NASDAQ: META · INTERNET · STUDENT EQUITY RESEARCH

Meta Platforms, Inc.

By Brad Wolff, finance student

$618.67

Oct 30, 2026 VWAP · close Oct 29 $624.52

RATING
BUY
Buy (half) at or below $1,090.43
Buy (full) at or below $872.34

BLEND LOW / BASE / HIGH	STARTER VS PRICE	BUY-BELOW VS PRICE	MARGIN OF SAFETY	MID-CYCLE OWNER EARNINGS
$816.53 / $1,090.43 / $1,320.12	**76.3% above**	**41.0% above**	**20%**	**$31.67**
per share, mid-cycle owner earnings	Buy (half) level vs $618.67	Buy (full) level vs $618.67	uncertainty Low	a share, TTM $31.67

*Prepared Oct 30, 2026. Price: **$618.67**, the META regular-session VWAP through the 2:35 PM ET bar on Oct 30, 2026 (Yahoo 5-minute bars, up to 15 minutes delayed). Prior close $624.52 (Oct 29). Fully diluted shares 2,573M (Q3 2026 diluted weighted average, 10-Q). Discount rate 11.00%. All values per fully diluted share in US$, before the January 2027 Class C stock dividend.*

Figure 1.1 META close since March 2026 with 200-day average, breakout, technical Buy (half) zone and out-below level, through the 2:35 PM ET bar Oct 30, 2026



META daily close, March to Oct 30, 2026 (2:35 PM ET bar), with the 200-day average, the 632.11 breakout, the 610 to 625 technical entry zone and the 598 out-below level. My value levels, Buy (half) $1,090.43 and Buy (full) $872.34, sit above this range. Source: Yahoo Finance, technical chart.

SNAPSHOT	dated
Price	$618.67 session VWAP (2:35 PM ET bar). Open $614.51, prior close $624.52 · Oct 30, 2026, Yahoo
Market value / enterprise value	$1,591.8B / $1,593.1B · 2,573M shares x $618.67, plus $1.26B net debt, my calculation
Fully diluted shares and change	2,573M diluted in Q3, against 2,572M a year earlier. Class A and B outstanding 2,556M at Oct 16, up 1.4% y/y · 10-Q Oct 22, 2026
Net cash	-$1.26B ($82.45B cash and securities less $83.67B debt, and the preferred at $12.46B proceeds less $12.50B preference) · 10-Q Sep 30, 2026, 8-K Oct 29, 2026
TTM revenue	$241.6B · 10-K and 10-Qs, TTM to Sep 30, 2026
TTM FCF less stock comp	+$1.7B ($0.66 a share) · same, my calculation
TTM owner earnings	$81.5B ($31.67 a share) · my calculation, section 3
Short interest	28.4M shares, 1.28% of Class A shares, 1.8 days to cover. Borrow n/a · FINRA, Oct 15, 2026 settlement
Support / resistance	Support 609.00 to 609.48, 598, 592.60 to 594.81. Resistance 622.03, 624.52 to 626.37, 631.90 to 632.11 · section 4, Oct 30, 2026
Red flags	Caution (7 Caution, 4 Clear, 0 Fail) · section 5

CALL: BUY (FULL). At $618.67 (session VWAP, Oct 30, 2026) META sits below both of my levels. My value blend is $816.53 / $1,090.43 / $1,320.12 (low / base / high), and the price is 24.2% below even the blend low.

Actionable price: Buy (half) at or below **$1,090.43** (price 43.3% below). Buy (full) at or below **$872.34** (price 29.1% below), a 20% margin of safety, uncertainty Low. Red flags: **Caution** (7 Caution, 4 Clear, 0 Fail), which clears the gate. A Buy needs a Pass or Caution, never a Fail.

Exit: no position yet. Next catalyst: the Class C stock dividend, effective Jan 19, 2027, then Q4 2026 results, about late January 2027 (not yet announced).

1. The business and why it matters now

Meta sells ads across Facebook, Instagram, Messenger and WhatsApp (Family of Apps) and loses money on headsets and glasses (Reality Labs). Daily active people averaged 3.64B in September 2026, up 3% y/y (8-K Ex. 99.1, Oct 21, 2026).

