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PRESENTATION

Operator

Hello, and welcome to the BuzzFeed, Inc. Fourth Quarter 2022 Earnings Conference Call. (Operator Instructions)

Please note this event is being recorded. I would now like to turn the call over to Amita Tomkoria, Senior President, Investor Relations. Please go ahead.

Amita Tomkoria - *BuzzFeed, Inc. - SVP of IR*

Hi, everyone, and welcome to BuzzFeed, Inc.'s Fourth Quarter 2022 Earnings Conference Call. Joining us today are founder and CEO, Jonah Peretti; President, Marcela Martin; and CFO, Felicia DellaFortuna.

Before we get started, I would like to take this opportunity to remind you that our remarks today will include forward-looking statements. Actual results may differ materially from those contemplated by these forward-looking statements. Factors that could cause these results to differ materially are set forth in today's press release and in our annual report on Form 10-K to be filed with the SEC. Any forward-looking statements that we make on this call are based on assumptions as of today, and we undertake no obligation to update these statements as a result of new information or future events.

During this call, we will present both GAAP and non-GAAP financial measures, including adjusted EBITDA and adjusted EBITDA margin. The use of non-GAAP financial measures allows us to measure the operational strength and performance of our business to establish budgets and to develop operational goals for managing our business. We believe adjusted EBITDA and adjusted EBITDA margin are relevant and useful information for investors because they allow investors to view performance in a manner similar to the method used by our management. A reconciliation of these GAAP to non-GAAP measures is included in today's earnings press release. Please refer to our Investor Relations website to find today's press release, along with our investor letter and investor presentation.

And now I'll pass the call over to Jonah.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

Thank you, Amita. Good afternoon, everyone, and thank you for joining us today. We continue to face a tough operating environment for digital media. However, our value proposition is consistently resonating in the marketplace. With iconic brands and massive audience and a differentiated technology platform, we occupy a unique position in the ecosystem of audiences, creators, platforms and advertisers.

Our premium brand-safe content reaches millions of young people each day and appeals to hundreds of advertising clients, the biggest tech platform and emerging creators, all looking to break through in a crowded market. We are a scale-diversified digital media company that is poised to capitalize on the future of the industry and deliver long-term value to shareholders. And we have a lot of exciting work underway, some of which I will share today.

Before I turn to that, let me briefly discuss our performance. 2022 was a challenging year for our business, and we navigated the dual headwinds of a weakening digital ad environment and the ongoing shift to short-form vertical video while also integrating complex networks into the company.

First, on the operating environment. Over the course of last year, many of our clients were forced to constrain ad budgets in order to navigate deteriorating macroeconomic conditions, which pressured year-over-year growth in our advertising and content revenues. In this operating environment, our global teams also work to integrate complex networks into the business.

While that integration resulted in meaningful cost synergies, we believe we have not yet reached our full revenue potential as a combined company. We have much more work to do in order to overcome these challenges, which Marcela will speak to, shortly.

Turning to the ongoing shift to short-form vertical video, A year ago, at our first earnings call, I discussed the implications of the rapid rise of short-form vertical video on our business, namely as we shift focus to building large, highly engaged audiences around our short form video content across the platform. And we made great progress in 2022.

As a result of this shift in focus, we nearly doubled our output in terms of short-form vertical video across TikTok, Instagram Reels, and YouTube Shorts. We continue to surpass 1 billion quarterly views on both Reels and Shorts, with multiple videos consistently earning millions of use each, on par with premium globally recognized brands like the NFL and Louis Vuitton.

Q4 viewership of short-form content across platforms more than tripled year-over-year. As I discussed before, it takes time to ramp monetization of newer content formats. Recently, we have seen certain platforms, such as YouTube Shorts, begin to open up opportunities for partners to monetize their short-form content on the platform. Although we are in the early stages of operationalizing this change, we expect this momentum to continue, which is why I believe we are driving the right strategic focus to position the business for long-term growth and monetization.

