Fast Take

Meta Platforms

HEADLINE

Meta files mixed shelf offering of $22.5B Class A, ATM $60B Class C, and $12.5B in Converts

OUR TAKE

Street already anticipated; using $642/share w/$3.4B overallotment exercised, this is ~5% 2027 EPS dilution; UBSe has $75B in debt already in model so eliminating interest expense gets ~4% EPS accretion, resulting in net 1% potential EPS dilution

Equities

United States
Internet Services

12-month rating	**Buy**
12m price target	**US$892.00**
Price (23 Oct 2026)	**US$642.62**

RIC: META.O **BBG:** META US

Trading data and key metrics

52-wk range	US$777.59-525.72
Market cap.	US$1,653b
Shares o/s	2,573m (COM)
Free float	50%
Avg. daily volume ('000)	19,692
Avg. daily value (m)	US$12,870
Common s/h equity (12/26E)	US$301b
P/BV (12/26E)	5.5x
Net debt to EBITDA (12/26E)	0.3x

EPS (UBS, diluted) (USD)

	12/26E	
	UBS	Cons.
Q1	10.44	10.44
Q2	6.18	6.18
Q3	3.83	3.83
Q4E	8.59	8.35
12/26E	29.05	29.77
12/27E	32.04	34.12
12/28E	31.15	39.57

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Highlights (US$m)	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
Revenues	134,901	164,500	200,965	256,163	317,281	379,192	440,611	503,668
EBIT (UBS)	64,391	87,692	120,248	120,376	137,466	150,685	158,933	170,508
Net earnings (UBS)	39,097	62,360	60,476	74,868	85,123	85,416	82,858	83,095
EPS (UBS, diluted) (US$)	14.87	23.86	23.49	29.05	32.04	31.15	29.28	28.46
DPS (net) (US$)	0.00	2.00	2.10	2.10	2.10	2.10	2.10	2.10
Net (debt) / cash	29,792	30,697	(92)	(42,657)	(132,462)	(257,069)	(371,166)	(463,017)

Profitability/valuation	12/23	12/24	12/25	12/26E	12/27E	12/28E	12/29E	12/30E
EBIT (UBS) margin %	47.7	53.3	59.8	47.0	43.3	39.7	36.1	33.9
ROIC (EBIT) %	55.1	63.7	65.1	42.9	30.9	22.6	17.6	15.1
EV/EBITDA (UBS core) x	8.6	12.3	12.2	11.3	9.4	8.4	7.8	6.9
P/E (UBS, diluted) x	17.6	21.3	28.5	22.1	20.1	20.6	22.0	22.6
Equity FCF (UBS) yield %	6.4	4.1	2.7	(1.0)	(6.0)	(7.3)	(6.2)	(4.9)
Dividend yield (net) %	0.0	0.4	0.3	0.3	0.3	0.3	0.3	0.3

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$ 642.62 on 23-Oct-2026

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Forecast returns

Forecast price appreciation	38.8%
Forecast dividend yield	0.3%
Forecast stock return	39.1%
Market return assumption	9.7%
Forecast excess return	29.4%

Valuation Method and Risk Statement

Our valuation is based on a multiple of GAAP EPS. Key risks to the downside include: (1) a pullback in advertising more broadly; (2) impacts from iOS changes related to ad targeting and measurement; (3) changes to the regulatory landscape and how antitrust laws are interpreted; (4) headwinds related to user growth and engagement associated with competitor platforms like TikTok; (5) engagement shifts to lower monetizing portions of the app (e.g. Reels) and uncertainty around the long-term monetization potential of new formats; (6) heavy investment into Reality Labs with an uncertain outcome and lack of a product/market fit today.

