

Facebook parent Meta posts solid 1Q results, stock soars

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Facebook's Meta logo sign is seen at the company headquarters in Menlo Park, Calif., Oct. 28, 2021. Meta reports earnings on Wednesday, April 26, 2023. Credit: AP Photo/Tony Avelar, File

Facebook parent company Meta's first-quarter results surpassed Wall

Street's modest expectations on both profit and revenue, sending its stock soaring in after-hours trading.

Meta reported that the monthly user base of its flagship platform—Facebook—inched close to 3 billion, and its revenue guidance for the current quarter was also above [analyst estimates](#).

"Our AI work is driving good results across our apps and business," CEO Mark Zuckerberg said in a statement. "We're also becoming more efficient so we can build better products faster and put ourselves in a stronger position to deliver our long term vision."

Meta Platforms Inc. said Wednesday it earned \$5.71 billion, or \$2.20 per share, in the January-March period. That's down 19% from \$7.47 billion, or \$2.72 per share, a year earlier. Results in the latest quarter were weighed down by restructuring charges.

Revenue climbed 3% to \$28.65 billion from \$27.91 billion.

Analysts, on average, were expecting earnings of \$2.02 per share on revenue of \$27.67 billion, according to a poll by FactSet.

Meta said it has "substantially completed" [layoffs](#) it first announced in 2022. It announced a second round of layoffs in March.

For the current quarter, Meta said it expects revenue in the range of \$29.5 billion to \$32 billion, above analysts' expectations of \$29.45 billion.

"In this [economic environment](#)—and after the disaster that was 2022—3% year-over-year revenue growth is an accomplishment," said Debra Aho Williamson, an analyst with Insider Intelligence. "Meta's strong guidance for Q2 revenue is another indicator that the company

may be starting to come out of the woods."

But, she added, Meta still has a lot of work to do—including finish the rebuilding of its ad targeting capabilities "after the Apple privacy debacle," make a strong case to advertisers for "why they should invest in Reels instead of TikTok, and keep restless creators in the fold."

Apple made privacy changes to its phones that make it harder for companies like Meta to track people for advertising purposes, which hurt the company's revenue—which mostly comes from ads on Facebook and Instagram.

Meta is "starting to find its way again after being negatively impacted by Apple privacy changes, TikTok competition, Reels headwinds, heavy hiring and expense growth," said Dan Morgan, senior portfolio manager at Synovus Trust Company.

Meta said 3.02 billion people logged in to at least one of its apps—Facebook, Instagram, WhatsApp or Messenger—every day in March. Facebook, still its biggest platform and biggest source of ad revenue, had 2.04 billion daily users and 2.99 billion monthly users, an increase of 4% and 2% year-over-year.

Shares of the Menlo Park, California-based company rose nearly 12% to \$234.20 in after-hours trading.

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