In December, we made significant adjustments to our cost structure to focus on the platforms and formats with the highest potential for long-term monetization aligned with the weaker demand environment and accelerate our progress on the integration of Complex Networks.

Execution against our cost-savings initiatives has allowed us to focus on the areas that I believe will drive long-term growth across our combined portfolio of the brand, specifically, creators and artificial intelligence. I believe the future of digital media will be defined by the rise of creator-led and AI-powered content.

As we have seen over the course of the past year, the rapid rise in popularity of new content formats like Reels, TikTok, and Shorts have proven that audience consumption behavior continues to favor creator-led content. To capitalize on the audience momentum we have built around our creator-led content, we are building the premier creator platform to attract the next generation of Internet talent.

This includes expanding our suite of technologies, tools, and resources to power creators' end-to-end content creation and monetization engine. We have been a creator-led publisher since BuzzFeed's inception, with a proven track record as a discovery engine for the next generation of Internet creators.

In fact, some of the biggest careers in media and culture had started at BuzzFeed and Complex. This commitment to creators has helped us develop a core competitive advantage in the marketplace. We are able to offer our trusted network of talent to advisers struggling to navigate the world of influencers and creators.

Our platform also allows creators to build a sustainable monetization engine with access to our massive audiences and best-in-class tools and resources. We've made great strides in growing our network of creators, which further strengthens our content flywheel, with higher quality content that reaches a wider audience across more platforms and helps us capture deeper data and insights.

BuzzFeed has always lived at the intersection of technology and creativity and recent developments in artificial intelligence represent an opportunity to take this convergence to the next level. As the creative process becomes increasingly AI-enabled, we are continually looking to maximize the creativity of our writers, creators and producers.

We view AI as an exciting new creativity tool, one that humans can harness to open up new avenues for imagination, storytelling and engagement and explore new premium product offerings that will appeal to our clients and partners on the new frontier of media.

And our work on this area is off to a good start. In 2023, you'll see AI-powered content move from an R&D phase to part of our core business, enhancing the quiz experience, informing our brainstorming and personalizing and curating our content for our audience.

I could not be more excited for us to explore these transformative new frontiers in digital media. As creator-led and AI-powered content creation continue to gain audience share, BuzzFeed Inc. is well positioned to both influence and benefit from these trends. And we hope you will join us at our Virtual Investor Day on May 11, where we will have time to fully communicate what we are working on.

Thank you. Now I'll hand the call over to Marcela.

Marcela Martin - *BuzzFeed, Inc. - President*

Thank you, Jonah, and good afternoon, everyone. I will recap our Q4 performance, including some of the actions we have taken to address the ongoing challenges as we are facing. I also want to share with you the earlier stages we are driving through our focus on creator-led and technology-enabled content creation.

We delivered Q4 results in line with the high end of our November guidance range for both top and bottom line. Q4 also marked the 1-year anniversary of the Complex Networks acquisition. We made great progress with the integration in some areas, executing against our restructuring plans to realize the cost efficiencies of our broader scale as a combined company.

However, as Jonah discussed, the fourth quarter revenue trends reflect some of the operational challenges that we are facing as well. Advertising and content revenue both declined year-over-year in the fourth quarter as further softening in the digital ad market more than offset the incremental revenue from Complex.

Additionally, while each of our brands individually continues to resonate with clients in the marketplace, we have more work to do to fully realize the revenue benefits of the combined brand portfolio.

The steps we took to combine the BuzzFeed and Complex sales team created operational challenges in bringing the combined portfolio to the market which has negatively impacted our revenue performance, particularly in the fourth quarter, alongside seasonally high revenues. As clients tightened budgets to meet the broader market downturn, we struggled to bundle the brands and cross-sell new products.

