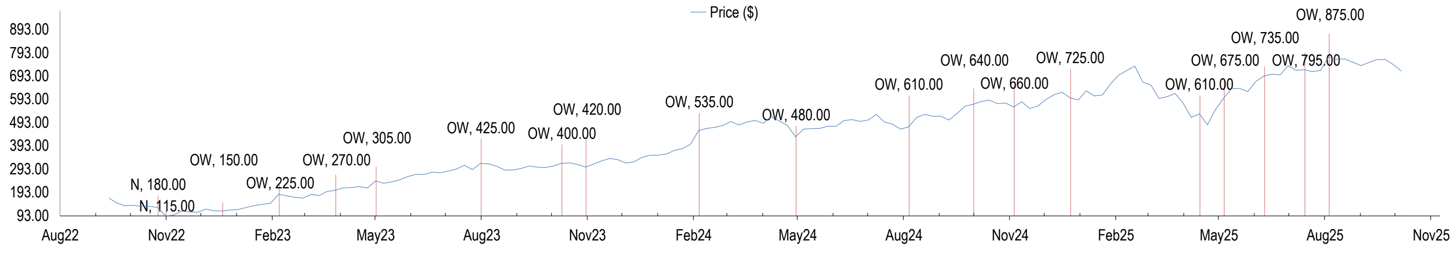
Meta Platforms Inc

10 October 2025

WORLD TRADE SECURITIES
Equity Research

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Overweight	$875.00	31-Dec-26	$705.30	24.06%

Meta Platforms, Inc. operates as a social technology company. The Company builds apps and technologies that help people connect, find communities and grow businesses. Meta Platform is also involved in ads, augmented and virtual reality.



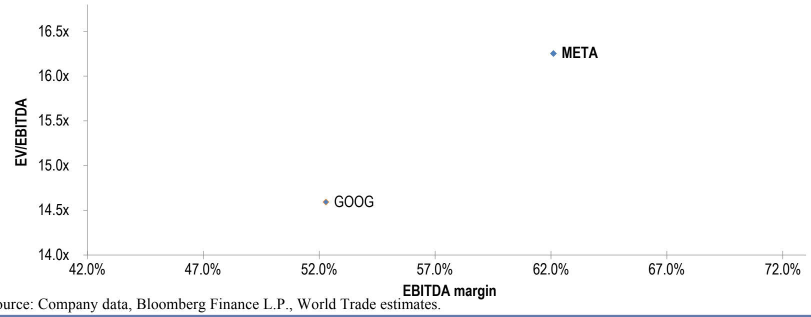
Note: All analysts forecasts are as of last note published on 18-Sep-2025
The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials ($mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	134,902	164,501	198,299	228,389	256,938
EBITDA	77,553	102,275	123,155	139,677	155,669
EBIT	67,414	87,867	104,190	110,906	121,735
Pretax Income	68,091	89,151	108,628	116,443	127,583
Net Profit	55,154	72,183	87,954	94,281	103,301
Total Assets	229,623	276,054	332,991	416,001	511,417
Shareholder Equity	153,168	182,637	230,162	310,545	401,003
Adjusted Net Debt/(Cash)	(47,018)	(48,989)	(24,536)	(31,602)	(46,316)
Capex	(27,045)	(37,256)	(70,616)	(105,059)	(118,191)
Free Cash Flow to firm	44,429	54,651	44,996	30,387	37,910
EPS ($)	14.87	23.86	30.10	31.29	34.17
DPS	n/a	n/a	n/a	n/a	n/a
Key Ratios	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
EBITDA Margin	57.5%	62.2%	62.1%	61.2%	60.6%
EBIT Margin	50.0%	53.4%	52.5%	48.6%	47.4%
Net Margin	40.9%	43.9%	44.4%	41.3%	40.2%
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	NM
FCF Yield	2.4%	3.0%	2.5%	1.7%	2.1%
P/E	47.4x	29.6x	23.4x	22.5x	20.6x
EV/EBITDA	26.0x	19.7x	16.3x	14.1x	12.5x
ROE	39.6%	43.0%	42.6%	34.9%	29.0%

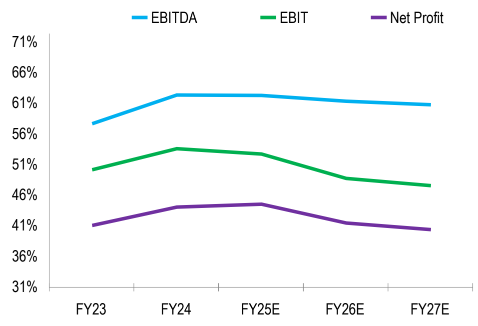
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



