



**NASDAQ: META**  
**Comm Services Group**  
**Husky Traders**  
**Winter '26**



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Analyst



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Analyst

1

## AI-Driven Advertising Optimization

Advanced AI systems improve content relevance and advertising performance simultaneously, driving sustained revenue growth

2

## Vertical Integration Efforts

Energy deals, data center projects, and in-house chips reduce costs and establish durable competitive advantages in AI workloads

3

## Wearables Demand Expansion

Leading smart glasses market share creates data flywheel and scale advantages that strengthen positioning for future AR experiences

**Recommendation: BUY**

**Target Price: \$752.76**

*Upside: 15.2%*



# Company Overview

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# Meta Platform Ecosystem Overview



Meta operates a global portfolio of social media platforms and immersive hardware

## Business Overview

- Meta's social media apps collectively serve over 3.5B daily active users—**45% of the world's population**
- The company generates most of its revenue from advertising sold across its **Family of Apps (FoA)**, with the remainder coming from **AI-enabled wearables** and augmented reality products

## Executive Management



**Mark Zuckerberg**  
Founder,  
Chairman and  
CEO



**Dina Powell McCormick**  
President and Vice  
Chairman

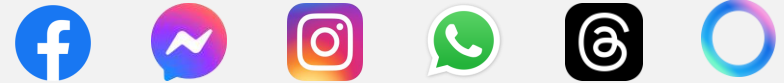


**Andrew Bosworth**  
Chief Technology  
Officer

## Revenue Breakdown

### Family of Apps (99% FY25 Revenue)

Meta generates FoA revenue through an auction system where advertisers bid to reach targeted audiences, and AI-driven algorithms optimize ad delivery based on price, relevance, and predicted user engagement

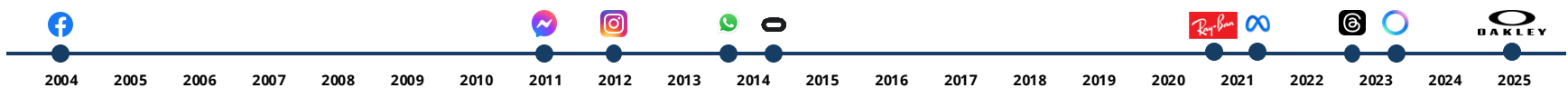


### Reality Labs (1% FY25 Revenue)

Meta generates Reality Labs revenue through sales of AI-powered smart glasses and virtual reality headsets



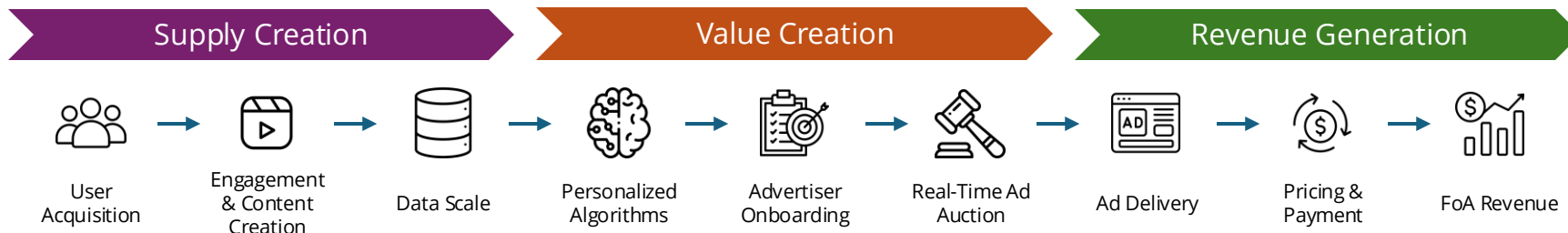
## Historical Timeline



# Financials Overview

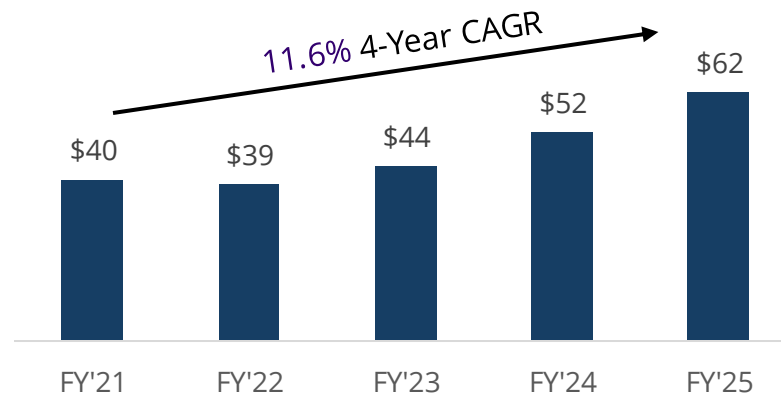
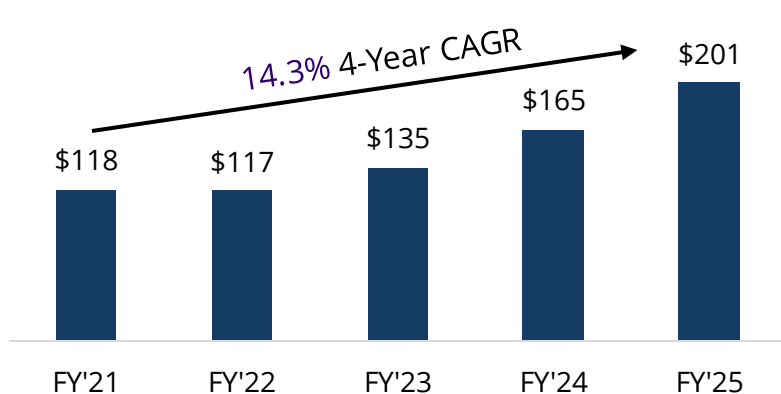
High-margin core business funds long-term AI investment

## How Meta Makes Money



Total Revenues (\$Bn)

Global Average Revenue Per User (ARPU)



## FY'25 Profitability Snapshot

**41.4%**  
Operating Margin

**30.1%**  
Profit Margin

**\$46 Bn**  
Free Cash Flow

**22.8%**  
ROIC



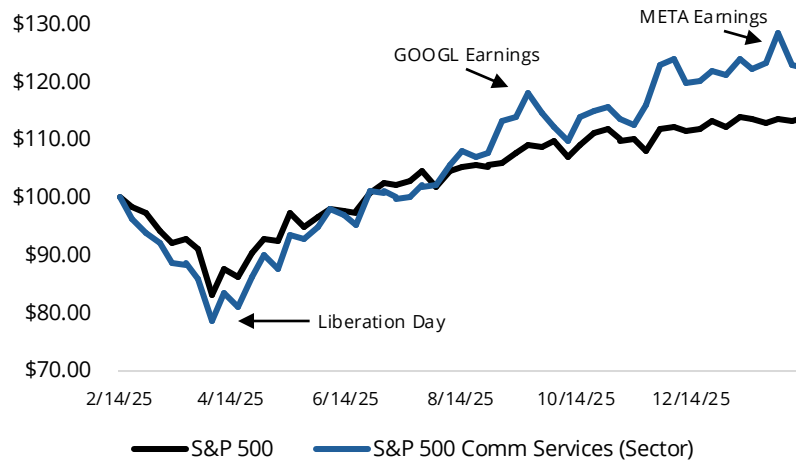
# Industry Overview

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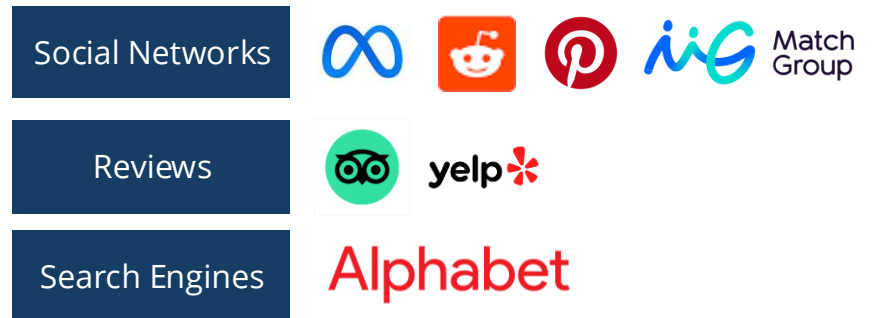
# Industry Overview

Meta operates within the Interactive Media & Services subsector which monetize user engagement by enabling digital interaction and selling targeted advertising and commerce services

