WB Earnings Call Transcript

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Operator: Good day, and thank you for standing by, and welcome to Weibo Reports Third Quarter 2025 Financial Results. [Operator Instructions] Please be advised that today's conference is being recorded. I would now like to hand the call over to your first speaker today, Ms. Sandra Zhang from IR. Thank you. Please go ahead.

Sandra Zhang: Thank you, operator. Welcome to Weibo's Third Quarter 2025 Earnings Conference Call. Joining me today are Chief Executive Officer, Gaofei Wang; and our Chief Financial Officer, Fei Cao. The conference call is also being broadcasted on Internet and is available through Weibo's IR website. Before the management remarks, I would like to read you the safe harbor statement in connection with today's conference call. During today's conference call, we may make forward-looking statements, statements that are not historical facts, including statements of our beliefs and expectations. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statements. Weibo assumes no obligation to update the forward-looking statement in this conference call and elsewhere. Further information regarding this and other risks is included in Weibo's annual report on Form 20-F and other filings with the SEC. All the information provided in this press release is occurring as the date hereof. Weibo assumes no obligation to update such information except as required under applicable law. Additionally, I would like to remind you that our discussion today includes certain non-GAAP measures, which excludes stock-based compensation and certain other expenses. We use non-GAAP financial measures to gain a better understanding of Weibo's comparative operating performance and the future prospects. Our non-GAAP financials exclude certain expenses, gains or losses and other items that are not expected to result in future cash payments or are nonrecurring in nature or are not indicative of our core operating results and outlook. Please refer to our press release for more information about our non-GAAP measures. Following management's prepared remarks, we'll open the lines for a brief Q&A; session. With this, I would like to turn the call over to our CEO, Gaofei Wang.

Gaofei Wang: [Interpreted] Thank you. Hello, everyone. Welcome to Weibo's Third Quarter 2025 Earnings Conference Call. On today's call, I will share with you highlights on Weibo's product and monetization in the third quarter 2025. On the user front, in September 2025, Weibo's MAUs reached 578 million and average DAUs reached 257 million. In the third quarter, Weibo's total revenues reached USD 442.3 million, a decrease of 5% year-over-year. Our total ad revenues reached USD 375.4 million, a decrease of 6% year-over-year. Our non-GAAP operating income reached USD 132.0 million, representing a non-GAAP operating margin of 30%. In 2025, our overall corporate strategy continued to focus on enhancing user value sustaining Weibo's leading position in hot topics and the entertainment content ecosystem while reinforcing the competitiveness of our social products. Building on this, we also leverage large language model to enhance our recommendation feeds and search products, aiming to increase our user base and engagement. Next, I'll share with you highlights in Weibo's product operation and monetization in the third quarter. On user growth and engagement, in 2025, our key product revamp is the upgrade of the homepage information feed, which put the recommendation feed as the default core feed. The revamp has largely rolled out in all users by late July. Alongside the information feed revamp, we also optimized our recommendation algorithm,

