)
Weighted-average shares used to compute net loss per share attributable to common stockholders:					
Basic and diluted	75,992	102,544	117,401	114,825	129,853
Net loss per share attributable to common stockholders:					
Basic and diluted	\$ (0.89)	\$ (1.60)	\$ (0.68)	\$ (0.43)	\$ (0.53)
Pro forma net loss per share attributable to common stockholders (unaudited): ⁽²⁾					
Basic and diluted			\$ (0.18)		\$ (0.15)
Other Financial Information:⁽³⁾					
Adjusted EBITDA	\$ (51,184)	\$ (42,835)	\$ 21,164	\$ 670	\$ 21,392
Non-GAAP net loss	\$ (54,066)	\$ (65,533)	\$ (35,191)	\$ (22,232)	\$ (26,888)

Table of Contents

(1) Costs and expenses include stock-based compensation expense as follows:

	Year Ended December 31,			Six Months Ended	
	2010	2011	2012	2012	2013
	(In thousands)				
Cost of revenue	\$ 200	\$ 1,820	\$ 800	\$ 420	\$ 1,955
Research and development	3,409	33,559	12,622	6,291	24,197
Sales and marketing	249	1,553	1,346	620	4,614
General and administrative	2,073	23,452	10,973	8,796	4,802
Total stock-based compensation	\$ 5,931	\$ 60,384	\$ 25,741	\$ 16,127	\$ 35,568

(2) See Note 9 to our consolidated financial statements for an explanation of the calculations of our pro forma net loss per share attributable to common stockholders.

(3) See the section titled "Non-GAAP Financial Measures" for additional information and a reconciliation of net loss to Adjusted EBITDA and net loss to non-GAAP net loss.

	As of June 30, 2013		
	Actual	Pro Forma ⁽¹⁾ (In thousands)	Pro Forma as Adjusted ⁽²⁾⁽³⁾
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 164,509	\$ 164,509	\$
Short-term investments	210,549	210,549	
Working capital	382,820	382,820	
Property and equipment, net	242,553	242,553	
Total assets	964,059	964,059	
Total liabilities	255,898	247,163	
Class A junior preferred stock	37,106		
Convertible preferred stock	835,430		
Total stockholders' equity (deficit)	(164,375)	716,896	

(1) The pro forma column in the balance sheet data table above reflects (a) the automatic conversion of all outstanding shares of our Class A junior preferred stock and our convertible preferred stock into an aggregate of 333,099,000 shares of our common stock, which conversion will occur immediately prior to the completion of this offering, as if such conversion had occurred on June 30, 2013, (b) the resulting reclassification of the restricted Class A junior preferred stock and preferred stock warrant liability from other long-term liabilities to additional paid-in capital and (c) stock-based compensation expense of \$329.6 million, associated with Pre-2013 RSUs for which the service condition was satisfied as of June 30, 2013, and which we expect to record upon completion of this offering, as further described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates - Stock-Based Compensation."

(2) The pro forma as adjusted column in the balance sheet data table above gives effect to (a) the pro forma adjustments set forth above, (b) the sale and issuance by us of _____ shares of our common stock in this offering, based upon the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (c) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware.

(3) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the amount of our cash and cash equivalents, working capital, total assets and total stockholders' equity by \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our cash and cash equivalents, working capital, total assets and total stockholders' equity by \$ _____, assuming an initial public offering price of \$ _____ per share, which is the

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midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions payable by us.

Non-GAAP Financial Measures

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the United States, or GAAP, we consider certain financial measures that are not prepared in accordance with GAAP, including Adjusted EBITDA and non-GAAP net loss.

Table of Contents

These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies.

Adjusted EBITDA

We define Adjusted EBITDA as net loss adjusted to exclude stock-based compensation expense, depreciation and amortization expense, interest and other expenses and provision (benefit) for income taxes.

The following table presents a reconciliation of net loss to Adjusted EBITDA for each of the periods indicated:

	Year Ended December 31,			Six Months Ended	
	2010	2011	2012	June 30, 2012	2013
	(In thousands)				
Reconciliation of Net Loss to Adjusted EBITDA					
Net loss	\$ (67,324)	\$ (128,302)	\$ (79,399)	\$ (49,104)	\$ (69,251)
Stock-based compensation expense	5,931	60,384	25,741	16,127	35,568
Depreciation and amortization expense	10,364	24,192	72,506	31,549	48,647
Interest and other expense	62	2,335	2,087	902	5,294
Provision (benefit) for income taxes	(217)	(1,444)	229	1,196	1,134
Adjusted EBITDA	\$ (51,184)	\$ (42,835)	\$ 21,164	\$ 670	\$ 21,392

Non-GAAP Net Loss

We define non-GAAP net loss as net loss adjusted to exclude stock-based compensation expense, amortization of acquired intangible assets and the income tax effects related to acquisitions.

