



Communications

Meta (NASDAQ: FB)

Recommendation: **BUY**

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Current Price \$341
Target Price \$400-\$410

Investment Thesis

Company Overview

Meta Platforms Inc., formally known as Facebook Inc., operates as a global social technology company. Meta operates as a medium for users to connect, share, and interact. Meta is the parent company to Facebook, Instagram, WhatsApp, Oculus, and other subsidiaries.

We recommend a **BUY** rating for Meta. Meta will continue to experience growth with its advertisement revenue and the introduction of the Metaverse. Meta offers a 15%-17% upside to its investors with it being the parent company to top social media platforms.

Stock Performance Highlights

52 week High	\$384.33
52 week Low	\$244.61
Beta Value	1.27
Average Daily Volume	20.47 m

Share Highlights

Market Capitalization	\$948.274 b
Shares Outstanding	2.37 b
Price/Sales (ttm)	\$8.75
Price/Book (mrq)	\$7.11
EPS (ttm)	\$13.97
P/E Ratio	24.39

Company Performance Highlights

ROA	18.57%
ROE	32.10%
Profit Margin	35.88%

Financial Ratios

Current Ratio	4.23
Debt to Equity	9.91

Drivers of Thesis:

-Meta is the most established social media advertisement platform. Meta has 2.91 B monthly active users, which helps fund its large revenue stream by attracting advertisers. Their monthly active users are expected to grow in the coming years, which will continuously increase revenue.

-Immersion into augmented virtual reality. Meta has recently announced its plans to enter the realm of virtual reality with the metaverse. The metaverse is the supposed successor of the internet and management is expecting the rollout of this virtual universe to create a digital economy which will allow users to buy and sell goods, partake in immersive experiences and create virtual goods. The metaverse is expected to have 1 billion users.

Risk of Thesis:

-Only one main source of revenue. Meta depends on one main source of revenue, advertising, which accounts for 97% of its total revenue. The other 3% is from payments and fees received which comes from delivery of consumer hardware devices and fees Meta receives from other companies using its payments infrastructure.

-Social media competition. Meta is currently competing in the acquisition of the second generation of social media users with Twitter and Snapchat, which are the other popular social media platforms not owned by Meta. Meta was able to buy Instagram with 500 million daily active users, but failed to buy Snapchat, which is approaching 300 million daily active users.²¹

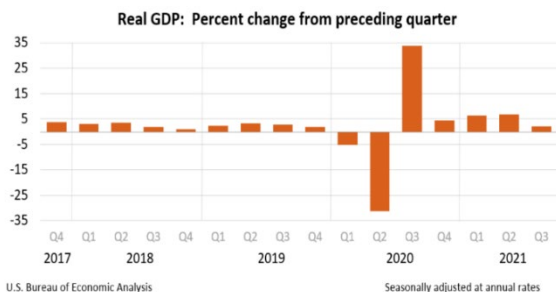


Economic Outlook

Gross Domestic Product (GDP)

Real gross domestic product is an inflation-adjusted measure that corresponds to the value of the goods and services produced by an economy throughout any given year. Furthermore, this number reflects the economy's overall health. Having a strong economy bodes well for corporations, since there is excess cash to be used, which in turn allows companies to allocate more resources towards growth. GDP closely correlates to the communications sector, because the main stream of revenue is advertising. Expenditures on advertising alone accounted for \$5.8 T in consumer sales, which is 16% of the overall sales in the U.S.⁸ When the economy is prospering, businesses have more resources for spending on advertisements and when the economy is not prospering, businesses look for methods to cut back on spending, which in turn leads to cuts in advertising spending.

Although the pandemic still looms large, COVID-19 cases have drastically decreased because of vaccine rollouts, and the U.S. has been returning to normal. Real GDP growth bounced back in the first two quarters of 2021. In Q3 though, real GDP growth fell to 2%, due to rising inflation and slower growth in job creation. We expect to see a 5% increase in real GDP by year end.²⁴



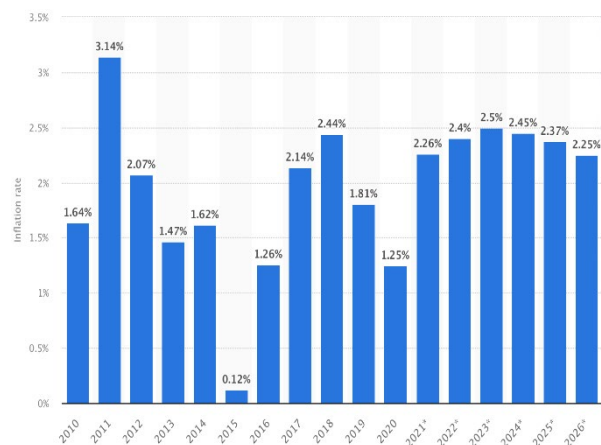
With marketing spending playing a significant role in GDP, Meta can expect to see an increase with advertising, which makes up 97% of the company's revenue.⁹

Inflation Rate (CPI & PPI)

The Consumer Price Index (CPI) measures the average change in prices over time paid for goods and services by consumers monthly. The Producer Price Index (PPI) measures the average change over time in selling prices received by domestic producers of goods and services. Both indexes are often used to measure the rate of inflation.

Inflation has a major impact on the economy from the perspective of consumer spending, and the performance of companies.

The inflation rate reflects how the economy is doing and whether businesses are producing, and consumers are spending money on goods and services. In the long term, we expect inflation to continue the trend of steadily decreasing by 0.1% each year and end up annually around 2.4%.¹¹ The sudden increase in inflation is a temporary reaction to reopening from the pandemic, which has caused demand to increase exponentially while supply chains have been thrown into disarray due to COVID-19 protocols and disruptions. In the short term, supply chain disruptions are expected to continue for the next year, while monthly inflation rates will continue to rise and hover around 5%.²⁵



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Consumer Confidence Index (CCI)

The consumer confidence index (CCI) is a survey that measures how optimistic or pessimistic consumers are regarding their expected financial situation. The CCI assumes when customers are

optimistic, they will spend more money and stimulate the economy but if they are pessimistic, then their spending habits could lead into a recession. We predict that CCI will drop between 112-105 next month. Over the coming 6 months, we predict CCI to drop below 100. Although a short-term bearish trend will occur, over the next 2-3 years we expect CCI to bounce back and eventually create new all-time highs.⁶ These predictions were made based off of the current rise in inflation, causing prices to increase, the government cutting unemployment benefits for millions a few days ago; therefore, creating less excess cash in the economy, and the resurgence of the delta variant of coronavirus.

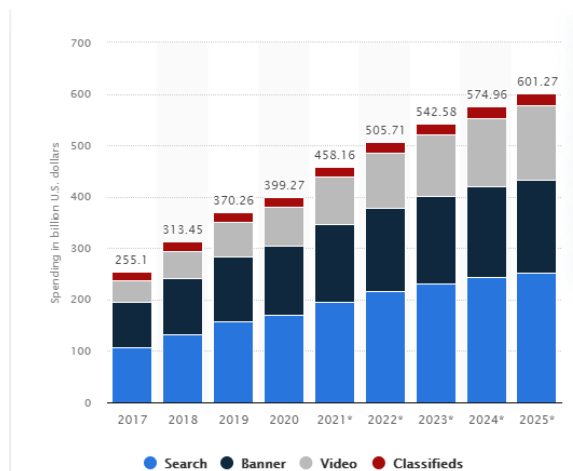
Industry Analysis

Industry Description

The communications service sector is split up in between two main sub-sectors, Telecommunications and Media & Entertainment. Meta is categorized as an interactive media company, which is a sub-industry of the Media & Entertainment sector. Companies in the interactive media space allow users to interact with their platforms, while collecting data about their interests and interactions to target these consumers with marketing advertisements.

