

Meta Platforms, Inc. (NASDAQ: META)

Equity research report, 22 October 2026. Third-quarter 2026 results, reported 21 October after the close.

Item	Value	Comment
Verdict	Watchlist (unchanged)	Set by fundamentals. Technical read (chart only): Conflicts.
Price of record	\$697.52	21 October close, set before the results were released
Probability-weighted fair value	\$730.26	+4.7% vs the 21 October close
Level of interest	\$661-\$690	5% to 9% below the base case of \$725.89
Investment Score	72.0 / 100	Previous report 70.8
Clean third-quarter EPS	\$7.40	Reported \$3.83 includes a \$9.89bn legal charge

Price as of the 21 October 2026 close. Results are from the company's Form 8-K of 21 October 2026.

Price timing. Meta released its results after the market closed on 21 October. The \$697.52 close used throughout this report was set before the release, so it does not reflect the market's reaction to the quarter. Early extended-hours trading pointed to a higher open, but no regular-session close after the results exists at the time of writing. Every valuation gap, band and technical distance below is measured from the pre-results close, and readers should compare the levels with the current price rather than with \$697.52.

1. Summary

The quarter answered the advertising question and left the cash question open. Revenue of \$64.6 billion rose 26% and beat the top of Meta's own \$61-64 billion guide. Ad impressions rose 10% and the average price per ad 14%, so growth came from both more ads and better-priced ones. Reported earnings per share of \$3.83 carry a \$9.89 billion charge for the August agreement with 52 state attorneys general. Excluding it, Meta puts EPS at \$7.40 and operating income at \$22.88 billion, up 11% on a year earlier. The fourth-quarter guide of \$73-76 billion implies growth of 22% to 27% against the \$59.89 billion of a year ago.

The cost side moved the other way. Capital spending was \$34.91 billion in the quarter and free cash flow was negative \$2.12 billion. The 2026 capital guide was narrowed upward to \$135-145 billion, which leaves \$49-59 billion for the fourth quarter alone. There were no buybacks for a second quarter. Management gave no 2027 expense or capital figures and deferred them to January. The board also created a non-voting Class C share, to be distributed one-for-one as a stock dividend, which works like a two-for-one split and gives Meta a currency for raising capital and for acquisitions.

Verdict: Watchlist, unchanged, from fundamentals. Weighted fair value rises to \$730.26 from \$708.80, mostly because forward earnings estimates are higher. That is 4.7% above the pre-results close, not enough margin for a Buy on a business with negative free cash flow, an open-ended 2027 spending plan and a new tool for issuing equity. The name becomes interesting at \$661-\$690. Muse, the High development, is real in usage, with more than 10 million set-ups in six weeks, but it still has no disclosed revenue and sizes at about \$0.16 of 2027 EPS in the base case. Technical read (chart only): Conflicts. The chart is in an uptrend ahead of the rating; the band sits at the 50-day average.

2. The quarter

Metric	Q3 2026	Q3 2025	Change	Against expectations
Revenue	\$64,601m	\$51,242m	+26%	Guide \$61-64bn; consensus \$63.34bn (+2.0%)
Advertising revenue	\$63.1bn	-	+26%	Impressions +10%, price per ad +14%
Other Family of Apps revenue	\$1,097m	\$690m	+59%	Subscriptions and business messaging
Reality Labs revenue	\$443m	\$470m	-6%	Operating loss \$4,129m vs \$4,432m
Income from operations	\$12,988m	\$20,535m	-37%	\$22.88bn excluding the charge (+11%)
Operating margin	20%	40%	-20 pts	35.4% excluding the charge
Effective tax rate	24%	87%	-	17% excluding the charge; Q2 2026 16%

Metric	Q3 2026	Q3 2025	Change	Against expectations
Diluted EPS	\$3.83	\$1.05	+265%	Consensus \$3.57; \$7.40 excluding the charge
Family daily active people	3.64bn	-	+3%	September 2026 average
Headcount	66,775	-	-15%	After the May reduction

Company Form 8-K Exhibit 99.1, 21 October 2026. Consensus revenue and EPS as reported after the release. Q3 2025 EPS and tax rate include a one-time deferred tax charge recorded that quarter.

