

Facebook Inc

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Facebook likely to see weaker advertising revenue due to coronavirus outbreak

Facebook Inc (NASDAQ:FB) said advertising revenue is likely to be impacted by the ongoing coronavirus pandemic, according to a blog post from the social networking behemoth on Tuesday evening.

The company said it is seeing "weakening" in its advertising business in countries that are taking severe actions to limit the spread of the virus.

Vice president analytics Alex Schultz and vice president of engineering Jay Parikh, who authored the post, said that its messaging services like Messenger and WhatsApp are seeing increased traffic as socially isolated people around the globe turn to digital methods to stay in touch with family and friends.

READ: Zuckerberg concedes Facebook should pay more tax in Europe

In many of the hardest-hit countries, total messaging has increased more than 50% over last month's numbers, according to Schultz and Parikh.

Traffic increased by around 70% in Italy, one of the worst-affected countries.

Group calls with three or more participants soared over 1,000% during the last month, the company reported.

However, impressive traffic numbers won't be counted on Facebook's bottom line when it comes to results.

"We don't monetize many of the services where we're seeing increased engagement, and we've seen a weakening in our ads business in countries taking aggressive actions to reduce the spread of COVID-19," Schultz and Parikh wrote.

Shares of Facebook dropped 3.7% in Wednesday morning trading to \$155.10.

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Price: 249.02

Market Cap: \$709.41 billion

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: FB

Listing: NASDAQ

52 week High Low
304.67 137.11

Sector: Online business & e-commerce

Website: www.facebook.com

Company Synopsis:

When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles.

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