Examples of other companies in this sub-industry are Google, Netflix, Twitter, and Snapchat. The communications industry has an overall market capitalization of \$6.79 T, while these five companies account for approximately 50% of the sector's market capitalization.²⁶ We will be analyzing the digital advertising space of the interactive media sub-sector.

Since the internet and technology have become such a large part of our everyday lives, companies have been able to take advantage of this through online advertising. In fact, the internet was the most important method of advertising for businesses in 2020, with digital advertising spending being approximately \$399.27 B¹⁴



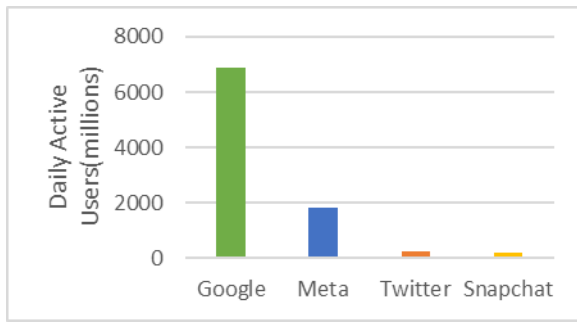
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As technology continues to advance and dictate our everyday lives, this will increase digital advertising spending as long as companies are able to retain and bring in more new eyeballs. More digital users will propel the interactive media sector to see sustained revenue growth over the coming years.

Competitors

Meta's leading publicly traded competitors include Google, Twitter, and Snapchat. Although each of these companies has its own niche in the interactive media world, they all have one thing in common- advertising revenue. Advertising revenue is each company's main source of income, so each company battles for their share in the highly competitive interactive media market. These companies compete by trying to increase their volume of daily active users, which in turn makes them more suitable for digital advertisers.

Google led this race with approximately 6.9 billion searches per day in 2020. This led Google to have revenue of approximately \$181.7 billion.⁴ Meta came in second place with approximately 1.85 daily active users, which in turn led to revenue of approximately \$86 billion.³ Lastly, Snapchat and Twitter had 265 million²⁰ and 192 million daily active users²², which accounted for approximately \$2.5 billion and \$3.7 billion in revenue for the companies.



The massive discrepancies in revenue between these competitors are directly correlated to daily active users, which is shown in the chart above. Although one might derive that Snapchat and Twitter are far behind Meta and Google, these companies are vehemently battling for their share of the market by attracting younger, new users away from Meta daily.

Porter's Five Forces

1. Threat of New Entrants

The threat of new entrants is low. Although it is easy to enter the industry, an enormous number of resources are necessary for marketing, brand recognition, and attracting new users. New entrants will also require an incredibly large initial investment and an extended period of time to gain a customer base and a reasonable portion of the overall market share.

2. Bargaining Power of Suppliers

Suppliers have a moderate degree of bargaining power. Meta is a large buyer of software and numerous applications for its platforms, but there are only a few reputable sources that sell these technological assets and switching between an already small group of suppliers can prove to be very costly.

3. Bargaining Power of Buyers

Meta's customers have a high degree of bargaining power. Their customers are the people that use their platforms and the companies that advertise on them. There

are numerous well-respected social media applications, and customers have many choices regarding which applications they prefer to use. On top of this, there are no costs associated with switching platforms for daily users. Meta must keep its advertising pricing reasonable and continue to keep its daily users happy with the platform to retain them.

4. Threat of Substitutes

The threat of substitution for Meta is high. Innovation is at the forefront of technology, and Meta operates in an already oversaturated market. If Meta cannot continue to grow and adapt, then they can easily be substituted by another media company.

5. Competition

Meta has a medium degree of competition. Although time spent on Facebook has decreased over the past few years, Facebook is the longest tenured social media platform, and it boasts the largest user base. Furthermore, it has been able to maintain its market dominance by acquiring companies such as Instagram and WhatsApp. If Facebook can keep up with quickly changing consumer trends, it will hold its share of the ever-expanding interactive media market share.¹

Company Analysis

Executive Summary

We believe that Meta will continue to trade at a premium compared to other interactive media companies. The company boasts a strong balance sheet with no debt, a continuous increase in its daily active users and monthly active users, an increase in share repurchase authorization, growth in previously acquired companies, and the

introduction of the Metaverse. Over the coming years, the company is looking to continue to add to its user-base, while simultaneously positioning itself to be a major player within the metaverse. Factoring in all these positive attributes along with the age of digitization, we believe that FB is a BUY, with a 15-17% upside.

Company Description

Meta is a constantly growing social media company that was founded in July of 2004 and has since become the largest social media company in the world today with approximately 2.91 billion monthly active users.³ The companies' mission is, "to give people the power to build community and bring the world closer together."¹⁰ Meta is used for people to remain connected with family and friends, to keep up with current events in the world around them, and to convey their feelings of what is significant to them to others.

Corporate Strategy

On October 25, 2021, Meta had its Q3 earnings call. During this call, management prioritized three areas, which were focus on creators, commerce, and building the next computing platform.

Regarding focus on creators, Reels, which is the primary component of engagement growth on Instagram, was highlighted. Management expects continued growth of Reels stemming from sweeping changes to Instagram and Facebook becoming more video-centric over the coming year. The largest take-away from this is the fact that management is catering to the younger generation (ages 18-29) and making them their north star. To accommodate these changes, Meta is completely retooling their teams to focus on this approach for continued long term growth.²¹

Commerce was the next priority. Meta has incorporated solutions such as dynamic advertisements that direct consumers to businesses' websites or Shop profiles, which will counteract Apple's policy changes which have made online customer acquisition much more difficult. On top of this, there is a planned program

for the holiday season in which businesses that have dedicated the most resources into Shops will be helped in finding the best methods for business growth and customer acquisition on the platform. These changes will continue to be implemented into 2022.²¹

The final priority is the Metaverse. Although this is the most long-term priority, it brings the largest growth potential for the company. Due to this, Meta will begin reporting its financial metrics in two different segments in Q4- Facebook Reality Labs and Family of Apps. This is being done to direct Meta's focus as a company away from social media to the metaverse.²¹

The Metaverse

According to Mark Zuckerberg, the metaverse is the successor to the internet. It is a group of interconnected digital spaces that use augmented reality to allow users to partake in activities that are not physically attainable in real life. Users will be able to enter this alternate universe by simply putting on a headset.

The metaverse will create a digital economy that will be intertwined with the real-world economy, in which users will be able to create, invest, and barter for digital products, assets, and services. Meta has already begun working on Horizon Home, which will be users' metaverse home to bring over friends and family to interact, watch movies and other media, play video games, and toggle through different applications in this illustrious universe. Venues is another feature that is being developed. Users will be able to see their favorite artist or sports team perform live from the comfort of their home.

