

Company: Meta Platforms	Ticker: META	Price: \$632.90	Industry: Social media/Advertising
Target Price: \$813 Stop Loss: \$506 (~20%) 52 Week H/L: \$796.25/\$479.80	Trailing P/E: 26.38 Forward P/E: 24.63 EPS (TTM): \$9.58	Market Cap: \$1.83T Avg. Volume: 14.6M Div Yield: 0.34%	
Company Description			
Meta is the biggest social media company and is in the Magnificent 7. It operates Facebook, Instagram, WhatsApp, Messenger, and many others. The company primarily generates revenue via advertising on its core family of apps (FoA) and its business messaging. Additionally, the company develops new tech via its Reality Labs division.			
Industry Review:			
Global advertising spend reached \$1.17T in 2025, a 7.4% increase YoY. Meta is expected to capture 15.7% of total global ad spend, resulting in ~\$184B in revenue. Additionally, Meta holds 60% of the \$306B spent in 2025 on social media ads.			
Competitive Analysis:			
Meta competes with several public and private companies such as Tik Tok and Microsoft (YouTube). Meta reached 3.54 billion daily users across its FoA with Instagram alone attracting ~3B monthly average users (MAU's) and generates \$1.02 in revenue per person-hour. In comparison, Tik Tok attracts ~1.6 B MAU's and only generates \$0.19 in revenue per person-hour.			
Investment Thesis			
Recently, Meta has experienced a significant ~17% drop after its earnings call. This is largely due to the increased amount of debt the company has raised and the one-time 87% tax rate impact on NI and EPS. This provides a unique opportunity to invest in the company on a significant downturn which was caused by something that does not really impact the fundamental business of the company.			
Risks			
<ul style="list-style-type: none"> • Large AI Spend Compressing Margins → AI shows positive impact on profitability, and the company has funds to pay down added debt. • Competition w/ TT and YouTube → Meta has strong scale and cross platform ad supply, additionally, AI enhancement improves engagement and ad revenue. 			

Equity value per share		Long term growth rate (g):				
	952.95	1.0%	1.5%	2.0%	2.5%	3.0%
	11.0%	778.97	805.75	835.51	868.77	906.18
	10.5%	825.37	856.12	890.49	929.16	972.99
WACC:	10.0%	877.45	912.98	952.95	998.25	1,050.02
	9.5%	936.25	977.57	1,024.40	1,077.93	1,139.68
	9.0%	1,003.07	1,051.49	1,106.83	1,170.69	1,245.19

