

RESEARCH NOTE · OCTOBER 9, 2026

Meta Platforms, Inc. (META) — Investor Deep Dive

The world's most profitable attention machine is spending like an AI startup — \$130 to \$145 billion of capex this year — while the ad engine prints 28% growth. The business isn't the question. Whether the buildout earns its keep is.

✦ **Verified flow. Zero hype.**



THE CALL

BUY

Staged. Starter \$700–720, add on a breakout above \$778. Oct 28 is the proving ground.

CLOSE

\$718.18

9 Oct 2026 · 5:37 PM ET
–0.07% day

3-MONTH

\$648–790

Technical range
–10% to +10% from \$718

INVALIDATION

\$636

Thesis breaks on a weekly close below \$636 (50-day average).

Every number sourced. Every chart checked.

Research and education only. Not investment advice.

KEY TAKEAWAYS

Five things that matter

01

\$60.8B

Q2 revenue beat at **+28%** year over year — the ad engine is healthy. But diluted EPS of **\$6.18** missed badly: the first quarter of the AI era where costs grew materially faster than revenue.

Meta Q2 2026 results, Jul 29, 2026

02

+14% / +12%

Ad impressions rose **14%** and the average price per ad rose **12%**, with 3.6 billion people using the apps daily (+3%). The top line is not the problem.

Meta Q2 2026

03

\$784M

Free cash flow collapsed to **\$784M** from \$8.5B a year ago as quarterly capex hit ~\$30B. Full-year capex is now guided at **\$130–145B**. The stock's entire debate fits in that gap.

Meta Q2 2026; FY2026 guidance

04

-\$4.6B

Reality Labs lost **\$4.62B** on \$431M of revenue — \$80B+ cumulative since 2020. AI glasses are the bright spot; Quest headsets are fading.

Meta Q2 2026

05

Above both averages

META at **\$718.18** sits above its 50-day (\$636.14) and 200-day (\$629.85) averages, RSI 60.7 — warm, not hot. The street is 62 buys to 9 holds with **zero sells**; consensus target \$781.

Nasdaq, Oct 9, 2026 5:37 PM ET; FintHub Sep 2026; FMP Oct 9, 2026

THE BUSINESS

Selling attention at planetary scale

Meta rents human attention. About **3.6 billion people** open its apps every day — roughly half the humans on earth — and advertisers bid in real time for fractions of their gaze. It is the largest attention auction ever built, and the house takes its cut on every impression.

TWO BUSINESSES, ONE FUNDS THE OTHER

Family of Apps — Facebook, Instagram, Messenger, WhatsApp — is essentially the entire company financially: \$60.37B of \$60.8B in Q2 revenue and **\$23.39B of operating income**. **Reality Labs** — Quest headsets, Ray-Ban AI glasses, metaverse R&D — did \$431M of revenue and lost **\$4.62B**. One prints money; the other spends it on the future.

THE AI TURN

Three AI bets now run through the P&L. **Open-source Llama** models buy developer goodwill and talent gravity. The **Muse AI assistant** is spreading across the apps, with subscription and commerce layers forming. And **AI-driven ad targeting** is doing the quiet compounding — the +12% price-per-ad is the tell that the auction keeps getting smarter.

The Anna test: Meta is a billboard company that owns the highway, the cars, and the drivers' eyeballs — then charges advertisers by the glance.

Business description: Meta Platforms, Inc., SEC filings. Segment revenue: Q2 2026 results, Jul 29, 2026. Daily active people: 3.60B, June 2026.

THE NUMBERS

Growth is back. Margins are the fight.