especially for video content recommendation. During the summer vacation, leveraging the active entertainment events and hot topics during the summer vacation, we saw significant improvement in user engagement of the mid- and low frequency-user group. The per capita viewership, time spent and retention of the mid- and low-frequency user group grew double digits quarter-over-quarter, which in turn drove per capita time spent in recommendation feed for the whole user group to increase for Q3 quarter-over-quarter. In the third quarter, we implemented two key strategies. First, we enhanced the algorithm of the recommendation feed to improve user satisfaction with content, which matches their real-time interest. For example, in hot topic distribution, we established user behavior linkage between the recommendation feed and the search function. We use the view and engage with the hot topics in search function. They are showing more precisely targeted content in recommendation feed. This strategy has been proven particularly effective in enhancing engagement and retention among mid- and low frequency users of Weibo. Second, we enhanced our algorithm to better integrate video content into the recommendation feed, driving deeper content consumption. With the homepage information feed shifting from a relationship-based model to a recommendation-based one, video content could be distributed through our recommendation algorithms to reach more precise and broader user group on top of the traditional social distribution mechanisms. As a result, we saw a notable increase in the distribution of original and mid- to long-form video content in the recommendation feed. The enriched mid to long form video content extending user time spent in the recommendation feed and supporting healthy development of the content ecosystems. Meanwhile, we continue to enhance our interest-based content operation, strengthening large-scale content production by content creators around user interest and thereby improving the quality and diversity of content supplied to the recommendation feed. The restructuring of the information feed was strategic significance for Weibo, which is comparable to our transition from the chronological to algorithm-based sorting several years ago. In the short term, user experience for certain user group may face some challenges. However, from a long-term perspective, the increased weight of recommendation content and video content will strengthen Weibo's core competitiveness as a social media platform while laying a solid foundation for the sustainable and healthy development of our content ecosystem. While improving the efficiency of the homepage recommendation feed, we also strengthened social discussion in a relationship feed ensuring its role as the cornerstone of Weibo's differentiated competitiveness. In the third quarter, our efforts focus on two key aspects: driving interaction between content creators and their followers, and stimulating interest-based social engagement among users to fully boost the social engagement across the platform. First, to further drive the interaction between content creators and their followers, we upgraded the core fan mechanism and optimized the content reach and distribution. This significantly improved interaction efficiency in the relationship feed which is measured by the ratio of total interactions versus total viewership, resulting in double-digit growth of this ratio, both quarter-over-quarter and year-over-year in Q3 while further driving content creators' motivation to consistently produce high-quality content in text and image. Second, to enhance ordinary user social interaction around interest-based content, we continue to develop the Super Topics community, focusing on key summer events, concert and anime conventions, which young people are interested in. We encourage users to share meaningful and emotional content around their interest, positioning Super Topics as the front-end useful space for interest-based sharing and interaction. In the third quarter, the number of users who posted and engaged in Super Topics grew double digit year-over-year. This effective initiative has strengthened Weibo's differentiated advantages in text and image, complementing the homepage recommendation feed and contributing to the solid development of the platform's ecosystem. Turning to search products. In the third quarter, we continued to reinforce AI application in search function, focusing on technical infrastructure upgrades and integration across ecosystem scenarios. First, in upgrading technical infrastructure, we continue to enhance intelligent search capability to understand user search intent and content matching capability, which effectively improve the relevance and accuracy of search results and making it easier for users to find desired content. At the same time, we upgraded the search model from conventional onetime information search to continuous exploratory dialogue, enabling users to engage in coherent conversations with intelligent search and enjoy a more intelligent and seamless information across experience. Second, the integration across ecosystem scenarios, we focused on extending intelligent search application in

information feed, fostering a Search as a Service user mindset. We deeply integrated intelligent search into the content consumption experience with enhanced content verification and the content summary features. The system leveraged AI to assess the authenticity of the original post, extract key information and provide extended insights, helping users quickly access structured and reliable information while consuming contents. In the third quarter, the MAUs of Weibo intelligent search product exceeded 70 million with its DAU and search queries increasing more than 50% quarter-over-quarter. This momentum not only reflects users' recognition of Weibo's intelligent search product, but also further contribute to the expansion of Weibo search ecosystem. As a result, the total search queries on Weibo increased 20% quarter-over-quarter in the third quarter. Looking ahead, we will continue to deepen the innovative application of AI in search products. On the technology front, we aim to make search more user aware. As for user experience, we strive to deliver a more seamless and intelligent usage journey. And in terms of the ecosystem, service will become more contextually relevant. These efforts will continuously provide users with a smarter, more convenient search experience and further unlock the value of Weibo's content ecosystem. Moving on to monetization. In 2025, the ad product and sales team focused on two main priorities: first, to expand and solidify customers' mindset of choosing Weibo as a go-to platform for content marketing across more industries and clients. Second, to continuously enhance the performance and conversion capabilities of our ad products. In the third quarter, due to the high base effect from the Olympic last year, Weibo's ad revenue decreased 6% year-over-year. From the overall market perspective, thanks to the stimulus policy aimed at driving domestic demand and consumption, e-commerce platform and related industry maintain a relatively high level of advertising spend, which supported our third quarter ad revenues. According to client feedback, after several years of substantial and continuous budget allocation towards performance ad, the bidding for the commercial traffic has become increasingly intense, which pushed their cost upward. In addition, the government recently issued tax policy that limit the cap of the feed ad spend for tax deduction purpose. This dynamic has driven clients to reevaluate their ad budget allocation, placing renewed emphasis on the value of the brand advertising. In particular, marketing approaches such as celebrity endorsement have generally become a key option for clients to consider. In light of this trend, leveraging Weibo's strength in celebrity resources, we aim to better facilitate clients' needs across the full celebrity endorsement and marketing life cycle. We hope to create richer celebrity marketing playbook together with clients, helping them enhance their marketing effectiveness. Let me share more color from an industry perspective. Competitive dynamics within the e-commerce sector has persisted since the second quarter, benefiting from deep partnerships with leading e-commerce platforms. Ad revenues from e-commerce sector achieved notable year-over-year growth in the third quarter. Meanwhile, we have been gradually cultivating partnerships with other business lines within this e-commerce group promoting a more balanced revenue mix and thus laying a solid foundation for the future revenue stability. Ad revenues from the automobile sector sustained year-over-year growth trend in third quarter. Weibo has continued to solidify its strength in the new energy vehicle content ecosystem. Revenue from traditional fuel vehicles also remained stable this year, contributing to improved revenue stability for the automobile industry. In the online game and smartphone sectors, revenue declined due to overall budget contraction. As for the food and beverage, dairy products and footwear and apparel sectors, revenue fell year-over-year primarily due to the tough comparable base from last year's Olympics. However, with the recovery and strengthening of celebrity marketing in clients' mindset, ad revenues from celebrity endorsements continue to grow year-over-year. On the ad product front, we have continually strengthened the application of AI technology across the entire advertising life cycle this year to enhance ad efficiency. By the third quarter, we have deployed AI capabilities throughout the process from the ad creative production and bidding model optimization to campaign performance improvement. Notably, Weibo's AI ad creative platform, Lingchuang, launched in the second quarter has been widely adopted, enabling even scalable and personalized ad production in both text and image formats. Furthermore, in the third quarter, we have extended AI-generated ad creatives to video contents. This upgrade enables intelligent extraction of key highlights for the pre-roll segments and the generation of eye-catching cover images. This not only improved the efficiency and diversity of video ad creative production, but also enhanced targeting precision and user viewing experience. As of the end of October, AI-generated ad creatives accounted for nearly 30% of the consumption. Besides this, to

