

Company overview

- Tech company formerly known as Facebook.
 - Rebranded as Meta in 2021 to focus on new Metaverse vision.
 - Comprises several highly-successful companies, including Facebook, Messenger, Instagram, WhatsApp, Oculus, etc.
- Currently generating significant income through advertising on owned Facebook and Instagram platforms.
 - FY21 revenues of \$118 billion, representing 37% YoY revenue growth, and \$39 billion net income (up 35%).
 - While YoY financial performance appears strong, QoQ performance has been less positive, causing the share price to decline significantly.
 - Advertising revenues over \$100 billion, but the company is intent on a long-term bet to focus on the Metaverse.
- Led by Mark Zuckerberg, who controls majority voting shares, with a significant leadership change in recent months (COO Sheryl Sandberg will step down in the fall).
- Along with other big tech firms, company faces significant and frequent regulatory scrutiny.
- Based in Silicon Valley, CA, with a large employee presence in many large global cities and a large remote workforce.

Financial summary (annual)

	FY '20	FY '21	YoY change
Revenue	\$85,965M	\$117,929M	+37%
Costs & Expenses	\$53,294M	\$71,176M	+34%
Income from Operations	\$32,671M	\$46,753M	+43%
Income Tax Provision	\$4,034M	\$7,914M	+96%
Net Income	\$29,146M	\$39,370M	+35%

Source: investor.fb.com

Recent News

- COO Sheryl Sandberg will step down as COO ([Washington Post](#)).
- Apple privacy changes to negatively impact 2022 revenue by \$10 billion ([Business Insider](#)).
- Making changes to feed algorithm to better compete with TikTok ([The Verge](#)).
- Halted development of Facebook smartwatch ([The Guardian](#)).
- Ad rates declining on Meta platforms ([Barron's](#)).

Key people

Role	Name
CEO	Mark Zuckerberg
CFO	David Wehner

COO	Sheryl Sandberg (leaving post in fall '22); to be replaced by Javier Oliván
President, Global Affairs	Nick Clegg

Source: investor.fb.com

Key product segments

Name	Revenue '21	Income / Loss from operations '21	Description
Family of Apps	\$115,655M	\$56,946M	Includes Facebook, Instagram, Messenger, WhatsApp, and other services, with +99% of revenue from advertising. Highly profitable.
Reality Labs	\$2,274M	(\$10,193M)	Includes augmented and virtual reality related consumer hardware, software and content. Highly loss-making.

Source: investor.fb.com



June 18, 2022

You could write a book on Meta (in fact, many have). The purpose of this overview, however, is to give high-level information to orient the team. Given the short period you have to work on this, consider the essential information (e.g., while it may be nice to know the carbon footprint of each Meta office, that information likely isn't one of the primary things the leadership team must know).

Company overview

- **Start broad:** Tech company formerly known as Facebook.
 - Rebranded as Meta in 2021 to focus on new Metaverse vision
 - Comprises several highly-successful companies, including Facebook, Messenger, Instagram, WhatsApp, Oculus, etc.
- **Financial information summary grouped together:** Currently generating significant income through advertising on owned Facebook and Instagram platforms.
 - FY21 revenues of \$118B, representing 37% YoY revenue growth, and \$39B net income (up 35%).
 - While YoY financial performance appears strong, QoQ performance has been less positive, causing the share price to decline significantly.
 - Advertising revenues over \$100B, but the company is intent on a long-term bet to focus on the Metaverse.
- **Leadership summary:** Led by Mark Zuckerberg, who controls majority voting shares, with a significant leadership change in recent months (COO Sheryl Sandberg will step down in the fall).
- **Other 1:** Along with other big tech firms, the company faces significant and frequent regulatory scrutiny.
- **Other 2:** Based in Silicon Valley, CA, with a large employee presence in many large global cities and a large remote workforce.

Financial summary (annual)

Key financials should usually include insight into revenues, profitability, and growth. YoY change shows growth. This data is taken directly from financial statements provided by the company.

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Recent News

A company like Meta will have thousands of articles written about them daily, and any one story will be told by hundreds of news/media outlets. Try to find a few examples of big stories that have a significant impact. See why we included each story here:

- COO Sheryl Sandberg will step down as COO ([Washington Post](#)). **Leadership change.**
- Apple privacy changes to negatively impact 2022 revenue by \$10B ([Business Insider](#)). **Ad landscape change with material impact.**

- Ad rates declining on Meta platforms ([Barron's](#)). Ads responsible for almost all Meta revenue.
- Making changes to feed algorithm to better compete with TikTok ([The Verge](#)). Competitive landscape.
- Halted development of Facebook smartwatch ([The Guardian](#)). Shifting priorities within the company.

Key people

The PwC leadership team would likely be speaking with the client leadership team, so a simple who's who is helpful.

Role	Name
CEO	Mark Zuckerberg
CFO	David Wehner
COO	Sheryl Sandberg (leaving post in fall '22); to be replaced by Javier Olivan
President, Global Affairs	Nick Clegg

Source: investor.fb.com

Key segments

This shows where the money is made and orients the team to the company's associated products and services.

Name	Revenue '21	Income / Loss from operations '21	Description
Family of Apps	\$115,655M	\$56,946M	Includes Facebook, Instagram, Messenger, WhatsApp, and other services, with +99% of revenue from advertising. Highly profitable, but challenges in the form of Apple's privacy changes and regulatory scrutiny on the ads business.
Reality Labs	\$2,274M	(\$10,193M)	Includes augmented and virtual reality-related consumer hardware, software and content. Highly loss-making but a long-term bet for Meta.

Source: investor.fb.com