

Meta Platforms, Inc. Annual Report 1231

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Fiscal Year End: 1231-12-31

Filing Date: 2025-01-29

Financials

- **Total Revenue:** \$164.50
- **Net Income:** \$62.36
- **Total Assets:** \$276.05
- **Total Liabilities:** \$93.42
- **Operating Cash Flow:** \$91.33
- **Cash & Equivalents:** \$43.89
- **Number of Employees:** 74067
- **Auditor:** Ernst & Young LLP

Business Description

We build technology that helps people connect and share, find and build communities, and grow businesses. Our products enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality (VR) and mixed reality (MR) headsets, augmented reality (AR), and wearables. We also help people discover and learn about what is going on in the world around them, enable people to share their experiences, ideas, photos, videos, and other content with audiences ranging from their closest family members and friends to the public at large, and stay connected everywhere by accessing our products. Meta is moving our offerings beyond 2D screens toward immersive experiences like augmented, mixed, and virtual reality to help build the next computing platform. Our vision does not center on any single product, but rather an entire ecosystem of experiences, devices, and new technologies. While the metaverse is in the very early stages of its development, we believe it will become the next computing platform and the future of social interaction. Across our work, we are innovating in artificial intelligence (AI) technologies to build new experiences that help make our platform more social, useful, and immersive. Our AI investments support initiatives across our products and services, helping power the systems that rank content in our apps, our discovery engine that recommends relevant content, the tools advertisers use to reach customers, the development of new generative AI experiences, and the tools that make our product development more efficient and productive. For example, Meta AI is an assistant that's available across our apps, on Ray-Ban Meta AI glasses and on the web. It's designed to help people learn, get things done, create content, and connect with others to make the most of every moment. We report financial results for two segments: Family of Apps (FoA) and Reality Labs (RL). Currently, we generate substantially all of our revenue from selling advertising placements on our family of apps to marketers, which is reflected in FoA. Ads on our platform enable marketers to reach people

across a range of marketing objectives, such as generating leads or driving awareness. Marketers purchase ads that can appear in multiple places including on Facebook, Instagram, Messenger, and third-party applications and websites. RL generates revenue from sales of consumer hardware products, software, and content. We invest in our business based on our company priorities. In 2025, we intend to focus on several key investment areas: generative AI, our discovery engine, the metaverse and wearables, Threads, monetization of our products and services, platform integrity and community support, and infrastructure capacity.

Risk Factors

- If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial results, and business may be significantly harmed.
- We generate substantially all of our revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.
- Our ad targeting and measurement tools incorporate data signals from user activity on websites and services that we do not control, as well as signals generated within our products, and changes to the regulatory environment, third-party mobile operating systems and browsers, and our own products have impacted, and we expect will continue to impact, the availability of such signals, which will adversely affect our advertising revenue.
- Our user growth, engagement, and monetization on mobile devices depend upon effective operation with mobile operating systems, networks, technologies, products, and standards that we do not control.
- Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits, or otherwise adversely affect our business.
- We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results.
- We make product and investment decisions that may not prioritize short-term financial results and may not produce the long-term benefits that we expect.
- We may not be successful in our Reality Labs strategy and investments, which could adversely affect our business, reputation, or financial results.
- If we are not able to maintain and enhance our brands, our ability to maintain or expand our base of users, marketers, and developers may be impaired, and our business and financial results may be harmed.
- We may not be able to continue to successfully maintain or grow usage of and engagement with applications that integrate with our products.

Management Discussion & Analysis

Our financial results and key Family metrics for 2024 are set forth below. Total revenue for 2024 was \$164.50 billion, an increase of 22% compared to 2023, due to an increase in advertising revenue. Revenue on a constant currency basis would have increased 23% compared to 2023. Ad impressions delivered across our Family of Apps in 2024 increased 11% year-over-year, and our average price per ad increased 10% year-over-year. Income from operations for 2024 was \$69.38 billion, an increase of \$22.63 billion, or 48%, compared to 2023, driven by an increase in

advertising revenue, partially offset by an increase in costs and expenses. The increase in costs and expenses was mainly due to increases in operational expenses related to our data centers and technical infrastructure and employee compensation, partially offset by lower restructuring and legal-related costs.