The following table presents a reconciliation of net loss to non-GAAP net loss for each of the periods indicated:

	Year Ended December 31,			Six Months Ended	
	2010	2011	2012	June 30, 2012	2013
	(In thousands)				
Reconciliation of Net Loss to Non-GAAP Net Loss					
Net loss	\$ (67,324)	\$ (128,302)	\$ (79,399)	\$ (49,104)	\$ (69,251)
Stock-based compensation expense	5,931	60,384	25,741	16,127	35,568
Amortization of acquired intangible assets	7,506	4,697	18,687	10,255	7,178
Income tax effects related to acquisitions	(179)	(2,312)	(220)	490	(383)
Non-GAAP net loss	\$ (54,066)	\$ (65,533)	\$ (35,191)	\$ (22,232)	\$ (26,888)

We use the non-GAAP financial measures of Adjusted EBITDA and non-GAAP net loss in evaluating our operating results and for financial and operational decision-making purposes. We believe that Adjusted EBITDA and non-GAAP net loss help identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in Adjusted EBITDA and non-GAAP net loss. We believe that Adjusted EBITDA and non-GAAP net loss provide useful information about our operating results, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to key metrics used by our management in its financial and operational decision-making. We use these measures to establish budgets and operational goals for managing our business and evaluating our performance. We are presenting the non-GAAP measures of Adjusted EBITDA and non-GAAP net loss to assist investors in seeing our operating results through the eyes of

Table of Contents

management, and because we believe that these measures provide an additional tool for investors to use in comparing our core business operating results over multiple periods with other companies in our industry.

These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures rather than net loss, which is the nearest GAAP equivalent of these financial measures. Some of these limitations are:

These non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;

Stock-based compensation expense, which is not reflected in these non-GAAP financial measures, has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy;

Adjusted EBITDA does not reflect tax payments that reduce cash available to us;

Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash charges, the property and equipment being depreciated and amortized may have to be replaced in the future; and

The expenses that we exclude in our calculation of these non-GAAP financial measures may differ from the expenses, if any, that our peer companies may exclude from similarly-titled non-GAAP measures when they report their results of operations.

We have attempted to compensate for these limitations by providing the nearest GAAP equivalents of these non-GAAP financial measures and describing these GAAP equivalents under the section titled Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Our Industry

If we fail to grow our user base, or if user engagement or ad engagement on our platform decline, our revenue, business and operating results may be harmed.

The size of our user base and our users' level of engagement are critical to our success. We had 218.3 million average MAUs in the three months ended June 30, 2013, which was a 44% increase from 151.4 million average MAUs in the three months ended June 30, 2012. Our financial performance has been and will continue to be significantly determined by our success in growing the number of users and increasing their overall level of engagement on our platform as well as the number of ad engagements. We anticipate that our user growth rate will slow over time as the size of our user base increases. For example, in general, a higher proportion of Internet users in the United States uses Twitter than Internet users in other countries and, in the future, we expect our user growth rate in certain international markets, such as Argentina, France, Japan, Russia, Saudi Arabia and South Africa, to continue to be higher than our user growth rate in the United States. To the extent our user growth rate slows, our success will become increasingly dependent on our ability to increase levels of user engagement and ad engagement on Twitter. We generate a substantial majority of our revenue based upon engagement by our users with the ads that we display. If people do not perceive our products and services to be useful, reliable and trustworthy, we may not be able to attract users or increase the frequency of their engagement with our platform and the ads that we display. A number of consumer-oriented websites that achieved early popularity have since seen their user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our user base or engagement levels. A number of factors could potentially negatively affect user growth and engagement, including if:

users engage with other products, services or activities as an alternative to ours;

influential users, such as world leaders, government officials, celebrities, athletes, journalists, sports teams, media outlets and brands or certain age demographics conclude that an alternative product or service is more relevant;

we are unable to convince potential new users of the value and usefulness of our products and services;

there is a decrease in the perceived quality of the content generated by our users;

we fail to introduce new and improved products or services or if we introduce new products or services that are not favorably received;

technical or other problems prevent us from delivering our products or services in a rapid and reliable manner or otherwise affect the user experience;

we are unable to present users with content that is interesting, useful and relevant to them;

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users believe that their experience is diminished as a result of the decisions we make with respect to the frequency, relevance and prominence of ads that we display;

there are user concerns related to privacy and communication, safety, security or other factors;

Table of Contents

we are unable to combat spam or other hostile or inappropriate usage on our platform;

there are adverse changes in our products or services that are mandated by, or that we elect to make to address, legislation, regulatory authorities or litigation, including settlements or consent decrees;

we fail to provide adequate customer service to users; or

we do not maintain our brand image or our reputation is damaged.