These lingering challenges are contributing to Q1 revenue expectations that lags the broader U.S. digital advertising market in terms of year-over-year growth. To address this, as part of our broader reorganization in December, we made changes to the sales team structure to better leverage industry knowledge and drive increased focus by vertical. We also rolled out new training resources to allow the sales team to fully ramp up on new products and brands.

We are also evaluating opportunities to drive improved sales execution against the combined brand portfolio. In doing so, we look forward to bringing a more robust go-to-market strategy to our clients and partners that expands our portfolio of iconic and category-leading brands. And as Jonah alluded to, we also have some new initiatives underway. And we expect to share more on how these initiatives will contribute to overall revenue at our Investor Day in May.

Turning to cost. We also took critical steps last year to ensure that we can continue investing in our long-term growth while preserving cash. The restructuring plans we announced in December have been fully executed, reducing our workforce by approximately 12%. This follows the consolidation of our New York real estate footprint, the voluntary reduction in workforce at BuzzFeed News and the consolidation of Complex and BuzzFeed administrative teams. These 2022 actions all contributed significant cost savings.

Moving forward, we also have an opportunity to drive margin improvement by further optimizing our product mix and cost structure. Even in a tight market, our value proposition is clearly and consistently resonating in the marketplace. We offer advertisers the opportunity to invest directly in high-quality content from trusted brands at Internet scale.

Our portfolio of premium IP, shows and content attracted some of the biggest advertisers from Lexus to Intel to Disney, looking to enter the cultural zeitgeist. Moving forward, we believe we have an opportunity to further amplify our value proposition through our working creator-led and technology-enabled content creation.

Before I wrap up, I want to share some of the early progress we have made in these new areas. Our work to build a premier creator platform is aimed at rapidly expanding our output of high-quality, brand safe, creator-led content. The Tasty team, in particular, has made great strides in this area. Tasty is the world's largest food community on the Internet with tens of millions of followers across Facebook, Instagram and TikTok.

In 2022, Tasty made incredible progress in driving creator-led audience growth and executing creator-driven campaigns on behalf of our clients. The newly launched Tasty residency program drove incredible results for creators who grew their audiences by more than 40% across TikTok and Instagram through this program.

The Tasty team also helped clients tap into the power of our creators to reach young audiences with innovative and resonant growth platform and marketing campaigns. In Q4, Tasty executed an original vertical video recipe series on behalf of Snyder's of Hanover to drive usage of the clients' core pretzel products during the holiday season.

The combination of content formats spoke directly to our massive millennial and Gen-Z audiences, resulting in significant increases in brand awareness, brand preference, message association and recipe intent for our client, far exceeding CPG industry benchmarks.

As we continue to grow our creator network and ramp production of short-form vertical video, we expect to scale creator-led advertising and branded content solutions like this for our clients.

We see opportunities to harness new technologies like artificial intelligence to enhance the audience experience and open up new avenues for monetization. Our creative and technology teams have already begun to leverage AI to develop new content formats. Last month, BuzzFeed introduced Infinity Quizzes to its community. BuzzFeed Quizzes have defined Internet culture since 2013, and this past year, our Quizzes saw over 1 billion views from around the world. The integration of generative AI and the launch of Infinity Quizzes marked the biggest change to the format in a decade.

Although it is still early, we are excited about the potential for this new format. The launch included an original quiz sponsored by Scotts Miracle-Gro that uses AI to identify your plant's soulmate. Our new AI quizzes have been met with a strong response from the community, delivering higher engagement and Time Spent relative to our traditional quiz format. We look forward to leveraging AI to bring more innovative brand-safe partnership opportunities like this to our clients.

Infinity Quizzes are the first step in a larger effort to pioneer new forms of AI-powered creativity that delight and empower our writers, creators and audience and open up new advertising opportunities for our clients. As Jonah discussed, it takes time to ramp monetization of newer content formats but we believe we are driving the right strategic focus in order to position the business for long-term growth.

We could not be more excited about our work around creators and AI and look forward to sharing much more with you, including how we are extending our business model to these new areas at our Virtual Investor Day on Thursday, May 11, 2023.

