

Community attention marketplace: volunteer communities and logged-out readers create the conversations → advertisers buy that intent (Q2 2026 ads \$762M of \$805M revenue) → Other revenue \$43M (content licensing; Premium and Gold not material) → Premium is a small ad-free upsell (\$5.99/mo web), not the business.

KEY PARTNERS

- **Volunteer moderators** — community-led moderation (FACT letter).
- **Contributors** — 26B+ posts and comments; 100k+ active communities (FACT).
- **Advertisers and Shopify merchants** — Shopping ads GA (FACT letter).
- **App stores** — in-app Premium priced up to cover their fee (FACT Help).
- **Licensing customers** — inside Other revenue; names not listed (FACT letter).

KEY ACTIVITIES

- Feed, posts, votes, comments, video-in-comments (FACT letter).
- **Safety** — 23M spam views blocked daily; AI + mods (FACT).
- **Ads platform** — ML, Max campaigns, Shopping ads alpha (FACT).
- Web-to-app and login upsells to deepen habit (FACT).
- Developer Platform games for repeat visits (FACT letter).

KEY RESOURCES

- 26B+ posts and comments; 100k+ active communities (FACT).
- 514.6M WAUq and 130.3M DAUq (FACT Q2).
- **Logged-out majority of DAUq** — 77.7M vs 52.6M logged-in (FACT).
- \$2.8B cash and marketable securities (FACT Jun 30, 2026).
- **Brand** — “People Are the Best” campaign launched in Q2 (FACT).

VALUE PROPOSITIONS

- **Human conversation by community** — the core free promise (FACT).
- **Advertiser intent** — conversations next to purchase decisions (FACT).
- **Shopify + Shopping Listing Ads** — lower-funnel tools (FACT Q2).
- **Premium** — ad-free and higher limits from \$5.99 web (FACT Help).
- Search/AI answers still point people at threads (FACT letter theme).

CUSTOMER RELATIONSHIPS

- **Community-led** — mods, votes, replies (FACT letter).
- Self-serve Premium, auto-renew, cancel-and-wait to switch pay rails (FACT Help).
- Self-serve and Max ads for advertisers (FACT letter).
- App retention +50% YoY relative, small base (FACT).
- r/RDDT used for earnings Q&A (FACT letter).

CHANNELS

- reddit.com, including logged-out pages (FACT DAUq split).
- **iOS and Android apps** — higher engagement (FACT letter).
- **Search referrals** — choppy in Q2; not the strategy (FACT).
- Shopify as a merchant on-ramp (FACT).
- Premium checkout on web vs in-app (FACT Help).

CUSTOMER SEGMENTS

- **Logged-out readers** — 77.7M DAUq, +27% (FACT).
- **Logged-in users** — 52.6M DAUq, +7% (FACT).
- **US vs international** — 53.2M vs 77.1M DAUq; revenue \$638M vs \$167M (FACT).
- Advertisers and Shopify merchants (FACT letter).
- **Premium buyers** — priced, not material to revenue (FACT Help + 10-Q).

COST STRUCTURE

- Cost of revenue \$70.3M; gross margin 91.3% (FACT Q2).
- R&D \$231.3M; S&M \$195.9M; G&A \$75.7M (FACT P&L).
- Stock-based compensation expense \$101.0M (FACT).
- **Capex \$1.1M** — third-party hosting (FACT).
- **Moderator labor is unpaid** — not in the P&L (INFERENCE from community-led model).

REVENUE STREAMS

- Advertising Q2 \$762M, +64% YoY (FACT letter).
- Other Q2 \$43M, +24%; Premium/Gold not material (FACT letter + 10-Q).
- US revenue \$638.1M vs international \$166.8M (FACT).
- **Premium list** — web \$5.99/mo or \$49.99/yr; IAP higher (FACT Help).
- Q2 net income \$253M; FCF \$261M; cash \$2.8B (FACT).