If we are unable to increase our user growth or engagement, or if they decline, this could result in our products and services being less attractive to potential new users, as well as advertisers, which would have a material and adverse impact on our business, financial condition and operating results.

If our users do not continue to contribute content or their contributions are not valuable to other users, we may experience a decline in the number of users accessing our products and services and user engagement, which could result in the loss of advertisers and revenue.

Our success depends on our ability to provide users of our products and services with valuable content, which in turn depends on the content contributed by our users. We believe that one of our competitive advantages is the quality, quantity and real-time nature of the content on Twitter, and that access to unique or real-time content is one of the main reasons users visit Twitter. Our ability to expand into new international markets depends on the availability of relevant local content in those markets. We seek to foster a broad and engaged user community, and we encourage world leaders, government officials, celebrities, athletes, journalists, sports teams, media outlets and brands to use our products and services to express their views to broad audiences. We also encourage media outlets to use our products and services to distribute their content. If users, including influential users, do not continue to contribute content to Twitter, and we are unable to provide users with valuable and timely content, our user base and user engagement may decline. Additionally, if we are not able to address user concerns regarding the safety and security of our products and services or if we are unable to successfully prevent abusive or other hostile behavior on our platform, the size of our user base and user engagement may decline. We rely on the sale of advertising services for the substantial majority of our revenue. If we experience a decline in the number of users or a decline in user engagement, including as a result of the loss of world leaders, government officials, celebrities, athletes, journalists, sports teams, media outlets and brands who generate content on Twitter, advertisers may not view our products and services as attractive for their marketing expenditures, and may reduce their spending with us which would harm our business and operating results.

We generate the substantial majority of our revenue from advertising. The loss of advertising revenue could harm our business.

The substantial majority of our revenue is currently generated from third parties advertising on Twitter. We generated 85% and 87% of our revenue from advertising in 2012 and the six months ended June 30, 2013, respectively. We generate substantially all of our advertising revenue through the sale of our three Promoted Products: Promoted Tweets, Promoted Accounts and Promoted Trends. As is common in the industry, our advertisers do not have long-term advertising commitments with us. In addition, many of our advertisers purchase our advertising services through one of several large advertising agency holding companies. Advertising agencies and potential new advertisers may view our Promoted Products as experimental and unproven, and we may need to devote additional time and resources to educate them about our products and services. Advertisers also may choose to reach users through our free products and services, instead of our Promoted Products. Advertisers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us, if we do not deliver ads in an effective manner, or if they do not believe that their investment in advertising with us will generate a competitive return relative to alternatives, including online, mobile

Table of Contents

and traditional advertising platforms. Our advertising revenue could be adversely affected by a number of other factors, including:

decreases in user engagement with Twitter and with the ads on our platform;

if we are unable to demonstrate the value of our Promoted Products to advertisers and advertising agencies or if we are unable to measure the value of our Promoted Products in a manner which advertisers and advertising agencies find useful;

if our Promoted Products are not cost effective or valuable for certain types of advertisers or if we are unable to develop cost effective or valuable advertising services for different types of advertisers;

if we are unable to convince advertisers and brands to invest resources in learning to use our products and services and maintaining a brand presence on Twitter;

product or service changes we may make that change the frequency or relative prominence of ads displayed on Twitter or that detrimentally impact revenue in the near term with the goal of achieving long term benefits;

our inability to increase advertiser demand and inventory;

our inability to increase the relevance of ads shown to users;

our inability to help advertisers effectively target ads, including as a result of the fact that we do not collect extensive private personally identifiable information directly from our users and that we do not have real-time geographic information for all of our users;

continuing decreases in the cost per ad engagement;

loss of advertising market share to our competitors;

the degree to which users access Twitter content through applications that do not contain our ads;

if we enter into revenue sharing arrangements or other partnerships with third parties;

our new advertising strategies, such as television targeting and real-time video clips embedded in Tweets, do not gain traction;

the impact of new technologies that could block or obscure the display of our ads;

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adverse legal developments relating to advertising or measurement tools related to the effectiveness of advertising, including legislative and regulatory developments, and developments in litigation;

adverse media reports or other negative publicity involving us or other companies in our industry;

our inability to create new products and services that sustain or increase the value of our advertising services to both our advertisers and our users;

the impact of fraudulent clicks or spam on our Promoted Products and our users;

changes in the way our advertising is priced; and

the impact of macroeconomic conditions and conditions in the advertising industry in general.

The occurrence of any of these or other factors could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, either of which would negatively affect our revenue and operating results.