Thank you, everyone. And now I will pass it on to Felicia, who will take you through the financial results and outlook.

Felicia DellaFortuna - *BuzzFeed, Inc. - CFO*

Thank you, Marcela. We delivered fourth quarter results in line with the high end of our guidance range for both revenue and adjusted EBITDA. On a year-over-year basis, overall revenues for Q4 2022 declined 8% to $134.6 million as further softening in the digital ad environment more than offset incremental revenues from the Complex acquisition.

As a reminder, December marks the 1-year anniversary of the acquisition of Complex Networks. As a result, year-over-year comparatives reflect approximately 1 month of Complex Network results in Q4 2021.

Performance by business is as follows: Advertising revenues declined 27% year-over-year to $50.5 million, which was primarily the result of the ongoing price compression on our owned and operated properties, driven by the broader macro environment as well as sustained declines in Time Spent on Facebook.

Content revenues declined 9% year-over-year to $54.8 million as the incremental revenues from Complex were more than offset by a weak digital advertising market, and the operational challenges that Jonah and Marcela discussed earlier.

Commerce and other revenues grew 76% to $29.3 million, benefiting primarily from our live shopping and experiential event ComplexCon in November. This revenue performance resulted in adjusted EBITDA of $17.6 million in the quarter. We also incurred charges that did not impact adjusted EBITDA, including a noncash goodwill impairment charge of $102.3 million triggered by the decline in our stock price during the month of December.

A full reconciliation of our GAAP to non-GAAP measures can be found in today's press release available on our Investor Relations website. We ended the quarter with cash and cash equivalents of approximately $56 million.

Turning to audience engagement and Time Spent. We continue to gain momentum in the quarter, generating billions of views of our short-form content in Q4 and tripling viewership year-over-year. This gives us further confidence that we are driving the right strategic focus to position the business for long-term growth and monetization.

In terms of U.S. Time Spent across the business, as reported by Comscore, we delivered year-over-year growth in Time Spent on our owned and operated properties for the third consecutive quarter. Overall, Time Spent, however, declined 27% year-over-year to 135 million hours in the fourth quarter driven by ongoing declines in Facebook traffic amid increased competition for audience time.

Turning to our outlook for the first quarter of 2023. Beginning in Q1 2023, year-over-year comparisons will fully reflect the Complex Networks acquisition in both years. Overall, quarter-to-date trends continue to point to a challenging operating environment in Q1, as the headwinds we have faced over the past year on reported Time Spent and monetization of newer formats persists. In line with typical advertising seasonality, we once again expect Q1 to be our smallest quarter in terms of revenues.

On a full year basis, we expect the 2023 quarterly revenue profile to resemble 2021. We expect Q1 year-over-year trends in advertising revenues to carry over from Q4 2022. We expect year-over-year trends in content revenues to decelerate further relative to Q4 2022 as the macro environment continues to put pressure on the demand for brand-new content and as we anniversary, the acquisition of Complex Networks.

Additionally, as Marcela discussed, we are evaluating opportunities to increase overall sales execution within the combined brand portfolio, although we have not received any revenue benefits from these changes in Q1. We expect commerce and other revenues to grow modestly year-over-year in Q1.

In terms of adjusted EBITDA, we have historically generated losses in Q1. Although we expect to offset some of these losses with savings from our previously executed restructuring events and real estate consolidation, we do expect Q1 adjusted EBITDA losses to widen year-over-year as a result of this difficult macroeconomic environment and operational challenges.

On an annualized basis, we expect the combination of our restructuring and real estate actions to drive significant cost savings. As of March 10, 2023, the majority of the company's cash and cash equivalent balances were held at Silicon Valley Bank. However, in a joint statement released by the U.S. Department of the Treasury, the Federal Reserve and its Federal Deposit Insurance Corporation, the U.S. government reassured that all depositors will be fully protected. The company is accessing its funds and does not currently anticipate any disruption to its ongoing operations.