The clean earnings figure. The \$9.89 billion charge is a one-off and is excluded from the valuation. Meta itself discloses the result without it: operating income \$22.88 billion, a 17% tax rate and EPS of \$7.40. The charge is largely not tax-deductible, which is why the reported rate rose to 24%. Restated at the second quarter's 16% rate, clean EPS would be \$7.47 (our calculation: pre-tax income of \$13,001m plus the \$9,890m charge, taxed at 16%, over 2,573m diluted shares). The tax rate therefore cost about seven cents rather than flattering the quarter. The earnings strength is operating, not a tax effect.

Against the guide. Last quarter Meta guided third-quarter revenue to \$61-64 billion. It delivered \$64.6 billion, above the top of the range. The capital range moved from \$130-145 billion to \$135-145 billion, so the lower end rose by \$5 billion. On revenue, management under-promised. On spending, the direction has been one way all year.

3. Guidance and the call

Item	New guidance	Previous	Read
Q4 2026 revenue	\$73-76bn, about 1% FX headwind	-	24% growth at the midpoint
2026 total expenses	\$175-179bn incl. the \$9.9bn charge	-	Raised for the legal charge
2026 capital expenditure	\$135-145bn	\$130-145bn	Implies \$49-59bn in Q4
Q4 2026 tax rate	15-17%	15-17%	Unchanged
2026 Reality Labs loss	\$18-19bn	-	Lower than 2025
2027	Strong revenue growth; Reality Labs loss about \$15bn	-	No expense or capex figures until January

Company Form 8-K and earnings call, 21 October 2026.

The call added three things the release did not. First, Muse adoption: more than 10 million people in the US and Canada set up a Muse agent in about six weeks, about a quarter of them use it on a given day, and shopping is the leading use, with average purchases above \$200. Management later said the commerce figure includes travel. Second, the constraint: Zuckerberg said compute, not demand, limits Muse's growth, which is why it has not launched globally. Meta expects to improve its cost efficiency by more than ten times over the next year. Third, the model: most users get Muse free, with businesses paying transaction fees, while advanced models, extra usage and business features are sold by subscription.

The answers that were not given matter as much. Asked about 2027 expense and capital trends, CFO Susan Li said the budget was early and that specifics would come on the fourth-quarter call. Asked what Muse costs per user, she declined to give a figure and listed efficiency levers instead. Asked whether 2027 growth would include AI revenue, she said new AI businesses could contribute but that many opportunities are early. Asked about capital structure, she said Meta has no specific financing plans to announce. Each deflection sits on the same question: how much the AI build costs and when it pays. Meta One has passed 15 million subscriptions and trials, but there is still no split between paying subscribers and trials.

4. Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Muse adoption and monetisation (with Muse Wonder and Meta One)	Shipped; call 21 Oct 2026	Over 10m set-ups in US and Canada in about six weeks; about 25% use it daily; shopping the top use; Meta One past 15m subscriptions and trials. No revenue disclosed.	Management expects Muse to serve billions, cost efficiency up more than 10x in a year, and AI revenue to start contributing in 2027.	High
Class C non-voting share, distributed 1-for-1	Announced 21 Oct 2026; effective 19 Jan 2027	One Class C share per Class A and B share; Class A price expected to reflect a two-for-one split; Nasdaq listing intended; voting power unchanged; founder agreement on Zuckerberg's Class C sales.	Management: for capital raising, compensation and acquisitions; no specific financing plans. Trading expected late January 2027.	Medium
Agentic commerce protocol	In development; call 21 Oct 2026	Personal Agent Protocol with partners including Walmart, Stripe and Shopify; permissioned, structured integrations.	Management expects uneven adoption.	Medium
Meta Enterprise Platform	Launched 29 Sep 2026	New unit led by Chirantan Desai, formerly CEO of MongoDB, reporting to Zuckerberg; model API, Muse Code and business agents.	No pricing or revenue given.	Medium
Attorneys general settlement charge	Charged in Q3 2026	\$9.89bn charge against an agreement providing payments of up to about \$18.59bn.	Management flags further youth-related trials in coming months.	Medium
Muse on Meta glasses	Due November 2026	Announced on the call for next month.	None quantified.	Low
In-house models for content understanding	Began Q3 2026	Meta began moving content understanding to its own Muse models.	Cost and quality benefits not quantified.	Low