address the common needs of the brand clients, we launched new products via live stream the press conference. We leveraged AI to click live streams in real time, extract the most engaging highlights and transform them into high-quality material suitable for KOL distribution. These highlights are further distributed through our feed ad product, amplifying the overall content reach and influence. This model not only addresses clients' difficulties in efficiently converting live stream content into shareable materials but also enable clients to achieve secondary distribution of valuable live stream content through a combination of high-quality materials and precise targeting. For example, in live stream product launched by a smartphone brand, AI-generated material make up 10% of all materials. It contributed towards much as 30% of total interactions. We plan to roll out this model to more brand clients hosting product launch, thereby further unlocking the potential of AI in brand marketing. In terms of ad performance, the upgraded AI-powered ad performance model has demonstrated impressive results in key scenarios. Experimental data shows that the conversion efficiency of both app download ads and form submission campaigns have improved. AI-powered performance ad models have enabled us to better deliver on client campaign objectives. Entering into the fourth quarter, we will focus on capturing marketing opportunities from sector with high budget visibility such as the e-commerce sector. We will beef up our efforts to further expand the penetration of our brand plus content marketing approach across key industries, sustain the growth momentum in the automobile sector and strive for recovery in the consumer goods. At the same time, we will continue to drive the application of AI in ad creative generation and AI placement optimization with the hope of offering smarter and more efficient advertising solutions to clients of all sizes and thus further strengthening Weibo's differentiated competitiveness in the advertising market. Next, let me turn the call over to Fei Cao for our financial review.

