

Meta Platforms Internet

US Equity Research
21 September 2025

Rating BUY unchanged	Price Target US\$900.00 unchanged
META-NASDAQ	Price US\$778.38

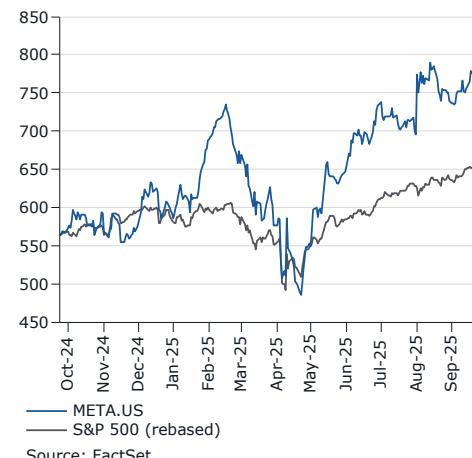
Market Data

52-Week Range (US\$) :	479.80 - 796.25
Market Cap (US\$M) :	2,004,328.5
Shares Out. (M) :	2,575.0
Enterprise Value (US\$M) :	1,986,089.5

FYE Dec	2024A	2025E	2026E
Sales (US\$M)	164,500	195,688	225,217
EBIT GAAP (US\$M)	69,380	79,448	81,078

Quarterly Sales	Q1	Q2	Q3	Q4
2024A	48,385	39,071	40,589	48,385
2025E	42,314A	47,516A	49,223	56,635
2026E	-	-	-	-

Quarterly EBIT GAAP	Q1	Q2	Q3	Q4
2024A	23,365	14,847	17,350	23,365
2025E	17,555A	20,441A	18,459	22,994
2026E	-	-	-	-



Priced as of close of business 21 September 2025

Meta Platforms is the largest social networking platform with ~3.5 billion daily active people across its family of apps, and is a leading destination to share information, photos, and videos.

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Meta leans on smart glasses to power its AI ecosystem

At Meta's annual developer conference last week - Meta Connect - the company made several announcements that reinforce its broad AI strategy. More specifically, Meta debuted three new models of smart glasses, including its first-ever version with display functionality, announced SDK integrations to support developers, and revealed a new TV Hub within Horizon featuring access to major streaming apps. Among these, the smart glasses drew particular attention - while tech companies have been trying to crack the "smart glasses" code for over a decade, consumer adoption remains limited. Still, improvements in design, AI functionality, and battery life are making devices more wearable and useful, and Meta is laying the groundwork for a growing AI-powered ecosystem of hardware and applications that support the company's vision of personal superintelligence. Whether consumers embrace smart glasses at scale remains to be seen, but Meta's steady investment focus suggests it sees wearables as a core stepping stone toward its long-term AI ambitions.

• Meta leans further into wearables as the next platform for AI interactions:
On the heels of strong demand for the Ray-Ban Meta Smart Glasses (released in late 2023, 1M+ units reportedly sold in 2024), Meta unveiled three new AI smart glasses models. The **Meta Ray-Ban Display glasses** offer the most notable functionality improvements, integrating a built-in display for visual content and equipped with a wristband that detects subtle finger gestures to control the interface. Meta also released the **next generation of its Ray-Ban Meta glasses**, featuring double the battery life and better camera quality, as well as the **Oakley Meta Vanguard**, geared toward athletic users. The company also announced the Meta Wearables Device Access Toolkit, an SDK that gives mobile apps access to sensor-level capabilities of its smart glasses, which lays the groundwork for future applications.

• Meta's smart glasses strategy ties together its Family of Apps ecosystem:
Wearables represent a new interface layer for services that users already engage with daily, with the glasses feeding real-time camera, microphone, and motion data directly into Meta's apps. They also enable seamless content capture, sharing, and augmented experiences sans a phone. We see these integrations as a tailwind for engagement, particularly as new user and creator-generated content types, such as livestreams and voice-guided experiences, emerge. More broadly, these integrations reduce friction between viewing and sharing content and also present a new potential surface for monetization via advertising over time. While this would require significant scale, if smart glasses were to become a primary screen, the strong engagement and integrated ecosystem could support robust monetization.

• Competition heating up; path for mass consumer adoption is still developing:
The competitive backdrop in smart glasses has been fragmented, with Google pioneering the space via **Google Glass** (2013) but having shifted focus toward AR/AI software in recent years, with the company partnering with Samsung to launch its AI smart glasses. Amazon to date has stayed in the audio-only lane with **Echo Frames**; however, the company is rumored to be working on two separate AR smart glasses. Snap continues to invest in its **Spectacles** line, which remains more creator-focused and rooted in AR filters. Apple, meanwhile, is reportedly working on lighter AR glasses. Against this backdrop, **Meta stands out as the first to achieve some level of scale**, and it is carving out a category of everyday eyewear that combines cameras, audio, and now displays, tied together by Meta AI. While there is certainly appeal in such an offering, we see several hurdles for broader adoption, including **(1) price, (2) privacy concerns over data capture, (3) society potentially hitting a digital saturation point, (4) the form factor itself, and (5) battery life**.