While the metaverse might seem like it will only be able to be used for leisure activities, this is not the case. The Quest for Business component is also being developed, and it will allow users to access their work files and communicate with colleagues. Users will even be able to pick what backdrop they prefer to work in, which is another interesting feature. Although the metaverse still has a long

way to go, sections of it are already active, and more will be rolled out as time progresses.

Bad Press

Like all other mega-corporations, Meta is no stranger to bad press. Most recently, a former employee, turned whistleblower, leaked some of the company's internal documents. In a hearing with a Congressional sub-committee, these documents were used to make claims about the company misleading investors about their user-base and stance on human rights. The documents were also sent to the SEC for further review. While these claims are not a topic to take lightly, Meta quickly defended their company. Drew Pusateri, a Meta spokesperson, retorted by saying, "We make extensive disclosures in our SEC filings about the challenges we face, including user engagement, estimating duplicate and false accounts, and keeping our platform safe from people who want to use it to harm others." Furthermore, he explained that "All of these issues are known and debated extensively in the industry, among academics, and in the media, and Meta is ready to answer regulators' questions and will cooperate with government inquiries."²

Although these possibly disastrous claims may indeed have merit, the timing of when they were made- the same day of Meta's Q3 earnings- is a factor to consider. They were also made by a former employee and whistleblowers receive a portion of any fines that are imposed by the SEC, so the reasoning behind these claims and leakage of internal documents will never truly be known. No matter what the reasoning of the former employee, this leakage of documents has turned heads and is a topic for investors to continue following closely. In the long run though, we do not foresee these claims harming the company's bright future, and they do not change our overall outlook on Meta from a fundamental value perspective.

Revenues

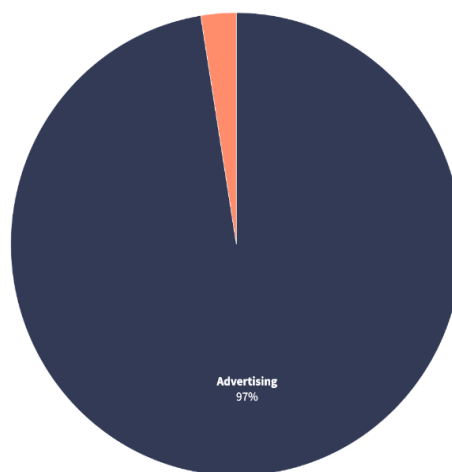
Meta's main source of revenue is attributable to selling advertisements to marketers. These

advertisements allow marketers to advertise a good or service to Facebook's large platform of users. Marketers can reach a specific demographic and follow the users' interests and behaviors online, which makes for more personalized ads. These ads are shown on all Meta platforms such as Facebook, Instagram, and other third-party websites.

Meta Revenue Breakdown

Based on Meta's Q3 FY 2021 ended Sept. 30, 2021

■ Advertising ■ Other revenue



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Meta reported \$28.3 billion in advertisement revenue in Q3 FY (Fiscal Year) 2021. Facebook's ad revenue was up 33.2% compared to the year-ago-quarter. ⁵

Product Lines

Facebook

Facebook is a social media platform that allows its users to connect, communicate, and share with friends and family. Facebook can be accessed from devices with internet connectivity such as smartphones, tablets, and computers. After users are registered, they can personalize their page and share information, current status, and photos and media with friends that they have accepted. Facebook has reported having 2.91 billion monthly active users (MAUs) and 1.93 daily active users (DAUs) as of October 2021, which makes Facebook the most popular social media platform worldwide. The product generates 97% advertisement revenue and the other 3% is made up of payments, fees, etc.²²

Messenger

Messenger is a product made up from Facebook to allow its users to message and communicate with each other. Instant messaging is a type of online chat which offers real-time text transmission via the internet. Since the appearance of the smartphone and the subsequent explosion of mobile apps, low-cost or free chat and social messaging apps have proven themselves as a cheap alternative to operator-based text messaging via SMS. Messenger is among the top two most popular messaging apps with approximately 1.3 billion MAUs as of October 2021 following WhatsApp.¹⁷

Instagram

Instagram is an online platform that allows its users to post photos and videos to their followers. Instagram was acquired by Meta in April 2012 for \$1 billion with cash and stocks. Instagram consists of Instagram stories, direct messaging, IGTV, live video, and reels. These features allow you to interact more with your followers than just posting a photo that someone can like and comment on. Instagram has about 1 billion active monthly users. Advertisers can reach their consumers using these features.³

WhatsApp

WhatsApp Messenger or WhatsApp is an application that allows you to send text messages and voice messages, voice call, video call, share documents and photos, and so much more. Meta acquired WhatsApp in 2014 for approximately \$19 billion and in 2015 it became the most popular messaging app with over 2 billion active users on the platform to date. WhatsApp has created WhatsApp Business which allows business owners to communicate with their customers and create a more personal experience with said customers.³

Oculus

The Oculus is a head mounted device that allows you to interact in a 3D environment. Virtual reality technologies are designed to give people

interactive experiences created by computers. People and computers may engage in a more intimate and natural way using virtual reality. Traditional methods of surfing the web or playing games, such as using a laptop or mobile device, lack immersion. Through absolute visual immersion in virtual places, Oculus provides a genuine, individualized experience.³

Valuation Analysis

We are issuing a BUY rating on Meta with a target price range of \$400-410 with Meta's current stock price of \$341. This results in a 15-17% upside; hence, our BUY rating.

After analyzing the economic and industry factors, we have decided that our DCF/EP valuation has provided us with the most accurate picture of how Meta is going to grow within the next 5 years.

Revenue Decomposition

We forecasted revenues as a total, and by different geographic regions which include the US and Canada, Europe, Asia, and the rest of the world. For 2021, we estimated that 54.6 B in revenue would come from the US and Canada which accounts for 45% of total revenue. Europe's revenue is estimated at 29.5 B, 25% of total revenue, Asia's revenue is estimated at 21.8 B, 19% of total revenue, and the rest of the world's revenue is estimated at 11.2 B, about 10% of total revenues.³

These estimations are based on advertisements and payments in each geographic region. Meta generates majority of its revenue by displaying advertisements, paid for by different companies, on Facebook, Instagram, Messenger, and other third-party websites. Payments are a smaller portion of revenue, which comes from delivery of consumer hardware devices and fees Meta receives from other companies using its payments infrastructure.

Advertising is the largest source of revenue for Meta and will continue to grow within the coming years. Desktop and Mobile advertising will

continue to grow but will have it decline over the years since 42% growth is not sustainable.³

Cost of Goods Sold – Research and Development

Our research and development number is derived by its historical growth rate, which is at a constant steady rate. We increased research and development in 2022 due to the introduction of the metaverse and its \$10 B investment and have it coming back down in 2023 and beyond.

WACC

The weighted average cost of capital for Meta was calculated by using a 7.73% cost of equity, with a 98.97% market weight. We also used a debt market weight of 1.03%, accounting for the PV of operating leases. This resulted in a 7.68% WACC which we used to discount our cash flows in the DCF_EP model.

Cost of Debt

Facebook currently has no debt. We have forecasted that in the future, Facebook will acquire no debt, but has headroom to if necessary. Facebook operates its business using only its equity capital and has ample cash to cover any near-term liabilities.