(\$ MILLIONS, AS-FILED)	Q2 2026	Q2 2025	CHANGE
Total revenue	\$60,801	\$47,516	+28.0%
Advertising revenue	\$59,360	\$46,740	+27.0%
Family of Apps op. income	\$23,394	\$24,969	-6.3%
Reality Labs op. loss	(\$4,619)	(\$4,528)	wider
Income from operations (margin)	\$18,775 (30.9%)	\$20,441 (43.0%)	-8.2%
Net income	\$15,848	\$18,337	-13.6%
Diluted EPS	\$6.18	\$7.14	-13.4%
Capital expenditures	~\$30,100	\$16,500	+82%
Free cash flow	\$784	\$8,500	-90.8%

Meta Q2 2026 results, reported Jul 29, 2026. One-offs in the quarter: \$2.4B legal charge and \$1.18B severance from the May headcount reduction.

AD ENGINE

\$59.4B

Advertising revenue, +27% YoY.
Impressions +14%, price per ad +12%
— both sides of the auction working.

THE SPEND

\$130–145B

Full-year 2026 capex guidance. Q2 capex consumed nearly all of \$31.9B in operating cash flow.

THE STREET

\$781

Consensus target (+8.7% from \$718); high \$1,000, low \$595. 62 buys, 9 holds, zero sells.

GUIDANCE

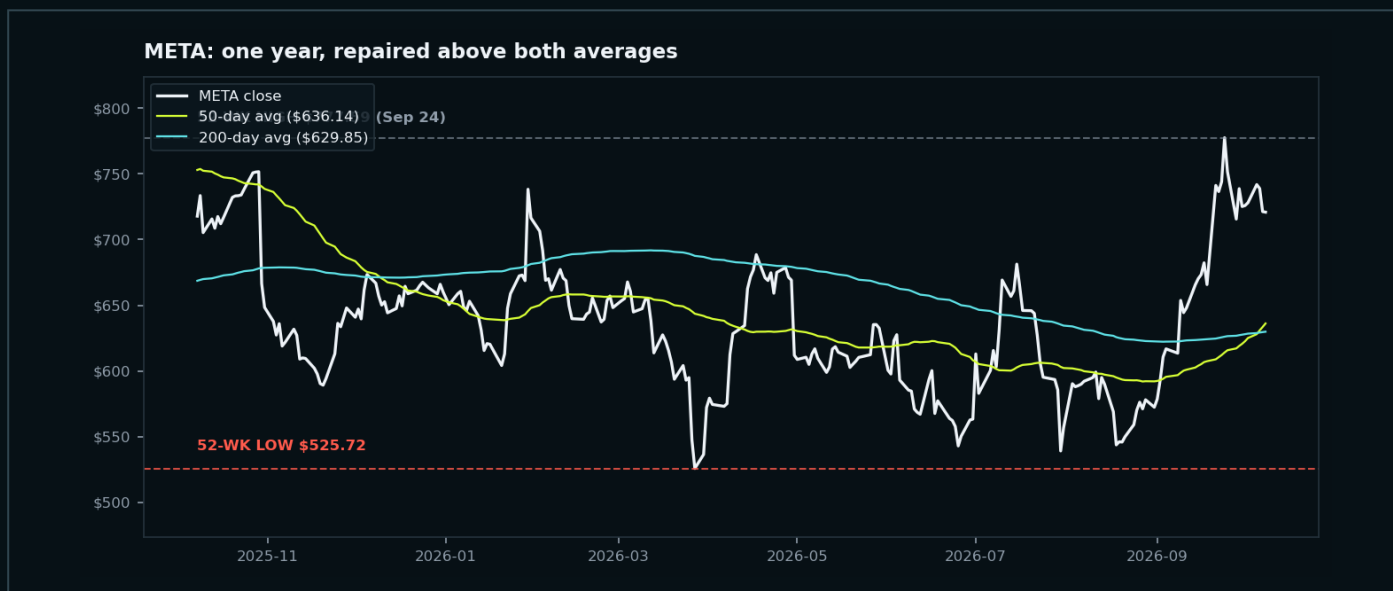
Q3 2026 revenue guided at **\$61–64B** — the midpoint landed below consensus. Full-year 2026 total expenses are now **\$165–169B**. Management still expects 2026 operating income to exceed 2025.

