

# Pinterest announces Google ad deal, building on its successful Amazon partnership, during its Q4 2023 earnings call

Article

**The news:** Pinterest's Q4 and full-year 2023 results highlighted a period of significant growth and operational efficiency. The company reported net income of \$201 million for Q4, a substantial increase from the previous year's \$17.5 million. This growth comes despite a net loss of \$36 million for the full year.

- Revenues hit \$981 million in Q4, a 12% year-over-year increase, with full-year revenues growing by 9% to \$3.06 billion.
- Global monthly active users (MAUs) rose to 498 million, setting a record for the platform.
- The company's adjusted EBITDA also saw impressive growth, reaching \$365 million in Q4 and \$683 million for the full year. The platform held down costs as it bolstered revenues.

**Looking ahead:** Pinterest anticipates Q1 2024 revenues in the range of \$690 million to \$705 million, which would represent 15% to 17% YoY growth.

**Partner to win:** Pinterest's innovative partnership with **Amazon**, unveiled last year, is starting to bear fruit, showcasing the potential of strategic collaborations in digital advertising. This partnership, highlighted by **Piper Sandler** analyst **Thomas Champion** in a report covered by Benzinga, shows the benefits of synergy between Pinterest's creative platform and Amazon's vast ecommerce ecosystem. Approximately 30% of Pinterest's search term ads now feature Amazon, a figure that increases notably within feed ads.

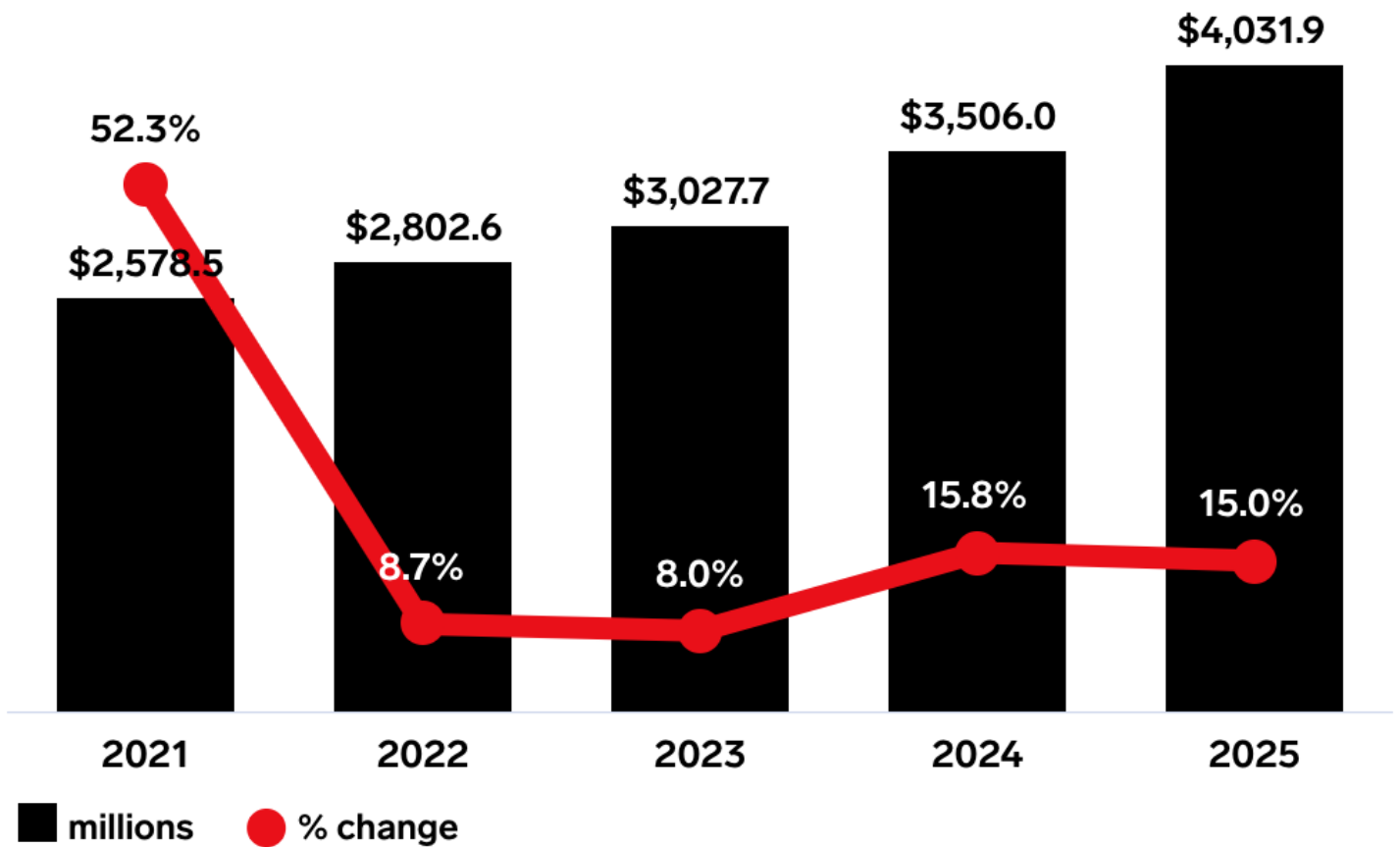
- The financial implications are substantial, with Champion projecting an additional \$120 million in revenues for Pinterest, marking a 4% growth in total revenues stemming from the partnership this year.
- During its earnings call, Pinterest unveiled a **Google** ad partnership. Despite an initial 28% stock drop due to revenue shortfalls, news of the Google collaboration—already showing promising outcomes in limited testing—spurred a recovery.
- CEO **Bill Ready** emphasized the Google deal's potential to enhance international user revenues, addressing the disparity where 80% of users in those markets contribute only 20% of revenues.

**Our take:** While Pinterest's [strength with Gen Z](#) is a big plus, its real superpower lies in strategic partnerships.

- The platform's latest results demonstrate its strong market position and ability to drive growth despite challenges. With a record number of users and robust margin expansion (to 37%, up from 22% in Q4 2022), Pinterest is poised for continued success as it leans into its platform's unique value proposition for users and advertisers alike.

## Pinterest Ad Revenues

Worldwide, 2021-2025



Note: 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

Source: Insider Intelligence | eMarketer, October 2023

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