Cost of Equity

For the risk-free rate, we used a 10-year treasury note which yielded 1.58%. Our beta was 1.27.²³ For the equity risk premium, we used 4.84%²⁸, which we believe to be a good representation of risk associated with the current market.

Discounted Cash Flow and Economic Profit (DCF/EP)

The DCF and EP models were built using the forecasted free cash flows of Meta and were then discounted by the weighted average cost of capital. Free cash flows were found from the driver's section, taking NOPLAT and subtracting the change in invested capital. Economic profit was defined as Meta's beginning invested capital, multiplied by subtracting the return on invested capital and the WACC. Based on the DCF/EP

model, we determined the implied price of today to be \$400

Dividend Discount Model (DDM)

The dividend discount model projected a target price of \$344, which is around the price that Meta is trading at today. After forecasting the projected growth of the company, we did not find the DDM model useful, because Meta does not pay shareholders dividends. Meta has never paid dividends and it does not plan to, resulting in a lower implied price of today.

Valuation Summary

The DCF/EP model resulted in a \$400 implied price as of today, which we believe accurately represents the company. With no debt, a strong market share, and forward focus by management, Meta is poised to continue growing. This leads to a 15-17% potential upside in the price of the stock according to our model. We have concluded a BUY rating for Meta.

Sensitivity Analysis

Carrying out a sensitivity analysis gives analysts the opportunity to examine numerous variables and how they affect the forecasted conclusions in their models. Adjusting the variables allows us to see how the forecasted stock price changes with slight changes in our assumptions.

Equity Risk Premium and Beta

This data table shows the large variance in the price of Meta with only a slight adjustment to either variable. Both variables are used to compute Meta's WACC, and a smaller beta and equity risk premium results in a lower WACC. This shows the reason the intrinsic value of the stock becomes higher when both variables are lowered. Our model showed the most sensitivity towards these two variables.

Risk Free Rate and WACC

The risk-free rate plays a significant role in the calculation of the WACC. When the risk-free rate is decreased, it decreases the WACC, which leads

to a higher price. This is because we discount our DCF and EP models by the WACC. When we complete the inverse of this and raise the risk-free rate, it reduces our price. The model was not incredibly sensitive to these variables, but they still caused minor changes when adjusted.

CV ROIC and Equity Risk Premium

The CV of ROIC and equity risk premium have a large effect on the price of the stock in this table. When the equity risk premium was lowered and the CV of ROIC was increased, this caused a dramatic upward change in the price. When the inverse was completed, the stock price drastically decreased. We expected this outcome since ROIC shows whether the company is adding value.

Marginal Tax Rate and Risk-Free Rate

As expected, when both variables decreased, the stock price increased. When the inverse occurred, the stock price decreased. Although these variables did not play a significant role in our model based off the sensitivity table, they still slightly affected the price when they were changed.

Beta and CV Advertising Growth

This table highlights how important our Beta and mainstream of revenue are for the model. As Beta decreases and advertising grows, our price is raised by approximately \$70. As the inverse occurs, our price decreases by approximately \$55. These prices are the difference between a strong buy and a hold rating, so it was incredibly important to highlight these key factors.

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Important Disclaimer

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Meta
Sensitivity Tables

		Beta							
		\$ 399.89	1.12	1.17	1.22	1.27	1.32	1.37	1.42
Equity Risk Premium	4.54%	509.55	481.37	456.13	433.39	412.79	394.05	376.93	
	4.64%	495.25	468.03	443.62	421.62	401.68	383.54	366.95	
	4.74%	481.72	455.39	431.77	410.47	391.16	373.57	357.49	
	4.84%	468.91	443.42	420.54	399.89	381.16	364.10	348.50	
	4.94%	456.76	432.06	409.87	389.84	371.67	355.10	339.94	
	5.04%	445.22	421.26	399.73	380.28	362.63	346.53	331.80	
	5.14%	434.25	410.98	390.07	371.17	354.02	338.37	324.04	

		Marginal Tax Rate							
		\$ 399.89	19.10%	19.20%	19.30%	19.40%	19.50%	19.60%	19.70%
Risk Free Rate	1.28%	426.20	426.08	425.96	425.84	425.72	425.60	425.48	
	1.38%	417.19	417.07	416.95	416.84	416.72	416.61	416.49	
	1.48%	408.55	408.43	408.32	408.20	408.09	407.98	407.87	
	1.58%	400.22	400.11	400.00	399.89	399.78	399.67	399.56	
	1.68%	392.29	392.18	392.07	391.96	391.86	391.75	391.65	
	1.78%	384.63	384.53	384.42	384.32	384.21	384.11	384.01	
	1.88%	377.27	377.16	377.06	376.96	376.86	376.76	376.66	

		Risk Free Rate							
		\$ 399.89	1.28%	1.38%	1.48%	1.58%	1.68%	1.78%	1.88%
WACC	7.38%	425.84	417.40	409.31	401.56	394.12	386.98	380.11	
	7.48%	425.27	416.83	408.76	401.01	393.58	386.44	379.58	
	7.58%	424.69	416.27	408.20	400.46	393.03	385.90	379.05	
	7.68%	424.10	415.68	407.62	399.89	392.47	385.35	378.51	
	7.78%	423.54	415.13	407.08	399.35	391.94	384.83	377.99	
	7.88%	422.96	414.56	406.52	398.80	391.40	384.29	377.46	
	7.98%	422.39	414.00	405.96	398.25	390.86	383.75	376.93	

		CV ROIC							
		\$ 399.89	22.59%	32.59%	42.59%	52.59%	62.59%	72.59%	82.59%
Equity Risk Premium	4.54%	406.25	420.85	428.59	433.39	436.65	439.02	440.81	
	4.64%	395.34	409.47	416.97	421.62	424.78	427.07	428.81	
	4.74%	384.99	398.70	405.97	410.47	413.54	415.76	417.44	
	4.84%	375.18	388.47	395.52	399.89	402.87	405.02	406.65	
	4.94%	365.85	378.76	385.60	389.84	392.73	394.82	396.40	
	5.04%	356.98	369.52	376.16	380.28	383.08	385.12	386.65	
	5.14%	348.54	360.71	367.17	371.18	373.90	375.87	377.37	

		Beta							
		\$ 399.89	1.12	1.17	1.22	1.27	1.32	1.37	1.42
CV Advertising Growth	11.27%	466.75	441.39	418.63	398.09	379.46	362.49	346.96	
	11.57%	468.05	442.61	419.77	399.17	380.48	363.46	347.88	
	11.67%	468.48	443.01	420.16	399.53	380.82	363.78	348.19	
	11.77%	468.91	443.42	420.54	399.89	381.16	364.10	348.50	
	11.87%	469.35	443.83	420.92	400.25	381.50	364.43	348.80	
	11.97%	469.78	444.23	421.30	400.61	381.85	364.75	349.11	
	12.07%	470.22	444.64	421.69	400.97	382.19	365.07	349.42	

Meta

Revenue Decomposition

(in millions)