Cao Fei: Thank you, Gaofei, and hello, everyone. Welcome to Weibo's Third Quarter 2025 Earnings Conference Call. Let me start with operating metrics. In September 2025, Weibo's MAU and average DAU reached 578 million and 257 million, respectively, with a steady improving DAU versus MAU ratio year-over-year. The modest year-over-year decline in MAU was primarily due to the high traffic base during the Paris Olympic game in the same period last year. On the user product side, in the third quarter, we completed the revamp of our information feed and prioritized the recommendation feed for content consumption. We are encouraged by early signs of improvement in user engagement with interest-based feed and video content on Weibo in addition. User scale and search queries from Weibo intelligent search feature continued to grow robustly quarter-over-quarter with intelligent search MAU exceeding 70 million in the third quarter. This growth was mainly driven by our AI technology upgrades, which allow us to better meet users' content search and discovery needs on the platform. Turning to financials. As a reminder, my prepared remarks will focus on non-GAAP results. Commentary amounts are in U.S. dollar terms and all comparisons are on a year-over-year basis unless otherwise noted. Now let me walk you through our financial highlights for the third quarter 2025. Weibo's third quarter 2025 net revenues were USD 442.3 million, a decrease of 5% or 4% on a constant currency basis. Operating income was USD 132 million, representing operating margin of 30%. Net income attributable to Weibo reached USD 110.7 million and diluted EPS was $0.42. Let me give you more color on third quarter 2025 revenue performance. Weibo's advertising and marketing revenue for the third quarter 2025 was USD 375.4 million, down 6% or 5% on a constant currency basis, while value-added service VAS revenues was USD 66.9 million, up 2% Weibo's advertising business saw a modest decline, primarily due to the high base effect from last year's Paris Olympics. By industry, our top 3 verticals were FMCG, e-commerce and 3C products. In terms of growth drivers, e-commerce, Internet services, automobile and local services were the key contributors. Notably, the e-commerce sector recorded over 50% year-over-year growth, driven by similar policy amid a boosting domestic demand and consumption. We are pleased to see increased ad budget across multiple business lines within these platforms, including traditional e-commerce activities and local service initiatives. Weibo has continued to demonstrate its unique value in driving brand awareness and user acquisition for e-commerce platforms amid intensified market share competition. The automobile sector sustained solid growth this quarter, thanks to Weibo's thriving auto-related content ecosystem, a dynamic EV launch season and stable ad spend from ICE vehicle brands. On the other hand, we faced a significant year-over-year decline in the food and beverage and apparel industry, again, due to the high base effect from the last

year's Olympics. And as for 3C products, this year, government-backed trade-in subsidies encouraged many consumers to upgrade their phones or home appliance earlier this year, which leads to softer shipments and lower ad spend from advertisers in the second half. Other underperforming sectors that weighed on overall top line recovery included online games, largely due to a tough year-over-year comparison and overall ad budget contraction in the sector. By ad product category, promoted feed ads remained the largest contributor followed by social display ads and topic and search placements. AI has progressively transformed the entire life cycle of Weibo's ad products from creative generation to ad placement. Notably, our real-time bidding feed products sustained double-digit growth, driven by AI-powered ad tech upgrades that enhanced conversion and ROI for advertisers, particularly for ad download and lead generation campaigns. Ad revenues from Alibaba reported robust growth of 112%, reaching USD 45.5 million in the third quarter. We are pleased with the strong momentum from Alibaba this year, driven by deeper collaboration during key marketing windows and Alibaba's increased ad spend on its local services initiatives. Value-added service VAS revenues grew 2% to USD 66.9 million in the third quarter, mainly due to modest increase in revenues from game-related business and membership services. Turning to cost and expenses. Total cost and expenses for the third quarter was USD 310.3 million, an increase of 3%. Operating income in the third quarter was USD 132 million, representing an operating margin of 30% compared to [36%] last year. Turning to income tax under GAAP measure. Income tax expenses for the third quarter were USD 57.2 million compared to USD 32.2 million last year, primarily due to the recognition of USD 29.4 million deferred tax liability related to equity pick-up gains in the third quarter of 2025. Net income attributable to Weibo in the third quarter was USD 110.7 million, representing a net margin of 25% compared to 30% last year, primarily attributable to top-line pressure. Turning to our balance sheet and cash flow items. As of September 30, 2025, Weibo's cash, cash equivalents and short-term investments totaled USD 2.04 billion compared to USD 2.35 billion as of December 31, 2024. The decrease of Weibo's cash, cash equivalents and short-term investments was mainly resulted from the purchase of long-term wealth management products and the payment of the annual dividend to our shareholders and was partially offset by the operating cash flows in the past 3 quarters this year. In the third quarter, cash provided by operating activities was USD 200 million. Capital expenditures totaled USD 5.1 million and depreciation and amortization expenses amounted to USD 15.4 million. With that, let me now turn the call over to the operator for the Q&A; session.

Operator: [Operator Instructions] Our first question comes from the line of Alicia Yap of Citigroup.

Alicis a Yap: [Foreign Language] Can management share with us the overall advertising outlook for the fourth quarter and also 2026. So any color that you can provide in terms of the growth rate for fourth quarter? And also how should we be thinking about the overall ad revenue growth into next year? And then what is your future strategy for the overall advertising product upgrade? How is AI been helping or will be benefiting the click-through rate or even the advertising monetization and also how AI could be also improving -- help advertisers to improve their ROI. Any color that you can share would be great.

