

Facebook parent Meta posts sharply higher profit in 3Q thanks to increase in ad revenue

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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, Oct. 25, 2023.
Credit: AP Photo/Tony Avelar, File

Facebook parent Meta on Wednesday posted sharply higher earnings for

the third quarter, boosted by an increase in advertising revenue and lower expenses after it laid off thousands of workers.

The stronger-than-expected results followed Google parent [Alphabet's report](#) Tuesday showing a rebound in earnings and revenue growth—a sign the online-advertising market is picking up after a slump in the past couple of years.

Meta, based in Menlo Park, California, said that it earned \$11.58 billion, or \$4.39 per share, in the July-September quarter. That's up from \$4.4 billion, or \$1.64 per share, a year earlier. Revenue rose 23% to \$34.15 billion from \$27.71 billion.

Analysts, on average, were expecting earnings of \$3.64 per share on revenue of \$33.58 billion, according to a poll by FactSet.

"Despite broader tech market fluctuations, Meta continues to meet expectations.," said Insider Intelligence analyst Jeremy Goldman. "With its sustained upward trajectory, robust user engagement, and strategic cost optimizations, Meta is not only navigating choppy waters but also setting the course for uncharted territories of growth."

Meta, which on Tuesday was sued by 41 states plus the the District of Columbia for harming young people's mental health, said the number of active users on Facebook was 3.05 billion as of Sept. 30, an increase of 3% from a year earlier.

"This landmark lawsuit could herald a seismic shift in how social media platforms approach product features and user engagement," Goldman said. "That said, even as tech stocks face uncertainty, Meta's consistent performance cements its leadership in the digital realm."

The number of monthly active users on its "family of apps" that include

Facebook, Instagram, WhatsApp and Messenger, was 3.96 billion as of the end of the quarter, up 7% from a year earlier. Meta does not break out its user figures for apps other than Facebook on a quarterly basis.

CEO Mark Zuckerberg said in a conference call with analysts that Meta's Twitter-like [Threads app](#), which launched in July, has 100 million monthly active users.

"I thought for a long time there should be a billion-person public conversation app that is a bit more positive," he said, adding that if "we keep this up for a few years" Threads has a good chance of being that app.

Total costs and expenses were \$20.4 billion, down 7% year-over-year. Meta said it had 66,185 employees as of Sept. 30, a decrease of 24% from a year earlier.

For the current quarter, Meta is forecasting revenue of \$36.5 billion to \$40 billion. Analysts are expecting \$38.84 billion.

Shares in Meta Platforms Inc. fell about 3% in after-hours trading after the results came out. The stock had closed down \$13.02, or 4.2%, at \$299.53.

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