

Snap shares tank after revenues fall short

Snap shares plummeted 25% last night after the [social media](#) firm missed revenue expectations and warned it faces “incredibly challenging” conditions.

That makes it just the latest [tech giant](#) to disappoint investors amid carnage in the market.

The company behind [Snapchat](#) posted a loss of over \$400 million in the quarter to June, while revenues of \$1.11 billion fell short of analyst expectations of \$1.14 billion as the firm was hit by a slowdown in the growth of advertising income.

Snap did not provide revenue or profit forecasts for the next quarter, citing “uncertainties related to the operating environment.”

Tech stocks have haemorrhaged a combined \$3 trillion in value since the start of the year, as soaring [inflation](#), war in Ukraine and fears of a looming recession erased the strong gains made in 2021 and prompted tech firms across the board to slash growth forecasts and cut back budgets

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Snap CFO Derek Andersen told investors: "As many industries and verticals have come under top line or input cost pressure, advertising spending has been amongst the first areas impacted."

"[We've] worked very hard to make it very easy for our clients to turn on advertising and to ramp their advertising...but in a period where we're seeing headwinds, it's also very easy to turn off and very quick to turn off."

Snap shares are down 75% this year from \$63 to around \$16 now.

News of dwindling advertising revenue sent shares tumbling in tech firms with a heavy reliance on ads like [Meta](#), Twitter and Alphabet, wiping a combined \$80 billion off their market caps.

Last month, Meta founder Mark Zuckerberg told staff the firm would be hiring thousands fewer engineers than planned as it prepared for "one of the worst downturns we've seen in recent history," while earnings released by Netflix on Tuesday showed the firm paid out \$70 million in severance costs from laying off hundreds of employees as it posted a second consecutive drop in subscribers.

Last week, grocery delivery app GoPuff announced over 1,000 redundancies as part of "operational efficiencies," while Microsoft also said it would lay off a number of workers.