Company Form 8-K, earnings call and newsroom, 21 October 2026; Meta Enterprise launch, 29 September 2026.

High item: Muse adoption and monetisation

What is known. Muse, Meta's personal agent, launched in September. On 12 October Meta released Muse Wonder, its first frontier-class model, which will power Muse for subscribers first. On the call, Meta disclosed more than 10 million set-ups in the US and Canada in roughly six weeks, about 25% daily use among them, and purchases above \$200 on average. Meta One has passed 15 million subscriptions and trials. Meta has disclosed no Muse revenue, no paid-subscriber count and no cost per user.

Why it matters here. Advertising is 98% of revenue, and Muse is the first product that could earn from a different line: transaction fees and subscriptions. It also drives the capital programme, because management names compute as the limit on growth. A product that grows faster than its costs fall raises the 2027 capital bill before it earns.

What success and failure look like. Success is a disclosed paid-subscriber number, a first fee-revenue line and a falling cost per user, visible from the fourth-quarter call in late January 2027. Failure is usage that keeps growing while revenue stays undisclosed and 2027 capital spending rises with free-tier inference named as a driver.

Economics and precedent. Meta's usual pattern is to build usage first and monetise later, as with Reels and WhatsApp business messaging. Zuckerberg said monetisation will come sooner than usual this time, given the cost. Competing assistants from OpenAI, Google and Anthropic monetise mainly through subscriptions, and none has disclosed a large transaction-fee business. The commerce leg faces resistance: Amazon blocks Muse from its store.

Case (2027, our estimate)	Revenue	Pre-tax effect	EPS effect	Value at 21.5x
Success	\$6.0bn	+\$3.0bn	+0.98	+21.1
Base	\$2.0bn	+\$0.5bn	+0.16	+3.5
Failure	\$0.5bn	-\$2.0bn	-0.65	-14.0

Own calculation. Inputs: 2,573m diluted shares (Q3 2026), 16% tax (midpoint of the 15-17% guide). Revenue and pre-tax effects are assumptions; Meta has disclosed neither. Base 2027 EPS without the item \$33.60, implied from the 20.8x forward multiple at the 21 October close.

What the price assumes. At the base case, Muse is worth about \$4 a share, and the gap between success and failure is about \$35 a share on earnings alone. The larger effect sits in the multiple and in capital spending: a failure that comes with a higher 2027 capital guide would hit the free cash flow the market is waiting for. With the item, weighted fair value is \$730.26; without it, \$724.12. The verdict, the band and the scores would be the same without it, because the sizing is small against roughly \$34 of earnings per share.

What is still unknown. Paying subscribers, fee revenue, cost per user and how much of 2027's capital plan Muse accounts for. The fourth-quarter call in late January 2027 is the first date when management has promised spending figures.

Medium item: the Class C share

The new share class has no direct effect on earnings. The stock dividend doubles the share count and halves the price, so per-share figures halve with it. Its economic channel is future issuance. Meta says it has no specific financing plans. As a guide, each \$10 billion raised at half the pre-results price would add about 29 million shares to roughly 5.1 billion after the dividend, a dilution of about 0.56% (our calculation). That is small per tranche, so this is rated Medium, not High. What it signals matters more: a company that funded its build from cash flow and then debt now wants an equity currency as well, without diluting votes. It would become High if Meta announced a large issuance tied to its capital plan.

