Meta Platforms Inc. (META)

Updated May 1st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$612	**5 Year Annual Expected Total Return:**	24.2%	**Market Cap:**	$1.55 T
Fair Value Price:	$891	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date:**	06/16/2026[1]
% Fair Value:	69%	**5 Year Valuation Multiple Estimate:**	7.8%	**Dividend Payment Date:**	06/26/2026
Dividend Yield:	0.3%	**5 Year Price Target**	$1,792	**Years Of Dividend Growth:**	2
Dividend Risk Score:	A	**Sector:**	Communication Services	**Rating:**	Buy

Overview & Current Events

Meta Platforms is a multinational technology company founded by Mark Zuckerberg and previously known as Facebook. The company is known for Facebook, Instagram, and WhatsApp, and has also been investing in emerging technologies such as augmented reality (AR) and virtual reality (VR) through Reality Labs, alongside a growing focus on artificial intelligence. With 3.56 billion people using at least one of Meta's platforms daily as of its latest filings, the company remains one of the world's largest digital advertising businesses. Meta is forecast to account for 26.8% of worldwide ad spend in 2026, slightly ahead of Alphabet's Google at 26.4%. Meta Platforms generated $201 billion in revenue last year, and is headquartered in Menlo Park, California.

On April 29th, 2026, Meta Platforms released its Q1 results for the period ending March 31st, 2026. Revenues came in at $56.3 billion, up 33% year-over-year. This growth was largely driven by continued strength across Meta's advertising business and momentum across its apps. Specifically, Meta's Family daily active people (DAP) reached 3.56 billion in March, a 4% increase year-over-year. Ad impressions delivered across the Family of Apps rose 19%, while the average price per ad increased 12%.

Costs and expenses rose 35% to $33.4 billion, due to Meta's continued investment toward AI infrastructure, technical talent, and future capacity. Despite these heavy investments, the company maintained a healthy 41% operating margin. Q1 earnings also benefited from an $8.03 billion income tax benefit, which partially offset the prior year's one-time non-cash tax charge. EPS reached $10.44, up 62% compared to last year. Without the tax benefit, EPS would have been $3.13 lower. For FY2026, we expect EPS of $33.00, excluding any one-off items.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.49	$5.39	$7.57	$6.43	$10.09	$13.77	$8.59	$14.87	$23.86	$23.49	***$33.00***	***$66.37***
DPS	---	---	---	---	---	---	---	---	$2.00	$2.10	***$2.10***	***$3.38***
Shares[2]	2.93	2.96	2.92	2.88	2.89	2.86	2.70	2.63	2.60	2.57	***2.56***	***2.20***

Meta Platforms has grown its earnings per share at a CAGR of 24% over the past decade. The continuous expansion of its global user base, strategic acquisitions like Instagram and WhatsApp, successful monetization via advertising, constant innovation in product development (including features like Facebook Live and Stories), and global outreach have all played pivotal roles are some of the most important factors that have contributed to its revenue growth.

With its operating margin exceeding 40%, Meta tends to yield substantial profits. In 2022, a temporary dip occurred due to one-off severance costs from Meta's 13% staff reduction and steep losses in its Realty Labs division. While expenses continue to rise due Meta's heavy investments in AI infrastructure, earnings should still growth comfortably from here. In fact, we believe that a re-acceleration in ad revenue growth driven by investments in AI, along with disciplined cost management and share repurchases will drive earnings per share growth of 15% through 2031.

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[1] Estimated dates
[2] Share count is in billions.
Disclosure: This analyst has a long position in the security discussed in this research report.

We have also assumed a 10% dividend growth rate over the medium-term, a figure Meta can comfortably sustain. Still, we don't believe Meta cares too much about delivering fast dividend growth, evident by the most increase of just 5%, because the company prioritizes capital deployment toward heavy infrastructure investments.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	31.8	27.1	22.7	27.1	21.9	22.1	27.0	14.9	18.8	29.2	***18.5***	***27.0***
Avg. Yld.	---	---	---	---	---	---	---	---	0.4%	0.3%	***0.3%***	***0.2%***

Meta Platforms initially traded at high multiples post-IPO, driven by optimistic expectations for substantial growth which indeed occurred. However, in recent years, Meta's valuation saw a compression as investors factored in regulatory risks. In 2023 and 2024, Meta's valuation dipped significantly, with investor confidence eroded due to substantial losses in its Realty Labs segment. Following rapidly rising CAPEX commitments on Realty Labs/AI data centers, the market continues to discount the stock, which currently trades at just 18.5x earnings. Our fair P/E is set at 27. Given Meta's superb growth rates, a much higher fair P/E could be more suitable. Still, due to Wall Street having mixed feelings on the stock more often than not, we are prudent.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	---	---	---	---	8%	9%	***6%***	***5%***