If we are unable to compete effectively for users and advertiser spend, our business and operating results could be harmed.

Competition for users of our products and services is intense. Although we have developed a new global platform for public self-expression and conversation in real time, we face strong competition in our

Table of Contents

business. We compete against many companies to attract and engage users, including companies which have greater financial resources and substantially larger user bases, such as Facebook (including Instagram), Google, LinkedIn, Microsoft and Yahoo!, which offer a variety of Internet and mobile device-based products, services and content. For example, Facebook operates a social networking site with significantly more users than Twitter and has been introducing features similar to those of Twitter. In addition, Google may use its strong position in one or more markets to gain a competitive advantage over us in areas in which we operate, including by integrating competing features into products or services they control. As a result, our competitors may acquire and engage users at the expense of the growth or engagement of our user base, which would negatively affect our business. We also compete against smaller companies, such as Sina Weibo, LINE and Kakao, each of which is based in Asia.

We believe that our ability to compete effectively for users depends upon many factors both within and beyond our control, including:

the popularity, usefulness, ease of use, performance and reliability of our products and services compared to those of our competitors;

the amount, quality and timeliness of content generated by our users;

the timing and market acceptance of our products and services;

the continued adoption of our products and services internationally;

our ability, and the ability of our competitors, to develop new products and services and enhancements to existing products and services;

the frequency and relative prominence of the ads displayed by us or our competitors;

our ability to establish and maintain relationships with platform partners that integrate with our platform;

changes mandated by, or that we elect to make to address, legislation, regulatory authorities or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us;

the application of antitrust laws both in the United States and internationally;

government action regulating competition;

our ability to attract, retain and motivate talented employees, particularly engineers, designers and product managers;

acquisitions or consolidation within our industry, which may result in more formidable competitors; and

our reputation and the brand strength relative to our competitors.

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We also face significant competition for advertiser spend. The substantial majority of our revenue is currently generated through ads on Twitter, and we compete against online and mobile businesses, including those referenced above, and traditional media outlets, such as television, radio and print, for advertising budgets. In order to grow our revenue and improve our operating results, we must increase our share of spending on advertising relative to our competitors, many of which are larger companies that offer more traditional and widely accepted advertising products. In addition, some of our larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain additional share of advertising budgets.

We believe that our ability to compete effectively for advertiser spend depends upon many factors both within and beyond our control, including:

the size and composition of our user base relative to those of our competitors;

Table of Contents

our ad targeting capabilities, and those of our competitors;

the timing and market acceptance of our advertising services, and those of our competitors;

our marketing and selling efforts, and those of our competitors;

the pricing for our Promoted Products relative to the advertising products and services of our competitors;

the return our advertisers receive from our advertising services, and those of our competitors; and

our reputation and the strength of our brand relative to our competitors.

In recent years, there have been significant acquisitions and consolidation by and among our actual and potential competitors. We anticipate this trend of consolidation will continue, which will present heightened competitive challenges for our business. Acquisitions by our competitors may result in reduced functionality of our products and services. For example, following Facebook's acquisition of Instagram, Facebook disabled Instagram's photo integration with Twitter such that Instagram photos are no longer viewable within Tweets and users are now re-directed to Instagram to view Instagram photos through a link within a Tweet. As a result, our users may be less likely to click on links to Instagram photos in Tweets, and Instagram users may be less likely to tweet or remain active users of Twitter. Any similar elimination of integration with Twitter in the future, whether by Facebook or others, may adversely impact our business and operating results.

Consolidation may also enable our larger competitors to offer bundled or integrated products that feature alternatives to our platform. Reduced functionality of our products and services, or our competitors' ability to offer bundled or integrated products that compete directly with us, may cause our user growth, user engagement and ad engagement to decline and advertisers to reduce their spend with us.

If we are not able to compete effectively for users and advertiser spend our business and operating results would be materially and adversely affected.

Our operating results may fluctuate from quarter to quarter, which makes them difficult to predict.

Our quarterly operating results have fluctuated in the past and will fluctuate in the future. As a result, our past quarterly operating results are not necessarily indicators of future performance. Our operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

our ability to grow our user base and user engagement;

our ability to attract and retain advertisers;

the occurrence of planned significant events, such as the Super Bowl, or unplanned significant events, such as natural disasters and political revolutions;

fluctuations in spending by our advertisers, including as a result of seasonality and extraordinary news events, or other factors;

the number of ad engagements by users;

the pricing of our ads and other products and services;

the development and introduction of new products or services or changes in features of existing products or services;

the impact of competitors or competitive products and services;

our ability to maintain or increase revenue;

our ability to maintain or improve gross margins and operating margins;

Table of Contents

increases in research and development, marketing and sales and other operating expenses that we may incur to grow and expand our operations and to remain competitive;

stock-based compensation expense, including in the year we complete this offering;

costs related to the acquisition of businesses, talent, technologies or intellectual property, including potentially significant amortization costs;

system failures resulting in the inaccessibility of our products and services;

breaches of security or privacy, and the costs associated with remediating any such breaches;

adverse litigation judgments, settlements or other litigation-related costs, and the fees associated with investigating and defending claims;

changes in the legislative or regulatory environment, including with respect to security, privacy or enforcement by government regulators, including fines, orders or consent decrees;

fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;

changes in U.S. generally accepted accounting principles; and

changes in global business or macroeconomic conditions.

