

M&A and Market Landscape Review: Long Term Retention and its Implications

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MARKET STRATEGY
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PLTF EX

PLTF EX-01370

Agenda

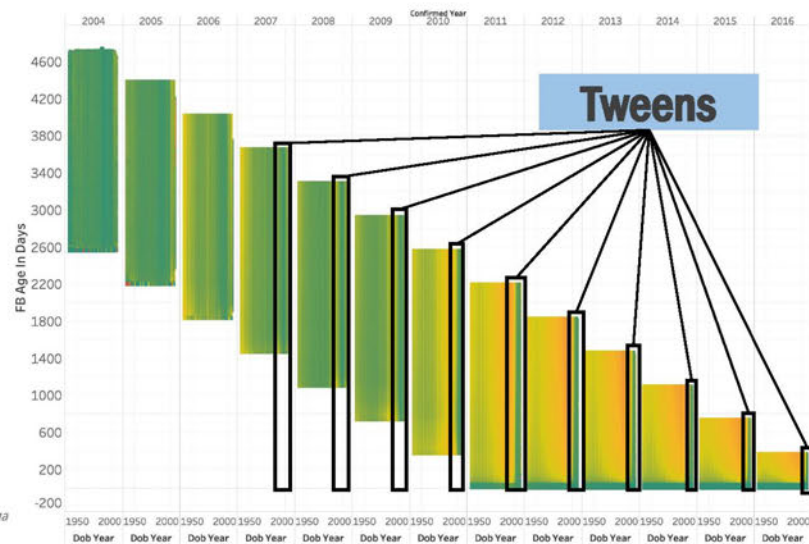
Long Term Retention Conclusions ◆

Implications for Youth Strategy ◆

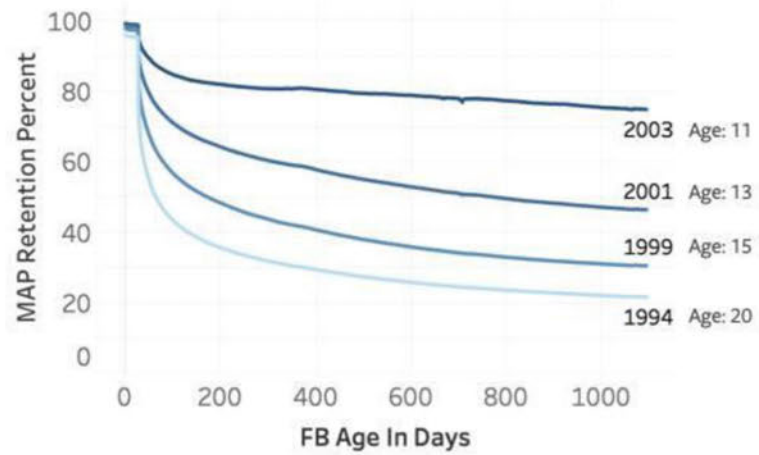
Implications for M&A ◆

Long Term Retention

We have definitively established tweens as the highest retention age group in the United States



To give you a sense of scale, people who joined Facebook at 11 years old have almost **4X** the LTR of those who joined as 20 year-olds



Source: Market Strategy Analysis

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Implications for Youth Strategy

**If we want to win big with teens, we must
bring them in as tweens**

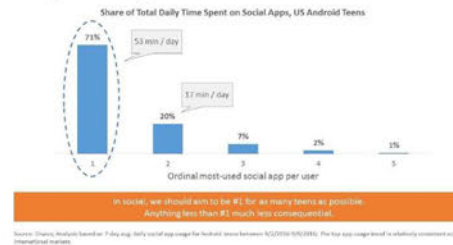
Source: Market Strategy Analysis

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Logic Chain

1. People stick with the apps they start with
 - People who join Facebook as tweens continue on Facebook for years and years
 - Loss of teens on Facebook is primarily a generational shift
 - People who join Snapchat as teens continue on into adulthood
2. People spend most of their time with their #1 social app—we want to be #1 for as many people as possible

Being #1 social app for teen users is crucial



Source: Market Strategy Analysis

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So what should we do?

- 1. Very deeply understand what makes Facebook work amazingly for those who join as tweens**
- 2. Build for tweens (which may mean building a “teen” product) above all other age categories, whether kids or late teens**

Source: Market Strategy Analysis

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Implications for Youth M&A

If we were looking at Facebook as an M&A candidate, we would buy it

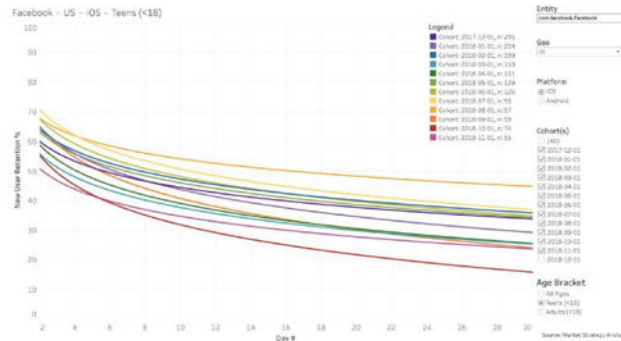
Source: Market Strategy Analysis

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Logic Chain

1. Facebook's retention is incredibly high

- We have seen this with our internal long term retention data
- And even using the external MINT/Onavo data we see very favorable figures—for outside apps we are happy if it hits 20% daily retention at 30 days. FB is regularly 30-40%, even on iOS!



So what should we do?

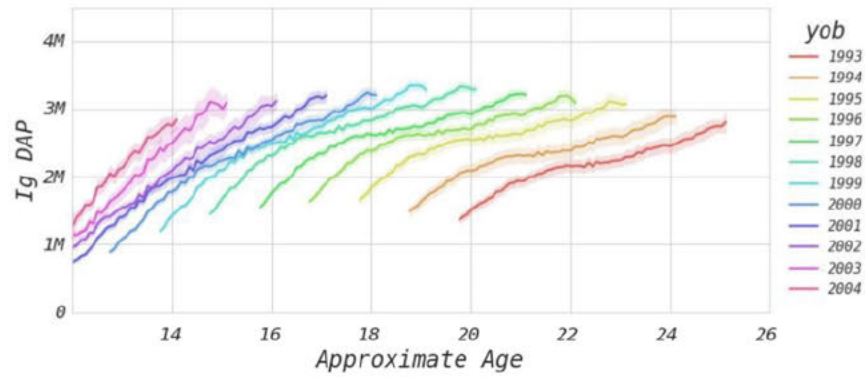
1. Facebook very clearly is an amazing product for many tweens/teens. Do we understand the root cause of its shortcomings?
2. If yes, are we solving those?
3. If no, are we okay with that?

Source: Market Strategy Analysis

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APPENDIX

On Instagram, teen adoption is more rapid year after year. There is no tween or teen problem on Instagram



Credit: Laura [redacted] <https://our.internmc.facebook.com/intern/anp/view/?id=37995>

Source: Market Strategy Analysis

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