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Revenue								
Desktop Advertising	4,483	4,328	4,883	5,127.15	4,768.25	4,863.61	5,009.52	5,209.90
Growth %	-10.21%	-3.46%	12.82%	5.00%	-7.00%	2.00%	3.00%	4.00%
Mobile Advertising	50,529	65,379	79,181	114,020.64	136,824.77	155,980.24	171,578.26	192,167.65
Growth %	44.58%	29.39%	21.11%	44.00%	20.00%	14.00%	10.00%	12.00%
Total Advertising, net	55,013	69,655	84,169	119,147.79	141,593.02	160,843.85	176,587.78	197,372.16
Growth %	37.73%	26.62%	20.84%	41.56%	18.84%	13.60%	9.79%	11.77%
Other	825	1042	1796	2,837.68	3,320.09	3,917.70	4,152.76	4,526.51
Growth %	16.03%	26.30%	72.36%	58.00%	17.00%	18.00%	6.00%	9.00%
Total Revenue	55,838	70,697	85,965	121,985.47	144,913.10	164,761.55	180,740.55	201,898.68
Growth %	37.35%	26.61%	21.60%	41.90%	18.80%	13.70%	9.70%	11.71%
Revenue per Geographic Region								
US & Canada								
Advertising and payment	25,727	32,206	38,433	54,575	64,398	72,770	81,503	89,653
Growth %	34.94%	25.18%	19.33%	42%	18%	13%	12%	10%
Europe								
Advertising and payment	13,621	16,826	20,349	29,506	34,817	40,040	45,245	50,674
Growth %	34.52%	23.53%	20.94%	45%	18%	15%	13%	12%
Asia								
Advertising and payment	11,733	15,406	19,848	21,833	26,199	32,749	37,989	42,548
Growth %	48.13%	31.30%	28.83%	10%	20%	25%	16%	12%
Rest of World								
Advertising and payment	5,430	6,871	7,750	11,238	14,047	18,261	21,913	24,981
Growth %	53%	27%	13%	45%	25%	30%	20%	14%
Total Revenue	55,838	70,697	85,965					
Daily Active Users (in millions)								
North America	186	190	195	214	234	257	282	309
Growth %	1.09%	2.15%	2.63%	1.96%	2.25%	2.28%	2.16%	2.23%
Europe	282	294	308	338	370	406	445	487
Growth %	1.81%	4.26%	4.76%	9.62%	9.62%	9.62%	9.62%	9.62%
Asia	577	641	744	816	894	980	1,074	1,178
Growth %	15.63%	11.09%	16.07%	9.62%	9.62%	9.62%	9.62%	9.62%
Rest of World	478	532	598	656	719	788	863	946
Growth %	8.39%	11.30%	12.41%	9.62%	9.62%	9.62%	9.62%	9.62%
Total	1,523	1,657	1,845	2,022	2,217	2,430	2,664	2,920
Growth %	9%	9%	11%	9.62%	9.92%	10.29%	9.94%	10.05%
Average revenue per user Worldwide (weighted average)	24.96	29.25	32.14	40.16	45.16	50.37	52.58	54%
Growth %	24%	17%	10%	25%	12%	12%	4%	2%

Meta*Income Statement*

(in millions)

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Revenue	55,838	70,697	85,965	121,985	144,913	164,762	180,741	201,899
Cost and expense:								
Cost of revenue (excl. D&A)	5,040	7,029	9,830	13,915	16,536	18,785	20,623	23,051
Depreciation	3,675	5,179	6,389	8,865	10,001	11,001	11,896	12,708
Amortization	640	562	473	387	121	53	29	17
Cost of revenue, net	9,355	12,770	16,692	23,167	26,658	29,839	32,549	35,776
Research and development	10,273	13,600	18,447	23,760	33,732	34,363	38,217	42,641
Marketing and sales	7,846	9,876	11,591	16,740	20,208	22,372	24,707	27,638
General and administration	3,451	10,465	6,564	11,112	11,812	13,502	15,031	17,308
Total costs and expenses	30,925	46,711	53,294	74,780	92,411	100,076	110,502	123,363
Income from operations	24,913	23,986	32,671	47,206	52,503	64,685	70,238	78,535
Interest income	661	924	672	7,684	6,756	7,564	7,335	7,218
Interest expense	9	20	32	18	17	16	17	18
Foreign currency exchange losses , net	213	105	(129)					
Other	9	27	34	38	39	40	41	41
Interest and other income/(expense) , net	448	826	509	7,739	6,812	7,620	7,392	7,277
Income before provision for income taxes	25,361	24,812	33,180	54,945	59,315	72,306	77,630	85,813
Provision for income taxes	3,249	6,327	4,034	10,659	11,507	14,027	15,060	16,648
Net Income	22,112	18,485	29,146	44,286	47,808	58,278	62,570	69,165
Less: Net income attributable to participating securities	1	20	21	17	17	15	15	18
Net income attributable to class A&B common stockholders	22,111	18,465	29,125	44,269	47,791	58,263	62,555	69,147
Earnings per share	5.71	6.48	10.22	15.63	16.99	20.83	22.37	24.72
Shares outstanding	2,905	2,854	2,851	2,832	2,812	2,797	2,797	2,797

Meta*Balance Sheet(in millions)*

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Assets								
Current Assets								
Cash & cash equivalents	10019	19079	17576	25983	32291	40012	34359	9455
Marketable securities	31095	35776	44378	63372	90495	129227	184536	263517
Accounts receivable, net	7587	9518	11335	16863	20107	22767	24813	27539
Prepaid expenses & other current assets	1779	1852	2381	2397	2412	2427	2442	2458
Total current assets	50480	66225	75670	108615	145304	194434	246150	302970
Property & equipment, net	24683	35323	45633	51479	56630	61235	65413	69262
Operating lease right-of-use assets, net		9460	9348	10545	11601	12544	13400	14189
Intangible assets, net	1294	894	623	236	115	62	33	16
Goodwill	18301	18715	19050	19050	19050	19050	19050	19050
Other assets	2576	2759	2758	3553	4578	5899	7600	9791
Equity Investments			6234	6716	7235	7794	8397	9046
Total assets	97334	133376	159316	200194	244513	301017	360043	424324
Liabilities and stockholder's equity								
Current Liabilities								
Accounts payable	820	1363	1331	1607	1916	2218	2420	2759
Partners payable	541	886	1093	1197	1248	1274	1287	1294
Operating lease liabilities, current		800	1023	1154	1270	1373	1466	1553
Accrued expenses & other current liabilities	5509	11735	11152	13302	16652	20376	23256	24471
Deferred revenue & deposits	147	269	382	439	467	481	488	491
Total current liabilities	7017	15053	14981	17698	21553	25722	28917	30567
Operating lease liabilities, non-current		9524	9631	9578	9604	9591	9598	9594
Other liabilities	6190	7745	6414	6692	6760	6903	6692	6762
Total liabilities	13207	32322	31026	33967	37917	42215	45207	46923
Stockholder's Equity								
Common-stock and APIC	42906	45851	50018	50018	50018	50018	50018	50018
Accumulated other comprehensive income (loss)	-760	-489	927	927	927	927	927	927
Retained earnings	41981	55692	77345	115281	155651	207857	263891	326456
Total stockholders' equity	84127	101054	128290	166226	206596	258802	314836	377401
Total Liabilities and Stockholder's Equity	97334	133376	159316	200194	244513	301017	360043	424324

