

# Pinterest Q3 earnings surpass expectations with robust growth in ad revenues and active users

Article

**The news:** Pinterest reported noteworthy third-quarter results that surpassed expectations. The company's revenues reached \$763.2 million, exceeding expectations of \$743.5 million

and landing 11% above \$684.6 million a year ago.

- The platform's global monthly active users (MAU) increased by 8% to 482 million, topping analysts' projections of 473 million. The average revenue per user rose \$1.61, beating the expected \$1.59.
- With the introduction of Direct Links (allowing users to access a retailer's website directly with a single click, bypassing the need to navigate through a Pinterest product page), the company says it has achieved an **88% surge** in outbound clickthrough rates, emphasizing its dedication to advertisers.

This follows positive earnings reports from fellow social media players **Meta** and **Snap**; results from **Google**, **Amazon**, and **Microsoft** also demonstrated the resilience of the digital advertising market.

**Why it matters:** The results underscore Pinterest's resilient expansion strategy amid global challenges. User growth, especially an 8% spike in MAUs, reinforces Pinterest's value in the global digital space. Gen Z's pronounced engagement further underscores the platform's appeal to trendsetting demographics.

**Yes, but:** The global landscape isn't without challenges. The Israel-Hamas conflict has had repercussions across the tech sector. Companies like Meta and Snap have already felt its effects, with pauses in advertising campaigns due to the volatile situation.

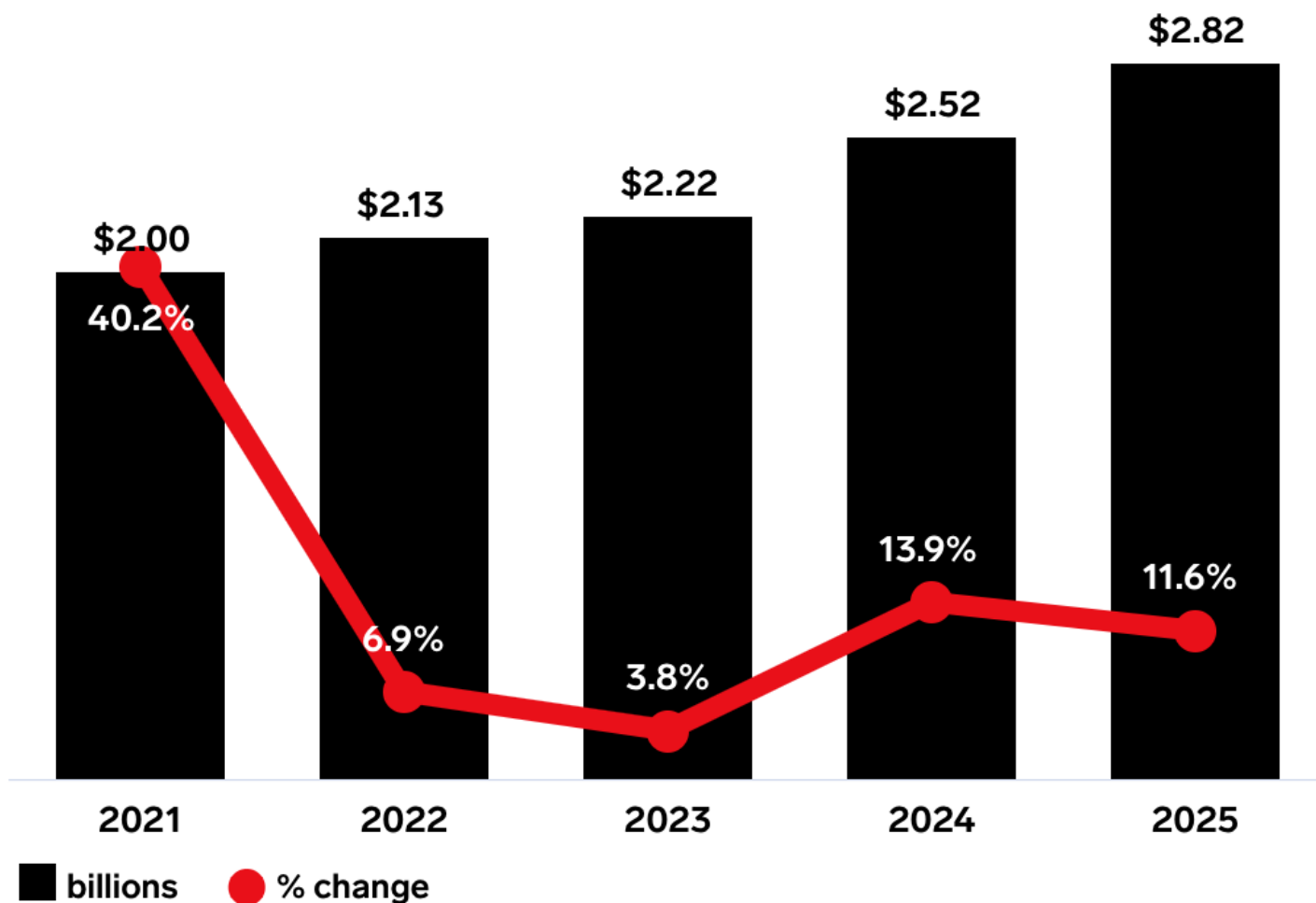
- Pinterest CEO **Bill Ready** acknowledged these challenges, emphasizing the company's adaptive approach. While brand advertising might temporarily pause, he highlighted Pinterest's **recent partnership** with **Amazon**, which focuses more on shopping. Ready also cautioned that if the crisis deepens, no company, including Pinterest, will remain entirely unaffected.

**Our take:** Pinterest's performance in Q3 isn't merely about achieving milestones; it's a testament to the company's forward thinking and adaptability. With features like the "Shop the Look" module, which reports a 70% match in product relevance, Pinterest is effectively bridging inspiration and shopping. User-focused enhancements and the success of Direct Links solidify Pinterest's position as a dual-purpose platform, catering to both user experience and advertiser goals.

- Pinterest looks poised for growth, navigating both user engagement and advertising challenges with agility. As the digital world continues its rapid evolution, Pinterest's recent performance indicates its potential to not just keep pace but set trends.

# Pinterest Ad Revenues

US, 2021-2025



Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes payments to influencers or other creators to produce sponsored content; includes branded content amplified as paid media

Source: Insider Intelligence | eMarketer, October 2023

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