## S&P 500 vs Comm Services TTM Return



## Interactive Media & Services Segmentation



## Key Subsector Growth Drivers

AI powered hyper-personalization

Interactive ads

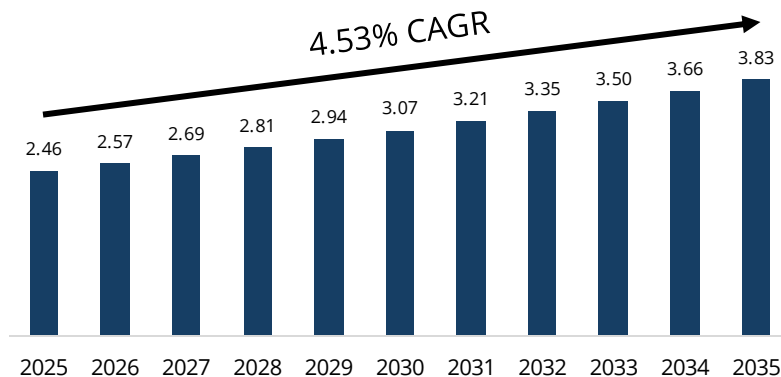
Monetary diversification

## Subsector Headwinds

Antitrust scrutiny of market power

Privacy regulations constrains ad targeting

## Communication Services Market Size (\$ Bn)





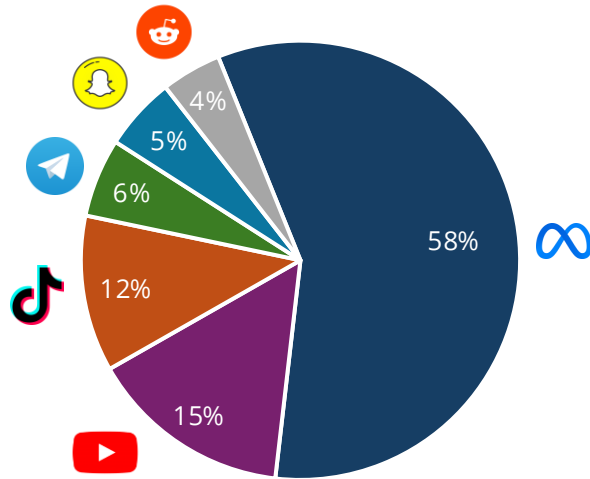
# Competitive Positioning

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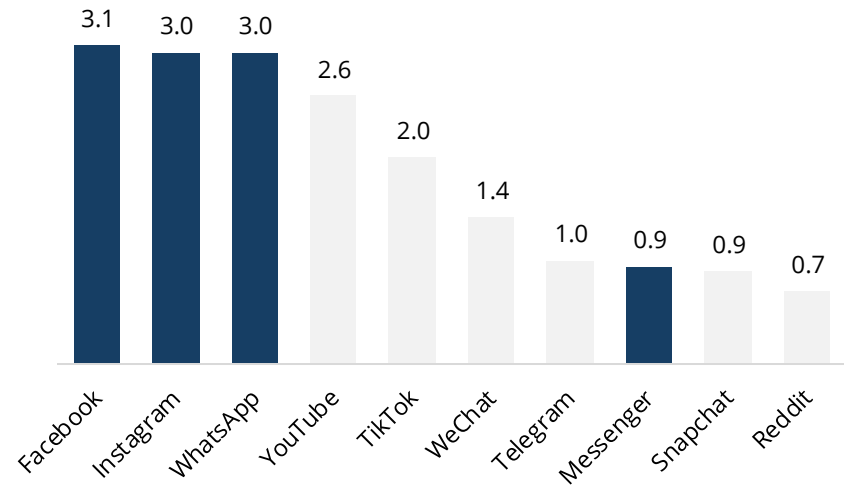
# Competitive Positioning

Meta operates in a highly competitive digital advertising sector

## Market Share by Monthly Active Users (MAUs)



## Monthly Active Users by Platform (Bn)



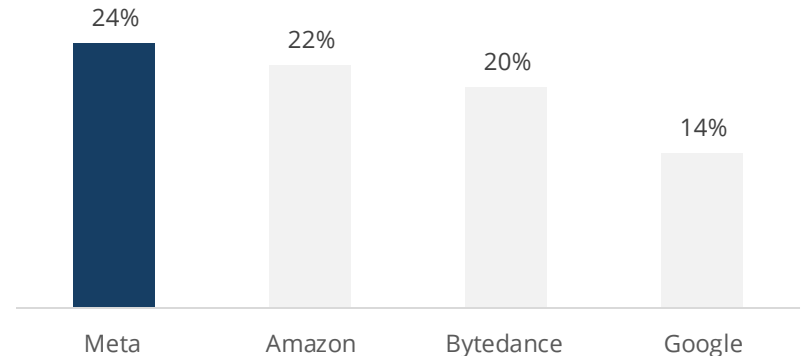
## Competitive Trends

Emerging **dominance** in digital media of **short-form content**, **user generated content**, and AI Optimized recommendation systems

**Meta**, **TikTok** and **YouTube** have been adopting higher rates of short-form content and stronger DLRM's over the past 5 years

TikTok has been growing rapidly 2x users in past 5 years while **Meta captures more than 77% of internet users and nearly half the earth's population**

## FY24/25 YoY Advertising Revenue Growth





# Investment Thesis

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## **AI-Driven Advertising Optimization**

Advanced AI systems improve content relevance and advertising performance simultaneously, driving sustained revenue growth

2

## **Vertical Integration Efforts**

Energy deals, data center projects, and in-house chips reduce costs and establish durable competitive advantages in AI workloads

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## **Wearables Demand Expansion**

Leading smart glasses market share creates data flywheel and scale advantages that strengthen positioning for future AR experiences

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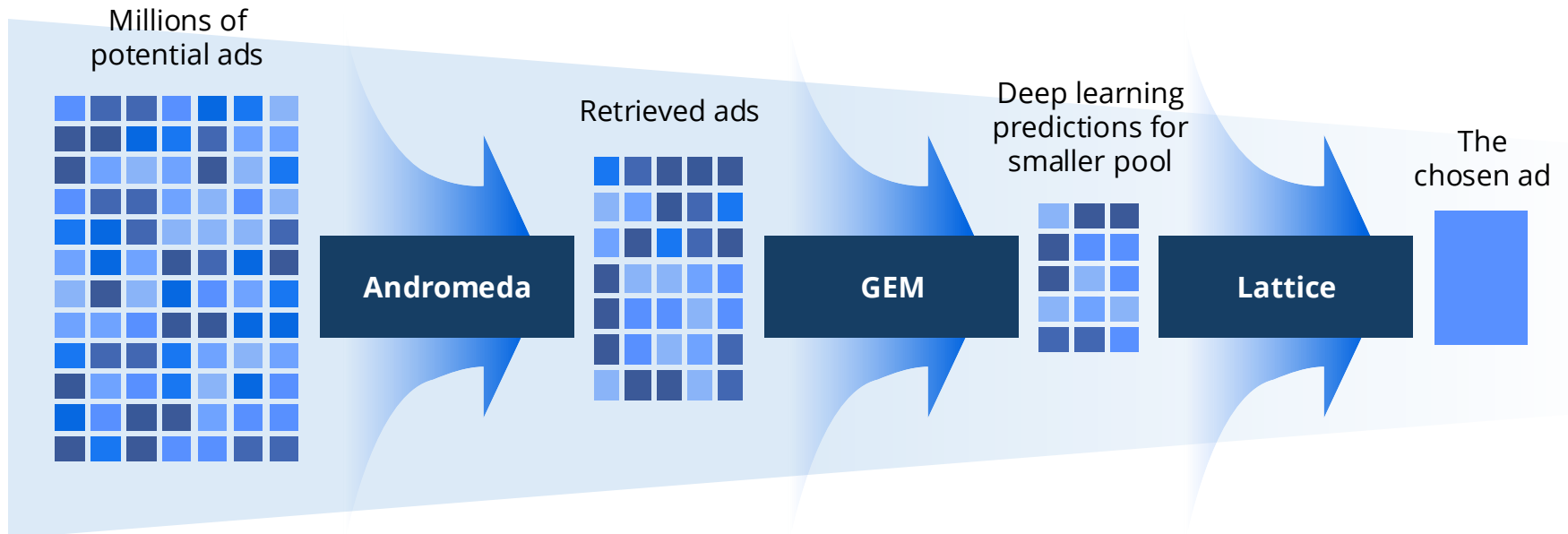
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# Meta's Ad Retrieval and Ranking System

Meta's latest updates Andromeda, GEM, and Lattice decide the who, what, when and where of ads, driving optimal delivery and and scalable automation

## Meta's new AI-driven ad selection process



### System Efficiency

The three stages allocate computational budget strategically: Andromeda prioritizes speed at scale while GEM focuses compute on deep analysis

By separating retrieval, ranking, and optimization, each component can be independently upgraded and rapidly deployed without rebuilding the whole system

### Results of Scale and Efficiency

**+8-12%**  
Ad quality

**+5%**  
Conversion rates  
on Facebook

**4x**  
System  
Efficiency

# Andromeda Overview

Smarter ad retrieval drives higher engagement and revenue

## Model Overview

Andromeda is a large-scale machine learning system that powers the first stage of Meta's ad recommendation process, filtering tens of millions of ads in real time to find the most relevant ones

