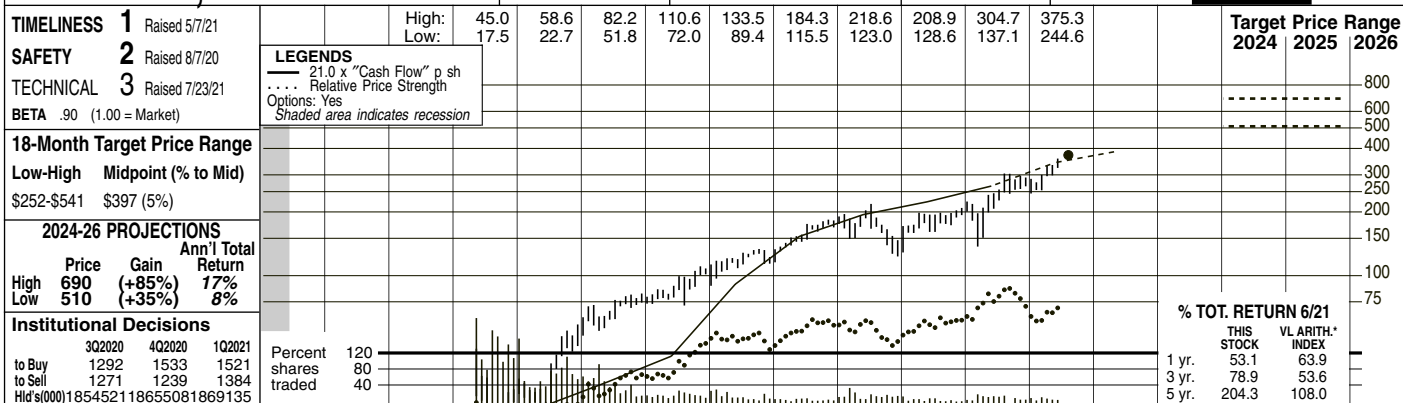


FACEBOOK, INC. NDQ-FB

RECENT PRICE **372.46** P/E RATIO **27.8** (Trailing: 31.9 Median: NMF) RELATIVE P/E RATIO **1.43** DIV'D YLD **Nil** VALUE LINE



	2011P	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
Revenues per sh	--	2.15	3.09	4.46	6.30	9.56	13.99	19.56	24.79	30.17	40.80	48.20	Revenues per sh	68.50
"Cash Flow" per sh	--	.30	.98	1.49	1.97	4.33	7.30	9.26	10.63	12.64	16.35	18.55	"Cash Flow" per sh	28.05
Earnings per sh ^A	--	.02	.60	1.10	1.29	3.49	6.16	7.57	8.56	10.09	13.40	15.40	Earnings per sh ^A	24.00
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
Cap'l Spending per sh	--	.52	.53	.65	.89	1.55	2.32	4.88	5.30	5.31	7.10	8.55	Cap'l Spending per sh	12.05
Book Value per sh ^E	--	4.96	6.07	12.91	15.54	20.47	25.58	29.48	35.43	45.03	54.60	67.85	Book Value per sh ^E	112.95
Common Shs Outst'g ^{B,C}	--	2372.0	2547.0	2797.0	2845.0	2892.0	2906.0	2854.0	2852.0	2849.0	2820.0	2800.0	Common Shs Outst'g ^{B,C}	2700.0
Avg Ann'l P/E Ratio	--	NMF	59.2	62.7	68.6	33.5	25.3	22.6	21.3	23.2	19.19	17.50	Avg Ann'l P/E Ratio	25.0
Relative P/E Ratio	--	NMF	3.33	3.30	3.45	1.76	1.27	1.22	1.13	1.19	1.19	1.19	Relative P/E Ratio	1.40
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Avg Ann'l Div'd Yield	Nil
Revenues (\$mill)	3711.0	5089.0	7872.0	12466	17928	27638	40653	55838	70697	85965	115000	135000	Revenues (\$mill)	185000
Operating Margin	56.0%	23.3%	48.5%	50.0%	45.6%	53.4%	57.1%	52.3%	42.0%	46.0%	45.0%	44.0%	Operating Margin	47.5%
Depreciation (\$mill)	323.0	649.0	1011.0	1243.0	1945.0	2342.0	3025.0	4315.0	5741.0	6862.0	8000	8500	Depreciation (\$mill)	10500
Net Profit (\$mill)	1000.0	53.0	1491.0	2925.0	3669.0	10188	18181	22111	24584	29146	38050	43430	Net Profit (\$mill)	65280
Income Tax Rate	41.0%	NMF	45.5%	40.1%	40.5%	18.4%	11.6%	12.8%	.9%	12.2%	17.5%	21.0%	Income Tax Rate	21.0%
Net Profit Margin	26.9%	1.0%	18.9%	23.5%	20.5%	36.9%	44.7%	39.6%	34.8%	33.9%	33.1%	32.2%	Net Profit Margin	35.3%
Working Cap'l (\$mill)	3705.0	10215	11970	12246	19727	31526	44803	43463	51172	60689	72500	80000	Working Cap'l (\$mill)	105000
Long-Term Debt (\$mill)	398.0	1991.0	237.0	119.0	107.0	--	--	--	107.0	--	Nil	Nil	Long-Term Debt (\$mill)	Nil
Shr. Equity (\$mill) ^E	4899.0	11755	15470	36096	44218	59194	74347	84127	101054	128290	154000	190000	Shr. Equity (\$mill) ^E	305000
Return on Total Cap'l	19.3%	.6%	9.7%	8.1%	8.3%	17.2%	24.5%	26.3%	24.3%	22.7%	24.5%	23.0%	Return on Total Cap'l	21.5%
Return on Shr. Equity	20.4%	.5%	9.6%	8.1%	8.3%	17.2%	24.5%	26.3%	24.3%	22.7%	24.5%	23.0%	Return on Shr. Equity	21.5%
Retained to Com Eq	23.3%	.5%	9.6%	8.1%	8.3%	17.2%	24.5%	26.3%	24.3%	22.7%	24.5%	23.0%	Retained to Com Eq	21.5%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Facebook was founded by Mark Zuckerberg and fellow students at Harvard University in 2004. The company was incorporated in Delaware in July of 2004. Facebook completed its initial public offering on the NASDAQ Global Select Market in May of 2012. The total offering comprised 421,233,615 shares of Class A stock, initially priced at \$38 per share. Morgan Stanley was the lead manager.