5. Framework

Meta earns almost all of its revenue from advertising across Facebook, Instagram, WhatsApp, Messenger and Threads. Five variables drive returns over two years: advertising growth (impressions and price per ad); the size and return of the AI capital programme; free cash flow and capital return; monetisation of Muse and paid tiers; and legal and regulatory cost, now including youth-related trials. The macro variables that matter are the labour market, which drives advertiser budgets, and long-dated yields, which set the multiple on earnings that sit years away. Each criterion is judged on disclosed numbers, not on management's framing.

6. Business and industry

Family of Apps produced \$64.16 billion of revenue and \$17.12 billion of operating income in the quarter after the charge, while Reality Labs lost \$4.13 billion on \$443 million of revenue. Family daily active people reached 3.64 billion. Digital advertising remains concentrated among a few platforms, and Meta's share depends on ranking quality: management says its new ranking model lifted app ad conversions by 9.6%, and partnership ads passed a \$15 billion annual run rate. The industry's open question is no longer whether AI improves advertising, but whether consumer AI products can pay for the compute behind them.

7. Financials

Item	Q3 2026	Comment
Operating cash flow	\$32.79bn	Strong underlying cash generation
Capital expenditure incl. finance leases	\$34.91bn	Nine months \$85.8bn of a \$135-145bn year
Free cash flow	-\$2.12bn	Q3 2025: \$10.63bn; nine months 2026: \$11.05bn
Share repurchases	None	Q3 2025: \$3.33bn
Dividends	\$1.36bn	Quarterly dividend maintained
Cash and marketable securities	\$82.45bn	Against long-term debt of \$80.92bn
Long-term debt	\$80.92bn	From \$58.74bn at end-2025

Company Form 8-K, 21 October 2026.

The business still produces cash, \$32.8 billion from operations in a quarter, but capital spending now absorbs all of it. The net cash position has been spent down to roughly zero, long-term debt has risen by \$22 billion this year, and the attorneys general agreement provides for payments of up to about \$18.59 billion, of which \$9.89 billion was charged this quarter; the

payment schedule has not been disclosed. The fourth quarter needs \$49-59 billion of capital spending to land inside the guide, which points to another quarter of negative free cash flow. Financial Strength falls one point to 5 for this reason.

8. Competitors

Company	Position	Relevance to Meta
Alphabet	Search and YouTube ads; Gemini assistant	Largest rival for ad budgets and for consumer AI
Amazon	Retail media; blocks Muse from its store	Competes for commerce intent and agentic shopping
ByteDance (TikTok)	Short video	Competes for time spent and Reels budgets
OpenAI, Anthropic	Frontier models sold by subscription and API	Benchmarks for Muse Wonder and paid AI tiers
Microsoft, Salesforce	Enterprise software and agents	Incumbents for Meta Enterprise Platform

Company descriptions as of October 2026.

Meta's moat is reach, data and ranking at a scale only Alphabet matches. Muse Wonder narrows its gap in frontier models on Meta's own testing. The weakness is commerce: the retailer that matters most has closed its door to Muse.

9. Management

Execution on the core business was strong: revenue beat the top of the guide, headcount is 15% lower than a year ago, and the AI rebuild has shipped two consumer products and a frontier model inside a year. The record on capital is weaker. The capital range has moved up, free cash flow has turned negative, buybacks have stopped, and the 2027 numbers were deferred. The Class C structure keeps founder control intact while adding an equity currency, which shareholders without votes cannot check. Management stays at 7.

10. Growth drivers

Driver	Status	Likelihood	Impact
Ad pricing from better ranking and AI tools	Shipped; price per ad +14%	High	High
Q4 revenue of \$73-76bn	Guided 21 Oct 2026	High	High
Muse fees and subscriptions	Shipped; no revenue disclosed	Medium	Low in 2027
Meta One paid tiers	Launched; 15m+ subscriptions and trials	Medium	Low
Meta Enterprise Platform	Launched 29 Sep 2026	Medium	Low
Reality Labs loss narrowing to about \$15bn in 2027	Management expectation	Medium	Medium

Status as of 22 October 2026. Likelihood and impact are this report's assessment.