Q3 2026 was strong on revenue and weak below it. Revenue was $64.60B (+26% y/y), on ad impressions +10% and price per ad +14%. Operating income fell to $12.99B because of a $9.89B charge for the agreement with 52 state attorneys general (up to about $18.59B in total). Without the charge it would have been $22.88B. Free cash flow was -$2.12B after $34.91B of capex (Ex. 99.1). The stock fell 7.0% on Oct 22, to $648.85 (Yahoo).

$M	Q3 2025	Q3 2026	Q3 y/y
Family of Apps revenue	50,772	64,158	+26%

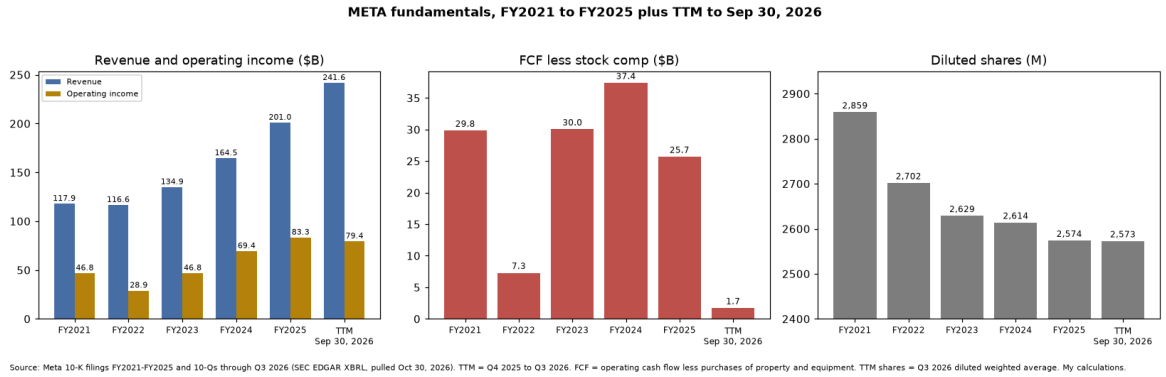
$M	Q3 2025	Q3 2026	Q3 y/y
Reality Labs revenue	470	443	-6%
Total revenue	**51,242**	**64,601**	**+26%**
Family of Apps operating income	24,967	17,117	-31%
Reality Labs operating income	(4,432)	(4,129)	
Total operating income	**20,535**	**12,988**	**-37%**

Source: 8-K Ex. 99.1 segment table, Oct 21, 2026. Q3 2026 includes the $9.89B settlement charge.

Why now: the spending. The 2026 capex guide is $135B to $145B, narrowed from $130B to $145B, with more "investing aggressively" in 2027. Reality Labs losses are guided to $18B to $19B for 2026 and about $15B for 2027. Q4 revenue is guided to $73B to $76B (Ex. 99.1). To fund it, Meta raised $37.5B in one week ($43.125B if the options are exercised): a $25.0B forward sale of 40M shares at $625.00 (424B5, Oct 28, 2026) and $12.5B of 6.50% mandatory convertible preferred (8-K, Oct 29, 2026). A non-voting Class C stock follows as a one-for-one dividend after Jan 19, 2027. Zuckerberg holds 60.6% of the vote on about 13.4% of the shares (PRE 14C, Oct 21, 2026).

2. The numbers

Figure 2.1 META fundamentals, FY2021 to FY2025 plus TTM to Sep 30, 2026



Revenue doubled from $117.9B in FY2021 to $241.6B TTM, and operating income rose from $46.8B to $83.3B in FY2025 before slipping to $79.4B TTM on the settlement charge. Cash conversion went the other way. FCF less stock comp peaked at $37.4B in FY2024, fell to $25.7B in FY2025 and is $1.7B TTM, because purchases of property and equipment reached $104.4B TTM against $24.9B of D&A. Diluted shares fell from 2,859M to 2,573M, but buybacks stopped in 9M 2026 and new issuance reverses the trend (10-Ks and 10-Qs, SEC XBRL data pulled Oct 30, 2026, my calculation).