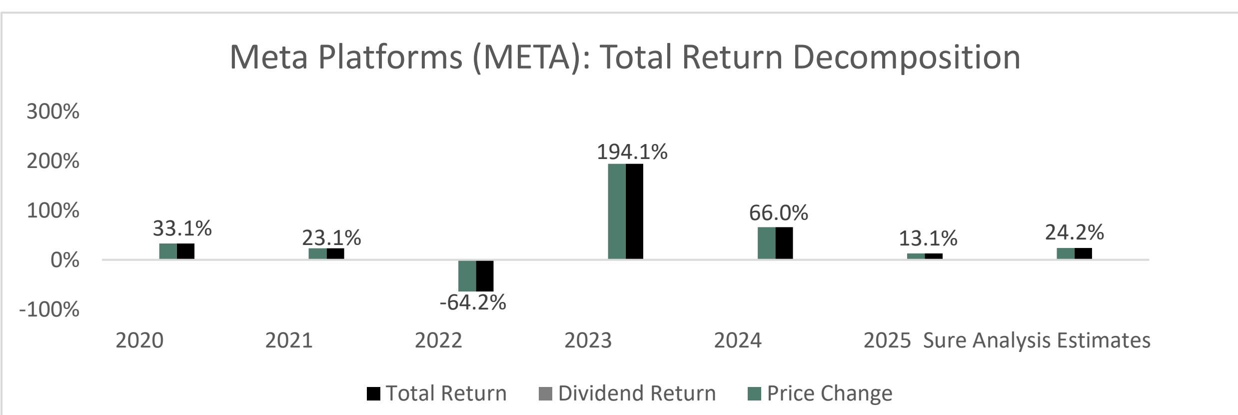
Meta Platforms is a high-quality company featuring a wide moat, impressive margins, and a clean balance sheet. Its social media platforms provide some of the places for advertisers to grow their brands, while its high-margin business model ensures consistent profitability even during challenging times in the advertising industry.

Given that Meta is hinged entirely on the dynamics of the advertising industry, its results are susceptible to potential recessions. Its revenues could take a hit if advertisers reduce spending in less favorable market periods. Still, we are confident in the business model due to the reliance of brands on Meta for growth in today's commerce landscape.

Final Thoughts & Recommendation

Meta Platforms is riding on improved investor sentiment these days, with its revenues undergoing a re-acceleration, all while its margins hover near record levels. Mr. Zuckerberg and Co. has to prove all the money it's spending toward AI infrastructure is worthwhile. Still, we remain confident in the stock. We forecast an annualized total return potential of 24.2% moving forward, supported by 15% earnings growth, a modest dividend, and the possibility of a notable valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	27638	40653	55838	70697	85965	117929	116609	134902	164500	200970
Gross Profit	23849	35199	46483	57927	69273	95280	91360	108943	134340	164790
Gross Margin	86.3%	86.6%	83.2%	81.9%	80.6%	80.8%	78.3%	80.8%	81.7%	82.0%
SG&A Exp.	5503	7242	11297	20341	18155	23872	27078	23709	21090	24140
D&A Exp.	2342	3025	4315	5741	6862	7967	8686	11178	15500	18620
Operating Profit	12427	20203	24913	23986	32671	46753	28944	46751	69380	83280
Operating Margin	45.0%	49.7%	44.6%	33.9%	38.0%	39.6%	24.8%	34.7%	42.2%	41.4%
Net Profit	10217	15934	22112	18485	29146	39370	23200	39098	62360	60460
Net Margin	37.0%	39.2%	39.6%	26.1%	33.9%	33.4%	19.9%	29.0%	37.9%	30.1%
Free Cash Flow	11617	17483	15359	21212	23584	38993	19044	43847	54070	46110
Income Tax	2301	4660	3249	6327	4034	7914	5619	8330	8303	25470

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	64961	84524	97334	133376	159316	165987	185727	229623	276050	366020
Cash & Equivalents	8903	8079	10019	19079	17576	16601	14681	41862	43890	82430
Accounts Receivable	3993	5832	7587	9518	11335	14039	13466	16169	16990	19770
Goodwill & Int. Ass.	20657	20105	19595	19609	19673	19831	21203	21442	21570	28230
Total Liabilities	5767	10177	13207	32322	31026	41108	60014	76455	93420	148780
Accounts Payable	302	380	820	1363	1331	4083	4990	4849	7687	8894
Long-Term Debt	-	-	500	-	-	-	9923	18385	28830	82870
Shareholder's Equity	59194	74347	84127	101054	128290	124879	125713	153168	182640	217240
LTD/E Ratio	-	-	0.01	-	-	-	0.08	0.12	0.16	0.39

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	17.9%	21.3%	24.3%	16.0%	19.9%	24.2%	13.2%	18.8%	24.7%	18.8%
Return on Equity	19.8%	23.9%	27.9%	20.0%	25.4%	31.1%	18.5%	28.0%	37.1%	30.2%
ROIC	19.7%	23.9%	27.8%	19.9%	25.4%	31.1%	17.8%	25.5%	32.6%	22.6%
Shares Out. (B)	2.93	2.96	2.92	2.88	2.89	2.86	2.70	2.63	2.61	2.57
Revenue/Share	9.45	13.75	19.12	24.58	29.77	41.25	43.16	51.31	62.93	78.08
FCF/Share	3.97	5.91	5.26	7.38	8.17	13.64	7.05	16.68	20.69	17.91

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.