

# CANSLIM Analysis for META (2025-08-24)

## AI-Powered Analysis

### CANSLIM Analysis: META

#### 1. CANSLIM Summary:

- **C (Current Quarterly Earnings & Annual Earnings): Strong Pass.** META exhibits exceptional YOY EPS growth of 38.30% and a robust 3-Year EPS CAGR of 40.58%, both significantly exceeding the CANSLIM targets. While the "consecutive\_quarters\_eps\_growth" is listed as 1, the overall earnings trajectory and magnitude are very positive.
- **A (Annual Earnings Growth): Strong Pass.** The 3-Year EPS CAGR of 40.58% demonstrates consistent and powerful long-term earnings expansion.
- **N (New Products, New Management, New Highs): Pass.** META is actively investing in AI infrastructure (e.g., \$29B for a data center) and preparing for a new product launch (futuristic smart glasses in September). The stock is trading at 98.65% of its 52-week high, indicating strong price momentum and proximity to new highs.
- **S (Supply and Demand): Pass.** The company has consistently reduced its share count for seven consecutive quarters, a strong indicator of management confidence and shareholder-friendly actions. Short interest is low, and the data indicates expanding volume, suggesting accumulation.
- **L (Leader or Laggard): Strong Pass.** META is a definitive leader in its industry group, boasting the highest Return on Equity (40.65%) and a very strong 1-year Relative Strength Percentile of 82.25%, significantly outperforming the broader market and its peers.
- **I (Institutional Sponsorship): Mixed.** Institutional ownership is high at 80.04%, exceeding the ideal 15-70% range. While this indicates strong institutional conviction, it also suggests that much of the institutional buying may have already occurred. However, for a mega-cap, this is less of a red flag than for smaller companies. Analyst recommendations are overwhelmingly positive ("Strong Buy") from 62 analysts.
- **M (Market Direction): Pass.** The overall market posture (SPY Trend) is Bullish, providing a favorable environment for stock appreciation.

#### 2. "N" Factor (New Things):

META exhibits a compelling "N" factor driven by several strategic initiatives:

- **Massive AI Infrastructure Investment:** Recent reports highlight Meta securing \$29 billion for a massive data center, signaling a profound commitment to the AI revolution. This infrastructure will be crucial for developing and scaling AI-powered features across its platforms and future products.
- **Futuristic Smart Glasses Launch:** The anticipated September launch of \$800 futuristic smart glasses represents a tangible new product catalyst. This move into advanced wearables could significantly expand Meta's hardware ecosystem and user engagement, potentially becoming a "game changer" as suggested in the news.
- **Continuous Platform Evolution:** While not entirely "new," Meta's ongoing adaptation to the "AI vibe shift" and the competitive landscape (e.g., against ChatGPT) demonstrates its commitment to innovating within its core Family of Apps and Reality Labs segments to maintain and grow its vast user base.

### 3. Investment Thesis:

#### Bullish.

Meta Platforms presents a highly compelling investment opportunity, aligning strongly with the CANSLIM investment strategy. The company is a **dominant leader** in its industry, showcasing exceptional current and long-term earnings growth, superior profitability (ROE), and robust market outperformance. Its balance sheet is pristine with **zero debt**, providing substantial financial strength.

The "N" factor is particularly powerful, with significant **AI infrastructure investments** positioning Meta at the forefront of the technological wave and the upcoming launch of **futuristic smart glasses** offering a clear product catalyst for future growth. Management's consistent share buybacks further underscore their confidence and commitment to shareholder value. Despite institutional ownership being high and revenue growth slightly below the 25% ideal (a common challenge for mega-caps), these are minor considerations given Meta's overall fundamental strength, innovation pipeline, and the current bullish market environment. Meta is strategically positioned to capitalize on the AI revolution and expand its ecosystem, making it a **strong "Strong Buy" candidate**.

### Detailed CANSLIM Metrics

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	21.61	No	Revenue increased by 21.61% YoY, below the 25% target.
EPS Growth (YOY)	38.30	Yes	EPS increased by 38.30% YoY, above the 20% target.
3-Year EPS CAGR	40.58	Yes	3-Year EPS CAGR is 40.58%, above the 25% target.
Return on Equity (ROE)	40.65	Yes	ROE is 40.65%, above the 17% target.
Debt-to-Equity Ratio	0.00	Yes	Debt-to-Equity is 0.00, below the target of $\leq 1.5$ .
Institutional Ownership	80.04	No	Institutional ownership is 80.04%, outside the 15-70% ideal range.
Average Daily Volume	12,635,606.00	Yes	Avg Daily Volume is 12,635,606, above the 100k minimum.
Price Relative to 52-Week High (%)	98.65	Yes	Price is 98.65% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	82.25	Yes	1-year RS Percentile is 82.25%, above the 70% target.
Expanding Volume	Yes	No	Recent volume is indeed showing expansion.

