

META Sell

By Lucas Horigan & Sam Harrell

META US \$ C 140.41 -2.41 Q140.42 / 140.470
On 23 Sep d Vol 31,710,685 O 141.42D H 142.62Q L 1
META US Equity 94 Suggested Charts 96 Actions 97 Edit
09/24/2021 09/26/2022 Last Px Local CCY Mov Avgs Key Ever
1D 3D 1M 6M YTD 1Y 5Y Max Daily Table



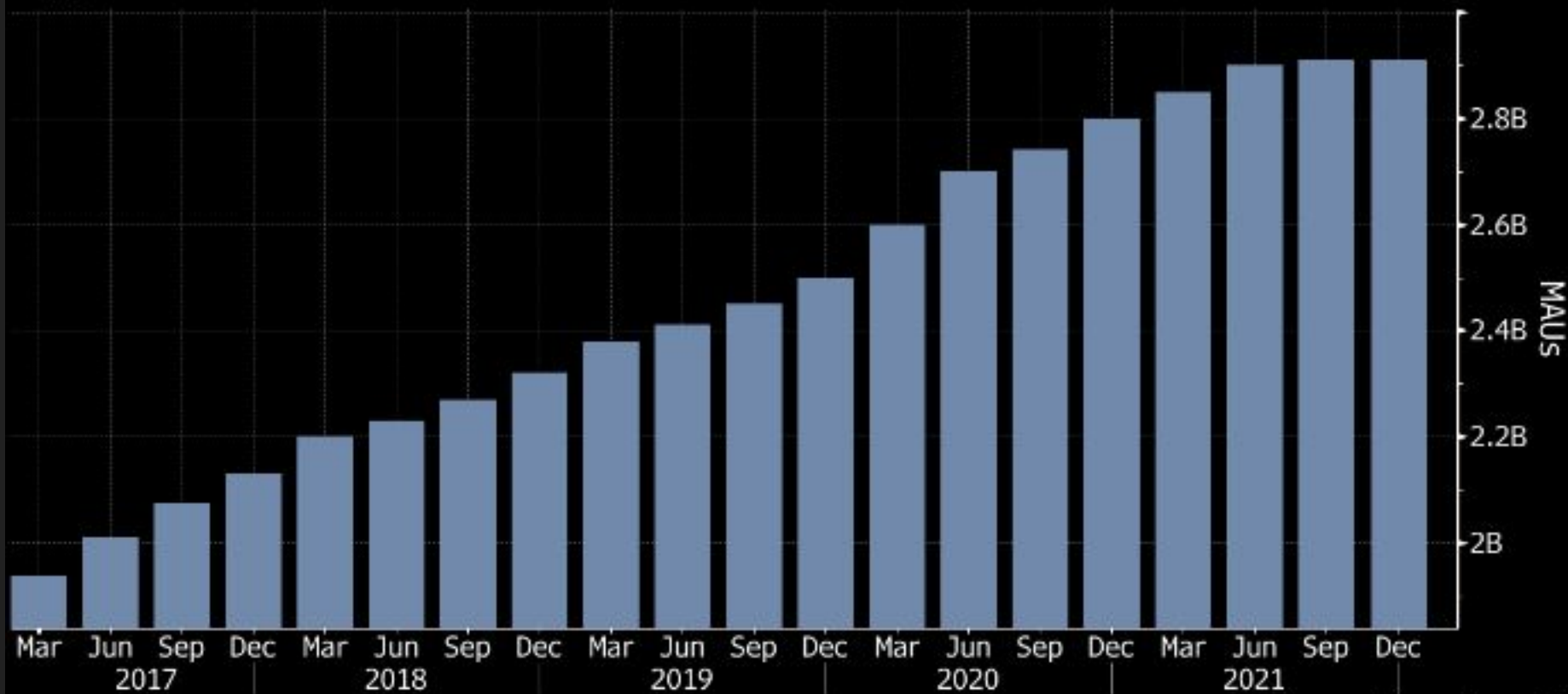
The company also gave a disappointing sales forecast for the current period, and Chief Executive Officer Mark Zuckerberg, who saw his personal wealth potentially plummet about \$24 billion, acknowledged that Meta is facing serious competition for user time and attention, particularly from viral video-sharing app TikTok.