Given our limited operating history and the rapidly evolving markets in which we compete, our historical operating results may not be useful to you in predicting our future operating results. We believe our rapid growth may understate the potential seasonality of our business. As our revenue growth rate slows, we expect that the seasonality in our business may become more pronounced and may in the future cause our operating results to fluctuate. For example, advertising spending is traditionally seasonally strong in the fourth quarter of each year and we believe that this seasonality affects our quarterly results, which generally reflect higher sequential advertising revenue growth from the third to fourth quarter compared to sequential advertising revenue growth from the fourth quarter to the subsequent first quarter. In addition, global economic concerns continue to create uncertainty and unpredictability and add risk to our future outlook. An economic downturn in any particular region in which we do business or globally could result in reductions in advertising revenue, as our advertisers reduce their advertising budgets, and other adverse effects that could harm our operating results.

User growth and engagement depend upon effective interoperation with operating systems, networks, devices, web browsers and standards that we do not control.

We make our products and services available across a variety of operating systems and through websites. We are dependent on the interoperability of our products and services with popular devices, desktop and mobile operating systems and web browsers that we do not control, such as Mac OS, Windows, Android, iOS, Chrome and Firefox. Any changes in such systems, devices or web browsers that degrade the functionality of our products and services or give preferential treatment to competitive products or services could adversely affect usage of our products and services. Further, if the number of platforms for which we develop our product expands, it will result in an increase in our operating expenses. In order to deliver high quality products and services, it is important that our products and services work well with a range of operating systems, networks, devices, web browsers and standards that we do not control. In addition, because a majority of our users access our products and services through mobile devices, we are particularly dependent on the interoperability of our products and services with mobile devices and operating systems. We may not be successful in developing relationships with key participants in the mobile industry or in

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developing products or services that operate effectively with these operating systems, networks, devices, web browsers and standards. In the event that it is difficult for our users to access and use our products and services, particularly on their mobile devices, our user growth and engagement could be harmed, and our business and operating results could be adversely affected.

Table of Contents

If we fail to expand effectively in international markets, our revenue and our business will be harmed.

We may not be able to monetize our products and services internationally as effectively as in the United States as a result of competition, advertiser demand, differences in the digital advertising market and digital advertising conventions, as well as differences in the way that users in different countries access or utilize our products and services. Differences in the competitive landscape in international markets may impact our ability to monetize our products and services. For example, in South Korea we face intense competition from a messaging service offered by Kakao, which offers some of the same communication features as Twitter. The existence of a well-established competitor in an international market may adversely affect our ability to increase our user base, attract advertisers and monetize our products in such market. We may also experience differences in advertiser demand in international markets. For example, during times of political upheaval, advertisers may choose not to advertise on Twitter. Certain international markets are also not as familiar with digital advertising in general, or in new forms of digital advertising such as our Promoted Products. Further, we face challenges in providing certain advertising products, features or analytics in certain international markets, such as the European Union, due to government regulation. Our products and services may also be used differently abroad than in the United States. In particular, in certain international markets where Internet access is not as rapid or reliable as in the United States, users tend not to take advantage of certain features of our products and services, such as rich media included in Tweets. Additionally, in certain emerging markets, such as India, many users access our products and services through feature phones with limited functionality, rather than through smartphones, our website or desktop applications. This limits our ability to deliver certain features to those users and may limit the ability of advertisers to deliver compelling advertisements to users in these markets which may result in reduced ad engagements which would adversely affect our business and operating results.

If our revenue from our international operations, and particularly from operations in the countries and regions on which we have focused our spending, does not exceed the expense of establishing and maintaining these operations, our business and operating results will suffer. In addition, our user base may expand more rapidly in international regions where we are less successful in monetizing our products and services. As our user base continues to expand internationally, we will need to increase revenue from the activity generated by our international users in order to grow our business. For example, users outside the United States constituted 77% of our average MAUs in the three months ended June 30, 2013, but our international revenue, as determined based on the billing location of our advertisers, was only 25% of our consolidated revenue in the three months ended June 30, 2013. Our inability to successfully expand internationally could adversely affect our business, financial condition and operating results.