With that, I will turn to our financial outlook. For Q1 2023, we expect overall revenues in the range of $61 million to $67 million or 27% to 33% lower than the year ago quarter. We expect this revenue decline, in conjunction with the fully executed cost savings discussed earlier, to result in adjusted EBITDA losses in the range of $18 million to $25 million.

In 2022, multiple steps to adjust our cost structure in order to align with the weaker macro and digital advertising market backdrop. We continue to evaluate opportunities to drive efficiency across our business in order to preserve cash, improve execution and, therefore, results and continue investing behind our long-term growth opportunities. We look forward to sharing much more with you at our Investor Day on Thursday, May 11.

Thank you. And I'll now turn the call over to the operator so we can take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Today's first question comes from John Blackledge with TD Cowen.

John Ryan Blackledge - *TD Cowen, Research Division - MD & Senior Research Analyst*

A couple of questions. And I think you maybe just flesh it out a little bit. But on the 1Q '23 top line guide, how should we think about the revenue trends at the 3 segments as we roll up to the total revenue guide? And then the second question on gen AI, when should we start to see the usage of the gen AI technology rolled out at scale and across which products? I think you mentioned you started using it with the quiz content, but is it going to be used on any other content creation?

And then a similar area, is BuzzFeed partnering with companies like OpenAI? Or do you guys have internal technologies that you're using? Or is it a mix of both? Any kind of color there would be helpful.

Felicia DellaFortuna - *BuzzFeed, Inc. - CFO*

So as it relates to Q1 2023 revenue and each of the segments, we are seeing a continuation of the Q4 pressure, especially as we anticipated a higher level of activity from clients in the back half of 2022, as they lost budgets for the start of 2023. Certain verticals such as CPG, retail and tech telco have also been impacted by the market softness, compounded by the challenges from the integration of the sales team.

So as I had mentioned, as it relates to advertising, we do expect trends in Q1 to align with Q4. As I noted, we have shown 3 quarters of consecutive improvement on owned and operated Time Spent, and that is the majority of our advertising revenue. However, we are faced with certain price compression as you can see from the Q4 results.

We do anticipate content to decelerate year-over-year as that has been most impacted by the Complex integration with Complex being majority content and branded content being most impacted by the macro environment.

And with Commerce, we do anticipate a similar trend in Q1 as we've seen outside, especially as we lap the Facebook declines in referred traffic on our organic affiliate business. And I mentioned commerce in Q4 had a one-time event in November with the addition of ComplexCon.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

Yes. So on the generative AI front, we have a tremendous amount of energy within the company building new products and new systems on top of generative AI. It's obviously very relevant to the type of business we are and has a lot of potential to enhance the creativity of our team and allow us to create things that wouldn't have been possible.

We see something similar to what social media was a decade plus ago, which is a major new platform that we'll be able to build on for a lot of years to come. We started with Quizzes, the Infinity Quizzes that Marcela mentioned in her remarks, where we upgraded the BuzzFeed Quiz from being able to have maybe 12 possible results when you take a quiz to an infinite number of personalized results. And we've seen very strong Time Spent and very strong user signal that people really love these new products.

We also, just yesterday at South by Southwest, shared a new product that is a chatbot game where you try to be an influencer and a chat bot is giving you feedback on your ideas about how you're going to build your influencer career and telling you how many followers and how much money you're making in the simulated influencer game. And again, we had very strong and positive feedback from that, both from the audience and people playing online.

You asked how we're building these things. We have a partnership with OpenAI and a great relationship with OpenAI and are using their APIs. We also are building some of our own systems. We're not building our own large models, which is an expensive and very different kind of activity. But we are using all of the data science and technology investments we've made over the years to have differentiated ways of plugging into these models.

