Ouch! Why Twitter Stock Was Slammed on Thursday

Description

What happened

Shares of social network **Twitter** (NYSE: TWTR) took a hit on Thursday, falling as much as 19.9%. As of 11:00 a.m. EDT, the stock was down about 19%.

The stock's slide follows the company's worse-than-expected third-quarter results. Adding to the disappointment, Twitter's fourth-quarter revenue outlook was weaker than analysts were anticipating.

So what

Twitter reported revenue of $824 million, up 9% year over year. This was at the low end of management's guidance range for revenue between $815 million and $875 million and below analysts' average forecast for revenue of $874 million. This revenue underperformance weighed on profitability, with the growth stock's non-GAAP (generally accepted accounting principles) earnings per share coming in at $0.17, down from $0.21 in the year-ago quarter. Analysts, on average, were expecting $0.20.

Twitter's lower-than-expected revenue growth reflected "revenue product issues and greater-than-expected advertising seasonality in July and August," management said in the company's third-quarter shareholder letter. The company said some glitches it is dealing with in its revenue products reduced year-over-year revenue growth by 3 percentage points or more — and some of these issues are expected to impact Q4 as well.

Now what

Looking to Q4, Twitter guided for revenue to be between $940 million and $1.01 billion — below analysts' average forecast for revenue of $1.06 billion.

"While we are taking steps to remediate these issues, we expect them to continue to weigh on the overall performance of our advertising business in the near term," said management.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Syndicated

TICKERS GLOBAL

1. NYSE:TWTR (Twitter)

Category

1. Investing
2. Tech Stocks

Tags

1. Syndicated

Date
2025/07/22
Date Created
2019/10/25
Author
daniel-sparks