We have a limited operating history in a new and unproven market for our platform, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have developed a global platform for public self-expression and conversation in real time, and the market for our products and services is relatively new and may not develop as expected, if at all. People who are not our users may not understand the value of our products and services and new users may initially find our product confusing. There may be a perception that our products and services are only useful to users who tweet, or to influential users with large audiences. Convincing potential new users of the value of our products and services is critical to increasing our user base and to the success of our business.

Table of Contents

We have a limited operating history, and only began to generate revenue in 2009 and we started to sell our Promoted Products in 2010, which makes it difficult to effectively assess our future prospects or forecast our future results. You should consider our business and prospects in light of the risks and challenges we encounter or may encounter in this developing and rapidly evolving market. These risks and challenges include our ability to, among other things:

increase our number of users and user engagement;

successfully expand our business, especially internationally;

develop a reliable, scalable, secure, high-performance technology infrastructure that can efficiently handle increased usage globally;

convince advertisers of the benefits of our Promoted Products compared to alternative forms of advertising;

develop and deploy new features, products and services;

successfully compete with other companies, some of which have substantially greater resources and market power than us, that are currently in, or may in the future enter, our industry, or duplicate the features of our products and services;

attract, retain and motivate talented employees, particularly engineers, designers and product managers;

process, store, protect and use personal data in compliance with governmental regulations, contractual obligations and other obligations related to privacy and security;

continue to earn and preserve our users' trust, including with respect to their private personal information; and

defend ourselves against litigation, regulatory, intellectual property, privacy or other claims.

If we fail to educate potential users and potential advertisers about the value of our products and services, if the market for our platform does not develop as we expect or if we fail to address the needs of this market, our business will be harmed. We may not be able to successfully address these risks and challenges or others. Failure to adequately address these risks and challenges could harm our business and cause our operating results to suffer.

We have incurred significant operating losses in the past, and we may not be able to achieve or subsequently maintain profitability.

Since our inception, we have incurred significant operating losses, and, as of June 30, 2013, we had an accumulated deficit of \$418.6 million. Although our revenue has grown rapidly, increasing from \$28.3 million in 2010 to \$316.9 million in 2012, we expect that our revenue growth rate will slow in the future as a result of a variety of factors, including the gradual slow down in the growth rate of our user base. We believe that our future revenue growth will depend on, among other factors, our ability to attract new users, increase user engagement and ad engagement, increase our brand awareness, compete effectively, maximize our sales efforts, demonstrate a positive return on investment for advertisers, successfully develop new products and services and expand internationally. Accordingly, you should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. We also expect our costs to increase in future periods as we continue to expend substantial financial resources on:

our technology infrastructure;

research and development for our products and services;

sales and marketing;

Table of Contents

domestic and international expansion efforts;

attracting and retaining talented employees;

strategic opportunities, including commercial relationships and acquisitions; and

general administration, including personnel costs and legal and accounting expenses related to being a public company.

These investments may not result in increased revenue or growth in our business.

In addition, we have granted stock options and RSUs to our employees. RSUs granted to domestic employees before February 2013 and all RSUs granted to international employees, or the Pre-2013 RSUs, vest upon the satisfaction of both a service condition and a performance condition. The service condition for a majority of the Pre-2013 RSUs is satisfied over a period of four years. The performance condition will be satisfied on the earlier of (i) the date that is the earlier of (x) six months after the effective date of this offering or (y) March 8th of the calendar year following the effective date of this offering (which we may elect to accelerate to February 15th); and (ii) the date of a change in control. As of June 30, 2013, no stock-based compensation expense had been recognized for the Pre-2013 RSUs because a qualifying event as described above was not probable. In the quarter in which this offering is completed, we will begin recording stock-based compensation expense based on the grant-date fair value of the Pre-2013 RSUs using the accelerated attribution method, net of estimated forfeitures. If this offering had been completed on June 30, 2013, we would have recorded \$329.6 million of cumulative stock-based compensation expense related to the Pre-2013 RSUs on that date, and an additional \$234.2 million of unrecognized stock-based compensation expense related to the Pre-2013 RSUs, net of estimated forfeitures, would be recognized over a weighted-average period of approximately three years. In addition to stock-based compensation expense associated with the Pre-2013 RSUs, as of June 30, 2013, we had unrecognized stock-based compensation expense of approximately \$296.7 million related to other outstanding equity awards, after giving effect to estimated forfeitures, which we expect to recognize over a weighted-average period of approximately four years. Further, we made grants of equity awards after June 30, 2013, and we have unrecognized stock-based compensation expense of \$452.9 million related to such equity awards, after giving effect to estimated forfeitures, which we expect to recognize over a weighted-average period of approximately four years. Following the completion of this offering, the stock-based compensation expense related to Pre-2013 RSUs and other outstanding equity awards will have a significant negative impact on our ability to achieve profitability on a GAAP basis in 2013 and 2014.