Valuation: We maintain our \$900 PT, which is based on ~10x our 2026 revenue estimate (or 28x EBIT) and supported by DCF valuation.

COMPARING META'S NEW AI SMART GLASSES

Figure 1: Meta's newly announced AI smart glasses

Meta Ray-Ban Display



Launch: September 30, 2025

Price: \$799 USD

Features:

- Includes both the glasses and Meta Neural Band
- Transitions® lenses (night/day, indoor/outdoor use)
- Six hours of mixed-use battery life
- 42 pixels per degree of field view
- Meta AI with Visuals (shows answers and step-by-step how-tos)
- Messaging & video calling
- Real-time camera viewfinder and zoom functionality
- Turn-by-turn walking directions with a visual map
- Live captions & translation
- Hands-free, intelligent music experience

Oakley Meta Vanguard



Launch: October 21, 2025

Price: Pre-orders are open now for \$499 USD

Features:

- Most powerful speakers among Meta's AI glasses yet
- Five-microphone array
- Nine hours of battery life (up to six hours of continuous music playback)
- Charge up to 50% in just 20 minutes
- Integrations with Garmin and Strava to track real-time fitness metrics
- Capture video in up to 3K resolution, centered 12-megapixel camera with a 122-degree wide-angle lens

Ray-Ban Meta (Gen 2)



Launch: Available now

Price: Starting at \$379 USD

Features:

- Transitions® lenses (night/day, indoor/outdoor use)
- Eight-hour battery life (2x longer than Gen 1)
- Charge up to 50% in just 20 minutes
- 3K Ultra HD video capture (60 FPS, 2x more pixels than Gen 1)
- Ultra-wide 12MP camera, can record videos for up to 3 minutes
- Open-ear Bluetooth speakers
- Messaging & video calling
- Expanded live translation support (6 languages)

Source: Meta, EssilorLuxottica

Figure 2: Progression of Ray-Ban Meta glasses

Ray-Ban Stories



Launch: September 2021

Price: \$299 USD

Features:

- Dual integrated 5MP cameras, takes photos and up to 30-second videos
- Pairs with the new Facebook View app, point of view sharing capabilities
- Three-microphone audio array delivers voice and sound transmission for calls and videos
- Available in 20 variations

Ray-Ban Meta (Gen 1)



Launch: September 2023

Price: \$299 USD

Additional/Enhanced Features:

- Improved audio with all-new custom designed speakers, 50% louder volume, 2x bass
- New ultra-wide 12 MP camera for improved photo quality and 1080p videos up to 60 seconds
- Powered by all-new Qualcomm Snapdragon AR1 Gen1 Platform
- Hands-free livestreaming from the Facebook or Instagram apps
- Prescription lens compatible
- Integration of Meta AI
- Improved the touchpad and added interaction earcons

Ray-Ban Meta (Gen 2)



Launch: September 2025

Price at launch: \$379 USD

Additional/Enhanced Features:

- Eight-hour battery life (2x longer than Gen 1)
- Charge up to 50% in just 20 minutes
- 3K Ultra HD video capture (60 FPS, 2x more pixels than Gen 1)
- Hands-free filming (expected later this fall) with hyperlapse and slow-motion features
- Expanded live translation support (6 languages)
- Conversation focus (amplify the voice of the person you're talking to)