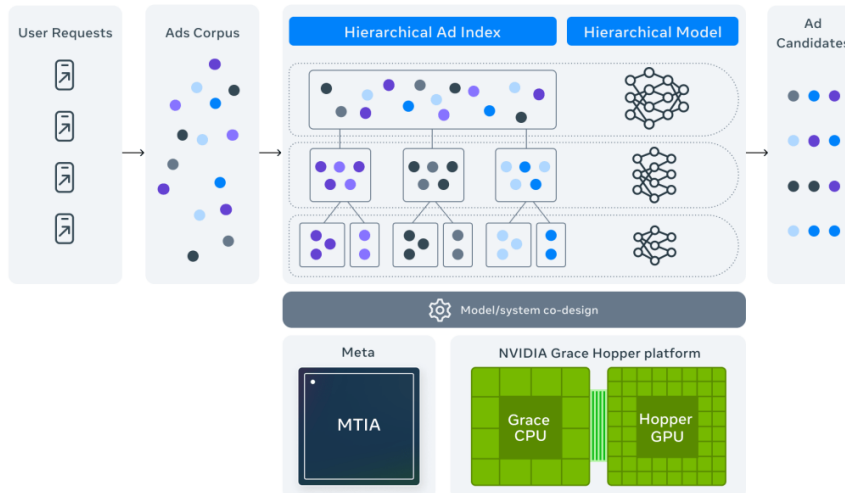
Designed to handle massive growth in AI-generated and automated ads while improving personalization, efficiency, and return on investment across Meta's advertising platform

## Scaling Initiatives



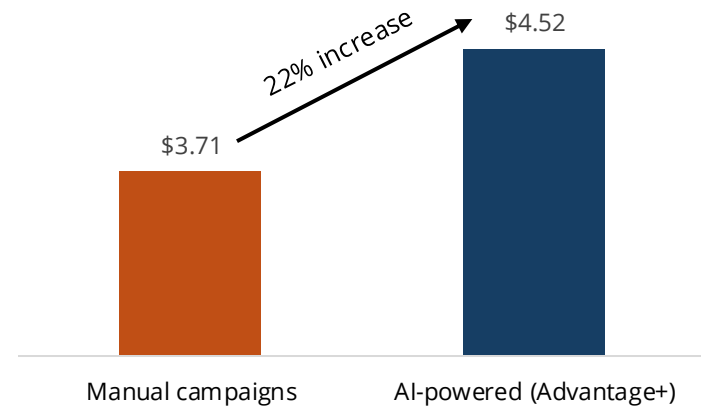
Ads retrieval engine expanded across platforms, nearly tripling compute efficiency

## Model Workflow



## Performance Impacts

Average ROAS for Every \$1



# Generative Ads Model (GEM) Overview

Personalized recommendations increase conversions and ad spend

## Model Overview

Meta's GEM is a large foundation model that powers and improves Meta's ads recommendation system across Facebook and Instagram

It scales across thousands of GPUs and transfers its knowledge to other ad models to increase personalization and drive higher ad conversions

## Scaling Initiatives



Facebook Reels



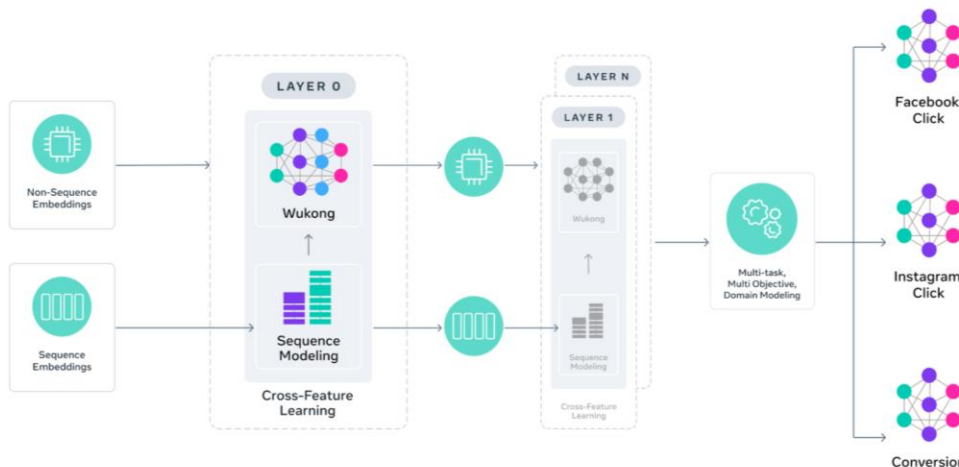
2x GPU



New Sequence Learning

Scaled GEM training, introduced a more efficient sequence model, and expanded to Facebook Reels.

## Model Workflow



## Performance Impacts

Advertisers

Higher ad conversions  
IG +5%, FB +3%

**Enhanced Advertiser ROI:** Higher campaign performance encourages increased advertising budgets

**Optimized Ad Inventory Utilization:** Greater user engagement generates more impressions and billable ad opportunities

FoA Users

Improved content discovery

1

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# Vertical Integration Overview

## How Meta introduces vertical integration

### What vertical integration looks like

- Meta is vertically integrating its AI infrastructure stack, from chips to data centers to energy
- Meta controls every layer powering its AI and advertising engine, positioning the company to scale AI and ads infrastructure at structurally lower cost

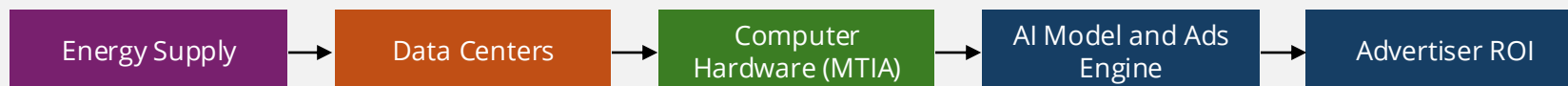
### Why this matters to investors

Fixed Energy Costs to hedge against supply shocks

Larger batches of AI compute and faster deployment

Lower margin pressure from in-house chips

## Vertical Integration Flow



### Energy Supply

Diversified long-term sustainable energy deals

### Data Centers

Delivering more compute through infrastructure expansion

### Computer Hardware (MTIA)

Long-term focus on reducing AI compute costs

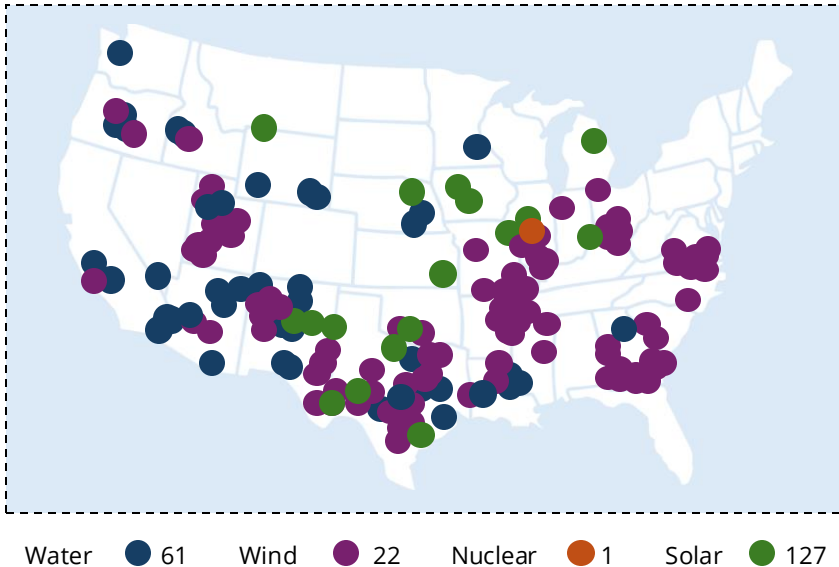
# Securing Long-Term Energy Supply

Meta is capturing long-term and sustainable energy deals

## Efficient Energy Focus

- Focus on clean long-term purchase agreements securing large solar and wind projects
- Making deals, securing long-term investments in 24/7 low-carbon nuclear energy
- AI Optimized AALC prevents costly cooling rebuild

## Energy Map



## Energy Deals

• Zelestra

1.2 GW dc solar deal 2028

CORNING

\$6Bn fiber optic partnership

VISTRA

20 Year 2.5+ GW nuclear purchase

OKLO

1.2 GW nuclear purchase 2034

TerraPower

2.4 GW nuclear purchase 2032

Meta utilizes pre-payment model for predictable fixed energy costs

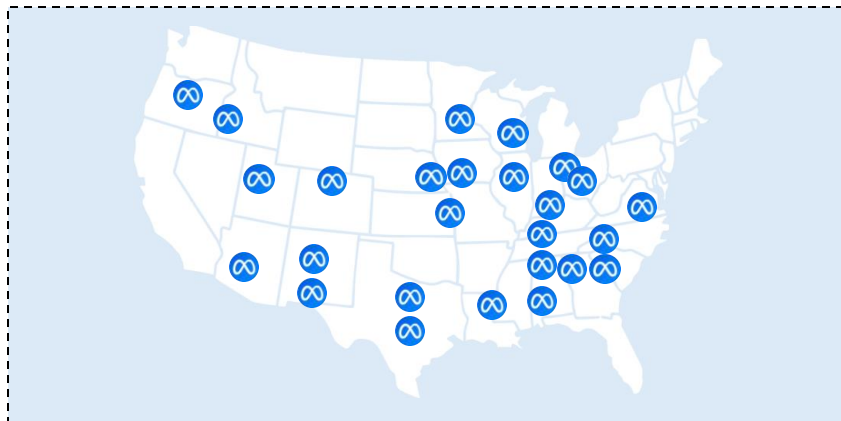
# Scaling Data Center Infrastructure

## Aggressive data center expansion to support AI roadmap

### Data Centers Project Outlook

- Meta's "Full Stack" ownership from software to hardware allows more efficient model builds and can directly push models
- Data Center capacity build-out allows for larger rack compute, producing more effective models and driving revenue growth

