

TWITTER, INC. NYSE-TWTR										RECENT PRICE	14.01	P/E RATIO NMF (Trailing:NMF Median:NMF)	RELATIVE P/E RATIO NMF	DIV'D YLD	Nil	VALUE LINE								
TIMELINESS	5	Lowered 4/8/16															Target Price Range							
SAFETY	4	Lowered 11/13/15															2019 2020 2021							
TECHNICAL	3	Lowered 4/15/16																						
BETA	1.00	(1.00 = Market)																						
2019-21 PROJECTIONS																								
	Price	Gain	Ann'l Total																					
High	25	(+80%)	16%																					
Low	15	(+5%)	2%																					
Insider Decisions																								
	J	A	S	O	N	D	J	F	M															
to Buy	0	4	0	0	1	0	0	2	0															
Options	0	0	1	2	1	1	0	4	1															
to Sell	5	4	3	3	2	2	2	2	1															
Institutional Decisions																								
	2Q2015	3Q2015	4Q2015																					
to Buy	318	261	289																					
to Sell	239	231	190																					
Hld's(000)	307160	299520	307391																					
	Percent	90																						
	shares	60																						
	traded	30																						
Twitter was created in 2006 and its Web site was launched by July of that year. The company was incorporated in Delaware in April of 2007. Its service rapidly gained popularity in the following years. Twitter completed its initial public offering in November of 2013. The company offered 70 million shares of common stock at an initial price of \$26 per share. Goldman Sachs & Co. was the lead manager.										2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC 19-21		
										--	--	--	--	--	--	--	1.17	2.18	3.20	3.60	4.05	Revenues per sh	5.80	
										--	--	--	--	--	--	--	d.94	d.58	d.30	d.05	.10	"Cash Flow" per sh	1.05	
										--	--	--	--	--	--	--	d1.13	d.96	d.79	d.50	d.35	Earnings per sh ^A	.50	
										--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil	
										--	--	--	--	--	--	--	.13	.31	.50	.55	.60	Cap'l Spending per sh	.75	
										--	--	--	--	--	--	--	5.18	5.65	6.29	6.45	6.60	Book Value per sh	7.05	
										--	--	--	--	--	--	--	569.92	642.39	694.13	735.00	775.00	Common Shs Outst'g ^B	850.00	
										--	--	--	--	--	--	--	--	--	--	Bold figures are Value Line estimates			Avg Ann'l P/E Ratio	40.0
										--	--	--	--	--	--	--	--	--	--			Relative P/E Ratio	2.50	
										--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil	
CAPITAL STRUCTURE as of 3/31/16																								
Total Debt \$1557.2 mill. Due in 5 Yrs \$900 mill.																								
LT Debt \$1475.5 mill. LT Interest \$90.0 mill.																								
(25% of Cap'l)																								
Leases, Uncapitalized \$115 mill.																								
No Defined Benefit Pension Plan																								
Common Stock 691,564,000 million shs.																								
MARKET CAP: \$9.7 billion (Large Cap)																								
CURRENT POSITION										2014	2015	3/31/16												
(SMILL.)																								
Cash Assets	3621.9	3495.3	3576.4																					
Receivables	418.5	638.7	576.8																					
Other	215.5	247.8	235.7																					
Current Assets	4255.9	4381.8	4388.9																					
Accts Payable	53.2	134.1	90.4																					
Debt Due	112.3	88.1	81.7																					
Other	228.3	283.8	250.7																					
Current Liab.	393.8	506.0	422.8																					
ANNUAL RATES										Past	Past	Est'd '13-'15												
of change (per sh)										10 Yrs.	5 Yrs.	to '19-'21												
Revenues	--	--	NMF																					
"Cash Flow"	--	--	NMF																					
Earnings	--	--	NMF																					
Dividends	--	--	Nil																					
Book Value	--	--	NMF																					
QUARTERLY REVENUES (\$ mill.)																								
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31																				
Full Year																								
2013	114.3	139.3	168.6	242.7																				
2014	250.5	312.2	361.3	479.0																				
2015	435.9	502.4	569.2	710.5																				
2016	594.5	600	670	785.5																				
2017	700	710	805	935																				
EARNINGS PER SHARE ^A																								
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31																				
Full Year																								
2013	d.05	d.07	d.11	d.90																				
2014	d.23	d.24	d.29	d.20																				
2015	d.25	d.21	d.20	d.13																				
2016	d.12	d.13	d.14	d.11																				
2017	d.10	d.10	d.10	d.05																				
QUARTERLY DIVIDENDS PAID																								
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31																				
Full Year																								
2012																								
2013																								
2014																								
2015																								
2016																								