Capital returns tell you where the cash is going: **\$1.35B of dividends** in Q2, but **no share repurchases** (vs \$10.2B a year ago). When a company this profitable stops buying its own stock, it is conserving ammunition for the buildout.

Guidance, dividend and buyback: Meta Q2 2026, Jul 29, 2026. Street: FMP consensus Oct 9, 2026; Finnhub recommendations Sep 2026.

THE CHART

Repaired and running above the averages



A year of repair: Meta flushed to **\$525.72**, ripped to **\$777.59** on Sep 24, and now holds **\$718.18** — about 8% below the high, above the 50-day (\$636.14) and 200-day (\$629.85), which have converged into a trend cluster at \$630–\$636. RSI-14 at **60.7** is warm, not hot. The 52-week high is the line that decides whether this is a breakout or a range.



LEVELS TO WATCH — NOT TARGETS

R1 · 52-WEEK HIGH \$777.59 Breakout line	S1 · 20-DAY LOW \$648.03 First cushion	TREND · 50/200-DAY \$630–636 Must hold	S2 · 52-WEEK LOW \$525.72 Thesis floor
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Levels from recent swing extremes in daily closes (heuristic, not GEX walls). Price data: Nasdaq split-adjusted closes through Oct 8, 2026; live quote \$718.18 (–0.07%) Oct 9, 2026 5:37 PM ET. Every number sourced. Every chart checked.

CATALYSTS AND RISKS

What changes the story

CATALYSTS

Oct 28 Q3 print. The entire burden of proof is cost normalization — a clean quarter re-rates toward \$790+.

Muse monetization. Subscription and commerce layers starting to show up in the numbers.

Ad price strength. The +12% trajectory holding into Q4.

Capex crest. Any signal the 2027 build flattens instead of accelerating.

RISKS

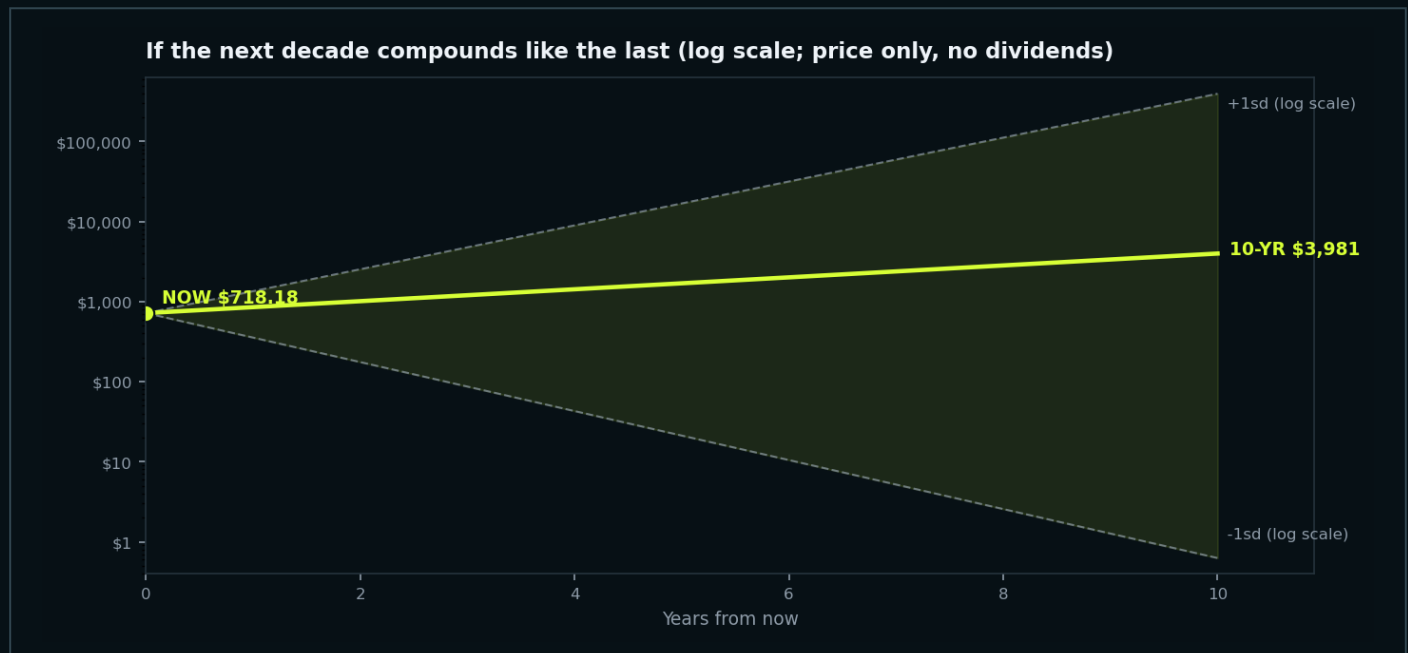
Another cost-hot quarter. The market will not forgive twice.

