

META Meta Platforms, Inc.



ROIC (Current): 29.60%



WACC: 9.20%



Net Profit Margin: 34%

MOAT ANALYSIS & COMPETITIVE STRENGTHS

❖ NETWORK EFFECT (Social Graph & Scale) ❖



Massive user base across Facebook, Instagram, and WhatsApp creates an unrivaled social graph, increasing value for users and advertisers with every new participant.

❖ SWITCHING COSTS (Data & Ecosystem) ❖



High psychological and data-related costs for users to leave due to years of accumulated photos, memories, social connections, and integrated messaging.

ADDITIONAL KEY INSIGHTS

- ❖ **Advertising Duopoly:** Dominant player alongside Google in digital advertising, leveraging precise targeting capabilities across its family of apps.
- ❖ **Metaverse Investment (Reality Labs):** Substantial long-term capital allocation towards developing virtual and augmented reality platforms as the next computing paradigm.
- ❖ **AI-Driven Discovery & Reels:** Heavily investing in AI to power content recommendation engines and compete with short-form video platforms, driving engagement.