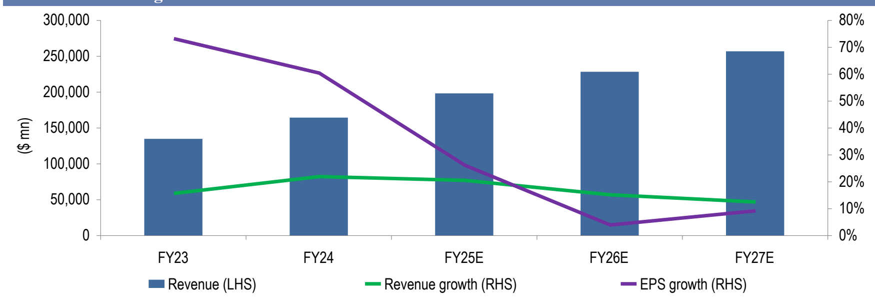
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (META)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	1,812,621
Shares O/S (mn)	2,570
Float	99.9%
Dividend Yield	n/a
EPS ($)	30.10
3M - Avg daily volume (mn)	11.95
52 wk High/Low ($)	796.25-479.80

World EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
30.10	31.29	33.34	35.37

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap ($mn)	EV/EBITDA		P/BV		P/E		ROE	
							FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Local peers														
Alphabet	GOOG	2024/12	03-Sep-25	OW	$260.00	2,896,903	14.6x	12.4x	7.4x	6.1x	23.9x	22.4x	36.7%	34.8%
Global peers														
Baidu.com (BIDU)	BIDU	2024/12	21-Aug-25	N	$85.00	34,688	3.4x	2.4x	1.0x	0.9x	14.7x	20.2x	8.4%	6.6%
Tencent (0700)	0700.HK	2024/12	10-Sep-25	OW	HK$685.00	797,412	14.6x	11.5x	4.4x	3.6x	26.4x	21.4x	22.1%	22.5%
Meta Platforms Inc	**META**	**2024/12**	**18-Sep-25**	**OW**	**$875.00**	**1,812,621**	**16.3x**	**14.1x**	**7.9x**	**5.8x**	**23.4x**	**22.5x**	**42.6%**	**34.9%**
Median							14.6x	12.0x	5.9x	4.7x	23.6x	21.9x	29.4%	28.6%
Mean							12.2x	10.1x	5.1x	4.1x	22.1x	21.7x	27.5%	24.7%
High							16.3x	14.1x	7.9x	6.1x	26.4x	22.5x	42.6%	34.9%
Low							3.4x	2.4x	1.0x	0.9x	14.7x	20.2x	8.4%	6.6%

Source: Company data, World Trade estimates.

Investment Thesis

We believe Meta's virtual ownership of the social graph, strong competitive moat, and focus on the user experience position it to become an enduring blue-chip company built for the long term. Meta is in rarefied air across the combination of scale, growth, and profitability, as the company's massive reach and engagement continue to drive network effects, and its targeting abilities provide significant value to advertisers. Meta is also focused on the two big tech waves of AI and Metaverse, and it will spend into those major growth opportunities while also remaining disciplined. We recognize these L-T ambitions are driving increasing infrastructure investments to get ahead of a multi-year capacity ramp, but despite the heavy investments, we project solid revenue & EPS growth in '26, and Meta has a strong track record of driving returns on increased spending.

Valuation

Our December 2026 PT of $875 is based on ~25.5x our 2027E GAAP EPS of $34.17, further supported by our DCF model. We apply a premium to the SPX as we have greater confidence in Meta's strong top-line growth and ongoing cost efficiencies, and a premium to GOOGL trading at ~21x 2027E GAAP EPS multiple due to given META's faster topline growth and strong execution. We use this valuation approach as we believe it appropriately balances Meta's valuation relative to its growth and industry peers. Our DCF results in an estimated value of $875 per share and employs an ~12% WACC, ~66x terminal FCF multiple, and a +8% terminal growth rate.

Risks to Rating and Price Target

Downside risks include: **1)** slowing engagement, especially in younger demo and more mature markets; **2)** the macro backdrop remains uncertain and volatile; **3)** Reels structurally slower scroll speed and potentially lower monetization L-T; **4)** competition for online and mobile ad dollars from Google, TikTok, and other online advertising companies; **5)** metaverse & AI investments are heavy, while monetization lags; **6)** share structure and Mark Zuckerberg's control; & **7)** worse than expected impact from regulatory changes.