### US Data Centers Fleet



### Data Center Growth Drivers

Larger batches of AI compute

More complex recommendation models

Faster model roll-out

### Data Centers Portfolio



#### Prineville, Oregon

\$2Bn+ investment with 1 GW of capacity  
2010 break ground



#### Altoona, Iowa

\$2.5Bn+ investment with 1 GW of capacity  
2013 break ground



#### New Albany, Ohio

\$1.5Bn+ investment with 1 GW of capacity  
2017 break ground

### RECENT PROJECTS



#### Richland Parish, Louisiana

\$10Bn+ investment with 2.5 GW of capacity  
2024 break ground  
\$27Bn joint venture with Blue Owl Capital



#### Lebanon, Indiana

\$10Bn+ investment with 1+ GW of capacity  
2026 break ground

# MTIA Drives Next Generation AI Performance



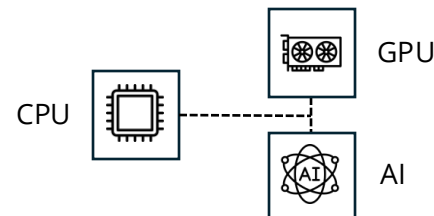
Meta accelerates in-house AI chip roadmap with next-gen MTIA

## What MTIA is

- Meta's in-house AI chip family, designed specifically to run the company's large recommendation and ranking models
- Meta currently have several programs underway aimed at expanding the scope of MTIA, including support for GenAI workloads.

MTIA v2 is already in production and slated to debut in H1 2026, MTIA v3 reportedly tipped for H2 2026 debut

## Offloading Important Compute



CPUs do not provide enough resources for AI workloads, accelerators (MTIA) provide more compute power

## Specifications Comparison

	MTIA v1	MTIA v2 (H1 2026 Debut)	MTIA v3 (H2 2026 Debut)
Technology	TSMC 7nm	TSMC 5nm	TSMC 3nm*
Frequency	800MHz	1.35GHz	~1.5GHz*
Area	19.34mm x 19.1mm, 373mm <sup>2</sup>	25.6mm x 16.4mm, 421mm <sup>2</sup>	~23.5mm x 23.5mm, 550mm <sup>2</sup> *
Host Connection	8x PCIe Gen4 (16GB/s)	8x PCIe Gen5 (32 GB/s)	~16x PCIe Gen5 (64GB/s)*
Memory Capacity	Local: 128KB per PE On-Chip: 800GB/s Off-Chip LPDDR5: 176 GB/s	Local memory: 1TB/s per PE On-Chip memory: 2.7 TB/s Off-Chip LpDDR5: 204.8 GB/s	Local memory: 2TB/s per PE* On-Chip memory: 4 TB/s Off-Chip HBM3/3e: 3 TB/s

\* Estimated figures

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# AI Smart Glasses Consumer-Scale Breakthrough



Meta is the first company to reach consumer-scale AI glasses adoption

## Meta AI glasses portfolio



Ray-Ban Meta  
**Wayfarer (Gen 2)**



Oakley Meta  
**Vanguard**



Ray-Ban Meta  
**Skyler (Gen 2)**



Meta Ray-Ban  
**Meta Ray-Ban Display**

## Drivers of Meta AI Glasses' Consumer Scale Adoption



AI utility and daily relevance

- Reasonable Pricing from \$299 to \$799
- Use Case: Live Translation, Analyze Visual Objects, Messaging, 2-Way Video Calling, Real-Time Assistant
- Hands-free UX, Visual Input from Built In Camera
- Multi-modal Capabilities – Open-Ear Audio & Visual (On-Lens Micro Display)



Distribution advantage

- Partnership with **EssilorLuxottica** - Gain Access to Global Optical Retail Network (Stores in 150+ Countries)
- Integrated **prescription-lens** supply chain in Ray-Ban production



Consumer-friendly design

- Lightweight ~70g Frames
- Aesthetic Familiarity & Brand Trust via Ray-Ban Frames



Ecosystem integration

- Seamless Integration with FoA - WhatsApp, Instagram, Messenger, and Meta AI

**3x Sales**

7M+ Units sold (2025)

**73%**

Market share of AI glasses

Display glasses waitlist through 2026

EL plans to **2x** supply target to **20M**

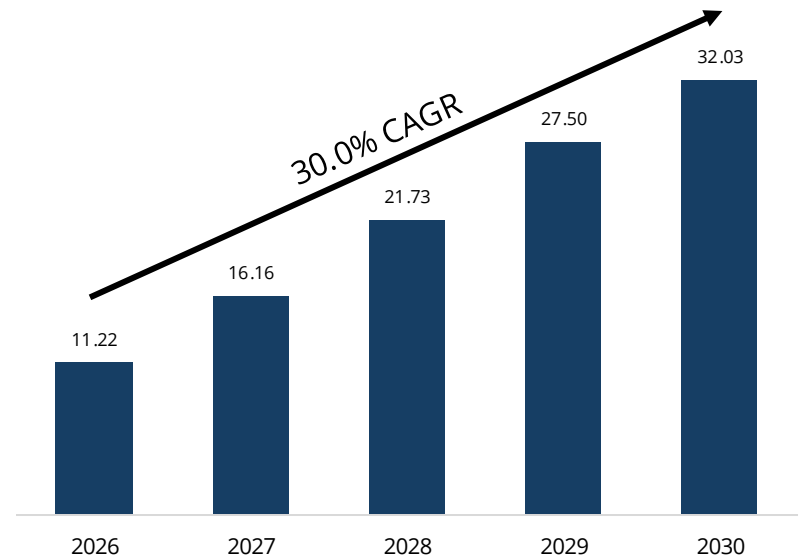
# Well Positioned to Capture Demand Growth

Meta's ongoing investments and early commercial success drive future wearables growth and advantage

## Meta's Early Scale Advantage



## Meta's Expected Wearables Sales (Million Units)



## Meta's ongoing investments

### Name Tag Feature (2026)

- Facial Recognition Feature - Identify people + pull contextual info via Meta AI
- Goal: Differentiate Wearables and Improving Assistant Relevance

### Malibu 2 Smart Glasses (2026)

- Provide Health Tracking & Meta AI
- Ecosystem Addition: Wrist-based controls (more advanced input) for Meta glasses → Less reliance on phones

### Phoenix MR Headset (2027)

- Use Case: Immersive workspaces, gaming, and 3D content consumption.
- Bridges glasses (everyday wearable) & VR headsets (immersive device)



# Valuation

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# Discounted Cash Flow Analysis

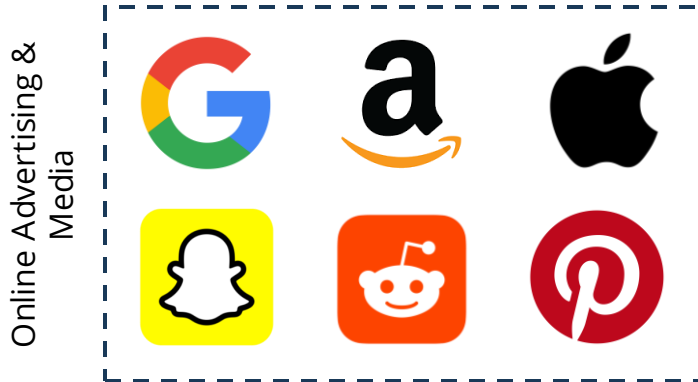
How the investment theses impacted our fundamental valuation

Investment Thesis	Metric Impacted	Linkage to DCF Assumptions
AI-Driven Ad Optimization	Revenue	Elevated revenue growth in 2026E and 2027E
Vertical Integration	Margins	Gradually improving margins from 2026E onwards
Wearables Growth	Revenue	Significantly elevated revenue growth, peaking in 2028E

