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IDEA

July 30, 2026 04:42 AM GMT

Meta Platforms Inc | North America

Core Strong Now; More Call Options "Soon"

META's core reach/engagement continue to expand… the moats and launch pad for more products to come. META also detailed new products that we see adding $9+ to '28 EPS. META remains Top Pick as ests nudge higher; look for further product scaling in 2H:26, with META potentially at 14X '28 EPS.

META's Core Social Moat Is Strong, Improving and the Long-term Enabler… META's core leading social platform continues to become stronger, with 3.6bn daily active users across Family of Apps and 2bn DAUs on Instagram. Engagement trends and META's ability to serve more relevant organic and paid content are only improving. The $64bn top end of 3Q revenue guide implies 26% y/y growth on an ex FX basis, which is an acceleration on a two-year stacked basis (51% in 3Q vs 48% in 2Q)… and was better than we expected. This reach, engagement and monetization moat is deepening too as META analyzes more of its data in more analytical methods (now with LLMs). This is META's multi-generational moat that we see driving cash flow for investment while also enabling it to scale new products over time.

… With New Products and Call Options Coming "Soon:" META's 2Q results and management commentary re-enforced the expansive call options across its core business (better engagement and monetization) and new products across consumer, enterprise, SMBs and developers we have sized in Meta Platforms Inc: 4 Products to Turn Meta Back into an "AI Winner" (2 Jun 2026). As shown below, in all, **we estimate these call options could add as much as $9 (or ~25%) to our new base case $35 EPS.** And while we didn't get specific timelines on when these products could scale or showcase themselves in a material way: **1)** management referred to the timeline as "soon" 12 times on the call for when we can expect product updates/ improvements and learnings; and **2)** The Meta Connect developer conference is set for September 23/24. Soon could be as quickly as within the next 56 days… and we think some of the products (like subscription and messaging products on WhatsApp/Instagram) should continue to scale in 2H:26.

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Meta Platforms Inc (META.O, META US)
Top Pick

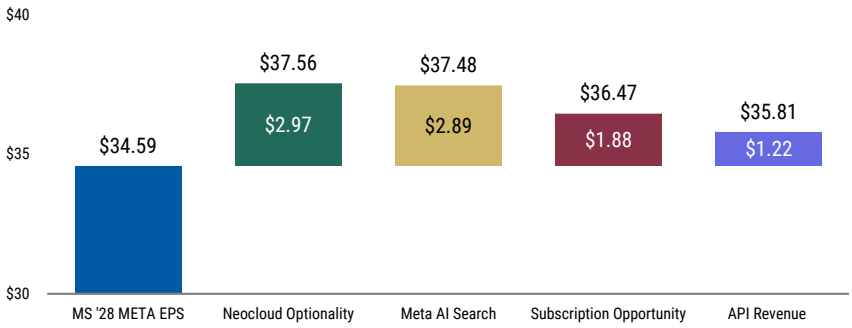
Internet | United States of America

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	**$775.00**
Shr price, close (Jul 29, 2026)	$585.61
Mkt cap, curr (mm)	$1,831,140
52-Week Range	$796.25-520.26

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Exhibit 1: We see 4 possible upside nodes adding as much as ~$9 (~25%) to our '28 META EPS of ~$35, including a neocloud optionality, API revenue and the subscription opportunity



Source: Company data, Morgan Stanley Research estimates

Remain OW, with META Potentially Trading at 14X '28 EPS: We remain OW, META as our Top Pick trading at 16X '28 EPS. Our $775 PT implies paying 23X '28 EPS, vs META's long-term average multiple of 20X NTM PE. And if META can realize even 50% of the call options above (~$5 of EPS) the name is currently trading at ~14X that '28 EPS. In effect, META seems to be pricing in all of the spend/capex/opex and isn't pricing any of the call optionality of products to come… that we hope showcase themselves soon. Also, **in a world where revisions and vision matter, our estimates are heading higher, as we roll through the stronger core, our '27/'28 EPS rises by 2%/4%. We look for further revisions and product launches (realized vision) to drive outperformance.** We remain OW, META as our Top Pick trading at 16X '28 EPS. Our $775 PT implies paying 23X '28 EPS, vs META's long-term average multiple of 20X NTM PE.