Gaofei Wang: [Interpreted] All right. Thank you for the question. So according to the financial report that we have just delivered in Q3, we've been seeing the overall decrease of the ad revenue primarily due to several reasons. The first one is that we had a high base last year due to the Olympic Games. And also, second is that even if we had a poorer performance of the headset industry and the verticals of gaming, and also, we had a little bit better performance from the e-commerce and automotive. But I think that on the overall basis, this is actually the performance within our expectations. Looking forward to Q4, we have been seeing that in the second half of this year, overall speaking, the overall figures and statistics of the consumption-related figures are actually slowing down. And we've been seeing that in some certain provinces and cities, the national subsidy policies have been seeing some kind of headwinds like the limitations on the spending as well as the exiting. So I think that this is going to have a continuous impact on the headset industry as well as the automotive industry next year because we are foreseen a kind of exiting of the national subsidy policy for this industry for certain regions. Okay. So these are some of the uncertainties that we've been witnessing, but still, except for these uncertainties, we could see some of the certainties for next year and also 2026 in specifics. So you know that in 2025, we did not have any hot topics or hot trends or events happening. But in 2026, we are expecting several important events like the Winter Olympics and also the World Cup as well. So

this will be actually bringing a better placement of the advertisers from the consumer goods verticals. And you know that in Q3, the decreased performance of the ad revenue primarily was due to the decreased performance of the ad placement from the consumer goods industry. Okay. So as a result, it is very difficult for me to give you a very precise prediction of our performance in 2026. Having said that, in Q4, we've been seeing some of the important things. First of all, is that there are actually fierce -- more fierce competition for the e-commerce industry, especially from the off-line scenario and targeting the life service -- lifestyle service. We used to have -- Weibo used to have actually quite low percentage of the market share in this particular segment. But still, we do see fierce competition going on for the food delivery and lifestyle service as well as the other relevant ones. So that is to say that in Q4, we are expecting a huge demand increase in this particular area. Okay. And also for the e-commerce, of course, I've been already shared some of the colors on this. And second is that in terms of the automotive industry, we believe that it will be actually performing quite good in Q4. But first of all, due to the anti-evolution policies, we've been seeing at some of the customers or advertisers from this particular industry had issues like the price competition or price war. And in the first half of this year, those advertisers did not pretty much focus a lot of their revenues on the product promotion or the mindset establishment. So I think that this situation will be getting better in the second half of the year. I'm talking about the automotive -- I mean headset and also gaming industries. For headset industry, we know that this was primarily impacted negatively by the trend of exiting the national subsidy policy. So in the second half of this year, we'll be seeing that except for Apple, the rest of the other headset makers were having a deteriorating sales volume. And that's the reason why we do see a lower frequency of the new phone launch. And for gaming industry, you could see that from a financial report of NetEase or Tencent, they did not have that lot of new game release in the second half of this year. But of course, they are claiming that in 2026, Q1, we're going to see some of the new games launched from these two major game makers. But still as for whether or not they're going to be allocating more budget on this, this is still uncertain. All right. And second point on the overall strategies. So we're talking about two directions. The first one is that in the previous years, a lot of those budget of advertisements actually was pretty much placed on the performance-based ad and we did not see a lot of spending from those advertisers on the mindset related areas. And also after COVID-19, in order to consume more ad locks, we do see the behaviors of focusing on the live stream e-commerce. So I think that this year, we've seen a very obvious trend that there are more budget allocated to the areas of establishing and building the mindset. So as the traditional advantageous platform on this particular area, Weibo is definitely going to seize this opportunity. And I think that we are going to focus on the hot topics and KOL, especially top notch KOLs in terms of the integrated marketing. So we do actually see the trend of increasing budget from these advertisers on those fronts. Okay. And the second point is on the bidding ad and also performance-based ad. So last year, we've been seeing a decrease of our overall revenue -- ad revenue contributed to the overall ad revenue from the performance-based ad. But recently, in the past years, we've been dedicating a lot of efforts in making wonderful products in the performance-based ad and also increasing and updating our technologies. And also, most importantly, we've been applying a lot of AI technologies to really have a very good boost of the revenue from the performance-based ad. So you can see that in Q3, we had a lot of increase on this area. So because -- not only because of the overall data and traffic and also the adjustments of our strategies, but most importantly, I think that the overall use of the AI technology is really important. So we will be actually expecting a very good increase of this performance-based ad. All right, pretty much for the answer for this question.