11. Risks

Risk	Probability	Severity	Comment
Capital spending and depreciation	Occurring	High	Q4 implied at \$49-59bn; 2027 not yet guided
Negative free cash flow, no buybacks	Occurring	High	-\$2.12bn in Q3; no repurchases in Q2 or Q3
Equity issuance under the Class C share	Moderate	Medium	No plan announced; the structure exists to allow it
Youth-related trials and settlement payments	High	Medium	Further trials scheduled; up to about \$18.59bn under the agreement
Muse costs ahead of revenue	Moderate	Medium	Compute is the stated constraint; cost per user not disclosed
Retailers resisting agentic shopping	Occurring	Medium	Amazon blocks Muse
Advertising slowdown with labour market	Moderate	Medium	September payrolls rose 29,000
Higher long-dated yields	Moderate	Medium	10-year at 5.13%; Fed meets 27-28 October

Probability and severity are this report's assessment.

12. Valuation

Measure	Value	Comment
Trailing P/E	23.8x	On \$29.33 trailing GAAP EPS, including the charge
Forward P/E	20.8x	Implied forward EPS \$33.60
Price vs weighted fair value	-4.7%	Fair value \$730.26
Consensus target	\$814.51	63 analysts, Strong Buy
Dividend yield	0.3%	\$2.10 a year

Price of 21 October 2026. Trailing EPS, forward multiple and consensus from S&P; Global data via StockAnalysis.com, 21 October 2026, before post-results revisions.

Forward earnings are the right denominator. Trailing GAAP earnings carry the legal charge, and 2027 is when Muse and the capital programme meet. On the implied forward EPS of about \$33.60 the shares trade near 20.8 times, below the 22-23 times of the last few reports, because estimates rose while the price fell from \$742.96. A multiple of about 21.5 times on base-case earnings gives \$725.89. Against the business, that multiple is fair rather than cheap: growth in the mid-twenties argues for more, and negative free cash flow with an undefined 2027 bill argues for less.

Macro drivers. Two matter. Advertising budgets follow the labour market, and the signals are mixed: September payrolls rose only 29,000 with unemployment at 4.2%, yet initial jobless claims stayed near 199,000 and retail sales rose 0.8%, although the control group gained only 0.1%. Meta's 26% growth shows no slowdown yet. The second driver is the long-dated yield, which sets the multiple. The 10-year closed at 5.13% on 21 October, about nine basis points below the level of the last report, with September CPI at 3.7% and core at 2.6% and a Federal Reserve meeting on 27-28 October where another increase is under discussion after September's move to 3.75-4.00%.

13. Sentiment

The sell side is firmly positive: a Strong Buy consensus across 63 analysts and an average target of \$814.51 before the results. Several brokers raised targets around the release, among them JPMorgan to \$940, Pivotal Research to \$960 and D.A. Davidson to \$800, while RBC held \$770. Some commentary after the call focused on Muse's cost, with one analyst calling it the most loss-making product at Meta. The tone is constructive on advertising and divided on AI spending.

Institutional positioning: Mixed, as of 30 June 2026, filings through 19 August 2026. Active managers made a net reduction of about 2.5% of reported shares over four quarters. The selling was broad but not persistent: 44 managers added and 54 cut, no single seller dominated, quarterly flows alternated and the latest quarter was roughly flat. The read leans cautious. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure. This positioning predates Muse, the share class and the third-quarter results.