Exhibit 2: Our $775 PT Implies Paying 23X our average '27/'28 EPS of $34/$35, representing 40% upside

META Valuation			
	Bear	**Base**	**Bull**
'27/'28 Avg. EPS	$30.88	$34.17	$35.58
(X) P/E	15X	23X	28X
(=) Price Per Share	**$450**	**$775**	**$1,000**
% upside/(downside)	(17%)	43%	84%
Implied P/E on '26 EPS	14X	24X	31X
Implied P/E on '27 EPS	13X	23X	30X

Source: Company data, Morgan Stanley Research estimates

Exhibits

Exhibit 3: META Prior vs. Current

	2026 Prior	2027 Prior	2028 Prior	2026 Current	2027 Current	2028 Current	2026 Revision	2027 Revision	2028 Revision
Total revenue	**254,652.9**	**309,659.1**	**371,363.2**	**255,888.3**	**312,245.8**	**375,533.7**	**0.5%**	**0.8%**	**1.1%**
Advertising revenue	**248,206.2**	**301,357.7**	**361,031.8**	**249,308.7**	**303,168.3**	**363,528.7**	**0.4%**	**0.6%**	**0.7%**
Payments/other revenue	**6,446.7**	**8,301.4**	**10,331.4**	**6,579.7**	**9,077.5**	**12,005.0**	**2.1%**	**9.3%**	**16.2%**
Mobile as a % of total advertising revenue	98.3%	98.5%	98.6%	98.3%	98.5%	98.6%	0 bp	(0) bp	(0) bp
Mobile ad revenue	243,913.4	296,749.5	355,962.4	244,997.1	298,531.8	358,423.5	0.4%	0.6%	0.7%
% change Y/Y							--	--	--
Cost of revenue (ex-SBC)	66,212.4	94,088.4	124,720.6	49,372.3	74,846.5	99,516.4	-25.4%	-20.5%	-20.2%
Gross profit	**188,440.4**	**215,570.6**	**246,642.7**	**206,516.1**	**237,399.4**	**276,017.3**	**9.6%**	**10.1%**	**11.9%**
Gross margin	74.0%	69.6%	66.4%	80.7%	76.0%	73.5%	671 bp	641 bp	708 bp
Total operating expenses (GAAP)	**96,224.7**	**113,822.4**	**141,802.1**	**117,383.3**	**133,975.6**	**164,807.6**	**22%**	**18%**	**16%**
Sales and marketing (ex-SBC)	10,218.5	10,524.2	12,621.3	10,659.5	10,612.1	12,763.1	4%	1%	1%
Research and development (ex-SBC)	52,211.5	66,680.5	87,394.8	68,375.0	85,997.1	109,843.6	31%	29%	26%
General and administrative (ex-SBC)	10,058.6	11,264.7	13,509.3	12,618.5	11,358.2	13,660.3	25%	1%	1%
Stock-based compensation	23,736.1	25,353.1	28,276.7	25,730.2	26,008.2	28,540.6	8%	3%	1%
Non-recurring items	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA	NA
Depreciation and amortization (included in expense lines)	32,082.3	60,689.6	103,819.2	31,490.7	58,977.1	98,679.4	-2%	-3%	-5%
Total operating expenses % of Rev									
Sales and Marketing (ex-SBC)	4.0%	3.4%	3.4%	4.2%	3.4%	3.4%	15bp	0bp	0bp
Research and development (ex-SBC)	20.5%	21.5%	23.5%	26.7%	27.5%	29.3%	622bp	601bp	572bp
General and administrative (ex-SBC)	3.9%	3.6%	3.6%	4.9%	3.6%	3.6%	98bp	0bp	0bp
Stock-based compensation	9.3%	8.2%	7.6%	10.1%	8.3%	7.6%	73bp	14bp	-1bp
Non-recurring items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0bp	0bp	0bp
Depreciation and amortization (included in expense lines)	12.6%	19.6%	28.0%	12.3%	18.9%	26.3%	-29bp	-71bp	-168bp
Total costs and operating expenses (GAAP) Y/Y % Change	38.0%	28.0%	28.2%	41.7%	25.2%	26.6%	367 bp	(277) bp	(161) bp
Total costs and operating expenses (non-GAAP)	42.6%	31.7%	30.5%	44.2%	30.4%	29.0%	153 bp	(132) bp	(153) bp
GAAP Operating Income	**92,215.7**	**101,748.3**	**104,840.6**	**89,132.8**	**103,423.7**	**111,209.7**	**-3.3%**	**1.6%**	**6.1%**
Margin	36%	33%	28%	35%	33%	30%			
EBITDA (adjusted)	**148,034.1**	**187,790.9**	**236,936.5**	**146,353.8**	**188,409.1**	**238,429.7**	**-1.1%**	**0.3%**	**0.6%**
EBITDA margin (adjusted)	**58.1%**	**60.6%**	**63.8%**	**57.2%**	**60.3%**	**63.5%**	(94) bp	(30) bp	(31) bp
Incremental EBITDA margin	47.9%	72.3%	79.6%	43.8%	74.6%	79.0%	(414) bp	235 bp	(61) bp
EPS (GAAP)	**$32.49**	**$32.99**	**$33.41**	**$31.80**	**$33.74**	**$34.59**	**-2.1%**	**2.3%**	**3.5%**
Average basic shares	2,574.0	2,610.4	2,637.6	2,565.0	2,611.6	2,639.0	0%	0%	0%
Average diluted shares	2,604.4	2,641.3	2,668.9	2,589.9	2,635.2	2,662.8	-1%	0%	0%
Capex	144,988.0	225,488.0	250,488.0	144,654.0	225,154.0	250,154.0	0%	0%	0%
Free Cash Flow	11,922.4	(29,762.2)	(2,686.0)	2,930.1	(26,206.2)	(5,846.8)	-75%	-12%	118%
Free Cash Flow per Share	**$4.58**	**-$11.27**	**-$1.01**	**$1.13**	**-$9.94**	**-$2.20**	**-75%**	**-12%**	**118%**