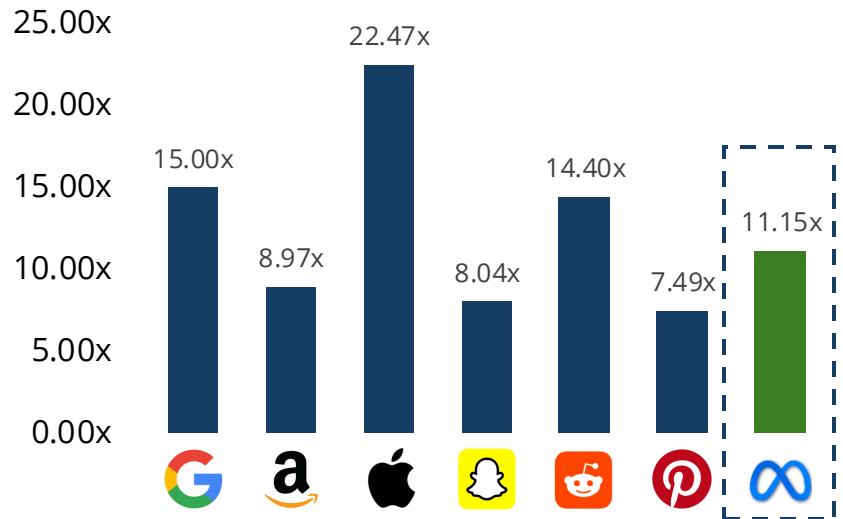
Implied Share Price: <b>\$570.07</b> Upside: <b>-12.8%</b>	<b>8.59%</b> <b>CoE</b>	<b>3.40%</b> <b>CoD</b>	<b>8.46%</b> <b>WACC</b>	<b>1.09</b> <b>Beta</b>	<b>3%</b> <b>PGR</b>
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# Relative Valuation

FY2 EV/EBITDA multiple best captures the nature of Meta's business



### FY2 EV/EBITDA Multiples



Implied Share Price:

**\$935.45**

Upside:

**43.1%**

**8.59%**

**CoE**

**3.40%**

**CoD**

**8.46%**

**WACC**

**1.09**

**Beta**

**3%**

**PGR**

# Valuation Summary

We valued Meta using a 50/50 blended approach of DCF and relative valuation

## Valuation Football Field



## Valuation Method

**50% Weight**

- AI-Driven Ad-Optimization
- Vertical Integration
- Wearables Growth

**50% Weight**

- Median **FY2 EV/EBITDA** multiple of 11.15x

**Blended Implied Share Price:**  
**\$752.76**  
Upside: **15.2%**

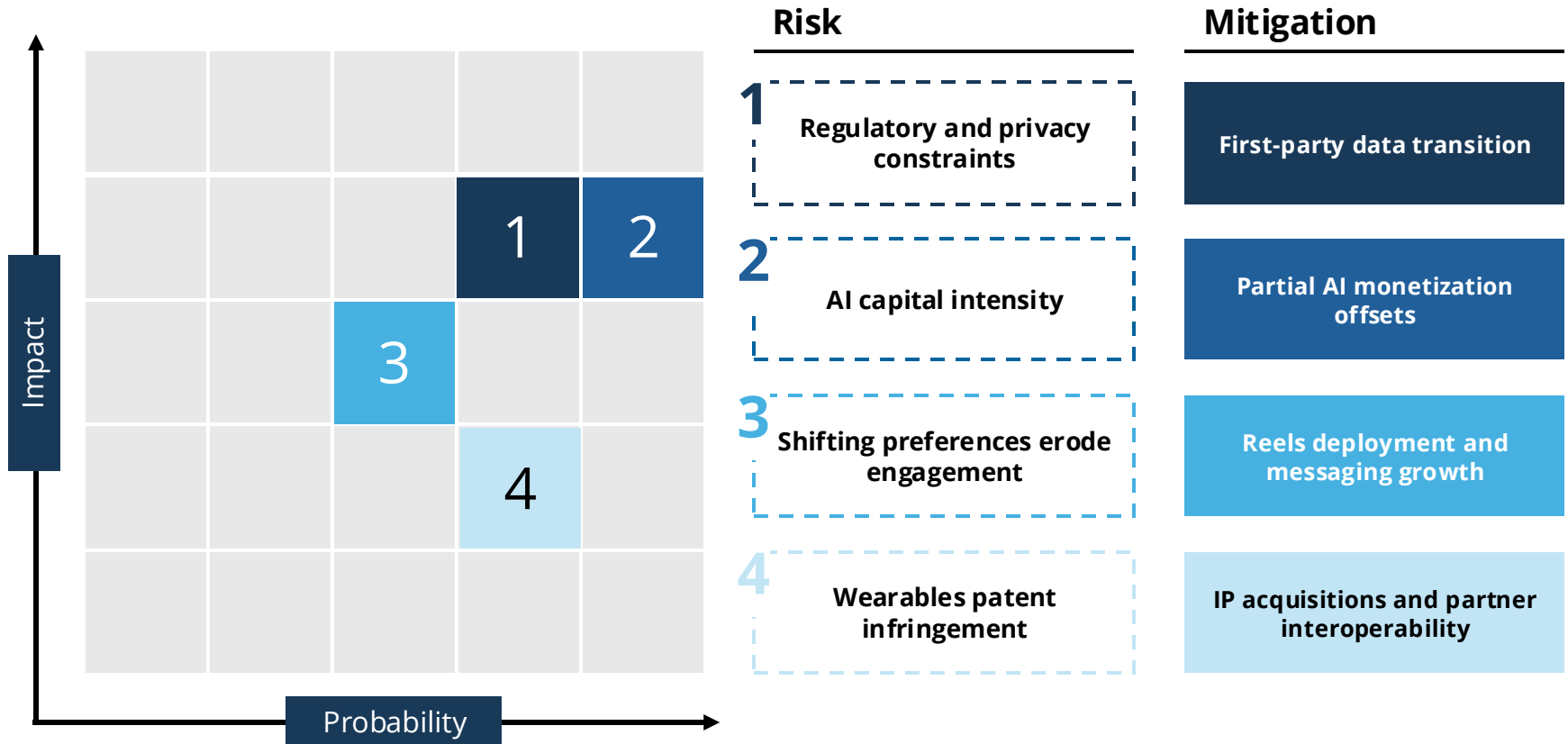


# Investment Risks

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# Investment Risks

## Four key downside risks to our BUY recommendation



# Valuation Sensitivity to Key Risk Factors



## Privacy Regulations

DMA fines and ad targeting restrictions pressure European revenue, Meta's second-largest market

Revenue Headwinds

## AI Capex

Heavy infrastructure spend compresses near-term free cash flow

Decline in FCF

## Shifting Preferences

Attention fragmentation across TikTok and YouTube Shorts threatens core engagement