14. Scorecard

Criterion	Score	Weight	Basis
Business Quality	9/10	15%	Unchanged. Revenue +26% with impressions and pricing both rising; 3.64bn daily people.
Financial Strength	5/10	15%	-1. Free cash flow negative at -\$2.12bn, no buybacks, net cash near zero, Q4 capex implied above \$49bn.
Competitive Advantage	9/10	15%	Unchanged. Ranking gains and a frontier model support it; Amazon's block offsets on commerce.
Management	7/10	10%	Unchanged. Beat its revenue guide; deferred 2027 spending figures and added a non-voting share class.
Growth Potential	9/10	15%	Unchanged. Q4 guide implies 22-27% growth; Muse adds usage but no revenue yet.
Valuation	6/10	20%	+1. About 20.8x forward and 4.7% below weighted fair value at the pre-results close.
Risk (10 = lowest risk)	5/10	10%	Unchanged. Capital, trials and possible issuance on one side; strong ad demand on the other.
Investment Score	72.0 / 100	100%	Previous report 70.8

Scored 1-10, where 10 is always best, including Risk. Weights 15/15/15/10/15/20/10; composite computed in code.

Factor weights changed on 18 October 2026, so part of the change in the Investment Score reflects the new weights. Two factors moved: Financial Strength down one on negative free cash flow, and Valuation up one on a lower multiple. The High development moved no factor score; its effect is inside Growth Potential and Risk at their current levels. The Risk score of 5 means moderate risk, and the risks section describes a business with strong demand and an unresolved capital and legal bill, so the two agree.

15. Recommendation

Watchlist, unchanged. The quarter strengthened the advertising case and weakened the cash case, and the two roughly offset. The verdict rests on different grounds from the last report, which waited for a paid-subscriber number and the third quarter: the advertising question is now answered, and what is missing is a 2027 capital figure with a return case and evidence that Muse earns. The name becomes interesting at **\$661-\$690**, 5% to 9% below the base-case value of \$725.89. The 50-day average near \$661 sits at the lower edge. The band assumes the base Muse outcome and is meant for use before or after the fourth-quarter call; a 2027 capital guide well above 2026 without a return case would move it lower. No entry, stop or take-profit is published under a Watchlist rating.

Condition	Direction
Shares drift into \$661-\$690 without a new shock	Toward Buy
Paying Muse or Meta One subscribers disclosed, with a revenue figure	Toward Buy
2027 capital guide with a return case, or buybacks resuming	Toward Buy
2027 capital spending guided well above 2026, with free-tier inference named as a cause	Toward Avoid
A large equity issuance under the Class C share tied to the capital plan	Toward Avoid
Further large settlements or adverse verdicts in the youth trials	Toward Avoid
Advertising decelerating as the labour market cools further	Toward Avoid
A further rise in long-dated yields alongside another rate increase	Toward Avoid

Macro rows are directional. Dated milestones: Federal Reserve 27-28 October; Class C effective 19 January 2027; fourth-quarter results expected late January 2027.

The last report's conditions. A paid-subscriber number at the third quarter: not met; Meta One passed 15 million subscriptions and trials with no split. Free cash flow recovering or buybacks resuming: not met. A 2027 capital guide above \$145 billion: not given; deferred to January. Further retailers following Amazon: none disclosed. Advertising decelerating:

not met.

16. Technical read

Chart as of 21 October 2026 close, the last session before the results.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Conflicts.** The chart is in an uptrend, with the 50-day average rising and the price above the 50, 100 and 200-day averages, so it is ahead of the fundamentals. Watch it closely without changing the rating. A pullback toward the 50-day average near \$661, the lower edge of the \$661-\$690 band, is the level that matters.

Indicator	Value	Reading
Trend	Uptrend	50-day rising; no new 60-day closing low; no close under the 200-day in 10 sessions
SMA 20 / EMA 20	\$729.54 / \$714.14	Price 4.4% / 2.3% below
SMA 50 / EMA 50	\$661.46 / \$681.29	Price 5.5% / 2.4% above
SMA 100 / EMA 100	\$629.87 / \$654.99	Price 10.7% / 6.5% above
SMA 200 / EMA 200	\$632.62 / \$651.99	Price 10.3% / 7.0% above
RSI (14)	47.4	Neutral
MACD (12,26,9)	9.56 vs signal 18.98	Histogram -9.41, below signal
ATR (14)	\$24.50	3.5% of price
Volume	20-day 19.5m vs 50-day 19.6m	Participation flat
Support	\$681.05; \$661.46; \$632.62	20-day low; 50-day; 200-day
Resistance	\$729.54; \$779.82	20-day average; 52-week high

Daily series to 21 October 2026, 300 completed sessions, raw closes; distances against the \$697.52 close. Computed in code.