Source: Company data, Morgan Stanley Research estimates

Exhibit 4: META Actuals vs. Estimates

	Actual vs. Estimate			
	2Q2026		Variance	
	Actual	Estimate	Absolute	%/bp
Total revenue	**60,801.0**	**60,419.9**	**381.1**	**0.6%**
Advertising revenue	**59,363.0**	**59,098.9**	**264.1**	**0.4%**
North America advertising revenue	26,337.0	24,576.8	1,760.2	7.2%
Europe advertising revenue	14,085.0	14,204.2	(119.2)	-0.8%
Asia advertising revenue	10,847.0	11,774.6	(927.6)	-7.9%
ROW advertising revenue	8,094.0	8,543.2	(449.2)	-5.3%
Payments/other revenue	**1,438.0**	**1,321.0**	**117.0**	**8.9%**
Cost of revenue (ex-SBC)	10,966.0	16,313.4	(5,347.4)	-32.8%
Gross profit	**49,835.0**	**44,106.5**	**5,728.5**	**13.0%**
Gross margin	82.0%	73.0%	896.4	—
Total operating expenses (GAAP)	**31,060.0**	**23,668.9**	**7,391.1**	**31.2%**
Sales and marketing (ex-SBC)	2,885.9	2,577.2	308.7	12.0%
Research and development (ex-SBC)	15,422.1	12,684.0	2,738.1	21.6%
General and administrative (ex-SBC)	5,094.1	2,667.8	2,426.2	90.9%
Stock-based compensation	7,658.0	5,739.9	1,918.1	33.4%
Non-recurring items	0.0	0.0	0.0	NA
Depreciation and amortization (included in expense lines)	6,356.0	7,201.4	(845.4)	-11.7%
EBITDA (adjusted)	**32,789.0**	**33,378.9**	**(589.9)**	**-1.8%**
EBITDA margin (adjusted)	**53.9%**	**55.2%**	(131.6)	**—**
Incremental EBITDA margin	23.9%	29.2%	(527.7)	—
EBITDA	**25,131.0**	**27,639.0**	**(2,508.0)**	**-9.1%**
EBITDA margin	**41.3%**	**45.7%**	(441) bp	**—**
Incremental EBITDA margin	2.6%	22.1%	(1951) bp	—
Total operating income (GAAP)	**18,775.0**	**20,437.6**	**(1,662.6)**	**-8.1%**
Operating margin (GAAP)	30.9%	33.8%	(295) bp	—
Other income/(expense), net (adjusted)	(19.0)	(1,030.4)	1,011.4	NA
Pretax income (GAAP)	**18,756.0**	**19,407.2**	**(651.2)**	**-3.4%**
Tax rate (GAAP)	15.5%	13.0%	250 bp	—
Tax rate (adjusted)	16.0%	16.0%	0.0	—
Net income (GAAP)	**15,848.0**	**16,884.3**	**(1,036.3)**	**-6.1%**
EPS (adjusted)	**$8.65**	**$8.10**	**0.6**	**6.8%**
EPS (GAAP)	**$6.18**	**$6.47**	**-$0.29**	**-4.5%**
Average basic shares	2,543.0	2,579.2	(36.2)	-1.4%
Average diluted shares	2,566.0	2,609.7	(43.7)	-1.7%

Source: Company data, Morgan Stanley Research estimates

Risk Reward – Meta Platforms Inc (META.O) Top Pick

The Age of Efficiency

PRICE TARGET $775.00

Our $775 PT is based on applying a ~23X P/E multiple to the average of our $34/$35 EPS in '27/'28.