The dour outlook and stalled user momentum is a dramatic turnaround for a company that has posted share gains in every year but one since its 2012 IPO, stoking concern that Meta Platforms flagship product and core advertising moneymaker has plateaued after years of consistent gains.

Users Plateau

Facebook MAU growth stalls

■ MAUs



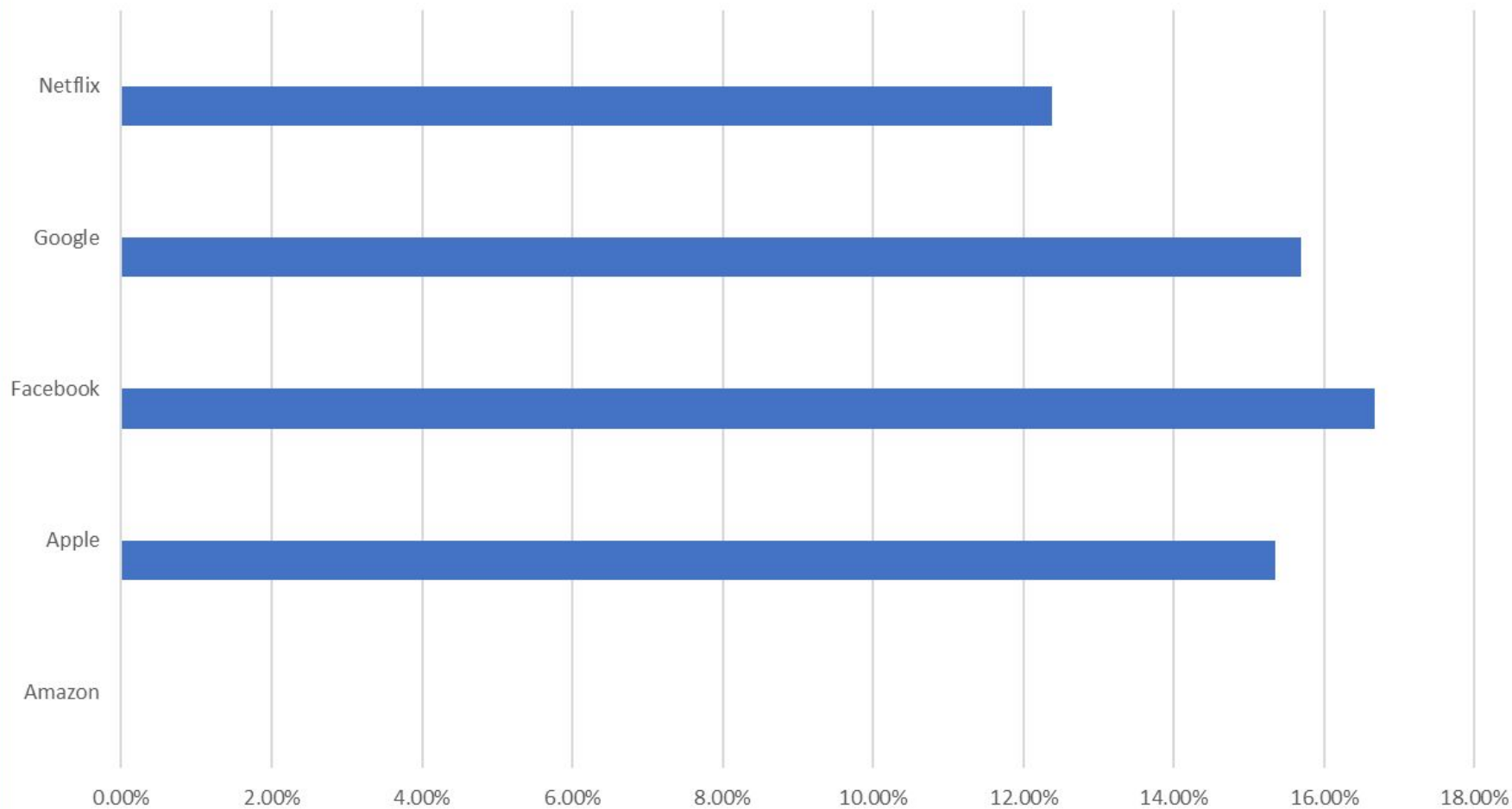
Source: Bloomberg MODL

Bloomberg

39)	ADJ	Meta Platforms Inc	ASC 842	?	Periodicity	Annuals	▼	Cur	FRC (USD)	▼
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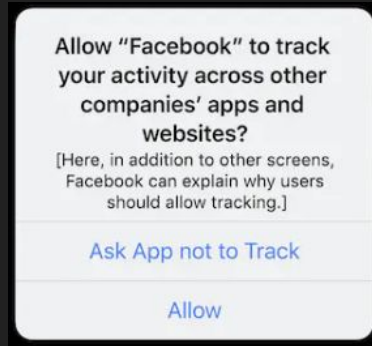
1) BBG Adj Highlights	12) BBG GAAP Highlights	13) Company Model	14) Earnings	15) Enterprise Value	16) EV Ex Operating Leases	17) Multiples	18)
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Effective Tax Rate



How META is impacted by APPL privacy changes

- In April of 2021, Apple enabled iPhone users to choose whether or not they allowed apps to track them.
- During their Q4 Earnings call, the CFO at the time David Wehner was quoted, “The impact of iOS overall as a headwind on our business in 2022 is on the order of \$10 billion,” **aka** they estimate they will lose \$10 billion in ad revenue for 2022



Apple Taking Ad Revenue Share

- Apple has been posting jobs for developing a mobile advertising platform
- iPhones will act as a “Walled Garden” where user data will be made available only to Apple and not competition such as Snapchat, TikTok, and Facebook
- Facebook’s ad revenue is currently: 114.93 Billion (97.5% of revenue)
- This competition is not made in current forecasts and will harm Facebook’s main revenue driver

Premiumization of the Ad Space