Meta*Historical Cash Flow Statement(in millions)*

Fiscal Years Ending Dec. 31	2018	2019	2020
Cash Flows from Operating Activities			
Net income	22112	18485	29146
Depreciation & amortization	4315	5741	6862
Share-based compensation	4152	4836	6536
Deferred income taxes	286	-37	-1192
Other adjustments	-64	39	118
Changes in assets and liabilities			
Accounts receivable	-1892	-1961	-1512
Prepaid expenses & other current assets	-690	47	135
Other assets	-159	41	-34
Accounts payable	221	113	-17
Partners payable	157	348	178
Accrued expenses & other current liabilities	1417	7300	-1054
Deferred revenue & deposits	53	123	108
Other liabilities	-634	1239	-527
Net cash flows from operating activities	29274	36314	38747
Cash Flows from Investing Activities			
Purchases of property & equipment	-13915	-15102	-15115
Purchases of marketable securities	-14656	-23910	-33930
Sales of marketable securities	12358	9565	11787
Maturities of marketable securities	4772	10152	13984
Purchases of equity investments			6361
Acquisitions of business, net of cash acquired & purchases of intangible assets	-137	-508	-388
Other investing activities	-25	-61	-36
Net cash flows from investing activities	-11603	-19864	-30059
Cash flows from Financing Activities			
Taxes paid related to net share settlement of equity awards	-3208	-2337	-3564
Repurchases of class A common stock	-12879	-4202	-6272
Principal payments on finance leases		-552	-604
Net change in overdraft in cash pooling entities	500	-223	24
Other financing activities	15	15	124
Net cash flows from financing activities	-15572	-7299	-10292
Effect of exchange rate changes on cash, cash equivalents, & restricted cash	-179	4	279
Net increase (decrease) in cash, cash equivalents, & restricted cash	1920	9155	-1325
Cash, cash equivalents, & restricted cash at beginning of the period	8204	10124	19279
Cash, cash equivalents, & restricted cash at end of the period	10124	19279	17954

Meta*Forecasted Cash Flow Statement*

Fiscal Years Ending Dec. 31	2021E	2022E	2023E	2024E	2025E
Cash Flows from Operating Activities					
Net income	44268.62	47790.73	58263.17	62554.78	69147.41
Depreciation & amortization	9252	10122	11054	11925	12725
Changes in assets and liabilities					
Accounts receivable	-5527.55	-3244.49	-2660.22	-2045.57	-2726.61
Prepaid expenses & other current assets	-16.01	-14.66	-15.48	-15.21	-15.49
Other assets	-795.41	-1024.80	-1320.36	-1701.15	-2191.76
Accounts payable	276	309	302	202	338
Partners payable	103.50	51.75	25.88	12.94	6.47
Accrued expenses & other current liabilities	2149.92	3350.38	3723.27	2880.02	1215.34
Deferred revenue & deposits	56.50	28.25	14.13	7.06	3.53
Other liabilities	277.50	68.63	142.53	-210.59	69.52
Net cash flows from operating activities	50045.68	57436.20	69529.60	73609.39	78571.79
Cash Flows from Investing Activities					
Purchases of property & equipment	-14710.67	-15151.99	-15606.55	-16074.74	-16556.98
Change in marketable securities	-18993.78	-27123.12	-38731.82	-55309.04	-78981.31
Purchases of equity investments	-481.89	-519.14	-559.27	-602.50	-649.07
Acquisitions of business, net of cash acquired & purchases of intangible assets	0.00	0.00	0.00	0.00	0.00
Operating right-of-use assets	-1197.46	-1055.24	-943.35	-856.00	-788.49
Intangible assets	0.00	0.00	0.00	0.00	0.00
Net cash flows from investing activities	-35383.80	-43849.49	-55840.99	-72842.28	-96975.86
Cash flows from Financing Activities					
Repurchases of class A common stock	-6332.25	-7421.31	-6056.89	-6520.61	-6582.77
Operating leases	77.54	142.23	89.86	100.36	82.94
Common stock	0.00	0.00	0.00	0.00	0.00
Net cash flows from financing activities	-6254.71	-7279.08	-5967.03	-6420.25	-6499.82
Change in cash	8407.17	6307.63	7721.58	-5653.14	-24903.89
Cash at beginning of the year	17576.00	25983.17	32290.80	40012.38	34359.24
Cash at end of the year	25983.17	32290.80	40012.38	34359.24	9455.35

Meta

Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Assets								
Current Assets								
Cash & cash equivalents	17.94%	26.99%	20.45%	24.14%	23.60%	22.16%	22.55%	23.31%
Marketable securities	55.69%	50.60%	51.62%	52.13%	52.39%	52.51%	52.58%	52.61%
Accounts receivable, net	13.59%	13.46%	13.19%	13.82%	13.88%	13.82%	13.73%	13.64%
Prepaid expenses & other current assets	1.15%	0.79%	0.55%	0.67%	0.61%	0.64%	0.63%	0.63%
Total current assets	90.40%	93.67%	88.02%	85.20%	83.79%	83.08%	82.73%	82.55%
Property & equipment, net	44.20%	49.96%	53.08%	39.90%	39.91%	39.21%	39.46%	40.23%
Operating lease right-of-use assets, net		14.80%	7.64%	11.22%	11.22%	11.22%	11.22%	11.22%
Intangible assets, net	55.38%	66.07%	61.99%	59.80%	59.23%	59.14%	58.37%	58.79%
Goodwill	32.78%	26.47%	22.16%	20.00%	18.93%	18.39%	18.12%	17.98%
Other assets	4.61%	3.90%	3.21%	4.26%	4.44%	4.36%	4.35%	4.30%
Total assets	174.31%	188.66%	185.33%	198.25%	190.89%	187.49%	190.12%	190.42%
Liabilities and stockholder's equity								
Current Liabilities								
Accounts payable	1.47%	1.93%	1.55%	1.32%	1.32%	1.35%	1.34%	1.37%
Partners payable	0.97%	1.25%	1.27%	1.11%	1.15%	1.20%	1.18%	1.16%
Operating lease liabilities, current	45.42%	35.10%	38.60%	40.61%	41.31%	41.55%	42.43%	42.07%
Accrued expenses & other current liabilities	9.87%	16.60%	12.97%	10.90%	11.49%	12.37%	12.87%	12.12%
Deferred revenue & deposits	0.26%	0.38%	0.44%	0.33%	0.33%	0.35%	0.37%	0.37%
Total current liabilities	12.57%	21.29%	17.43%	17.43%	17.43%	17.43%	17.43%	17.43%
Operating lease liabilities, non-current	0.00%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Other liabilities	11.09%	10.96%	7.46%	7.46%	7.46%	7.46%	7.46%	7.46%
Total liabilities	23.65%	45.72%	36.09%	30.27%	32.15%	33.58%	35.56%	33.53%
Stockholder's Equity								
Additional paid-in capital	76.84%	64.86%	58.18%	128.91%	125.50%	110.88%	100.41%	95.68%
Accumulated other comprehensive income (loss)	-1.36%	-0.69%	1.08%					
Retained earnings	75.18%	78.78%	89.97%	95.57%	98.37%	99.77%	100.47%	100.82%
Total stockholders' equity	150.66%	142.94%	149.24%	152.38%	153.96%	154.74%	155.14%	155.33%
Total Liabilities and Stockholder's Equity	174.31%	188.66%	185.33%	198.25%	190.89%	187.49%	190.12%	190.42%