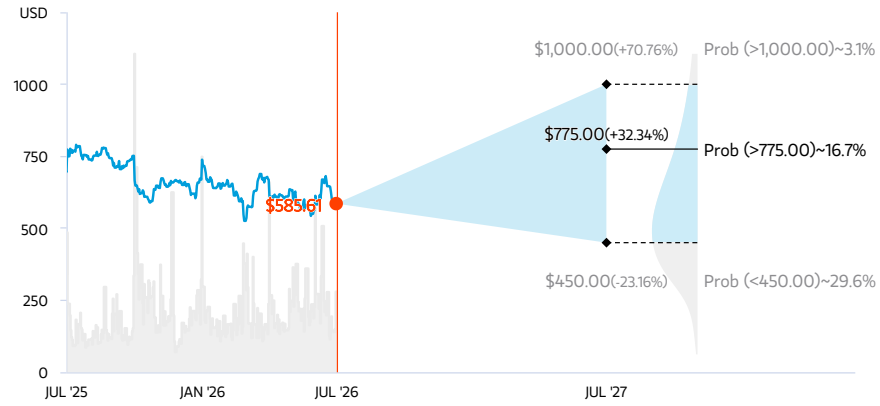
Consensus Price Target Distribution $664.46 $823.38 $1,015.00

MS PT

Source: Refinitiv, Morgan Stanley Research

◆ Mean ◆ Morgan Stanley Estimates

RISK REWARD CHART AND OPTIONS IMPLIED PROBABILITIES (12M)



Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research, Morgan Stanley Institutional Equities Division. The probabilities of our Bull, Base, and Bear case scenarios playing out were estimated with implied volatility data from the options market as of 29 Jul 2026. All figures are approximate risk-neutral probabilities of the stock reaching beyond the scenario price in either three-months' or one-years' time. View explanation of Options Probabilities methodology here

OVERWEIGHT THESIS

- **A Structural Pivot to Focus on Multi-Year Efficiency, Productivity and Leaner Operations...** We think META's "year of efficiency" is more than just a 365 day change...but rather a structural and cultural pivot to operate leaner and with a greater focus on investor returns...even through investment.
- **Importantly, Revenue and Engagement Trends Are Also Improving Across META's Platform...** our industry and company conversations speak to progress driving incremental Reels engagement and monetization...and traction improving ad measurement/attribution in the post IDFA world.
- **3 Underappreciated "Call Options"** including 1) further AI driven upside, 2) subscription adoption and 3) click-to-message.

Consensus Rating Distribution

88%	Overweight
12%	Equal-weight
0%	Underweight

● MS Rating

Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

New Data Era:	*Positive*
Self-help:	*Positive*
Technology Diffusion:	*Positive*

View descriptions of Risk Rewards Themes here

BULL CASE $1,000.00

Implied ~28x blended '27/'28 P/E

AI investments drive increased engagement and lead to new products/services, which supports outsized ad monetization and revenue growth. Execution on newer offerings (like click to message, subscriptions, and Meta Business AI) could also contribute to higher than expected growth. META could also drive further efficiency gains and be more successful in closing the Reels monetization gap.

BASE CASE $775.00

Implied ~23X base case blended '27/'28 P/E

Ad revenue grows ~27% in '26 as META's AI investments drive incremental Reels engagement/monetization and support improved performance and ad measurement/attribution across the Family of Apps. We also see META continuing to focus on efficiency and explore new ways to monetize META's extensive data center capacity.

BEAR CASE $450.00

Implied ~15x blended '27/'28 P/E

Declines in engagement and/or evidence of Reels monetization ramping more slowly than expected could lead to lower growth and greater uncertainty. We also watch for any macro uncertainty, regulation that limits META's ability to target ads, Higher capital intensity from mis-execution around the data center build widens losses with minimal ROIC. Any additional opex and capex could weigh on operating income growth and FCF.

