

Meta Platforms Inc

Meta Platforms Inc., formerly Facebook, Inc. builds technologies that help people find communities and grow businesses. The Company's products enable people to connect and share with friends and family through mobile devices, personal computers. It operates in two segments, Family of Apps and Reality Labs. The Family of Apps segment's products include Facebook, Instagram, Messenger and WhatsApp. And The Reality Labs segment provides augmented and virtual reality related products comprising virtual reality hardware, software, and content that help people feel connected, anytime, and anywhere.

Latest Quarter Update

Meta reported a second straight quarterly revenue decline and is forecasting another drop in the fourth quarter.

- Revenue was \$27.71 billion, a decrease of 4% Y-o-Y, and an increase of 2% Y-o-Y on a constant currency basis.
- Family of Apps operating income was \$9.3 billion, representing a 34% operating margin. Within their Reality Labs segment, Q3 revenue was \$285 million, down 49% due to lower Quest 2 sales.
- Net income \$4.4B, Growth down 52% Y-o-Y basis
- R&D increased 45%, Marketing & Sales and G&A increased 6% and 15% respectively.
- Q3 total expenses were \$22.1 billion, up 19% compared to last year. (Includes Impairment of certain operating leases). Reality Labs expenses were \$4.0 billion, up 24% due primarily to employee-related costs and technology and development expenses. Reality Labs operating loss was \$3.7 billion.
- Free cash flow was \$173 million.
- EPS was 1.64 per Share.

The tech company faces other challenges in its ads business. Apple's privacy changes have made it tougher for businesses to measure the effectiveness of their ads on Facebook and Instagram.



Overview

Market Cap	319.35B
Enterprise Value	278 054B
Total Debt	\$25,900.00M
Cash	\$41,776.00M
Shares Outstanding	2,651,548,674
Beta	1.14
52-Week Range	88.09 - 352.71
PE Ratio (TTM)	11.69
EPS	10.30

Revenue

Sales per Business		
Family of Apps	115 655.00	98.1%
Reality Labs	2 274.00	1.9%

Meta vs Dow



Financial Highlights

Income Statement

Title	Sep 30, 22	Jun 30, 22	% Change Q-o-Q	Sep30'21	% Change Y-o-Y
Total Revenue	27,714	28,822	-3.8%	29,010	-4.5%
Gross Profit	22,031	23,630	-6.8%	23,239	-5.2%
Operating Income	6,077	8,358	-27.3%	10,423	-41.7%
Net Income	4,395	6,687	-34.3%	9,194	-52.2%

Title	META Q3
Gross margin TTM	80.33%
Operating margin TTM	30.09%
Net Profit margin TTM	24.41%
Return on Investment TTM	19.62%
RoE	23.32%
RoA	14.82%

Balance Sheet

Title	Sep'22	Jun'22	Mar'22	Dec'21
Total Assets	1,78,894	1,69,779	1,64,218	1,65,987
Total Liabilities	54,800	44,012	40,990	41,108
Total Equity	1,24,094	1,25,767	1,23,228	1,24,879

Title	META
Quick Ratio MRQ	2.34
Current Ratio MRQ	2.57
Total Debt to Equity MRQ	21.34%

Cash flow Statement

Title	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Cash From Operating Activities	9,692	12,196	14,076
Cash From Investing Activities	-9,701	-6,959	-4,779
Cash From Financing Activities	2,147	-6,563	-10,660
Net Change in Cash	1,773	-1,875	-1,512
Free Cash Flow	-840.88	3,876.75	7,746.50

Valuation & Outlook

The management anticipates overall revenue for Q4'22 to be in the \$30–\$32.5 billion range. Additionally, the company anticipates that operational expenses will account for the minor majority of the dollar increase in expenses in 2023, with cost of revenue accounting for the remaining increases. Their expenditures in data centres, servers, and network infrastructure are what are causing their capex to be in the \$34–\$39 billion range. The majority of their capital expenditure rise in 2023 is being driven by an increase in AI capacity. The projected Q4 earnings per share is 2.54. The expansion of AI capacity and investments in our data centre footprint, according to the management's commentary, are the two major investment areas that are now driving the company's investment cycle.

With recent release of the expensive Meta Quest Pro headgear, Meta has been pouring billions of dollars into its metaverse projects (USD 1,500). According to Variety, the corporation also revealed that a more affordable, customer-oriented next-generation Quest will debut in 2023. However, Meta's Reality Labs segment, which consists of its wearables, augmented reality, and VR companies, is still years away from making a profit and has hurt overall financial results. Based on relative value, the target price is determined to be between **\$146 and 149**.