### Competitive Landscape

#### Industry Analysis: Internet Content & Information (CANSLIM Metrics)

##### 1. Industry Leadership:

Based on the provided CANSLIM metrics, **Meta Platforms (META)** appears to be the strongest leader in this industry group.

- **Revenue Growth:** While no company met the 25% target, META's 21.61% revenue growth is the second-highest, closely trailing Bilibili (BILI) at 23.63%. This indicates solid top-line expansion relative to its peers.
- **EPS Growth (YOY & 3-Year CAGR):** META demonstrates strong current EPS growth (38.30% YOY) and an excellent 3-Year EPS CAGR of 40.58%, surpassing the 25% target. This is significantly better than GOOGL (20.85% 3-Year CAGR), BILI (-44.50% 3-Year CAGR), and ZG (5.44% 3-Year CAGR). Only Baidu (BIDU) shows a higher 3-Year EPS CAGR, but BIDU's revenue growth is negative.
- **Return on Equity (ROE):** META boasts the highest ROE at 40.65%, far exceeding the 17% target and significantly outperforming all competitors, including GOOGL (34.79%). This highlights META's superior profitability and efficient use of shareholder capital.
- **Relative Strength Percentile (1 year):** With an 82.25% RS Percentile, META is among the market leaders, indicating strong price performance relative to the broader market, only slightly behind JOYY Inc. (YY).

While GOOGL also shows strong metrics, particularly in ROE and current EPS growth, META's superior 3-Year EPS CAGR and slightly higher ROE give it an edge in consistent, efficient growth. BIDU and BILI show impressive current EPS growth but are hampered by negative revenue growth (BIDU) or negative 3-Year EPS CAGR and ROE (BILI).

## 2. Competitive Position of META:

META is positioned as a **clear leader** within its competitive landscape. It consistently meets or exceeds the CANSLIM targets for profitability (ROE), long-term earnings growth (3-Year EPS CAGR), and market performance (Relative Strength). While its revenue growth is just shy of the ideal, it's still robust compared to the industry. Its balance sheet is impeccable with zero debt. The main CANSLIM flags for META are its high institutional ownership (above the ideal 15-70% range) and a lack of expanding volume, though these are common issues across several of its larger peers. Overall, META's fundamental strength and market momentum place it at the forefront of this group.

## 3. Overall Industry Health:

This industry group appears to be in **moderately strong health with underlying challenges and significant divergence among players.**

### • Strengths:

- **Strong Profitability & Earnings Growth:** Many companies, especially META and GOOGL, exhibit robust YOY EPS growth and high Return on Equity, indicating a profitable sector for some key players.
- **Excellent Financial Stability:** A universal positive is the extremely low or zero Debt-to-Equity ratio across all companies, suggesting strong balance sheets and low financial risk.
- **Market Outperformance:** Several companies (META, GOOGL, BILI, YY) show strong Relative Strength Percentiles, indicating that parts of this industry are outperforming the broader market.

### • Weaknesses:

- **Revenue Growth Headwinds:** A significant concern is that *none* of the analyzed

companies achieved the 25% YOY revenue growth target. Several even reported negative revenue growth (BIDU, YY), suggesting a broader slowdown or increased competition affecting top-line expansion across the industry.

- **Inconsistent Performance:** There's a stark contrast in performance. While META and GOOGL are highly profitable, companies like BIDU, BILI, YY, and ZG struggle with low or negative ROE and inconsistent 3-Year EPS CAGR, indicating a "winner-take-most" dynamic or varied maturity stages.
- **Lack of Expanding Volume:** A critical CANSLIM red flag is that *none* of the companies pass the "Expanding Volume" criterion. This suggests a lack of strong, broad-based buying conviction or institutional accumulation accompanying price movements, which is essential for sustained uptrends.
- **High Institutional Ownership:** Major players like META, GOOGL, YY, and ZG have institutional ownership above the ideal 15-70% range, potentially indicating that much of the institutional buying has already occurred.

### Concise Summary:

The "Internet Content & Information" industry, led by **Meta Platforms (META)**, shows a mixed health profile. While leaders like META and GOOGL demonstrate robust profitability, strong earnings growth, and market outperformance, the industry as a whole struggles with a universal lack of strong revenue growth and inconsistent long-term earnings and profitability among its diverse players. The absence of expanding volume across all companies is a significant CANSLIM concern, hinting at a lack of broad market conviction despite individual company strengths.

### Competitor Metric Details

#### GOOGL (Alphabet Inc.)

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	12.04	No	Revenue increased by 12.04% YoY, below the 25% target.
EPS Growth (YOY)	60.51	Yes	EPS increased by 60.51% YoY, above the 20% target.
3-Year EPS CAGR	20.85	No	3-Year EPS CAGR is 20.85%, below the 25% target.
Return on Equity (ROE)	34.79	Yes	ROE is 34.79%, above the 17% target.
Debt-to-Equity Ratio	0.00	Yes	Debt-to-Equity is 0.00, below the target of $\leq 1.5$ .
Institutional Ownership	81.43	No	Institutional ownership is 81.43%, outside the 15-70% ideal range.
Average Daily Volume	36,219,929.00	Yes	Avg Daily Volume is 36,219,929, above the 100k minimum.
Price Relative to 52-Week High (%)	97.62	Yes	Price is 97.62% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	76.33	Yes	1-year RS Percentile is 76.33%, above the 70% target.
Expanding Volume	No	No	Recent volume is not showing expansion.