Risk Reward – Meta Platforms Inc (META.O)

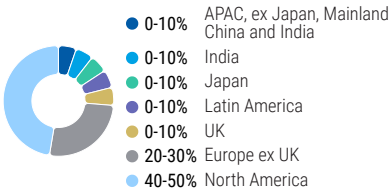
KEY EARNINGS INPUTS

Drivers	Dec 2025	Dec 2026e	Dec 2027e	Dec 2028e
Constant Currency % Growth (%)	22.5	26.6	22.2	19.9
Operating income (GAAP) ($, mm)	83,276	89,133	103,424	111,210
Consolidated Total Daily Active Users (mm)	2,239.9	2,294.5	2,344.5	2,389.2

INVESTMENT DRIVERS

- We are positive on META's structural pivot towards efficiency and improving revenue, engagement and Reels. We continue to monitor META's progress on call options (AI, subscriptions, click-to-message) and further investment in AI/data centers.

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

3/5 BEST	24 Month Horizon	2/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Faster than expected Reels monetization & higher engagement growth
- Increased benefit from AI investment
- Revenue driven by subscriptions and/or click-to-message ads
- Further efficiency improvements drive outsized FCF growth

RISKS TO DOWNSIDE

- Macro pressures/weaker consumer spend
- Regulation impacts ability to target ads
- Reality labs losses widen further
- Mis-execution risk could result in higher LT capital intensity

OWNERSHIP POSITIONING

Inst. Owners, % Active	55.5%
HF Sector Long/Short Ratio	2.6x
HF Sector Net Exposure	12.3%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2026e

Sales / Revenue ($, mm)	237,140	255,888 / 253,077	269,079
EBITDA ($, mm)	114,318	146,354 / 142,872	170,068
Net income ($, mm)	74,800	82,353 / 84,280	94,600
EPS ($)	28.74	31.80 / 32.91	38.62

◆ Mean ◆ Morgan Stanley Estimates

Source: Refinitiv, Morgan Stanley Research

Financials

Exhibit 5: META Income Statement

Income Statement	2025	2026E	2027E	2028E	25-'28 CAGR
Advertising revenue	$196,174.0	$249,308.7	$303,168.3	$363,528.7	22.8%
Payments/other revenue	4,791.0	6,563.7	9,050.1	11,962.5	35.7%
Total net revenue	**$200,965**	**$255,872**	**$312,218**	**$375,491**	23.2%
Cost of revenue (ex-SBC)	35,067.7	49,371.4	74,841.4	99,505.2	41.6%
Gross profit	**$165,897**	**$206,501**	**$237,377**	**$275,986**	18.5%
Gross margin	82.6%	80.7%	76.0%	73.5%	
Sales and marketing (ex-SBC)	$10,528.2	$10,658.6	$10,611.6	$12,762.0	6.6%
Research and development (ex-SBC)	40,904.9	68,368.1	85,987.6	109,831.2	39.0%
General and administrative (ex-SBC)	10,762.2	12,616.9	11,356.7	13,658.2	8.3%
Stock-based compensation	20,426.0	25,727.4	26,006.1	28,537.3	11.8%
Non-recurring items	0.0	0.0	0.0	0.0	
Depreciation and amortization (included in expense lines)	18,616.0	31,490.7	58,977.1	98,679.4	74.4%
Total operating expenses (GAAP)	82,621.3	117,371.0	133,962.0	164,788.7	25.9%
Operating income (GAAP)	**$83,276**	**$89,130**	**$103,415**	**$111,197**	10.1%
GAAP operating margin	41.4%	34.8%	33.1%	29.6%	
Adjusted EBITDA	**$122,318**	**$146,348**	**$188,398**	**$238,414**	24.9%
Adj. EBITDA margin	60.9%	57.2%	60.3%	63.5%	
Incremental adj. EBITDA margin	56.6%	43.8%	74.6%	79.0%	
EBITDA	**$101,892**	**$120,621**	**$162,392**	**$209,877**	27.2%
EBITDA margin	50.7%	47.1%	52.0%	55.9%	
Incremental EBITDA margin	46.7%	34.1%	74.1%	75.0%	
Interest & other income/(expense), net (GAAP)	2,657.0	(1,172.6)	(29.1)	(3,044.9)	
Pre-tax income (GAAP)	**85,933.0**	**87,957.4**	**103,385.9**	**108,152.4**	8.0%
Income tax provision/(benefit) (GAAP)	25,475.0	5,606.9	13,440.2	14,059.8	(18.0%)
Tax rate (GAAP)	29.6%	6.4%	13.0%	13.0%	
Net income (GAAP)	**$60,458**	**$82,350**	**$89,946**	**$94,093**	15.9%
EPS (GAAP)	**$23.49**	**$31.80**	**$34.13**	**$35.34**	14.6%