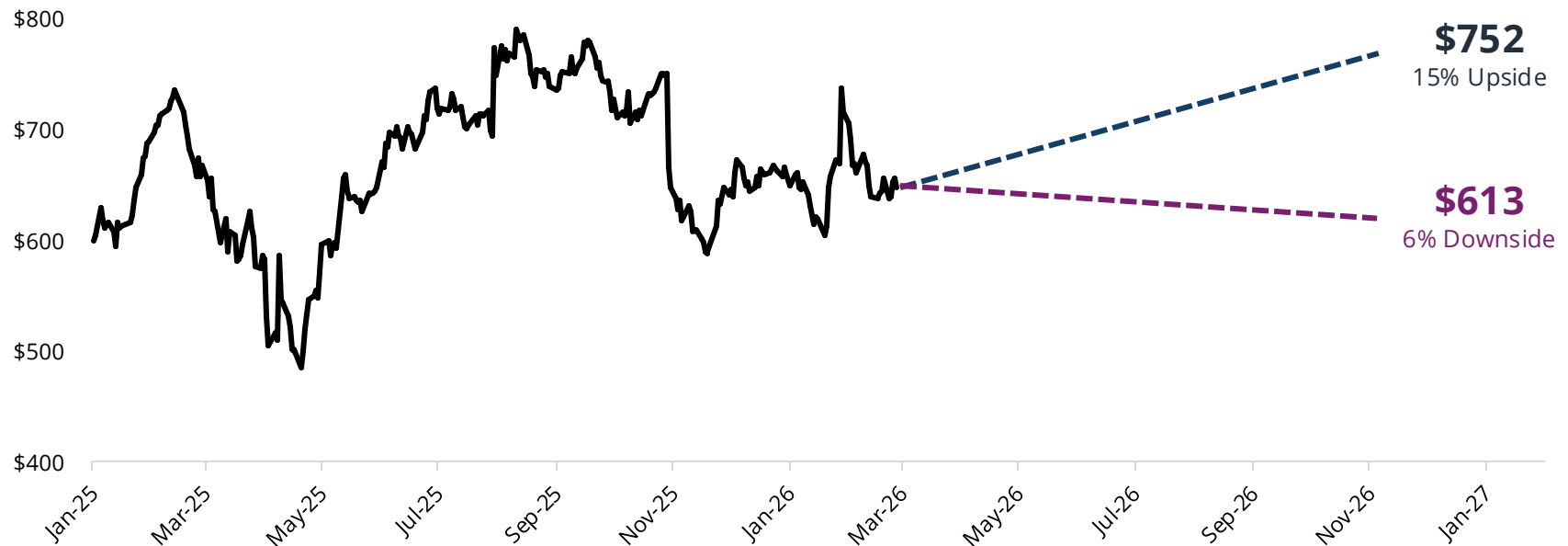
Slower DAU

## Wearables Competition

Costly hardware scaling and growing competition in the AR/AI wearables market

Weights on FCF

## META's Historical Stock Price and Valuation Under Negative Shocks Vs Base Case





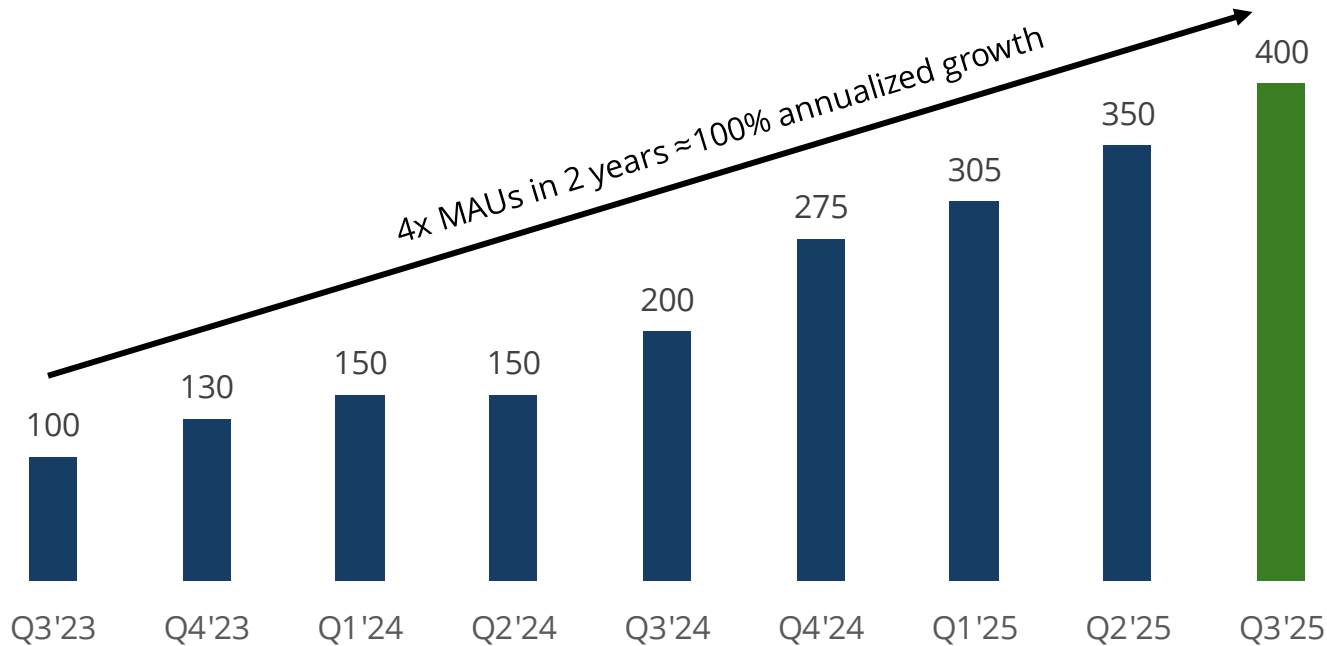
# Catalysts

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# Threads Early Monetization Amidst Rapid Growth

Phased global ad rollout initiated in Q1'26 (per company disclosure)

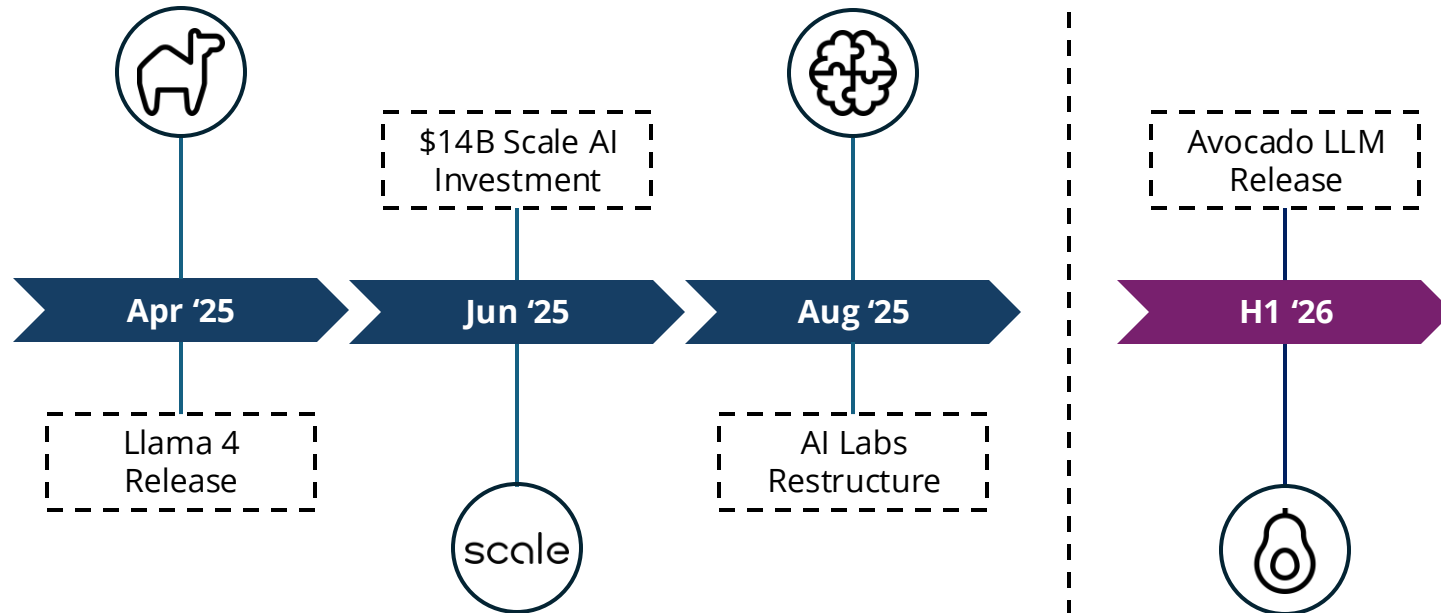
## Threads Monthly Active Users (Mn)



Early-stage ARPU expansion on a rapidly growing 400M MAU base supports multi-billion-dollar incremental revenue potential

# Closed-Source Avocado LLM Release

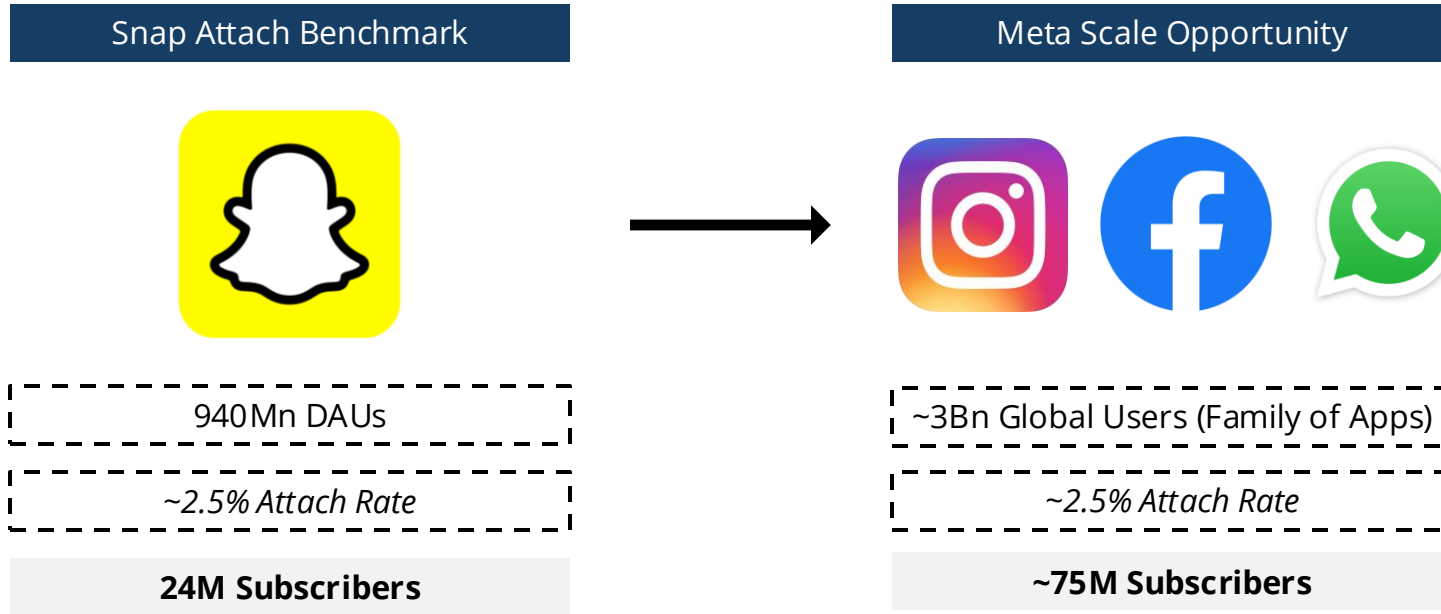
Avocado LLM targeted for H1'26 release (per management guidance)



Positions Meta to compete directly with OpenAI and Gemini for enterprise AI workloads while diversifying beyond advertising into high-margin API revenue

# Premium Subscriptions Offer Incremental ARPU

Premium tiers under development across core apps (per management commentary)



Premium tiers could layer high-margin recurring revenue onto Meta's existing user base, validating AI monetization beyond advertising.