CAPITAL STRUCTURE as of 3/31/21
Total Debt None
Leases, Uncapitalized: Annual rentals \$1316 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 2,835,464,834 shares (2,396,047,121 Class A shares and 439,417,713 Class B shares)^C
as of 4/23/21
MARKET CAP: \$1.1 trillion (Large Cap)

CURRENT POSITION (\$MILL.)	2019	2020	3/31/21
Cash Assets	54855	61954	64219
Receivables	9518	11335	10276
Inventory (FIFO)	--	--	--
Other	1852	2381	2827
Current Assets	66225	75670	77322
Accts Payable	1363	1331	878
Debt Due	--	--	--
Other	13690	13650	11839
Current Liab.	15053	14981	12717

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20
Revenues	--	40.0%	18.5%
"Cash Flow"	--	49.0%	17.0%
Earnings	--	54.5%	18.5%
Dividends	--	--	Nil
Book Value	--	26.0%	20.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^F				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	11966	13231	13727	16914	55838
2019	15077	16886	17652	21082	70697
2020	17737	18687	21470	28072	85965
2021	26171	27500	28500	32829	115000
2022	31500	32500	34000	37000	135000

Cal-endar	EARNINGS PER SHARE ^{A,F}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	1.69	1.74	1.76	2.38	7.57
2019	1.89	1.99	2.12	2.56	8.56
2020	1.71	1.80	2.71	3.88	10.09
2021	3.30	2.95	3.05	4.10	13.40
2022	3.75	3.50	3.60	4.55	15.40

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017					
2018					
2019					
2020					
2021					

BUSINESS: Facebook, Inc. operates the world's leading social networking service through its flagship Web site. The company's Web-based tools allow users to connect and communicate with each other. Had about 2.85 billion monthly active users at 3/31/21. Also owns Instagram, WhatsApp, and Messenger. Generates substantially all revenue from selling advertising placements to

Facebook reported a strong performance for the March quarter, and this pattern likely continued in the June period. The company was set to announce results for the second quarter as this Issue went to press. Daily active users and monthly active users continue to increase at a good pace. The company is benefiting from the transition in consumer demand toward products and away from services as well as an ongoing shift to online commerce. These changes have been supporting Facebook's advertising business, given its strength in product verticals sold through online commerce. **Growth ought to slow in the back half of the year though results should remain solid overall.** Moderate gains in active users should continue to benefit results here. Advertising revenue increases should be driven by higher prices. However, performance ought to be affected by ad targeting headwinds resulting from regulatory and platform changes. An evolving European regulatory climate may well also present challenges. Even so, we have increased our estimates for full-year 2021, and now expect that revenues and

marketers. Had 58,604 full-time employees at 12/31/20. Vanguard owns 7.6% of Class A shares; BlackRock, 6.6%; FMR LLC, 5.2%; off. and dir., less than 1.0% and 89.1% of Class B shares (includes Mark Zuckerberg, 81.7%) (4/21 Proxy). Chairman and CEO: Mark Zuckerberg. Inc.: Delaware. Addr.: 1601 Willow Road, Menlo Park, CA 94025. Tel.: 650-543-4800. Internet: www.facebook.com.

earnings per share will both rise by more than 30%. **Long-term prospects appear solid, and we envision strong growth from 2022 onward.** The company remains well positioned in the social media space. Active users should continue to increase at a good pace. Mobile advertising ought to remain an important performance driver in the near term. Investment in new technologies will likely pay off down the road. That said, political and regulatory challenges remain a concern here. **This stock carries wide appeal at this juncture.** The shares are ranked to outpace the broader market averages for the coming six to 12 months. We anticipate strong growth in revenues and earnings per share for the company over the pull to mid-decade. From the recent quotation, this equity offers attractive long-term total return potential. Moreover, Facebook earns good marks for Safety, Financial Strength, Price Stability, and Growth Persistence. Subscribers seeking exposure to the social media space ought to take a closer look. *Michael Napoli, CFA August 6, 2021*

(A) Diluted earnings. Next earnings report due late October. (B) In millions. (C) Class A stock is entitled to one vote per share and Class B stock is entitled to ten votes per share. (D) Data pro forma. (E) Includes intangibles. In 2020, \$19,673 million. (F) Totals may not sum due to rounding.

Company's Financial Strength	A++
Stock's Price Stability	70
Price Growth Persistence	100
Earnings Predictability	60

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