

8K Q4 2023

- Share repurchase program:
 - As of December 31, 2023 - \$30.93B remained available and authorized for repurchase program.
 - On February 1, 2024, announced an increase of \$50B in the amount.
 - This program does not have an expiration date.
- Cash Dividend:
 - On February 1, 2024, announced a cash dividend of \$0.50 per share of its outstanding Class A common stock and Class B common stock, payable on March 26, 2024 to stockholders as of the close of business on February 22, 2024.
 - First cash dividend for Meta**
 - Intend to pay cash dividend on a quarterly basis going forward, subject to market conditions and approval by our board of directors.

Fourth Quarter and Full Year 2023 Financial Highlights

In millions, except percentages and per share amounts	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Revenue	\$ 40,111	\$ 32,165	25 %	\$ 134,902	\$ 116,609	16 %
Costs and expenses	23,727	25,766	(8)%	88,151	87,665	1 %
Income from operations	\$ 16,384	\$ 6,399	156 %	\$ 46,751	\$ 28,944	62 %
Operating margin	41 %	20 %		35 %	25 %	
Provision for income taxes	\$ 2,791	\$ 1,497	86 %	\$ 8,330	\$ 5,619	48 %
Effective tax rate	17 %	24 %		18 %	19 %	
Net income	\$ 14,017	\$ 4,652	201 %	\$ 39,098	\$ 23,200	69 %
Diluted earnings per share (EPS)	\$ 5.33	\$ 1.76	203 %	\$ 14.87	\$ 8.59	73 %

Fourth Quarter and Full Year 2023 Operational and other Financial Highlights:

	YoY Q4 2023	YoY Full Year 2023
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Ad impressions	+21%	+28%
Avg Price per Ad	+2%	-9%
Revenue Growth	25%	16%
Cost and expenses increase*	-8%	+1%

*Restructuring charges included in costs and expenses for full-year results - further costs can be expected to be more similar to costs and expenses for Q4 - must also consider that in the call they mentioned that they have a hiring lag of staff that had been accounted for in the layoffs and higher operating costs are expected due to their higher expenses in new datacenters.

Restructuring:

- As of December 31, 2023, completed data center initiatives and the employee layoffs, and substantially completed the facilities consolidation initiatives.

CFO Commentary:

- Factors to be drivers of total expense growth for 2024:
 - Higher operating costs from running a bigger footprint. Also mentions depreciation but that is a non-cash line.
 - Payroll expenses - add incremental talent to important areas. Expect to shift workforce composition to higher-cost technical roles.
 - Operating losses for Reality Labs to increase significantly due to product development efforts.
- Higher CapEx guidance driven by investments in servers, including both AI and non-AI hardware and datacenters.
 - Evolving understanding of AI capacity demands that they anticipate will need for next generation of foundation research and product development. Expect to require growing capacity beyond this year.

- Continue to monitor regulatory landscape. Mentions issue with the FTC.

Segment Results:

Segment Information

(In millions)

(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Revenue:				
Advertising	\$ 38,706	\$ 31,254	\$ 131,948	\$ 113,642
Other revenue	334	184	1,058	808
Family of Apps	39,040	31,438	133,006	114,450
Reality Labs	1,071	727	1,896	2,159
Total revenue	\$ 40,111	\$ 32,165	\$ 134,902	\$ 116,609
Income (loss) from operations:				
Family of Apps	\$ 21,030	\$ 10,678	\$ 62,871	\$ 42,661
Reality Labs	(4,646)	(4,279)	(16,120)	(13,717)
Total income from operations	\$ 16,384	\$ 6,399	\$ 46,751	\$ 28,944