3. Valuation and what the price implies

How I value it. Owner earnings are Family of Apps operating income after stock comp and D&A, taxed at 17%, with Reality Labs valued at zero. TTM Family of Apps operating income is $98.18B (FY2025 $102.47B plus 9M 2026 $67.41B less 9M 2025 $71.70B), so owner earnings are $81.49B, or **$31.67 a share**, with the settlement charge in ($35.51 without it). META passes my compounder test (5-year incremental return on capital 33%, reinvestment 56%, revenue growth 18.5% a year, SEC XBRL data).

THREE CASES (PER SHARE, $618.67 ON OCT 30, 2026, 11.00%, 3% TERMINAL GROWTH)				
CASE	LOW	BASE	HIGH	PRICE VS BASE
(1) Conservative: floor reference only	$452	$555	$673	price 12% above
(2) Market-implied	$930.09	$1,134.64	$1,345.33	price 45% below
(3) Growth-adjusted	$702.96	$1,046.22	$1,294.90	price 41% below
Blend of (2) and (3), 50/50	**$816.53**	**$1,090.43**	**$1,320.12**	**price 43% below**

- **Market-implied.** Next-twelve-months owner earnings of $37.22 / $37.84 / $38.45 a share times 25x / 30x / 35x, less $0.49 a share of net debt. NTM growth is +23.2%, from Street revenue growth of +27.82% for FY2026 and +21.62% for FY2027 weighted 3/12 and 9/12, with a 0.97 operating-leverage factor (stockanalysis.com, updated Oct 28, read Oct 30, 2026). Growth above 15% earns the top tier. The 38.96x cap (own 5-year median EV/(FCF less stock comp)) does not bind.
- **Growth-adjusted.** A multi-year owner-earnings DCF from $31.67. Base growth is 19.5%, 18.0%, then 21.6% in years three to five, fading to 3%. The compounder earning-power value (15.0% starting growth, 56% reinvestment x 33% return, reinvestment deducted) is $444.12 / $533.95 / $585.68, below the consensus path, so the consensus path stands.

Margin of safety. Uncertainty is Low: not cyclical, no negative FCF year in five, ten years of filings, net debt far under three times owner earnings, and a blend spread of 46% of the base, under my 75% line. Low means 15%. The Caution grades on the dilution line and the share-overhang line (the forward sale and the convertible preferred) add 5 points, for 20%. **Buy (half) at or below $1,090.43**, the blend base. **Buy (full) at or below $872.34** ($1,090.43 × 0.80). The price is 24.2% below the blend low of $816.53.

Reverse DCF. At $618.67, 11% and 3% terminal growth, the price needs about 8.8% a year of owner-earnings growth for ten years from $31.67 (6.9% at 10%, 10.7% at 12%). From the $35.51 base without the settlement charge it needs about 7.2%. The catch is capex. My owner earnings treat spending above D&A as value-neutral, while TTM FCF less stock comp is only $1.7B.

SENSITIVITY: BUY (HALF) LEVEL BY DISCOUNT RATE AND TERMINAL GROWTH

	2.5% TERMINAL	3.0% TERMINAL	3.5% TERMINAL
10%	$1,145.31	$1,177.44	$1,214.49
11%	**$1,066.94**	**$1,090.43**	**$1,117.04**
12%	$1,005.55	$1,023.25	$1,043.04

Bull / base / bear. Bear $816.53 (growth slows to about 13% a year, the AI build earns little). Base $1,090.43 (the Street revenue path holds). Bull $1,320.12 (AI lifts pricing and growth stays above 20%). The price is below the bear case.

Peers. At $618.67 META trades at 17.4x the Street's FY2027 EPS of $35.59, against GOOGL at 20.1x, AMZN at 24.1x and MSFT at 25.1x forward earnings (stockanalysis.com, S&P Global data, Oct 30, 2026, my calculation for META), the cheapest of the four.

MACRO

SIGNAL	READING	DATE	THRESHOLD	ON?
10-year less 3-month yield	+0.87	Oct 28, 2026	below zero for 3+ months	off
Real-time Sahm rule	0.00	Sep 1, 2026	0.50 or above	off
High-yield spread	3.14	Oct 28, 2026	above 5.0	off
S&P 500 vs 200-day	7,708.54 vs 7,306.43	Oct 29, 2026	close below the 200-day	off

Regime Green, no signals on (FRED and S&P 500 data, read Oct 29, 2026). Ad budgets track the economy, so a recession signal would hit META first.