- Social Media apps such as Tiktok, Snap, and Facebook are seeking out more monetization on their apps since revenue fell
- Creator's ad revenue will be taken starting in 2024, the attrition of users for this is hard to predict
- Facebook is reducing the the priority on ecommerce by taking Instagram's ecommerce away

Track Record of Privacy Violations

- Facebook has a long history of large violations that cost them significant sums of money regularly
- Details from a class-action lawsuit as of September 15th will likely make Facebook pay over \$650 million USD
- Cambridge Analytica cost Facebook \$5 Billion USD in 2019
- Facebook has a lower “Social” score according to ESG vs. FAANG peers

Metaverse Stalling

- Facebook's VR/AR "Metaverse" arm Reality Lab struggles
- VR Market remains small, while VR Headsets continue to increase in price
- Analyst forecasts of VR users by 2025 is expected to be 50 million

Comparison of Apple vs. Meta's Device Uptake		
	Apple	Meta
Device:	iPhone	Standalone Oculus headset
Launch Year:	2007	2018
App Store:	App Store	Oculus Store (now Meta Quest Store)
Launch Year:	2008	2018
Installed Devices at App Store Launch Year:	2008: 11 Million	2018: 1.8 Million*
# of Apps:	~5,000	~1,000
Apps / 10,000 Installed Devices:	4.5	5.56
Installed Devices 3 Years Post-App Store Launch:	115 Million	16 Million
# of Apps:	~262,000	~1,000
Apps / 10,000 Installed Devices:	22.8	0.63
Note: installed devices at app store launch year and 3 years post-app store launch are estimates; * Meta's installed devices as of 2018 include sales of Rift; Meta's # of Apps at end-2021 include Oculus Quest and Oculus App Lab		Bloomberg 

Sell All 40 \$META Shares

At: \$140 Dollars

Realizing \$5,600