Source: Company data, Morgan Stanley Research estimates

Exhibit 6: META Balance Sheet

Meta | Balance sheet (USD millions)	2025	2026E	2027E	2028E
Balance Sheet				
Assets:				
Cash & cash equivalents	35,873.0	32,501.1	20,810.6	19,422.0
Marketable securities	45,719.0	74,798.0	74,798.0	74,798.0
Accounts receivable, net	19,769.0	24,734.6	29,688.2	35,191.5
Prepaid expenses and other current assets	7,361.0	15,854.3	18,765.4	22,788.7
Total Current Assets	**108,722.0**	**147,888.0**	**144,062.1**	**152,200.2**
Property and equipment, net	176,400.0	298,356.2	460,122.3	607,694.4
Goodwill & other intangible assets, net	25,334.0	24,160.5	24,136.5	24,112.5
Other assets	55,565.0	74,551.0	74,551.0	74,551.0
Total Assets	**366,021.0**	**544,955.6**	**702,871.9**	**858,558.1**
Liabilities:				
Accounts payable	8,894.0	22,801.6	33,331.0	44,317.1
Platform partners payable	0.0	0.0	0.0	0.0
Accrued expenses and other current liabilities	30,729.0	41,791.3	53,833.7	68,844.5
Deferred revenue & deposits	0.0	1,523.2	1,859.1	2,235.9
Capital lease obligations, current portion	2,213.0	2,425.0	2,425.0	2,425.0
Total Current Liabilities	**41,836.0**	**68,541.1**	**91,448.8**	**117,822.5**
Capital lease obligations, less current portion	22,940.0	24,215.4	19,780.7	15,854.2
Long-term debt	58,744.0	113,664.0	143,664.0	163,664.0
Other liabilities	25,258.0	22,463.0	22,463.0	22,463.0
Total Liabilities	**148,778.0**	**228,883.5**	**277,356.5**	**319,803.7**
Shareholders' Equity:				
Preferred equity	0.0	0.0	0.0	0.0
Common equity	0.0	0.0	0.0	0.0
Additional paid-in capital	95,793.0	121,021.2	147,029.5	173,710.0
Accumulated other comprehensive income	271.0	(603.0)	(603.0)	(603.0)
Retained Earnings	121,179.0	195,653.9	279,089.0	365,647.4
Total Shareholders' Equity	**217,243.0**	**316,072.1**	**425,515.4**	**538,754.4**
Total Liabilities & Shareholders' Equity	**366,021.0**	**544,955.6**	**702,871.9**	**858,558.1**