The Technical read looks only at the price chart. It does not change the verdict or the Investment Score, and it only guides entry timing. The results will move the chart from the next session.

17. Scenario analysis

Case	Prob.	Outlook	2027 EPS x multiple	Fair value	vs price
Bull	30%	Advertising keeps growing in the mid-twenties through 2027, Muse fees and paid tiers reach several billion dollars as compute costs fall, the 2027 capital guide in January comes with a return case, and buybacks resume. Muse success (+0.98 EPS).	\$37.48 x 24	\$899.51	+29.0%
Base	47%	Advertising compounds in the low twenties, Muse grows but stays capacity-limited and immaterial to 2027 earnings, capital spending rises again in 2027, free cash flow stays thin and the multiple holds near 21-22x with the 10-year above 5%. Muse base (+0.16 EPS).	\$33.76 x 21.5	\$725.89	+4.1%
Bear	23%	Advertising slows with a weaker labour market, Muse inference costs run ahead of fees, 2027 spending is guided well above 2026 with equity issuance under the new share class, and youth trials add further charges; the multiple compresses toward 17x. Muse failure (-0.65 EPS).	\$30.50 x 17	\$518.45	-25.7%
Weighted	100%	Probability-weighted		\$730.26	+4.7%

EPS and multiples are this report's assumptions; base EPS implied from the forward multiple; values and the weighted \$730.26 computed in code. Previous report: bull \$894, base \$698, bear \$506, weighted \$708.80.

The bull case stays at 30%: the revenue beat and a strong fourth-quarter guide support it, but nothing yet shows Muse earning or capital spending moderating. The base case rises to 47% from 45% because advertising growth held up against a weak payrolls month. The bear case falls to 23% from 25%: the advertising route to it is less likely, while the capital route is more open, with 2027 unguided and a share class built for issuance. The bear multiple of 17 times is unchanged.

18. Final verdict

Would new money go into Meta today? Not at the \$697.52 pre-results close, and less so if the shares open higher. The quarter showed that the advertising engine is accelerating its pricing, and that removes the fear that AI spending was hiding a weaker core. It also showed that the build now consumes all of the cash, that the board wants an equity currency, and that management would not put a number on 2027. The single biggest concern is that bill. Paying 5% below fair value is not enough margin while it is open. What must change is the price, toward \$661-\$690, or the evidence: a 2027 capital figure with a return case in January, or a first revenue line from Muse. A large equity raise tied to the capital plan would weaken the thesis. The High development did not drive the verdict.

Sources

- Meta Platforms, Third Quarter 2026 Results, Form 8-K Exhibit 99.1, 21 October 2026 (sec.gov/Archives/edgar/data/1326801/000162828026066700)
- Meta Q3 2026 earnings call, 21 October 2026: transcript, The Motley Fool; call write-up, Investing.com; call highlights, MarketBeat
- Meta Enterprise Platform launch, dpa via Bernama, 29 September 2026; Meta, Introducing Muse Wonder, 12 October 2026
- Q4 2025 revenue: AP, 28 January 2026
- Analyst consensus, trailing EPS and forward multiple: StockAnalysis.com (S&P; Global), 21 October 2026. Broker actions and news: moomoo news and research channels, 19-22 October 2026
- Price of record: Alpha Vantage global quote, 21 October 2026 close. Technicals: Twelve Data daily series to 21 October 2026, computed in code
- Institutional positioning: Beating The Bull quarterly 13F read, quarter ended 30 June 2026
- Macro: Beating The Bull economic data posts of 18 September, 3, 14, 15, 16 and 21 October 2026

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