#### BIDU (Baidu, Inc.)

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	-2.37	No	Revenue increased by -2.37% YoY, below the 25% target.
EPS Growth (YOY)	95.12	Yes	EPS increased by 95.12% YoY, above the 20% target.
3-Year EPS CAGR	47.46	Yes	3-Year EPS CAGR is 47.46%, above the 25% target.
Return on Equity (ROE)	8.85	No	ROE is 8.85%, below the 17% target.
Debt-to-Equity Ratio	0.00	Yes	Debt-to-Equity is 0.00, below the target of $\leq 1.5$ .
Institutional Ownership	28.17	Yes	Institutional ownership is 28.17%, within the 15-70% ideal range.
Average Daily Volume	5,425,952.00	Yes	Avg Daily Volume is 5,425,952, above the 100k minimum.
Price Relative to 52-Week High (%)	74.69	Yes	Price is 74.69% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	47.07	No	1-year RS Percentile is 47.07%, below the 70% target.
Expanding Volume	No	No	Recent volume is not showing expansion.

#### **BILI (Bilibili Inc.)**

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	23.63	No	Revenue increased by 23.63% YoY, below the 25% target.
EPS Growth (YOY)	98.74	Yes	EPS increased by 98.74% YoY, above the 20% target.
3-Year EPS CAGR	-44.50	No	3-Year EPS CAGR is -44.50%, below the 25% target.
Return on Equity (ROE)	-4.31	No	ROE is -4.31%, below the 17% target.
Debt-to-Equity Ratio	0.00	Yes	Debt-to-Equity is 0.00, below the target of $\leq 1.5$ .
Institutional Ownership	21.66	Yes	Institutional ownership is 21.66%, within the 15-70% ideal range.
Average Daily Volume	3,576,409.00	Yes	Avg Daily Volume is 3,576,409, above the 100k minimum.
Price Relative to 52-Week High (%)	77.98	Yes	Price is 77.98% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	78.61	Yes	1-year RS Percentile is 78.61%, above the 70% target.
Expanding Volume	No	No	Recent volume is not showing expansion.

#### **YY (JOYY Inc.)**

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	-3.58	No	Revenue increased by -3.58% YoY, below the 25% target.

EPS Growth (YOY)	-144.01	No	EPS increased by -144.01% YoY, below the 20% target.
3-Year EPS CAGR	N/A	N/A	Data not available.
Return on Equity (ROE)	-4.86	No	ROE is -4.86%, below the 17% target.
Debt-to-Equity Ratio	0.01	Yes	Debt-to-Equity is 0.01, below the target of $\leq 1.5$ .
Institutional Ownership	72.91	No	Institutional ownership is 72.91%, outside the 15-70% ideal range.
Average Daily Volume	695,786.00	Yes	Avg Daily Volume is 695,786, above the 100k minimum.
Price Relative to 52-Week High (%)	81.03	Yes	Price is 81.03% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	82.73	Yes	1-year RS Percentile is 82.73%, above the 70% target.
Expanding Volume	No	No	Recent volume is not showing expansion.

### ZG (Zillow Group, Inc.)

Metric	Value	Pass	Explanation
Revenue Growth (YOY)	13.04	No	Revenue increased by 13.04% YoY, below the 25% target.
EPS Growth (YOY)	131.86	Yes	EPS increased by 131.86% YoY, above the 20% target.
3-Year EPS CAGR	5.44	No	3-Year EPS CAGR is 5.44%, below the 25% target.
Return on Equity (ROE)	-1.72	No	ROE is -1.72%, below the 17% target.
Debt-to-Equity Ratio	0.00	Yes	Debt-to-Equity is 0.00, below the target of $\leq 1.5$ .
Institutional Ownership	87.94	No	Institutional ownership is 87.94%, outside the 15-70% ideal range.
Average Daily Volume	512,600.00	Yes	Avg Daily Volume is 512,600, above the 100k minimum.
Price Relative to 52-Week High (%)	89.25	Yes	Price is 89.25% of its 52-week high, within the 70-110% range.
Relative Strength Percentile (1 year)	34.22	No	1-year RS Percentile is 34.22%, below the 70% target.
Expanding Volume	Yes	No	Recent volume is indeed showing expansion.

## Market Context

**Sentiment:** positive (Polarity: 0.51, Subjectivity: 0.51)

**Overall Market Posture (SPY Trend):** Bullish

## Technical Charts