At 10% the cases are $930 / $1,135 / $1,345 (Market-implied, which does not move with the rate), $813 / $1,220 / $1,515 (Growth-adjusted) and a $872 / $1,177 / $1,430 blend, Buy (full) $941.95. At 12% they are $930 / $1,135 / $1,345, $618 / $912 / $1,125 and $774 / $1,023 / $1,235, Buy (full) $818.60. The price is below the blend low at every rate.

4. Technical levels (expire after the next report, about Jan 27, 2027, or a daily close outside $545.42-684.69)

Figure 4.1 META daily candles, Oct 30, 2025 to Oct 30, 2026, with 50-day and 200-day averages, entry zone, volume and 1-year volume profile



Fig 4.1: META daily, Oct 30, 2025 to Oct 30, 2026 (2:35 PM ET bar). Source: Yahoo Finance daily and 5-minute bars, technical chart.

META has given back the whole September run. It's down 21.4% from the $779.82 Sep 24 high and is back in my $610-625 entry zone, sitting on the 1-year point of control ($609.48) under session VWAP ($618.67) and the 200-day ($632.11). Today's selling is on light volume. A close above $632.11 on heavy volume is the breakout. A daily close below $598 takes me out, and a close below $609.00 opens the short.

LEVELS AND SETUP (Oct 30, 2026, 2:35 PM ET bar, up to 15 minutes delayed)

Session	Prior close $624.52, open $614.51, high $626.37 (11:05 AM), low $610.14 (9:35 AM), VWAP $618.67, last $613.57 (2:35 PM bar close), 17.9M shares through the 2:35 PM bar (0.82x the 50-day daily average of 21.8M)
Trend	50-day $668.60 (rising, $622.60 twenty sessions ago), 200-day $632.11. Oct 26 was the first close below the 200-day since Sep 8. The Oct 6 golden cross still stands
Volume profile	1-year POC $609.48, value area $581.91-679.24. Post-earnings POC $624.31 (Oct 22-29). 60-session POC $720.40 is overhead
Anchored VWAPs	$631.90 from the Oct 21 report, $664.84 from the Oct 13 high, $692.39 from the Sep 24 high
Resistance	$622.03 (Fib 61.8%), $624.52-626.37, $631.90-632.11 (earnings VWAP, 200-day), $652.16 (Fib 50%), $681.07-689.68 (open Oct 22 gap)
Support	$609.00-609.48 (Oct 28 low, 1-year POC), $598, $592.60-594.81 (May swing lows), $581.91 (value area low), $557.01, $520.26 (52-week low)
Long entry	Entry zone $610-625 (trading entry only). Confirm on an up close on at least 26.15M shares (Oct 29 qualified at 31.16M). Breakout on a daily close above $632.11 on at least 26.15M
Out below	Daily close below $598
Long targets	$652.16, $664.84-668.60, $681.07-689.68
Failed breakout	Close back below $632.11 after a close above it
Breakdown short	Daily close below $609.00 on at least 26.15M. Cover on a daily close above $625
Failed-rally short	Rejection at $631.90-632.11 with a close back below $625. Cover on a daily close above $632.11
Short targets	$598-592.60, $581.91, $557.01
Squeeze risk	Low. 28.4M short (FINRA, Oct 15 settlement), 1.28% of float, 1.8 days to cover, borrow n/a

Earnings gaps	6 of 10 earnings gap-downs since Feb 2022 were more than 1% lower five sessions later. The latest, Oct 22, 2026, gapped −3.0% and was −10.5% five sessions later

Note: the Oct 28 low of $609.00 is not yet a confirmed swing low (that needs no lower low through Nov 4). 26.15M is 1.2x the 50-day average.

Sources: Yahoo Finance daily bars to Oct 29, 2026, 5-minute bars Aug 6 to Oct 30, 2026 through the 2:35 PM ET bar (up to 15 minutes delayed), FINRA short interest via Nasdaq (Oct 15, 2026 settlement, pulled Oct 30), Yahoo earnings dates, my calculations.