LEGENDS
..... Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 74.7
Low: 38.8

70.4
29.5

53.5
21.0

23.0
13.9

Target Price Range
2019 2020 2021

% TOT. RETURN 4/16

THIS STOCK VL ARITH. INDEX

1 yr. -62.5 -3.4
3 yr. — 29.5
5 yr. — 47.7

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2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

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Revenues per sh 5.80
"Cash Flow" per sh 1.05
Earnings per sh ^A .50
Div'ds Decl'd per sh Nil
Cap'l Spending per sh .75
Book Value per sh 7.05
Common Shs Outst'g ^B 850.00
Avg Ann'l P/E Ratio 40.0
Relative P/E Ratio 2.50
Avg Ann'l Div'd Yield Nil

Revenues (\$mill) 4950
Operating Margin 21.0%
Depreciation (\$mill) 450
Net Profit (\$mill) 425
Income Tax Rate 15.0%
Net Profit Margin 8.6%
Working Cap'l (\$mill) 6200
Long-Term Debt (\$mill) 2000
Shr. Equity (\$mill) 6000
Return on Total Cap'l 5.5%
Return on Shr. Equity 7.0%
Retained to Com Eq 7.0%
All Div'ds to Net Prof Nil

BUSINESS: Twitter, Inc. offers users a global platform to express themselves on the Internet in real time. Its Web site allows people to create, distribute, and discover content. Platform partners include publishers, media outlets, and developers. Advertisers use Twitter's Promoted Products, the majority of which are pay-for-performance, to promote their brands, products, and services. Generates the substantial majority of its revenue from advertising. Int'l revenue was 35% of the total for 2015. Average monthly active users were 310 million as of 12/31/15. Had 3,900 employees at 12/31/15. Off. and dir. own 10.8% of common (4/16 Proxy). CEO: Jack Dorsey. Inc.: DE. Addr.: 1355 Market Street, Suite 900, San Francisco, CA 94103. Telephone: 415-222-9670. Internet: www.twitter.com.

Twitter stumbled out of the gate in the first quarter. The company reported revenue of \$594.5 million, missing our estimate by a wide margin, as year-to-year growth decelerated to 36%, from 47% in the December period. Much of this was due to weaker-than-expected sales in Twitter's advertising business, which works to draw big brands into promoting their products through tweets. Management warned that business could see revenue rise just 17% in the second quarter, compared with 61% growth in the year-earlier period. This is likely a reflection of advertisers' reluctance to spend on traditional Web site ads, preferring instead to pour money into higher performing video-ad products. Twitter is also seeing intense competition from the likes of Facebook, Google, YouTube, and Instagram. Those companies are already generating a sizable portion of sales from video-ad products, whereas Twitter continues to rely more on traditional ones. Management is adding new features that will make the platform more attractive to advertisers. The additions include improved targeting options and increased display space. There will also be more emphasis on video ads, evidenced by the deal struck last month to stream 10 National Football League games this fall. In addition, Twitter will continue to add features that enhance user engagement, such as in February when the company gave users the option to see more of their "best" tweets at the top of the time line. If growth continues to slow, we may see a more aggressive M&A stance. Management hinted that it would be interested in scalable opportunities that could be leveraged through Twitter's platform. We think smaller social media companies that have struggled against Facebook and Google would be natural targets. And, with more than \$3.5 billion in cash, Twitter has ample resources to make an acquisition. These shares have been downgraded to 5 (Lowest) for Timeliness. The combination of slowing revenue growth and lack of profitability may continue to hurt TWTR stock. For a rebound to take place, the company will have to improve its user engagement trends and gain more of a following with advertisers. Daniel Henigson May 13, 2016