If we are unable to generate adequate revenue growth and to manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or maintain profitability.

Our business depends on continued and unimpeded access to our products and services on the Internet by our users and advertisers. If we or our users experience disruptions in Internet service or if Internet service providers are able to block, degrade or charge for access to our products and services, we could incur additional expenses and the loss of users and advertisers.

We depend on the ability of our users and advertisers to access the Internet. Currently, this access is provided by companies that have significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, government-owned service providers, device manufacturers and operating system providers, any of whom could take actions that degrade, disrupt or increase the cost of user access to our products or services, which would, in turn, negatively impact our business. For example, access to Twitter is blocked in China. The adoption of any laws or regulations that adversely

Table of Contents

affect the growth, popularity or use of the Internet, including laws or practices limiting Internet neutrality, could decrease the demand for, or the usage of, our products and services, increase our cost of doing business and adversely affect our operating results. We also rely on other companies to maintain reliable network systems that provide adequate speed, data capacity and security to us and our users. As the Internet continues to experience growth in the number of users, frequency of use and amount of data transmitted, the Internet infrastructure that we and our users rely on may be unable to support the demands placed upon it. The failure of the Internet infrastructure that we or our users rely on, even for a short period of time, could undermine our operations and harm our operating results.

Our new products, services and initiatives and changes to existing products, services and initiatives could fail to attract users and advertisers or generate revenue.

Our ability to increase the size and engagement of our user base, attract advertisers and generate revenue will depend in part on our ability to create successful new products and services, both independently and in conjunction with third parties. We may introduce significant changes to our existing products and services or develop and introduce new and unproven products and services, including technologies with which we have little or no prior development or operating experience. For example, in 2013, we introduced Vine, a mobile application that enables users to create and distribute videos that are up to six seconds in length, and #Music, a mobile application that helps users discover new music and artists based on Twitter data. If new or enhanced products or services fail to engage users and advertisers, we may fail to attract or retain users or to generate sufficient revenue or operating profit to justify our investments, and our business and operating results could be adversely affected. In addition, we have launched and expect to continue to launch strategic initiatives, such as the Nielsen Twitter TV Rating, that do not directly generate revenue but which we believe will enhance our attractiveness to users and advertisers. In the future, we may invest in new products, services and initiatives to generate revenue, but there is no guarantee these approaches will be successful. We may not be successful in future efforts to generate revenue from our new products or services. If our strategic initiatives do not enhance our ability to monetize our existing products and services or enable us to develop new approaches to monetization, we may not be able to maintain or grow our revenue or recover any associated development costs and our operating results could be adversely affected.

Spam could diminish the user experience on our platform, which could damage our reputation and deter our current and potential users from using our products and services.

Spam on Twitter refers to a range of abusive activities that are prohibited by our terms of service and is generally defined as unsolicited, repeated actions that negatively impact other users with the general goal of drawing user attention to a given account, site, product or idea. This includes posting large numbers of unsolicited mentions of a user, duplicate Tweets, misleading links (e.g., to malware or click-jacking pages) or other false or misleading content, and aggressively following and un-following accounts, adding users to lists, sending invitations, retweeting and favoriting Tweets to inappropriately attract attention. Our terms of service also prohibit the creation of serial or bulk accounts, both manually or using automation, for disruptive or abusive purposes, such as to tweet spam or to artificially inflate the popularity of users seeking to promote themselves on Twitter. Although we continue to invest resources to reduce spam on Twitter, we expect spammers will continue to seek ways to act inappropriately on our platform. In addition, we expect that increases in the number of users on our platform will result in increased efforts by spammers to misuse our platform. We continuously combat spam, including by suspending or terminating accounts we believe to be spammers and launching algorithmic changes focused on curbing abusive activities. Our actions to combat spam require the diversion of significant time and focus of our engineering team from improving our products and services. If spam increases on Twitter, this could hurt our reputation for delivering relevant content or reduce user growth and user engagement and result in continuing operational cost to us.