5. Red flags and risks

RED-FLAG SCORECARD verdict Caution · Oct 30, 2026

#	FINDING	GRADE
1. Dilution	Raised $37.5B in a week: 40M shares sold forward at $625.00 ($25.0B) plus $12.5B of 6.50% mandatory convertible preferred. New shelf has no stated size. No buybacks in nine months. (424B5s, Oct 28, 2026. 8-K, Oct 29, 2026. 10-Q, Oct 22, 2026)	Caution
2. Overhang	Forward settles by Nov 19, 2027. Preferred converts Aug 15, 2029 into 17.0M to 20.0M shares, all 20.0M below $625. Up to 60M new shares, 2.3% of 2,573M fully diluted. Zuckerberg can sell 20% of his Class C from Jan 19, 2027. (424B5s, Oct 28, 2026. 8-K, Oct 21, 2026)	Caution
3. Control	Zuckerberg has 60.6% of the vote on about 13.4% of the shares. Non-voting Class C keeps it that way. (PRE 14C, Oct 21, 2026)	Caution
4. Debt	$83.67B of debt at carrying value against $82.45B of cash and securities, $1.26B net debt with the new preferred. (10-Q, Oct 22, 2026. 8-K, Oct 29, 2026)	Caution
5. Cash flow	Nine-month capex of $83.1B leaves $13.8B of free cash flow. (10-Q, Oct 22, 2026)	Caution
6. Legal	New Mexico $25B penalty at 15% interest, about $9.72 per share. Meta will appeal. Amount accrued n/a. Legal accruals $19.9B. (10-Q, Oct 22, 2026)	Caution
7. Commitments	Leases not yet started, contract commitments and guarantees total $851.7B, 3.1 times equity. (10-Q, Oct 22, 2026)	Caution

Source: my forensic screen (Oct 30, 2026) of the filings above, EDGAR Forms 4 and 144 and FINRA short interest (Oct 15, 2026). Prices at $618.67, Oct 30 VWAP through the 2:35 PM ET bar. Four lines Clear, none Fail.

Caution clears the gate for a Buy but blocks a Short, which needs a Fail.

Catalysts. The Class C stock dividend after Jan 19, 2027, after which the Class A price should act like a two-for-one split and my levels roughly halve, to about $545.21 and $436.17. Q4 2026 results about late January 2027 (not announced) with the 2027 capex budget. The New Mexico appeal, the youth-related trials, and any forward-sale settlement through Nov 19, 2027.

Sizing. The call is Buy (full) with red flags at Caution. On a $100K reference account at 1.0% risk, the 10% position cap binds before the stop does. Full size is 16 shares, about $9,900 at $618.67, and a half position is 8 shares. Risk on 16 shares to the $598 out-below is $192 from a $610 fill, $312 from $617.50 and $432 from $625, all under the $1,000 budget (my calculation).

6. What would change my mind

Toward waiting: 2027 capex well above 2026 with no lift in revenue growth, another equity raise, or legal bills that push net debt past three times owner earnings. A Fail on red flags blocks the buy. Toward more conviction: FCF less stock comp back above $25B a year, Reality Labs losses at or under the $15B guide, or 2027 capex funded from operating cash.

Sources

- Meta Q3 2026 10-Q, filed Oct 22, 2026, and earnings release (8-K Exhibit 99.1) of Oct 21, 2026. 10-Ks for FY2021 to FY2025 and SEC XBRL company facts, pulled Oct 30, 2026.
- 8-K of Oct 29, 2026 (preferred closing and forward sale agreements), 8-K of Oct 21, 2026 (Class C), 424B5 prospectus supplements (Oct 28, 2026), S-3ASR (Oct 26, 2026).
- stockanalysis.com forecast and statistics pages (S&P Global Market Intelligence data), Oct 30, 2026.
- Yahoo Finance price data and short interest, Oct 30, 2026. EDGAR Forms 4 and 144. PRE 14C, Oct 21, 2026. FINRA short interest, Oct 15, 2026 settlement. FRED and S&P 500 data, Oct 29, 2026.

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