Meta*Common Size Income Statement*

(in millions)

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost and expense:								
Cost of revenue (excl. D&A)	9.03%	9.94%	11.43%	11.39%	11.34%	11.36%	11.44%	11.45%
Depreciation	6.58%	7.33%	7.43%	19.43%	19.43%	19.43%	19.43%	19.43%
Amortization	1.15%	0.79%	0.55%	1.05%	0.88%	0.82%	0.83%	0.89%
Cost of revenue, net	16.75%	18.06%	19.42%	20.12%	18.84%	18.15%	19.17%	18.97%
Research and development	18.40%	19.24%	21.46%	19.48%	23.28%	20.86%	21.14%	21.12%
Marketing and sales	14.05%	13.97%	13.48%	13.72%	13.94%	13.58%	13.67%	13.69%
General and administration	6.18%	14.80%	7.64%	9.11%	8.15%	8.19%	8.32%	8.57%
Total costs and expenses	55.38%	66.07%	61.99%	53.70%	56.71%	53.99%	54.57%	54.84%
Income from operations	44.62%	33.93%	38.01%	38.70%	36.23%	39.26%	38.86%	38.90%
Interest and other income/(expense) , net	0.80%	1.17%	0.59%	0.67%	0.67%	0.74%	0.80%	0.78%
Income before provision for income taxes	45.42%	35.10%	38.60%	39.37%	36.90%	40.00%	39.66%	39.68%
Provision for income taxes	5.82%	8.95%	4.69%	11.24%	10.49%	10.67%	10.14%	9.58%
Net Income	39.60%	26.15%	33.90%	28.13%	26.42%	29.33%	29.52%	30.10%

Meta

Value Driver Estimation

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
NOPLAT:								
Marginal Tax Rate	15.80%	17.00%	19.40%	19.40%	19.40%	19.40%	19.40%	19.40%
EBIT:								
Net Sales	55,838	70,697	85,965	121,985	144,913	164,762	180,741	201,899
COGS	9,355	12,770	16,692	13,915	16,536	18,785	20,623	23,051
SG&A	11,297	20,341	18,155	27,852	32,020	35,874	39,737	44,946
Research and Development	10,273	13,600	18,447	23,760	33,732	34,363	38,217	42,641
Depreciation+Amortization	3,675	5,179	6,389	9,252	10,122	11,054	11,925	12,725
Total Operating Expenses	34,600	51,890	59,683	74,780	92,411	100,076	110,502	123,363
Implied Interest on Operating Leases	70.15	157.85	458.71	453	499	539	576	610
EBIT	21,308	18,965	26,741	47,659	53,001	65,225	70,814	79,145
Less: Adjusted Taxes								
Provision for Income Taxes	3249	6327	4034	10659	11507	14027	15060	16648
Tax Shield on Other Income	1	5	7	34	34	34	34	34
Tax shield on interest income	104	157	130	672	672	672	672	672
Tax Shield on Interest Expense	1	3	6	3	3	3	3	4
Tax Shield on FX Currency Loss	33.7	17.9	-25.0	0.00	0.00	0.00	0.00	0.00
Tax Shield on Implied Lease Interest	11	27	89	88	97	105	112	118
Adjusted Taxes	3189	6213	3967	10045	10901	13429	14469	16064
NOPLAT	18119	12751	22774	37615	42100	51796	56345	63082
Invested Capital Calculation								
Operating Current Assets								
Normal Cash	10,017	12,683	15,422	21,884	25,997	29,558	32,425	36,221
Accounts Receivable	7587	9518	11335	16863	20107	22767	24813	27539
Prepaid Expenses and other current assets	1779	1852	2381	2397	2412	2427	2442	2458
Operating Current Assets	19383	24053	29138	41144	48516	54753	59680	66218
Operating Current Liabilities								
Accounts Payable	820	1363	1331	1607	1916	2218	2420	2759
Accrued Expenses	5509	11735	11152	13302	16652	20376	23256	24471
Deferred revenue and other deposits	147	269	382	439	467	481	488	491
Operating Current Liabilities	6476	13367	12865	15348	19035	23075	26164	27721
Net Operating Working Capital	12907	10686	16273	25796	29481	31678	33516	38497
+: Net PPE	24683	35323	45633	51479	56630	61235	65413	69262
+: PV of Operating Leases	1586	3542	10170	10545	11601	12544	13400	14189
+: Other Operating Assets	3870	3653	3381	3789	4693	5961	7633	9807
Invested Capital	43046	53204	75457	91609	102405	111417	119962	131755
Free Cash Flow (FCF):								
NOPLAT	18,118.85	12,751.43	22,773.50	37,614.64	42,100.27	51,795.87	56,345.01	63,081.78
Change in IC	13,334.09	10,157.70	22,253.48	16,152.14	10,795.35	9,012.69	8,545.11	11,792.85
FCF	4,784.76	2,593.73	520.02	21,462.50	31,304.92	42,783.18	47,799.90	51,288.93
Return on Invested Capital (ROIC):								
NOPLAT	18,118.85	12,751.43	22,773.50	37,614.64	42,100.27	51,795.87	56,345.01	63,081.78
Beginning IC	29,711.85	43,045.94	53,203.64	75,457.12	91,609.27	102,404.61	111,417.30	119,962.41
ROIC	60.98%	29.62%	42.80%	49.85%	45.96%	50.58%	50.57%	52.58%
Economic Profit (EP):								
Beginning IC	29711.85	43045.94	53203.64	75457.12	91609.27	102404.61	111417.30	119962.41
x (ROIC - WACC)	53.30%	21.94%	35.12%	42.17%	38.27%	42.90%	42.89%	44.90%
EP	15836.12	9444.27	18685.93	31817.37	35062.04	43928.25	47784.96	53865.22

Meta

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	1.58%
Beta	1.27
Equity Risk Premium	4.84%
Cost of Equity	7.73%

Cost of Debt:

Risk-Free Rate	1.58%
Implied Default Premium	2.72%
Pre-Tax Cost of Debt	4.30%
Marginal Tax Rate	19.40%
After-Tax Cost of Debt	3.47%

Market Value of Common Equity:

Total Shares Outstanding	2,851
Current Stock Price	\$340.89
MV of Equity	971,877.39

MV Weights

98.97%

Market Value of Debt:

Short-Term Debt	0
Current Portion of LTD	0
Long-Term Debt	0
PV of Operating Leases	10122.65
MV of Total Debt	10,122.65

1.03%

Market Value of the Firm

982,000.04

100.00%

Estimated WACC

7.68%

Meta*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

Key Inputs:

CV Growth of NOPLAT	2.75%
CV Year ROIC	52.58%
WACC	7.68%
Cost of Equity	7.73%

Fiscal Years Ending Dec. 31	2021E	2022E	2023E	2024E	2025E
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DCF Model:

Free Cash Flow (FCF)	21462.5	31304.9	42783.2	47799.9	51288.9
Continuing Value (CV)					1211926
PV of FCF	19931.2	26997.2	34263.6	35550.1	901342

