

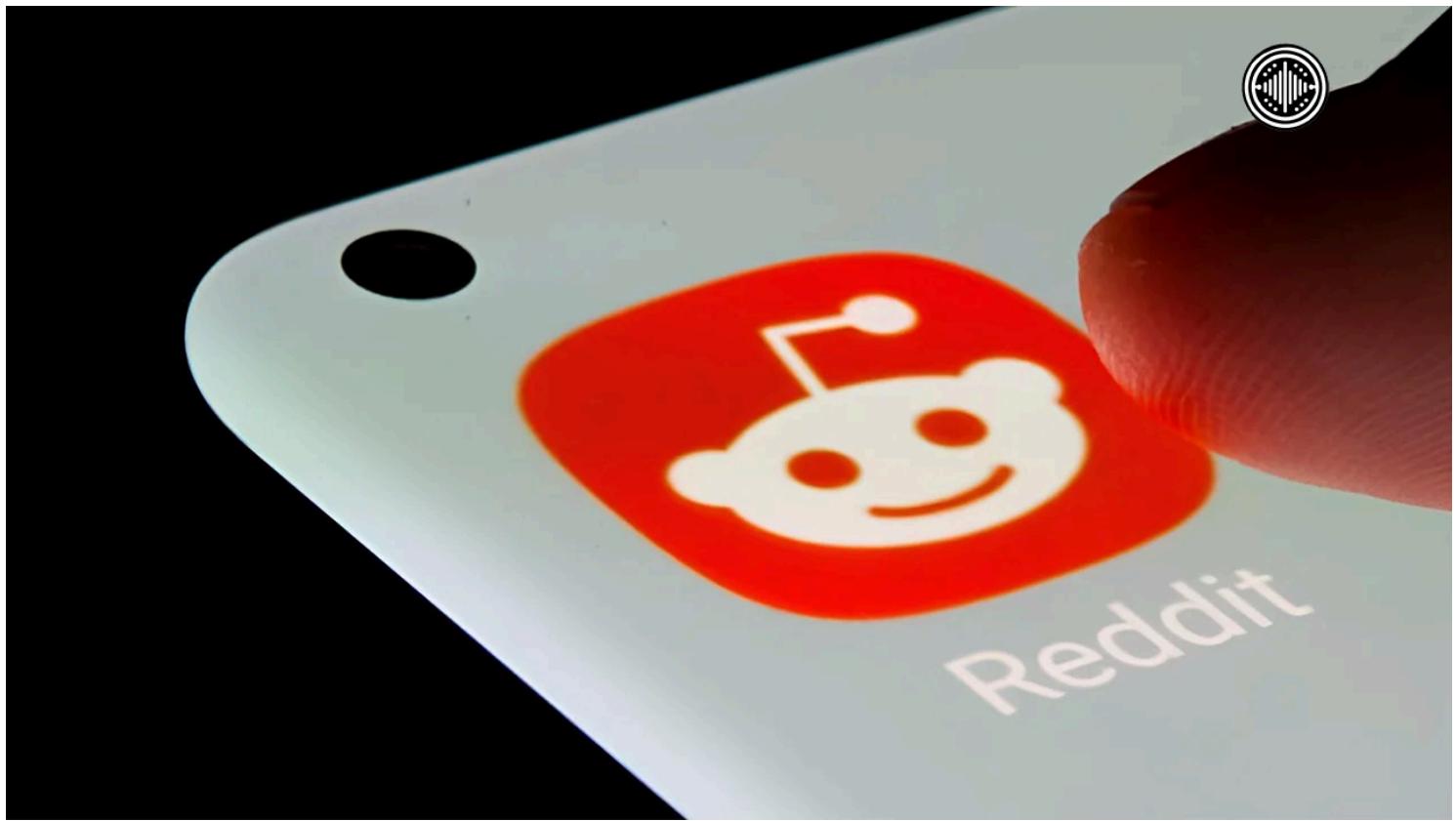
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Reddit Q2 Earnings Highlight Growth and User Challenges

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– Categories: *Crypto*



Reddit is expected to report its second quarter financial results for 2025 after markets close on July 31. This marks the company's first full quarter since being added to the S&P 500 index. Investors are closely watching whether Reddit can maintain the strong momentum it showed during its debut earnings report.

Analysts anticipate Reddit will post revenue of approximately \$425.75 million, reflecting around 51 percent year-over-year growth. This is in line with the company's previous guidance, which projected revenue between \$410 million and \$430 million. In the first

quarter, Reddit reported revenue of \$392 million, which represented over 60 percent growth from the prior year.

The company is also expected to deliver earnings per share of about \$0.69, which would be a sharp turnaround from the loss of \$0.06 per share in the same quarter last year. Reddit's adjusted EBITDA forecast ranges from \$110 million to \$130 million, signaling continued improvements in profitability and operational efficiency.

Reddit's growth continues to be driven by its core advertising business. The company has expanded into new ad formats, including conversation and shopping ads, and introduced AI-powered tools such as Reddit Answers. These innovations are helping advertisers better target users while enhancing engagement. Analysts estimate that newer ad formats now contribute meaningfully to overall impressions.

User growth is another focal point. Daily Active Users (DAUs) are projected to reach around 109 to 110 million globally, with the United States accounting for approximately 50.5 million. This represents about 20 percent growth globally and 9 percent growth in the U.S. Reddit has also been expanding its reach internationally, with user interface translations expected to support further growth outside of English-speaking markets.

However, there are concerns about Reddit's visibility in search engines, particularly due to recent changes in Google's search algorithms and the introduction of AI Overviews. Analysts at Wells Fargo have noted that reduced visibility for logged-out users could affect top-of-funnel growth.

Despite these risks, analysts maintain a generally positive outlook on the company. Price targets vary, with Citi setting a target of \$163 and Needham at \$165. Deutsche Bank and Citizens have both set targets at \$180, while RBC is more conservative at \$125. Wells Fargo has downgraded Reddit to Equal Weight due to concerns about search traffic and valuation pressures.

As Reddit heads into its Q2 earnings call, the market will be looking for signs that its advertising business and user base can continue to grow sustainably in a changing digital landscape.