

**Date:** February 4<sup>th</sup>, 2022  
**Sector:** Communication Services  
**Company:** Meta Platforms  
**Transaction:** Buy 15 units  
**Exposure:** \$3.5k  
**Sector Team:** Vincent Huang, Adam Kawalek, Zarnaab Javaid

Ticker: NASDAQ: FB  
 Price (as of 2/3/22): \$237.76  
 Price Target: \$397.00 (67.0%)  
 52 Week High: \$384.33

The Binghamton Investment Fund (“the Fund”) is requesting approval to purchase 15 units in Meta Platforms (NASDAQ: FB) (“the Company” or “FB”), a global social technology company. The Company is currently trading at \$237.76 (as of 2/3/22), but through extensive analysis the Fund believes the value of the units are \$397.00, implying an upside of 67.0%. The Fund utilized both a discounted cash flow analysis and public comparables to arrive at an implied valuation. The recent technology selloff represents an excellent opportunity to buy into a stable premium name at a more attractive price.

### Company Description:

Meta Platforms, Inc., operates as a social technology company, building applications and technologies that help people connect, find communities, and grow businesses from their mobile devices and personal computers. It operates through the Family of Apps (FoA) and Reality Labs (RL) segments. The FoA segment consists of Facebook, Messenger, WhatsApp, and other social media services. The RL segment consists of augmented and virtual reality-based consumer hardware, software, and content.

### Thesis:

- *Development of a New Industry:* Meta’s Family of Apps had an operating income of \$15.89 billion in the fourth quarter, while the Reality Labs segment had an operating loss of \$877 million. This is due to strong investment into the creation of the Metaverse and while this can be seen as a threat to the company’s value, the upside potential of generating this new market will provide significant long term
- *Dominance over Social Media Market Share:* While regulatory concerns present themselves to Facebook, the level of integration with Instagram code would make it extremely difficult for the government to break up providing Meta with strong leverage over peers and continued dominance over the space

### Risks:

- Regulatory Risk
- Industry Competition
- Unrealized Metaverse