And so it allows us, for example, to use existing categorization of our content, existing metrics like popularity of our content and other things like that to make better prompts and then also to create tools in our CMS for our writers to create content using these AI-powered tools. And that, I think, is the biggest thing you'll see in the coming weeks and months, so a very short time horizon.

The first Infinity Quizzes we did were, I guess the way to put it is, more handmade, where the tech team and the product team had to essentially put them together and collaborate with the editorial team to make the first 6 or 7 of them. But now we have that technology built into our CMS so that every writer at the company and then in the future, potentially community members will be able to use our CMS to generate AI powered content and quizzes.

So the scalability is really just starting now, where, instead of making a few as proof-of-concept tests we're going to have it be part of the normal course of business, where any of our creative team will be able to use these tools to make content. And I think that's when you'll really see more of an explosion of interest in user engagement when we have that. We've been so good at over the years, allowing our writers to try lots of different ideas and experiment with lots of different formats using these models.

And that's all really, as we speak, rolling out. And we, I think, just last week published our first quiz that was generated with the CMS tool and not put together as more of an R&D project. So that will be ramping pretty quickly.

Operator

The next question comes from Jason Kreyer with Craig-Hallum.

Jason Michael Kreyer - *Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst*

I just want to start out on the short-form content. I know we've got the first platform now rolling out monetization plans there. So as that gets rolled out over the course of Q1, just curious if there are any meaningful takeaways from that, and if that makes you maybe feel more optimistic about your prospects there leaning into short form and being able to kind of fill in that monetization gap.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

Yes. Thanks, Jason, Great question. It's obviously something that all the platforms are very focused on. As I said, I think on our previous call, the platforms mostly ramped up short-form vertical video because of the threat of TikTok and we're more focused about audience share. And now they have all pivoted to really care about revenue, including TikTok.

YouTube is the first to operationalize Shorts and announced that they were providing monetization. The monetization works a bit differently. So instead of a share of pre-roll, it's a share of the ads that appear between the vertical videos because the monetization obviously is more challenging to put a pre-roll out on such short videos. And the rev share is something that the platforms use to generate more incentive or sustainable content production.

So it's happening as we expected it to happen and the YouTube announcement was very validating of our thesis that the platforms were going to start to share revenue like they've done with other forms of video. So that is encouraging.

The other piece is our creator initiatives. And we're seeing a real inflection with our creator programs and creator revenue outpacing other revenues. It plays well in vertical video because one way of creating revenue through vertical video is to have creators make vertical video on behalf of brands. And that's something that we've seen a lot of success with, and where the sales team is getting more versed in selling those kinds of deals that are creators plus vertical video.

So expanding our creator network and platform is another way that we are attacking the monetization of vertical video. And then I think newer initiatives like AI have real potential, in part, because AI video is still a little earlier than text and images. But it will really ramp in short form before it ramps a longer-form video, and particularly with things like our animated characters and things like that, being able to use AI to automate that and improve and streamline the process of making that kind of content will also help.

But our Land of Boggs franchise on YouTube Shorts is one of the star performers for vertical video for us. And so that's being able to apply AI to our characters is another area where we think there's exciting opportunities.

Jason Michael Kreyer - *Craig-Hallum Capital Group LLC, Research Division - Senior Research Analyst*

And then just the longer-term role of AI for BuzzFeed. I mean it certainly seems like there would be some long-term cost benefits, but just curious if you can lay out what the other benefits are that you see.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

Yes. I think one of the benefits that I feel most strongly about this is that AI is really enabling almost a new medium for content creation. So the Infinity Quizzes are a nice example of this. It used to be a writer would write a few questions. They would define the logic for how the questions would produce a result. Then they would write maybe 8 or 12 different results that the user might get.

Now our writer still writes the question, but then they write a prompt and that prompt defines how the answers should be generated from the user input and then creates an infinite number of possible personalized outputs.