Capex accelerates into 2027 instead of cresting — the bear case in one line.

Regulatory overhang. Antitrust pressure is never far from this name.

Reality Labs deepens. The \$4.6B quarterly burn getting worse, not better.

THE COMPOUNDING VIEW



Meta compounded at **18.7% a year** over the decade to Oct 8, 2026 (split-adjusted closes; +453.5% total). At that rate, \$718.18 becomes **\$1,691** in 5 years (band \$21–\$16,831) and **\$3,980** in 10 (band \$1–\$394,431) — the band is ± 1 standard deviation of full-year returns (69.2%), floored at zero, price return only. **Reality check:** \$3,980 a share on ~2.55 billion shares is about **\$10 trillion** — roughly a tenth of the entire world economy. This window contains a –65% drawdown (2022) and a +184% rip (2023); the next decade will not compound like the last. Betting on Meta here is a bet that the ad engine keeps funding the AI buildout — not a bet that 18.7% repeats.

VERDICT

Own the auction. Respect the print.

For the long-term share investor, Meta is a **BUY, staged** at \$718.18. You are buying the world's most profitable attention machine at a reasonable price for 28% growth — forward P/E near 28, PEG around 1.3 — with a free option on the AI buildout working. The catch is timing: Q3 earnings on Oct 28 are binary, and the stock sits 8% below its high. Stage it.

- 01** Starter \$700–720. Scale in here; RSI 60.7 leaves room, and the trend cluster at \$630–636 sits well below.
- 02** Add on a breakout above \$777.59 (52-week high) with volume — that confirms the range resolved up into earnings.
- 03** Thesis breaks on a weekly close below \$636 (50-day average). Below that, the market is pricing the capex story, not the ad story.

3-MONTH TECHNICAL RANGE

\$648 – \$790

20-day low to just above consensus \$781.

6-MONTH TECHNICAL RANGE

\$680 – \$880

Trend support to street-high territory.

For directional options (buying calls/puts, never selling premium): the Oct 28 print will expand IV — defined-risk call spreads into strength above \$740 capture breakout momentum without paying peak single-leg premium into the event. Avoid naked chasing 8% under the high.

Sources & method. Financials: Meta Q2 2026 results, reported Jul 29, 2026. Guidance: Q3 2026 revenue \$61–64B; FY2026 capex \$130–145B; total expenses \$165–169B. Price data: 2,513 Nasdaq split-adjusted closes, Oct 10, 2016–Oct 8, 2026; live quote api.nasdaq.com Oct 9, 2026 5:37 PM ET. Street: FMP price-target consensus (Oct 9, 2026: \$781; high \$1,000; low \$595); Finnhub recommendations (Sep 2026: 20 strong buy, 42 buy, 9 hold, 0 sells). Market cap ~\$1.83T (2.547B shares × \$718.18). Q3 2026 earnings expected Oct 28, 2026 (unconfirmed). Levels are swing-extreme heuristics, labeled as levels to watch, never targets. Projections compound the stated geometric rate mechanically and are not forecasts.

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