Value of Operating Assets:	1018083.9
Non-Operating Adjustments	44,378
	6,234

Value of Equity	1068695.9
Shares Outstanding	2851.0
Intrinsic Value of Last FYE	\$ 374.85
Implied Price as of Today	\$ 399.89

EP Model:

Economic Profit (EP)	31817.4	35062.0	43928.3	47785.0	53865.2
Continuing Value (CV)					1091964
PV of EP	29547.3	30237.4	35180.7	35539.0	812122.5

Total PV of EP	942626.8
Invested Capital (last FYE)	75457.1
Value of Operating Assets:	1018083.9
Non-Operating Adjustments	44378.0
	6234.0

Value of Equity	1068695.9
Shares Outstanding	2851.0
Intrinsic Value of Last FYE	\$ 374.85
Implied Price as of Today	\$ 399.89

DO NOT INCLUDE THIS SECTION IN PRINT AREA

Number of Periods to Discount	1	2	3	4	4
Model Date	11/13/2021				
Next FYE	12/31/2021				
Last FYE	12/31/2020				
Days in FY	365				
Days since FYE	317				
Elapsed Fraction of FY	0.868				
Dividend Yield	0.00%				

Meta

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

Fiscal Years Ending Dec. 31	2021E	2022E	2023E	2024E	2025E
EPS	\$ 15.63	\$ 16.99	\$ 20.83	\$ 22.37	\$ 24.72
Key Assumptions					
CV growth of EPS	2.75%				
CV Year ROE	21.97%				
Cost of Equity	7.73%				
Future Cash Flows					
P/E Multiple (CV Year)					17.57
EPS (CV Year)					\$ 24.72
Future Stock Price					\$ 434.30
Dividends Per Share	0			0	
Discounted Cash Flows	0	0	0	0	\$ 322.43
Intrinsic Value as of Last FYE	\$ 322.43				
Implied Price as of Today	\$ 343.97				

Meta

Relative Valuation Models

Ticker	Company	Price	EPS		P/E		Est. 5yr			BV	Tangible	Tangible	
			2021E	2022E	21	22	EPS gr.	PEG 21	PEG 22	Equity	BV Equity	P/B	P/B
GOOG	Alphabet	\$2,965.21	\$106.35	\$110.71	27.88	26.78	10.0	2.79	2.68	20.00	16.00	148.26	185.33
AAPL	Apple Inc	\$149.81	\$5.61	\$5.68	26.70	26.38	10.0	2.67	2.64	20.00	16.00	7.49	9.36
TWTR	Twitter	\$53.54	\$0.46	\$1.02	116.39	52.49	10.0	11.64	5.25	20.00	16.00	2.68	3.35
SNAP	Snap Inc	\$52.58	(\$0.41)	(\$0.17)	(128.24)	(309.29)	10.0	(12.82)	(30.93)	20.00	16.00	2.63	3.29
			Average		27.29	26.58		2.73	3.52			4.27	5.33

FB	Meta	\$340.89	15.63	16.99	21.8	20.1	10.0	2.2	2.0	30.00	20.00	11.36	17.04
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Implied Relative Value:

P/E (EPS21)	\$	426.57
P/E (EPS22)	\$	451.69
PEG (EPS21)	\$	426.57
PEG (EPS22)	\$	598.46
P/B	\$	127.97
P/Tangible BV	\$	106.64

Meta*Key Management Ratios*

Fiscal Years Ending Dec. 31	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Liquidity Ratios:								
Current Ratio	7.19%	4.40%	5.05%	6.14%	6.74%	7.56%	8.51%	9.91%
Quick Ratio	6.94%	4.28%	4.89%	6.00%	6.63%	7.46%	8.43%	9.83%
Cash Ratio	5.86%	3.64%	4.14%	5.05%	5.70%	6.58%	7.57%	8.93%
Asset-Management Ratios:								
Total Asset Turnover	57.37%	53.01%	53.96%	60.93%	59.27%	54.73%	50.20%	47.58%
Receivable Turnover	7.36%	7.43%	7.58%	7.23%	7.21%	7.24%	7.28%	7.33%
Fixed Asset Turnover	2.26%	2.00%	1.88%	2.37%	2.56%	2.69%	2.76%	2.91%
Financial Leverage Ratios:								
Debt Ratio	13.57%	24.23%	19.47%	16.97%	15.51%	14.02%	12.56%	11.06%
Debt to Equity Ratio	15.70%	31.98%	24.18%	20.43%	18.35%	16.31%	14.36%	12.43%
Equity Ratio	86.43%	75.77%	80.53%	83.03%	84.49%	85.98%	87.44%	88.94%
Profitability Ratios:								
Return on Equity	29.74%	21.97%	28.84%	34.52%	28.76%	28.21%	24.18%	21.97%
Return on Assets	22.72%	13.86%	18.29%	22.12%	19.55%	19.36%	17.38%	16.30%
Profit Margin Ratio	39.60%	26.15%	33.90%	36.30%	32.99%	35.37%	34.62%	34.26%

Meta*Present Value of Operating Lease Obligations*

Fiscal Years Ending Dec. 31	2018	2019	2020
Year 1	409.0	698.0	1060.0
Year 2	464.0	946.0	1244.0
Year 3	470.0	1055.0	1141.0
Year 4	448.0	1048.0	1116.0
Year 5	430.0	1054.0	1039.0
Thereafter	2423.0	9850.0	7572.0
Total Minimum Payments	4644.0	14651.0	13172.0
Less: Cumulative Interest	973.1	3983.3	3049.4
PV of Minimum Payments	3670.9	10667.7	10122.6
Implied Interest in Year 1 Payment	70.15	157.85	458.71
Pre-Tax Cost of Debt	4.30%	4.30%	4.30%
Years Implied by Year 6 Payment	5.6	9.3	7.3
Expected Obligation in Year 6 & Beyond	430	1054	1039
Present Value of Lease Payments			
PV of Year 1	392.1	669.2	1016.3
PV of Year 2	426.5	869.6	1143.5
PV of Year 3	414.2	929.8	1005.6
PV of Year 4	378.6	885.6	943.0
PV of Year 5	348.4	853.9	841.8
PV of 6 & beyond	1711.0	6459.5	5172.4
Capitalized PV of Payments	3670.9	10667.7	10122.6

Meta*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):

Average Time to Maturity (years): _____

Expected Annual Number of Options Exercised:

Current Average Strike Price:

Cost of Equity: 7.73%

Current Stock Price: \$340.89

Fiscal Years Ending Dec. 31	2021E	2022E	2023E	2024E	2025E
Increase in Shares Outstanding:	0.00	0.00	0.00		
Average Strike Price:	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in Common Stock Account:	-	-	-	-	-
Share Repurchases (\$)	-6,332	-7,421	-6,057		
Expected Price of Repurchased Shares:	\$ 340.89	\$ 367.24	\$ 395.63	\$ 426.21	\$ 459.16
Number of Shares Repurchased:	(19)	(20)	(15)	-	-
Shares Outstanding (beginning of the year)	2,851	2,832	2,812	2,797	2,797
Plus: Shares Issued Through ESOP	0	0	0	0	0
Less: Shares Repurchased in Treasury	(19)	(20)	(15)	-	-
Shares Outstanding (end of the year)	2,832	2,812	2,797	2,797	2,797