# Meta Platforms Inc. reports strong third-quarter results amidst rising AI investment



**Meta Platforms Inc. Reports Strong Third-Quarter Results Amidst Rising AI Investment**

Early this week, Meta Platforms Inc., the parent company of Facebook and Instagram, posted robust third-quarter financial results, driven largely by significant growth in its advertising revenue and advancements in artificial intelligence. The announcement took place against the backdrop of the Meta Connect conference in Menlo Park, California, where CEO Mark Zuckerberg showcased the company's latest technological innovations.

For the quarter ending 30th September 2024, the California-headquartered tech giant reported earnings of $15.69 billion, translating to $6.03 per share. This marked a 35% increase from the $11.58 billion, or $4.39 per share, recorded in the corresponding period of 2023. Meta's revenue surged by 19%, reaching $40.59 billion, surpassing the anticipated $40.21 billion projected by financial analysts at FactSet Research.

Despite these strong financial metrics, Meta experienced a slight shortfall in its user engagement numbers. The company reported an average of 3.29 billion "daily active people" across its suite of applications—Facebook, Messenger, Instagram, WhatsApp, and Threads—during September. This figure narrowly missed analysts' expectations of 3.31 billion users. Jasmine Enberg, an analyst at Emarketer, expressed concern over this miss, noting the need for Meta to extract more revenue from its existing user base as growth begins to slow. However, Enberg remains optimistic about Meta's ability to enhance user engagement through its AI-driven tools, which are designed to better tailor content and adverts to users, particularly on Instagram’s Reels.

Meta’s CEO, Mark Zuckerberg, emphasised the importance of AI in the company's recent success, stating, "We had a good quarter driven by AI progress across our apps and business." He also highlighted ongoing momentum in AI developments, notably the adoption of Meta AI and Llama, along with the introduction of AI-powered augmented reality glasses.

Looking forward, Meta foresees revenue in the range of $45 billion to $48 billion for the current quarter, aligning closely with analyst forecasts of $46.18 billion. Despite this positive outlook, the company admits that developing its AI capabilities will necessitate a “significant acceleration” in infrastructure spending next year. Consequently, operating losses at Meta’s Reality Labs segment, responsible for developing virtual and augmented reality products, are projected to "increase meaningfully" throughout 2024. This announcement comes shortly after Meta unveiled a prototype of its long-awaited Orion holographic augmented reality glasses, though no release date has been announced due to high production costs.

The market's reaction to Meta's financial disclosure was mixed, with shares declining by about 3% in after-hours trading. Analysts, including Jesse Cohen from Investing.com, noted the dual sentiment amongst investors, acknowledging the positive role of AI in driving growth while expressing concern about future spending and financial guidance.

As Meta continues to forge ahead with its ambitious AI investments, the spotlight remains on how effectively it can manage both the opportunities and challenges presented by this transformative technology.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

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* <https://markets.businessinsider.com/news/stocks/meta-platforms-inc-reports-strong-q3-2024-results-1033925514> - Supports the strong Q3 2024 results reported by Meta Platforms Inc.
* <https://finance.yahoo.com/news/meta-reports-third-quarter-2024-200500813.html> - Provides details on Meta's total revenue of $40.59 billion, a 19% increase year-over-year.
* <https://investor.fb.com/investor-news/press-release-details/2024/Meta-Reports-Third-Quarter-2024-Results/default.aspx> - Official press release from Meta detailing the third-quarter financial results.
* <https://finance.yahoo.com/news/meta-posts-q3-earnings-beat-but-stock-falls-on-heavy-spending-plans-201725492.html> - Explains how Meta beat Q3 earnings estimates but saw its stock fall due to heavy spending plans.
* <https://www.usnews.com/news/business/articles/2024-10-30/metas-third-quarter-profit-surges-35-reflecting-strong-ad-revenue-and-its-ai-push> - Mentions the earnings of $15.69 billion, or $6.03 per share, and the 35% increase from the previous year.
* <https://finance.yahoo.com/news/meta-reports-third-quarter-2024-200500813.html> - Details the revenue surge of 19% to $40.59 billion and the comparison to analyst projections.
* <https://finance.yahoo.com/news/meta-posts-q3-earnings-beat-but-stock-falls-on-heavy-spending-plans-201725492.html> - Discusses the mixed market reaction and the decline in shares despite positive earnings.
* <https://markets.businessinsider.com/news/stocks/meta-platforms-inc-reports-strong-q3-2024-results-1033925514> - Highlights CEO Mark Zuckerberg's emphasis on AI progress and its impact on the company's success.
* <https://finance.yahoo.com/news/meta-reports-third-quarter-2024-200500813.html> - Mentions the average of 3.29 billion 'daily active people' across Meta's applications and the slight miss of analyst expectations.
* <https://finance.yahoo.com/news/meta-posts-q3-earnings-beat-but-stock-falls-on-heavy-spending-plans-201725492.html> - Addresses the future spending plans, including the significant acceleration in infrastructure spending and projected operating losses at Reality Labs.
* <https://www.latimes.com/world-nation/story/2024-10-30/metas-third-quarter-profit-surges-35-reflecting-strong-ad-revenue-and-its-ai-push> - Please view link - unable to able to access data