

META

Earnings cheat sheet

Quarter ended 30 September 2026

RELEASE: after US market close | CALL: 16:30 ET / 20:30 UTC [2]

The hurdle: strong advertising growth plus a credible spending and cash-return outlook. A revenue beat alone may not settle the investment debate.

01 RESULTS SCORECARD

Metric	Q3 2026 estimate [1]	Q3 2025 actual [5]	Actual / notes
Revenue	\$63.3bn	\$51.24bn	
EPS*	\$3.57	\$1.05 diluted	
Operating income*	\$20.8bn	\$20.54bn	
Operating margin*	Basis unresolved	40.1% (calculated)	
EBITDA	\$29.1bn	\$25.5bn [1]	
Capex incl. lease principal**	\$41.0bn**	\$19.37bn	
Free cash flow**	-\$9.0bn**	+\$10.62bn	
Family daily active people	3.66bn	3.54bn	

* **Basis check:** \$20.8bn / \$63.3bn implies **32.9%**, but the supplied margin is 22.2% (implying \$14.05bn operating income). Do not treat either as reconciled consensus. Confirm EPS and operating-income treatment of the legal charge.

** **Cash basis:** company capex/FCF include finance-lease principal; the estimate basis needs confirmation. Prior-year EPS was tax-distorted: \$7.25 excluding the one-time charge. [5]

02 COMPANY GUIDANCE VS. BROKER EXPECTATIONS

Reference	Company baseline [3,4]	Broker view in supplied notes [1]
Q3 revenue	\$61-64bn; ~1% FX headwind	High end (~\$64bn) sought
FY26 capex	\$130-145bn, incl. lease principal	Watch any change and FY27 direction
FY26 total expenses	\$165-169bn July range, plus ~\$10bn legal accrual announced in August	\$175-177bn: one analyst, not company guidance
FY27 total expenses	No numeric company guide in sources	\$210-215bn vs. ~\$202bn Street in notes
Q4 revenue	New outlook due with this release	\$72.5-75.5bn: one analyst range

The legal charge is already known: adding ~\$10bn to the July expense range mechanically gives ~\$175-179bn, before other changes. That is our bridge, not a newly issued company range. The agreement specifies ~\$18bn of payments over 10 years, with part conditional; accrual is not same-quarter cash outflow. [4]

What would change the view?

Separate the strength of the ads business from the cost of building the next one.

03 REACTION FRAMEWORK / OUR INTERPRETATION, NOT PRICE PREDICTIONS

	Constructive	Disappointing
Revenue / ads	Revenue near or above \$64bn; strong Q4 demand and advertiser returns.	Below \$63.3bn snapshot, soft Q4 guide, or slowing underlying ad growth.
Spending / cash	FY26 capex contained; FY27 costs paired with measurable returns and a cash-flow path.	More capex plus higher recurring costs, with weaker cash generation and little monetization detail.
Quality of beat	Better operations after separating legal/tax items; sustainable pricing and conversion gains.	A tax or accounting EPS beat while operating profit and cash conversion disappoint.

04 LISTEN FOR THESE FIVE ANSWERS

1. **FY27 investment:** capex range or growth direction; depreciation, compensation and cloud commitments. Is the ~\$210-215bn broker expense scenario conservative or aggressive?
2. **Advertising ROI:** impressions versus price, advertiser conversions and incremental returns from AI recommendations. No separate cloud segment does *not* mean no AI monetization.
3. **Cash conversion:** operating cash flow, capex including leases, legal cash-payment timing, debt and buybacks. Capex hits cash now; depreciation affects earnings over time.
4. **Muse / business agents:** retained active users, paying customers and revenue timing. Notes cite 6.6m downloads / 1.8m DAUs and Citi's \$27bn 2030 opportunity; these are not near-term revenue guidance. [1]
5. **Recurring margins:** isolate the known legal accrual, tax effects and Reality Labs losses. Q2 diluted EPS was \$6.18; \$6.23 in the supplied notes is basic EPS. [3]

05 POSITIONING INTO THE PRINT

SINCE 31 JULY 2026 [1]

META		+27.1%
S&P 500		+3.5%
Comm. services		-0.2%

Supplied price: \$707.59
Selected dated targets, not fresh consensus:
Phillip \$750 | GS \$762 | BofA \$810
Barclays \$830 | Cantor \$840 | BNP \$885
Implied upside: +6% to +25%

Context: notes show Q3 EPS estimates down ~52% over a year. Broker targets span May-October. Snap/Pinterest Q2 beats support the ad backdrop; Alphabet's capex reaction is a spending-risk analogy, not proof of Meta demand. [1]

06 SOURCE & COMPARABILITY NOTES

[1] User-supplied Bloomberg-style preview, 21 Oct: consensus, stock snapshot, broker targets and Muse figures. Terminal estimates and broker documents not independently refreshed.

[2] Meta IR, 12 Oct: Q3 release after close; call 16:30 ET.

[3] Meta IR, 29 Jul: Q2 2026 results and guidance.

[4] Meta IR, 26 Aug: AG agreement and expected Q3 legal accrual.

[5] Meta IR, 29 Oct 2025: Q3 2025 comparators.

[6] Meta IR, 28 Jan 2026: FY25 results; total expenses \$117.69bn.

Corrections applied: report time; legal charge status; basic vs. diluted EPS; company capex/FCF comparators. The notes' 24-26% FY26 expense-growth claim is inconsistent with July guidance: \$165-169bn vs. \$117.69bn implies ~40-44%, before the August charge. [3,6]