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**Recommendation: BUY**

**Target Price: \$752.76**

*Upside: 15.2%*



# Appendix

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# Discounted Cash Flow Analysis

## Discounted Cash Flow Analysis

(\$ in millions, except per share data)

For Fiscal Year Ending	Stub Period									
	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
<b>Revenue</b>	\$ 117,929	\$ 116,609	\$ 134,902	\$ 164,501	\$ 200,966	\$ 255,177	\$ 309,159	\$ 366,099	\$ 427,662	\$ 492,926
% growth		-1%	16%	22%	22%	27%	21%	18%	17%	15%
Cost of Revenue	\$ (22,649)	\$ (25,249)	\$ (25,958)	\$ (30,162)	\$ (36,174)	\$ (45,422)	\$ (54,412)	\$ (63,701)	\$ (73,558)	\$ (83,797)
<b>Gross Profit</b>	\$ 95,280	\$ 91,360	\$ 108,944	\$ 134,339	\$ 164,792	\$ 209,755	\$ 254,747	\$ 302,398	\$ 354,104	\$ 409,129
% margin	81%	78%	81%	82%	82%	82%	82%	83%	83%	83%
Research & Development	\$ (24,655)	\$ (35,338)	\$ (38,483)	\$ (43,873)	\$ (57,372)	\$ (74,001)	\$ (88,110)	\$ (102,508)	\$ (117,607)	\$ (133,090)
Sales & Marketing	\$ (14,043)	\$ (15,262)	\$ (12,301)	\$ (11,347)	\$ (11,991)	\$ (15,435)	\$ (18,425)	\$ (20,682)	\$ (23,787)	\$ (26,939)
General & Administrative	\$ (9,829)	\$ (11,816)	\$ (11,408)	\$ (9,740)	\$ (12,152)	\$ (16,121)	\$ (18,313)	\$ (19,745)	\$ (22,243)	\$ (24,931)
<b>EBIT</b>	\$ 46,753	\$ 28,944	\$ 46,752	\$ 69,379	\$ 83,277	\$ 104,198	\$ 129,898	\$ 159,463	\$ 190,468	\$ 224,168
% margin	40%	25%	35%	42%	41%	41%	42%	44%	45%	45%
Taxes	\$ (7,914)	\$ (5,619)	\$ (8,330)	\$ (8,303)	\$ (25,474)	\$ (21,882)	\$ (27,279)	\$ (33,487)	\$ (39,998)	\$ (47,075)
% tax rate	17%	19%	18%	12%	31%	21%	21%	21%	21%	21%
<b>NOPAT</b>	\$ 38,839	\$ 23,325	\$ 38,422	\$ 61,076	\$ 57,803	\$ 82,316	\$ 102,619	\$ 125,976	\$ 150,469	\$ 177,093
Plus: Depreciation & Amortization	\$ 7,967	\$ 8,686	\$ 11,178	\$ 15,498	\$ 18,616	\$ 28,003	\$ 35,148	\$ 48,462	\$ 66,732	\$ 81,714
Less: Capital Expenditures	\$ (18,690)	\$ (31,431)	\$ (27,266)	\$ (37,256)	\$ (69,691)	\$ (117,381)	\$ (120,572)	\$ (129,965)	\$ (144,336)	\$ (157,736)
Less: Change in Net Working Capital		\$ 5,508	\$ 3,527	\$ (1,027)	\$ 2,837	\$ (709)	\$ 2,296	\$ 2,380	\$ 2,534	\$ 2,642
<b>Unlevered Free Cash Flow</b>	\$ 6,088	\$ 25,861	\$ 38,291	\$ 9,565	\$ (7,771)	\$ (7,771)	\$ 19,491	\$ 46,854	\$ 75,399	\$ 103,713
<b>WACC</b>	8.46%									
Discount Period						1	2	3	4	5
Discount Factor						0.92	0.85	0.78	0.72	0.67
<b>Present Value of Unlevered Free Cash Flow</b>						\$ (7,165)	\$ 16,568	\$ 36,718	\$ 54,478	\$ 69,087

Perpetuity Growth Method	
TTM Unlevered Free Cash Flow	\$ 103,713
Perpetuity Growth Rate	3.00%
<b>Terminal Value</b>	<b>\$ 1,954,946</b>
Discount Factor	0.67
Present Value of Terminal Value	\$ 1,302,269
Sum of Cash Flows	\$ 169,686
<b>Total Enterprise Value</b>	<b>\$ 1,471,956</b>
Less: Debt	\$ 41,627
Plus: Cash	\$ 81,592
<b>Total Equity Value</b>	<b>\$ 1,511,921</b>
FDSO	2,652
<b>Implied Share Price</b>	<b>\$ 570.07</b>
Upside/(Downside)	-12.8%

Exit Multiple Method	
EV/EBITDA Exit Multiple	11.15x
WACC	8.46%
<b>Terminal Value</b>	<b>\$ 3,409,679</b>
Discount Factor	0.67
Present Value of Terminal Value	2,271,326
Sum of Cash Flows	169,686
<b>Total Enterprise Value</b>	<b>\$ 2,441,013</b>
Less: Debt	41,627
Plus: Cash	81,592
<b>Total Equity Value</b>	<b>\$ 2,480,978</b>
FDSO	2,652
<b>Implied Share Price</b>	<b>\$ 935.45</b>
Upside/(Downside)	43.1%

Blended Implied Share Price	
<b>Perpetuity Growth Method</b>	<b>\$ 570.07</b>
Weight (%)	50%
<b>Exit Multiple Method</b>	<b>\$ 935.45</b>
Weight (%)	50%
<b>Implied Share Price</b>	<b>\$ 752.76</b>
Upside/(Downside)	15.2%

DCF Sensitivity Analysis: Upside / (Downside) - Perpetuity Growth Method								
		Perpetuity Growth						
		2.4%	2.6%	2.8%	3.0%	3.2%	3.4%	3.6%
WACC	8.2%	\$544.20	\$561.70	\$580.50	\$600.73	\$622.59	\$646.26	\$671.98
	8.4%	\$524.13	\$540.34	\$557.71	\$576.37	\$596.46	\$618.15	\$641.65
	8.6%	\$505.36	\$520.42	\$536.52	\$553.76	\$572.28	\$592.22	\$613.75
	8.8%	\$487.78	\$501.80	\$516.75	\$532.73	\$549.84	\$568.23	\$588.02
	9.0%	\$471.29	\$484.36	\$498.27	\$513.11	\$528.97	\$545.96	\$564.21
	9.2%	\$455.77	\$467.98	\$480.96	\$494.77	\$509.50	\$525.25	\$542.12
	9.4%	\$441.16	\$452.59	\$464.71	\$477.60	\$491.31	\$505.93	\$521.56

DCF Sensitivity Analysis: Upside / (Downside) - Exit Multiple Method								
		Exit Multiple						
		9.65x	10.15x	10.65x	11.15x	11.65x	12.15x	12.65x
WACC	8.2%	\$829.81	\$868.68	\$907.55	\$946.41	\$985.28	\$1,024.15	\$1,063.02
	8.4%	\$822.43	\$860.94	\$899.45	\$937.96	\$976.47	\$1,014.98	\$1,053.49
	8.6%	\$815.12	\$853.28	\$891.44	\$929.59	\$967.75	\$1,005.91	\$1,044.07
	8.8%	\$807.90	\$845.71	\$883.52	\$921.32	\$959.13	\$996.94	\$1,034.75
	9.0%	\$800.75	\$838.22	\$875.68	\$913.14	\$950.60	\$988.06	\$1,025.53
	9.2%	\$793.69	\$830.81	\$867.93	\$905.05	\$942.17	\$979.29	\$1,016.41
	9.4%	\$786.70	\$823.48	\$860.26	\$897.04	\$933.83	\$970.61	\$1,007.39

## Beta Calculation

Last Updated: [3/2/2026](#)

Company	Ticker	Levered Beta	D/E	Unlevered Beta
<b>Meta Platforms, Inc.</b>	<b>META</b>	<b>1.21</b>	<b>39.16%</b>	<b>0.92</b>
Alphabet	GOOGL	1.05	16.13%	0.93
Amazon	AMZN	1.24	41.34%	0.93
Apple	AAPL	1.07	102.63%	0.59
AppLovin	APP	2.45	238.27%	0.85
Microsoft	MSFT	1.01	31.54%	0.81
Netflix	NFLX	1.10	63.78%	0.73
Pinterest	PINS	1.42	4.25%	1.37
Reddit	RDDT	1.90	0.79%	1.89
Roblox	RBLX	1.14	432.90%	0.26
Snap	SNAP	1.24	181.60%	0.51
<b>Mean</b>				0.89
<b>Median</b>				0.83
<b>Meta Platforms, Inc.</b>				
Unlevered Beta				0.83
Levered Beta				<b>1.09</b>