Source: Company data, Morgan Stanley Research estimates

Exhibit 7: META Cash Flow Statement

Meta | Cash flow statement

(USD millions)	2025	2026E	2027E	2028E
Cash Flow Statement				
Operating Cash Flow:				
Net income	60,458.0	83,152.9	88,919.4	92,100.2
Depreciation & amortization	18,616.0	31,490.7	58,977.1	98,679.4
Stock-based compensation	20,426.0	25,730.2	26,008.2	28,540.6
Deferred income taxes	18,738.0	1,568.0	0.0	0.0
Tax benefit from stock-based compensation	0.0	0.0	0.0	0.0
Excess tax benefit from stock-based compensation	0.0	0.0	0.0	0.0
Other	(1,553.0)	6,113.0	10,000.0	8,140.0
Funds from operations	**116,685.0**	**148,054.9**	**183,904.7**	**227,460.2**
	0.0	0.0	0.0	0.0
Changes in Working Capital:				
Accounts receivable				
Prepaid expenses & other current assets	(88.0)	(5,622.3)	(2,911.1)	(4,023.3)
Other assets	(481.0)	(2,536.0)	0.0	0.0
Accounts payable	(14.0)	6,559.6	10,529.3	10,986.1
Platform partners payable	0.0	0.0	0.0	0.0
Accrued expenses & other current liabilities	1,077.0	9,388.3	12,042.5	15,010.7
Deferred revenue & deposits	0.0	1,523.2	335.9	376.8
Other liabilities	437.0	(4,528.0)	0.0	0.0
Changes in Working Capital	**(885.0)**	**(470.8)**	**15,043.1**	**16,847.1**
Operating Cash Flow	**115,800.0**	**147,584.1**	**198,947.8**	**244,307.2**
	0.0	0.0	0.0	0.0
Investing Cash Flow:				
Purchases of PP&E (Capex)				
Purchase of marketable securities	(36,929.0)	(79,593.0)	(8,000.0)	(8,000.0)
Maturities and sales of marketable securities	26,874.0	48,036.0	8,000.0	8,000.0
Investments in non-marketable equity securities	(21,206.0)	(1,670.0)	0.0	0.0
Acquisitions, net of cash, & purchases of intangible and other assets	(1,051.0)	(991.0)	0.0	0.0
Change in restricted cash & deposits	0.0	0.0	0.0	0.0
Investing Cash Flow	**(102,003.0)**	**(175,053.4)**	**(220,719.3)**	**(246,227.5)**
	0.0	0.0	0.0	0.0
Financing Cash Flow:				
Net proceeds from issuance of common stock				
Net proceeds from issuance of preferred stock	0.0	0.0	0.0	0.0
Proceeds from exercise of stock options	0.0	0.0	0.0	0.0
Proceeds from / (repayments of) long-term debt	29,906.0	54,910.0	30,000.0	20,000.0
Proceeds from sale & lease-back transactions	0.0	0.0	0.0	0.0
Cash dividends paid	(5,324.0)	(5,420.0)	(5,484.3)	(5,541.8)
Principal payments on capital lease obligations	(2,524.0)	(3,818.6)	(4,434.7)	(3,926.5)
Excess tax benefit from stock-based award activities	(24,028.0)	(2,288.0)	(10,000.0)	(10,000.0)
Other	(18,400.0)	(8,704.0)	0.0	0.0
Financing Cash Flow	**(20,370.0)**	**34,679.4**	**10,081.0**	**531.7**
Effects of FX	235.0	0.0	0.0	0.0
Beginning Cash	43,889.0	35,873.0	32,501.1	20,810.6
(+/-) Net changes in cash	(6,338.0)	7,210.1	(11,690.5)	(1,388.6)
(+/-) Restatements / adjustments	(1,678.0)	(10,582.0)	0.0	0.0
Ending Cash	**35,873.0**	**32,501.1**	**20,810.6**	**19,422.0**

Source: Company data, Morgan Stanley Research estimates

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of June 30, 2026)

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Equal-weight/Hold	1577	43%	390	42%	25%	769	44%
Not-Rated/Hold	3	0%	1	0%	33%	1	0%
Underweight/Sell	544	15%	89	10%	16%	204	12%
Total	3,668		933			1731	

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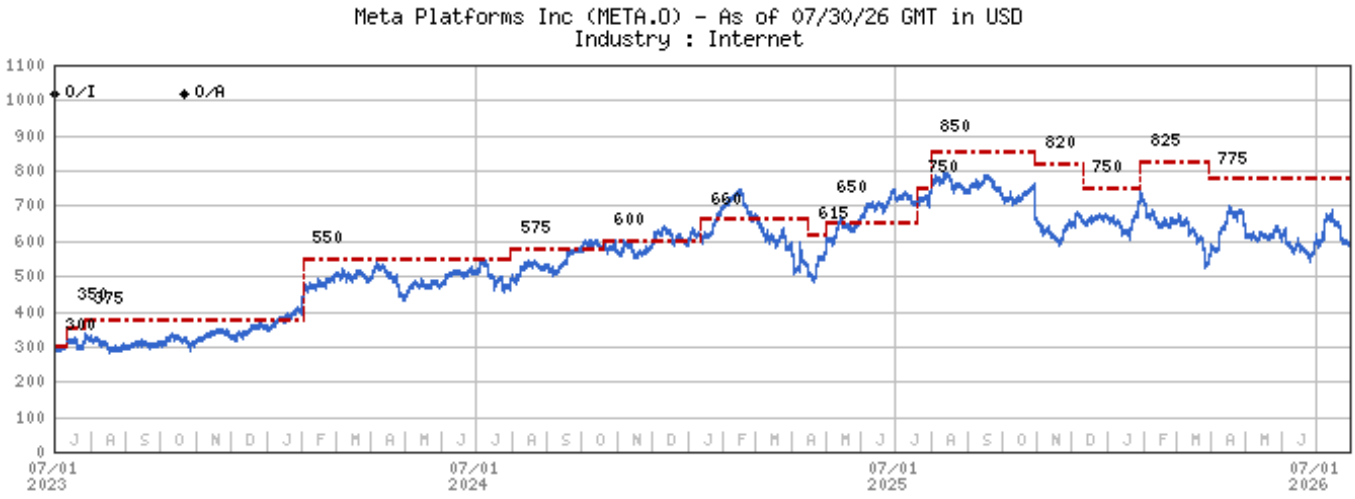
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Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 7/1/21 : O/I; 10/27/22 : E/I; 3/20/23 : O/I; 10/22/23 : O/A