Operator: The next questions will come from the line of Leo You from CLSA.

Yang You: [Foreign Language] I have two questions on the product commercialization. And first is on the strategy and the progress of intelligent search. Do we have the commercialization attempts already in the fourth quarter? And what other AI application could management share? And second question is on the information feed revamp. What are the initial feedback from users' content consumption, engagement? And how would that translate into revenue growth in the future?

Gaofei Wang: [Interpreted] So thank you for this question. First of all, we could see that in terms of the intelligent search, as we already said that this has been increased a lot in Q3 in terms of the overall products. So resulting in a very good performance. For instance, in September, the MAU exceeded 70

million. And in terms of the DAU and also the query number, we had a quarter-by-quarter increase of over 50%. So of course, in terms of the monetization of the intelligent search, first point is that we do see a very good increase of the overall intelligence search-based volume, and that was resulted in the performance like in Q3, we had a query increase by about 20% quarter-by-quarter. And this actually provided with us a very good traffic to actually have a better performance on this. And second point is that, of course, at the current stage, we do not have the ability of all the consumers. I mean the customers are not having this particular requirement of placing the ad precisely just based on the intelligent search results. But this did actually provide some of the impacts to the customers because, for instance, we are able to use the GEO technology to actually facilitate better product and better content creations and helping the customers understanding or advertisers in understanding the new product-related issues and some of the other important things and also issues as well. So this is going to be generating a lot of ad assets for our advertisers so that they are able to use in the near future. Of course, this is not going to be directly charging from the customers, but I think in the future, the customers and advertisers are able to put more weight on this particular part of the intelligent search. So I do think that in the future, we are going to see a very good increase, be it the brand-based ad revenue or the overall budget of the performance-based ad. And also, the second question is pretty much based on the information feed. So as we have already stated that we have an updated version or modification of this information-based feed in 2025 and already provided to the users. So we've been already finishing the first stage switch for information feed in July. But of course, it takes time for the users to get used to this and nurture their habit of using. But still, I think that this particular new information feed is going to be very useful and beneficial to the overactivity of the users and also improving the overall retention and the total time spent on the consumption as well. So I think that this is also going to be lowering the threshold for the users of using Weibo. Okay. Of course, I think that this particular kind of modification or the version update is pretty much like what happened years ago from the time spent based to the non-time spent base. And of course, at the current stage, we think that there are a lot of variations between different versions. So it still takes time for the user to adopt this new kind of a platform or it takes time for them to nurture their habits of using. But still, I think that on the overall basis, this did have a lot of benefits impacting the overall consumption behavior. And also, of course, in Weibo, we are going to continuously focusing on the upgrades and optimization of our products as well. Okay. And also, I think that this is very good to have a certain kind of improvements on two fronts. The first front is that, of course, it is going to impact some of the new users using a process of this particular product because it used to be the case that the users need to log on the Weibo and establish following a relationship before they could take any action on consumption of the content. But at the current stage, this particular process is waived so that we are at the same starting point as the other competitors for this particular part. So the users are able to actually consume a very good quality or content at the very beginning. And second is that for the existing users, of course, from an experience standpoint, it still takes time for them to be adopted -- adopting this new concept and also establishing a new using habit. But still, I think that at the current stage, this has primarily given us better opportunities, especially for those new users to take actions on consumption more frequently without even establishing a following relationship as the prerequisite. Okay. And also, I need to add another point, which is the third point that is for the video-based consumption. So we know that in the past, for those of consumers, I think that the videos are actually very difficult for the users to actually consume upon so that was impacting a lot of the original social-based relationship. And you know that in the past, for those content creators, especially the video content creators, it is very difficult for them to establish a social relationship with the users and also consumers as well. So even if on the relationship-based feed, it is also very difficult for those video content creators to expose their content in front of the wide audience. So also for the hot topic search because of the real timeliness of their content, especially the video-based content, it is also very difficult for them to expose their content as well. But now after the change, we could see that we are going to proactively recommending more video-based content to the users. And this is going to be very, very important for Weibo in the long run, be it from a growth standpoint or from the standpoint of enhancing our core competitive edge.

Operator: That's the end of the question-and-answer session. With that, I would like to conclude the conference call today. Thank you all for participating. You may now disconnect your lines. [Portions of

this transcript that are marked [Interpreted] were spoken by an interpreter present on the live call.]