Source: Meta, EssilorLuxottica

Figure 3: Other Big Tech smart glasses

Company	Launch	Features
Snap: Spectacles		
	 Launched fifth generation of Spectacles in September 2024	<ul style="list-style-type: none"> Vibrant display: A 46° field of view, 37 pixel per degree stereo waveguide display with automatic tint delivers sharp, bright images Powerful sensors: A suite of cameras and sensors power multi-modal AI, contextual understanding, and 6DoF tracking, enabling users to browse web results, generate 3D assets, and watch spatially-arranged video Advanced computing: A dual system-on-a-chip architecture and vapor chambers enable a standalone glasses form factor
Google: Android XR		
	 Anticipated late 2025-early 2026	<ul style="list-style-type: none"> Gemini integration: The glasses will use Gemini to interpret what the user sees and hears, in addition to offering real-time assistance, contextual understanding, and hands-free interaction Multimodal capabilities: Equipped with cameras, microphones, and speakers, the glasses will be able to process voice, visual, and environmental data simultaneously In-lens display (optional): Some models will feature a discreet, in-lens display for private notifications, navigation, and translations Real-time translation: Live subtitles for conversations in different languages were demoed, showcasing the glasses' potential for travel and accessibility Voice-activated photography: Users will be able to take photos or videos without reaching for their phone. Navigation and messaging: Turn-by-turn directions and message previews will appear directly in the lens or via audio prompts
Amazon: “Project Jayhawk” (rumored)	Projected rollout late 2026-early 2027	<ul style="list-style-type: none"> Reportedly will come with a full-color display in one eye, along with built-in microphones, speakers, and a camera. Amazon initially plans on making 100,000 units of the glasses for delivery drivers, called “Amelia” internally, per a report from <i>The Information</i>. Amelia will also reportedly have a bulkier design when compared to the consumer version, along with a display designed to provide instructions to drivers about where to deliver packages
Apple (rumored)	Consensus ranges 2026 through late 2027	<ul style="list-style-type: none"> Based on reports, Apple’s AI glasses may be able to take photos, record video (including spatial video), listen to audio, provide directions, obtain answers to questions, offer descriptions of surroundings, provide identification capabilities, make phone calls, and offer live translation. An integration with Find My is also a possibility

Source: Snap, Google, The Verge, The Information, MacRumors, AppleInsider

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Investment Recommendation

Date and time of first dissemination: September 21, 2025, 23:00 ET

Date and time of production: September 21, 2025, 20:53 ET

Target Price / Valuation Methodology:

Meta Platforms - META

Our \$900 price target is based on ~10x our FY26 revenue estimate and supported by DCF valuation.

Risks to achieving Target Price / Valuation:

Meta Platforms - META

(1) Global concern over user data privacy, election interference, and other issues could lead to substantial fines or restrictive regulation being imposed on Facebook; (2) Facebook faces competition for user engagement from other social media companies and emerging start-ups, and growth is likely to continue to slow as Facebook's global penetration begins to level off; (3) Facebook may fail to effectively integrate acquisitions into the broader Facebook ecosystem or alienate users with changes to acquired properties; and (4) Facebook is vulnerable to a slowdown in advertising spending that may result from broader macroeconomic weakness, particularly due to COVID-19.

Distribution of Ratings:

Global Stock Ratings (as of 09/21/25)

Rating	Coverage Universe		IB Clients
	#	%	
Buy	644	70.38%	26.86%
Hold	129	14.10%	6.98%
Sell	6	0.66%	0.00%
Speculative Buy	131	14.32%	59.54%
	915*	100.0%	

*Total includes stocks that are Under Review

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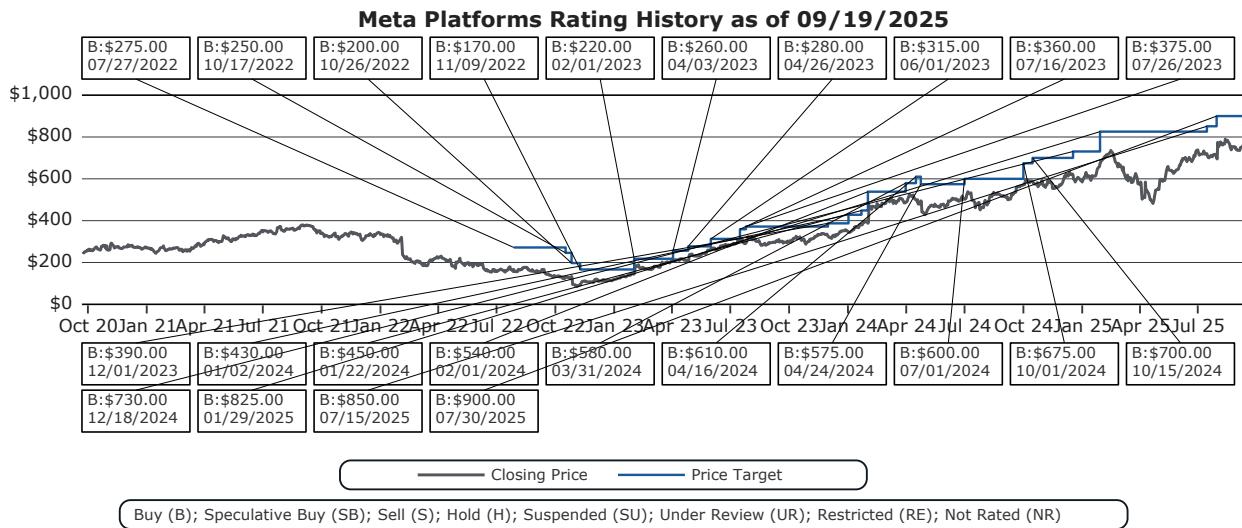
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