Price Target History: 4/29/21 : 375; 7/28/21 : 400; 10/26/21 : 365; 1/19/22 : 395; 2/3/22 : 360; 3/2/22 : 325; 4/28/22 : 330; 5/31/22 : 300; 7/18/22 : 280; 8/18/22 : 225; 10/9/22 : 205; 10/27/22 : 105; 11/14/22 : 100; 1/17/23 : 130; 2/2/23 : 190; 3/20/23 : 250; 4/26/23 : 300; 7/12/23 : 350; 7/27/23 : 375; 2/2/24 : 550; 7/31/24 : 575; 10/20/24 : 600; 1/12/25 : 660; 4/16/25 : 615; 5/1/25 : 650; 7/20/25 : 750; 7/31/25 : 850; 10/30/25 : 820; 12/10/25 : 750; 1/29/26 : 825; 3/29/26 : 775

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Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) ▬
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INDUSTRY COVERAGE: Internet

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/29/2026)
Brian Nowak, CFA		
Airbnb Inc (ABNB.O)	U (12/06/2022)	$153.01
Alphabet Inc. (GOOGL.O)	O (08/11/2015)	$336.71
Amazon.com Inc (AMZN.O)	O (04/24/2015)	$226.65
Booking Holdings Inc (BKNG.O)	O (02/23/2026)	$201.30
DoorDash Inc (DASH.O)	O (02/21/2024)	$193.53
Expedia Inc. (EXPE.O)	E (01/09/2019)	$304.27
Instacart (CART.O)	E (01/29/2024)	$45.64
Lyft Inc (LYFT.O)	E (10/24/2019)	$15.44
Meta Platforms Inc (META.O)	O (03/20/2023)	$585.61
Pinterest Inc (PINS.N)	O (07/20/2025)	$24.44
Reddit Inc (RDDT.N)	O (12/08/2024)	$177.99
Snap Inc. (SNAP.N)	E (07/22/2024)	$4.73
Uber Technologies Inc (UBER.N)	++	$71.20
Matthew Cost		
AppLovin Corp (APP.O)	O (04/10/2025)	$399.46
Compass, Inc. (COMP.N)	E (01/12/2026)	$11.61
Criteo SA (CRTO.O)	E (01/26/2016)	$22.63
DoubleVerify Holdings Inc (DV.N)	E (06/25/2024)	$11.52
Electronic Arts Inc (EA.O)	E (08/04/2021)	$208.91
Liftoff Mobile Inc. (LFTO.O)	E (06/29/2026)	$22.23
MNTN Inc (MNTN.N)	E (06/16/2025)	$9.56
Opendoor Technologies Inc (OPEN.O)	E (07/24/2023)	$3.67
Playtika Holding Corp (PLTK.O)	E (11/27/2022)	$4.03
Roblox Corporation (RBLX.N)	O (11/04/2024)	$50.13
Take-Two Interactive Software (TTWO.O)	O (02/01/2018)	$246.43
Trade Desk Inc (TTD.O)	E (09/10/2025)	$19.09
Unity Software Inc (U.N)	O (09/02/2024)	$32.04

Webtoon Entertainment Inc (WBTN.O)	E (07/22/2024)	$9.02
Yelp Inc (YELP.N)	U (01/10/2019)	$27.92
Zillow Group Inc (Z.O)	E (04/18/2018)	$34.00
Nathan Feather		
Bumble Inc. (BMBL.O)	E (03/08/2021)	$2.97
Chewy Inc (CHWY.N)	O (10/31/2023)	$23.30
Duolingo Inc (DUOL.O)	E (02/27/2026)	$140.17
eBay Inc (EBAY.O)	O (04/18/2024)	$115.30
Etsy Inc (ETSY.N)	E (07/20/2025)	$85.58
FIGS, Inc. (FIGS.N)	E (02/29/2024)	$10.56
Grindr Inc. (GRND.N)	O (07/01/2026)	$17.21
Match Group Inc (MTCH.O)	E (04/18/2024)	$39.40
Peloton Interactive, Inc. (PTON.O)	E (03/14/2022)	$6.59
Revolve Group Inc (RVLV.N)	E (10/20/2024)	$25.81
WW International Inc (WW.O)	E (08/01/2025)	$13.00

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* Historical prices are not split adjusted.

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