# Weighted Average Cost of Capital

## WACC

*(\$ in millions, except per share data)*

Last Updated: 3/2/2026

Assumptions	
Marginal Tax Rate	21%
Levered Beta	1.09
Equity Risk Premium	4.38%
10Y Treasury	4.06%
Default Spread	0.23%
Risk-Free Rate	3.83%
Share Price	\$653.56
FDSO	2,652

Cost of Equity	
Beta	1.09
Implied Equity Risk Premium	4.38%
Risk-Free Rate	3.83%
<b>Cost of Equity</b>	<b>8.59%</b>

Cost of Debt	
Credit Rating	AA-
Risk-Free Rate	3.83%
Default Spread	0.48%
Pre-tax Cost of Debt	4.31%
<b>After-tax Cost of Debt</b>	<b>3.40%</b>

WACC	
Cost of Equity	8.59%
MV of Equity	\$1,733,358.76
After-tax Cost of Debt	3.40%
Market Value of Debt	\$41,627.15
Equity-to-Total Capitalization	97.65%
Debt-to-Total Capitalization	2.35%
<b>WACC</b>	<b>8.46%</b>

# Market Value of Debt



## Outstanding Debt

(\$ in millions, except per share data)

Last Updated: 3/2/2026

Instrument ID	Balance Sheet Amount	Maturity Date	Weight	Maturity	Weighted Average Maturity
30303M8B1 (144A)	\$ 91.90	8/27	0.16%	1.41	0.00
30303M8G0	\$ 2,658.10	8/27	4.51%	1.41	0.06
30303M8L9	\$ 1,500.00	5/28	2.54%	2.16	0.06
30303M8S4	\$ 1,000.00	8/29	1.69%	3.41	0.06
30303M8M7	\$ 1,000.00	5/30	1.69%	4.16	0.07
30303MAB8	\$ 4,000.00	11/30	6.78%	4.66	0.32
30303M8T2	\$ 1,000.00	8/31	1.69%	5.41	0.09
30303M8D7 (144A)	\$ 21.20	8/32	0.04%	6.41	0.00
30303M8H8	\$ 2,978.80	8/32	5.05%	6.41	0.32
30303MAC6	\$ 4,000.00	11/32	6.78%	6.66	0.45
30303M8N5	\$ 1,750.00	5/33	2.97%	7.16	0.21
30303M8U9	\$ 2,500.00	8/34	4.24%	8.41	0.36
30303MAD4	\$ 6,500.00	11/35	11.02%	9.66	1.06
30303M8X3	\$ 4,500.00	11/45	7.63%	19.66	1.50
30303M8E5 (144A)	\$ 1.20	8/52	0.00%	26.41	0.00
30303M8J4	\$ 2,748.80	8/52	4.66%	26.41	1.23
30303M8Q8	\$ 2,500.00	5/53	4.24%	27.16	1.15
30303M8V7	\$ 3,250.00	8/54	5.51%	28.41	1.57
30303MAE2	\$ 6,500.00	11/55	11.02%	29.66	3.27
30303M8F2 (144A)	\$ 6.00	8/62	0.01%	36.41	0.00
30303M8K1	\$ 1,494.00	8/62	2.53%	36.41	0.92
30303M8R6	\$ 1,750.00	5/63	2.97%	37.16	1.10
30303M8W5	\$ 2,750.00	8/64	4.66%	38.41	1.79
30303M8Y1	\$ 4,500.00	11/65	7.63%	39.66	3.03
<b>Total</b>	<b>\$59,000.00</b>		<b>- 100.00%</b>	<b>-</b>	<b>18.63</b>
Base Year Interest Expense	\$1,165				
Pre-Tax Cost of Debt	4.31%				
Weighted Average Maturity	18.63				
Total Book Value Debt	\$59,000.00				
<b>Market Value of Debt</b>	<b>\$41,627.15</b>				

# Revenue Build



## Revenue Build

(\$ in millions, except per share data)

Case
2








For Fiscal Year Ending	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
<b>Total Revenue</b>	\$ 117,929	\$ 116,609	\$ 134,902	\$ 164,501	\$ 200,966	\$ 255,177	\$ 309,159	\$ 366,099	\$ 427,662	\$ 492,926
% growth		-1%	14%	18%	18%	27%	21%	18%	17%	15%
<b>Family of Apps</b>	\$ 115,655	\$ 114,450	\$ 133,006	\$ 162,355	\$ 198,759	\$ 252,424	\$ 305,433	\$ 360,411	\$ 419,879	\$ 482,860
% growth		-1%	14%	18%	18%	27%	21%	18%	17%	15%
Bull Case						32%	24%	20%	18%	16%
Base Case						27%	21%	18%	17%	15%
Bear Case						24%	18%	16%	14%	13%
Consensus						24%	18%	16%	14%	13%
<b>Reality Labs</b>	\$ 2,274	\$ 2,159	\$ 1,896	\$ 2,146	\$ 2,207	\$ 2,753	\$ 3,726	\$ 5,688	\$ 7,783	\$ 10,066
% growth		-5%	-14%	12%	3%	25%	35%	53%	37%	29%
Bull Case						27%	39%	57%	40%	32%
Base Case						25%	35%	53%	37%	29%
Bear Case						22%	32%	47%	33%	26%
Consensus						22%	32%	48%	33%	27%

# Comparable Companies

## Comparable Company Analysis

(\$ in millions, unless otherwise noted)

Last Updated: 3/2/2026

Company	Ticker	Market Cap	Share Price	EV	EV/Revenue			EV/EBITDA			P/E			EBITDA Margin	FCF Margin	Sales Growth YoY
					LTM	FY1	FY2	LTM	FY1	FY2	LTM	FY1	FY2	TTM	TTM	TTM
 META PLATFORMS, INC. (XNAS: META)		1,697,160.9	\$ 653.56	1,700,649.9	8.34x	6.84x	5.78x	16.44x	13.78x	11.15x	22.92x	20.61x	17.84x	51.4%	22.94%	22.2%
 ALPHABET INC. (XNAS:GOOGL)	GOOGL	3,854,155.1	\$ 306.52	3,790,253.1	9.33x	9.39x	8.14x	24.48x	18.02x	15.00x	34.55x	26.83x	22.63x	44.2%	18.2%	15.1%
 AMAZON.COM, INC. (XNAS:AMZN)	AMZN	2,221,699.2	\$ 208.39	2,268,604.2	3.52x	2.82x	2.53x	15.16x	10.99x	8.97x	29.60x	22.62x	18.90x	23.6%	1.1%	12.4%
 APPLE INC. (XNAS:AAPL)	AAPL	4,017,934.4	\$ 264.72	3,963,648.4	9.02x	8.57x	8.03x	25.93x	24.05x	22.47x	34.60x	32.27x	29.46x	35.1%	28.3%	6.4%
 PINTEREST, INC. (XNYS:PINS)	PINS	13,734.1	\$ 17.48	11,268.0	4.74x	2.66x	2.33x	63.34x	8.83x	7.49x	36.33x	12.32x	10.98x	7.5%	27.7%	19.3%
 REDDIT INC. (XNYS:RDDT)	RDDT	28,420.6	\$ 147.04	25,967.0	18.82x	8.38x	6.41x	90.54x	19.86x	14.40x	57.24x	29.49x	21.99x	20.8%	31.1%	69.4%
 SNAP INC. (XNYS:SNAP)	SNAP	8,833.2	\$ 5.26	10,035.8	2.53x	1.50x	1.37x		9.83x	8.04x		11.42x	8.99x		7.4%	10.6%
<b>Mean</b>		1,691,705.4	229.0	1,681,489.5	8.04x	5.74x	4.94x	39.32x	15.05x	12.50x	35.88x	22.22x	18.68x	30.43%	19.51%	22.2%
<b>Median</b>		1,697,160.9	208.4	1,700,649.9	8.34x	6.84x	5.78x	25.21x	13.78x	11.15x	34.57x	22.62x	18.90x	29.33%	22.94%	15.1%



Meta will build hyperscale data centers optimized for both training and inference in support of the company's long-term AI infrastructure roadmap. This partnership will enable the large-scale deployment of NVIDIA CPUs and millions of NVIDIA Blackwell and Rubin GPUs, as well as the integration of NVIDIA Spectrum-X™ Ethernet switches for Meta's Facebook Open Switching System platform



Meta Platforms (META) inked a multi-billion-dollar deal to rent artificial intelligence chips from Google (GOOGL), *The Information* reported, citing a person involved in the talks.



AMD and Meta agree to a definitive multi-year, multi-generation partnership to deploy up to 6 gigawatts of AMD Instinct™ GPUs