Table of Contents***If we fail to effectively manage our growth, our business and operating results could be harmed.***

We continue to experience rapid growth in our headcount and operations, which will continue to place significant demands on our management, operational and financial infrastructure. As of June 30, 2013, we had approximately 2,000 employees, an increase of over 1,800 employees since January 1, 2010. We intend to continue to make substantial investments to expand our operations, research and development, sales and marketing and general and administrative organizations, as well as our international operations. We face significant competition for employees, particularly engineers, designers and product managers, from other Internet and high-growth companies, which include both publicly-traded and privately-held companies, and we may not be able to hire new employees quickly enough to meet our needs. To attract highly skilled personnel, we have had to offer, and believe we will need to continue to offer, highly competitive compensation packages. In addition, as we have grown, we have significantly expanded our operating lease commitments. As we continue to grow, we are subject to the risks of over-hiring, over-compensating our employees and over-expanding our operating infrastructure, and to the challenges of integrating, developing and motivating a rapidly growing employee base in various countries around the world. In addition, we may not be able to innovate or execute as quickly as a smaller, more efficient organization. If we fail to effectively manage our hiring needs and successfully integrate our new hires, our efficiency and ability to meet our forecasts and our employee morale, productivity and retention could suffer, and our business and operating results could be adversely affected.

Providing our products and services to our users is costly and we expect our expenses to continue to increase in the future as we broaden our user base and increase user engagement, as users increase the amount of content they contribute, and as we develop and implement new features, products and services that require more infrastructure, such as our mobile video product, Vine. In addition, our operating expenses, such as our research and development expenses and sales and marketing expenses, have grown rapidly as we have expanded our business. Historically, our costs have increased each year due to these factors and we expect to continue to incur increasing costs to support our anticipated future growth. We expect to continue to invest in our infrastructure in order to enable us to provide our products and services rapidly and reliably to users around the world, including in countries where we do not expect significant near-term monetization. Continued growth could also strain our ability to maintain reliable service levels for our users and advertisers, develop and improve our operational, financial, legal and management controls, and enhance our reporting systems and procedures. As a public company we will incur significant legal, accounting and other expenses that we did not incur as a private company. Our expenses may grow faster than our revenue, and our expenses may be greater than we anticipate. Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, operating results and financial condition would be harmed.

Our business and operating results may be harmed by a disruption in our service, or by our failure to timely and effectively scale and adapt our existing technology and infrastructure.

One of the reasons people come to Twitter is for real-time information. We have experienced, and may in the future experience, service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, hardware failure, capacity constraints due to an overwhelming number of people accessing our products and services simultaneously, computer viruses and denial of service or fraud or security attacks. Although we are investing significantly to improve the capacity, capability and reliability of our infrastructure, we are not currently serving traffic equally through our co-located data centers that support our platform. Accordingly, in the event of a significant issue at the data center supporting most of our network traffic,

Table of Contents

some of our products and services may become inaccessible to the public or the public may experience difficulties accessing our products and services. For example, in July 2012, due to the failure of two parallel systems at nearly the same time in one of our data centers, Twitter became inaccessible for approximately two hours. Any disruption or failure in our infrastructure could hinder our ability to handle existing or increased traffic on our platform, which could significantly harm our business.

As the number of our users increases and our users generate more content, including photos and videos hosted by Twitter, we may be required to expand and adapt our technology and infrastructure to continue to reliably store, serve and analyze this content. It may become increasingly difficult to maintain and improve the performance of our products and services, especially during peak usage times, as our products and services become more complex and our user traffic increases. In addition, because we lease our data center facilities, we cannot be assured that we will be able to expand our data center infrastructure to meet user demand in a timely manner, or on favorable economic terms. If our users are unable to access Twitter or we are not able to make information available rapidly on Twitter, users may seek other channels to obtain the information, and may not return to Twitter or use Twitter as often in the future, or at all. This would negatively impact our ability to attract users and advertisers and increase engagement of our users. We expect to continue to make significant investments to maintain and improve the capacity, capability and reliability of our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and infrastructure to accommodate actual and anticipated changes in technology, our business and operating results may be harmed.

Action by governments to restrict access to our products and services or censor Twitter content could harm our business and operating results.

Governments have sought, and may in the future seek, to censor content available through our products and services, restrict access to our products and services from their country entirely or impose other restrictions that may affect the accessibility of our products and services for an extended period of time or indefinitely. For example, domestic Internet service providers in China have blocked access to Twitter, and other countries, including Iran, Libya, Pakistan and Syria, have intermittently restricted access to Twitter, and we believe that access to Twitter has been blocked in these countries primarily for political reasons. In addition, governments in other countries may seek to restrict access to our products and services if they consider us to be in violation of their laws. In the event that access to our products and services is restricted, in whole or in part, in one or more countries or our competitors are able to successfully penetrate geographic markets that we cannot access, our ability to retain or increase our user base and user engagement may be adversely affected, and our operating results may be harmed.

If we are unable to maintain and promote our brand, our business and operating results may be harmed.

We believe that maintaining and promoting our brand is critical to expanding our base of users and advertisers. Maintaining and promoting our brand will depend largely on our ability to continue to provide useful, reliable and innovative products and services, which we may not do s