And when you look at content personalization, I think, historically content personalization has happened at the level of curation, where the feed you look at on an Instagram or Facebook or any of the -- or TikTok certainly, the feed of content is algorithmically organized for you, but that content itself is not personalized. And I think this generative AI is enabling the possibility of making more personalized content -- and where the content itself can be more personalized.

And so having a large library of content, having lots of knowledge about the frames and types of topics that audiences are interested in is going to help and then also having trusted brands that our audience trust and respect to create great content, coupled with AI-powered personalization and AI-powered content generation, it's going to be an exciting frontier to make really differentiated content that is more engaging to audiences and more personalized.

There also will be some opportunities for more efficiency and for producing content in ways that is more efficient. And I think that there's a lot of focus on that from the sort of broader narratives about AI. But I think if you listen to, for example, Sam Altman at OpenAI talking about the things that are working best. It's things that are only possible with AI and things that are creating new experiences and new forms of interaction that AI enables, not just doing what you already do a little bit more efficiently.

Operator

The next question comes from Brent Navon with Bank of America.

Brent Michael Navon - *BofA Securities, Research Division - Research Analyst*

Just circling back to your 1Q guidance and the broader macro, it just seems like the news just by the day the market is just rapidly changing. And I'm just curious if even the news of the past few days with Silicon Valley Bank is having any disruptive impact on your advertising business. Or any verticals in particular worth calling out? I'm just curious if you've seen anything so far.

Marcela Martin - *BuzzFeed, Inc. - President*

Thanks, Brent, for the question. You sounded super light, but I think I got it. I mean so far, with the events that have occurred in the last 72 hours with Silicon Valley Bank, we have not yet seen any impact in our operations or from our customers. So far, business continues to be as usual.

What we have seen in Q1 that yes, you know we have projected guidance with a decline year-over-year. It's a result of the trends that we saw starting in Q4 and continue to materialize in Q1. There is an impact related to macro, and there is also an impact related to some operational challenges that we have had. And we took some steps to further create a structure that aligns a lot more with what the market requires, aligning industry knowledge and driving the focus on the verticals from an advertising perspective.

Brent Michael Navon - *BofA Securities, Research Division - Research Analyst*

Got it. Okay. So I mean, did you guys, at least in your guidance, build in any potential cushion if things were something like a shock, like we saw the market would slow things down further? Or is it just sort of a continuing trends?

Felicia DellaFortuna - *BuzzFeed, Inc. - CFO*

In looking at the historical guidance as well in the current guidance based on our estimates as they stand today and everything that we are aware of in the moment, we have not seen an impact to our overall revenue profile.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

The Silicon Valley Bank situation definitely impacted our weekends, but I don't think it will have a big impact on our business.

Brent Michael Navon - *BofA Securities, Research Division - Research Analyst*

Okay. I guess that's good to hear, at least on the advertising side than things getting potentially worse. And then just on the cost savings. Obviously, you guys have announced several efforts there. Do you guys see any more opportunities for you on the cost reduction side, if need be? Or are you sort of -- do you think that you're okay with what you've done so far? Do you think there's more potentially that could be there to improve profitability as well?

Marcela Martin - *BuzzFeed, Inc. - President*

Yes. I mean the restructuring that we performed at the end of 2022 was dictated by how the market played out and our operational needs. But of course, we cannot control the pace at which the market is going to shift. And BuzzFeed has historically been adaptable to change, both from an industry perspective, from a macro perspective, have been operating a business for more than 15 years, and we are committed to continue to focus on execution.

Moving forward, we do see opportunities to drive gross margin improvements over the course of 2023 by further optimizing our product mix and cost structure.

Operator

This concludes the question-and-answer session. I would like to turn the conference back over to CEO, Jonah Peretti, for closing remarks.

Jonah Peretti - *BuzzFeed, Inc. - Founder, Chairman & CEO*

Thanks, everyone, for joining us. We look forward to speaking with many of you in the coming weeks. And stay tuned for more information on our upcoming virtual Investor Day on Thursday, May 11. Thanks.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.
