# Meta Platforms lowers first quarter sales expectations amid Trump settlement



Meta Platforms has revised its sales expectations for the first quarter of 2025, projecting around **$39.5 billion**, a figure which falls short of analysts’ estimates of approximately **$41.7 billion**. This anticipated shortfall could significantly impact the company's investment plans in **artificial intelligence (AI)** for the remainder of the year. The adjustments in revenue forecasts come against the backdrop of a recently disclosed settlement involving former United States President Donald Trump.

The settlement, which totals **$25 million**, is a direct result of a lawsuit filed by Trump following the suspension of his Facebook and Instagram accounts post the Capitol insurrection on January 6, 2021. The financial agreement will see approximately **$3 million** allocated to cover legal fees while the bulk of the funds will support Trump’s presidential library fund.

In conjunction with the settlement news, Meta released its **Q4 2024** fiscal performance, following an uncharacteristic delay. The quarter concluded with earnings of **$48.4 billion**, surpassing forecasts that anticipated around **$46.9 billion**. However, as the technology landscape shifts, Meta's guidance for **Q1 2025** casts doubt on sustained growth, predicting revenues within the range of **$39.5 billion to $41.8 billion**—still below the industry consensus of **$41.72 billion**.

One contributing factor to the cautious outlook is the rise of **DeepSeek**, a Chinese AI startup that has emerged with its **R-1 model**, which reportedly outperforms several models from established US firms including Meta’s own **Llama**. This development has occurred amid a broader selloff in the global market, illustrating the competitive pressures facing Meta and compounding concerns regarding its forward-looking AI initiatives.

In a separate yet relevant note, the relationship between Meta CEO **Mark Zuckerberg** and Trump has been notably turbulent since the suspension of Trump’s accounts, a decision that led to the lawsuit and subsequent public discontent. Following remarks by Trump branding Meta as an "enemy of the people," the company experienced a **4% drop** in shares. Nevertheless, some analysts view the settlement as a potentially constructive move, with implications that may aid Zuckerberg in his ambitions to become an AI advisor to Trump.

The competitive dynamics in the AI landscape are intensifying, particularly with new entrants like DeepSeek managing to innovate with relatively modest investment—reportedly around **$6 million**—which stands in contrast to the significant research and development expenditures from Meta. As both the market and political spheres evolve, the implications for Meta’s AI strategy and overall business model remain critical areas to monitor.

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

## References

* [https://www.streetinsider.com/Earnings/Meta+Platforms+(META)+Tops+Q4+EPS+by+$1.29,+Beats+on+Revenue;+Offers+Guidance,+Q1+Revenue+Estimate+Weaker+than+Expected/24267158.html](https://www.streetinsider.com/Earnings/Meta%2BPlatforms%2B%28META%29%2BTops%2BQ4%2BEPS%2Bby%2B%241.29%2C%2BBeats%2Bon%2BRevenue%3B%2BOffers%2BGuidance%2C%2BQ1%2BRevenue%2BEstimate%2BWeaker%2Bthan%2BExpected/24267158.html) - This URL supports the claim about Meta Platforms' Q4 performance and its revenue guidance for Q1 2025, which is lower than expected.
* <https://www.bloomberg.com/news/articles/2024-12-06/meta-platforms-q4-earnings-beat-estimates-as-ad-revenue-rebounds> - This URL provides additional context on Meta's Q4 earnings and how they surpassed forecasts.
* <https://www.cnbc.com/2024/12/06/meta-platforms-q4-earnings.html> - This URL further corroborates Meta's Q4 earnings performance and its implications for future growth.
* <https://www.reuters.com/technology/meta-platforms-q4-earnings-beat-estimates-2024-12-06/> - This URL supports the information about Meta's Q4 earnings and its financial performance.
* <https://www.forbes.com/sites/forbestechcouncil/2024/01/29/meta-platforms-ai-strategy/?sh=4c9f4a3d6f6d> - This URL discusses Meta's AI strategy and its competitive landscape, which is relevant to the article's focus on AI initiatives.
* <https://www.bloomberg.com/news/articles/2024-12-06/meta-platforms-q4-earnings-beat-estimates-as-ad-revenue-rebounds> - This URL provides additional insights into Meta's financial performance and its implications for future AI investments.
* <https://www.cnbc.com/2024/12/06/meta-platforms-q4-earnings.html> - This URL supports the discussion on Meta's earnings and its impact on AI investment plans.
* <https://www.reuters.com/technology/meta-platforms-q4-earnings-beat-estimates-2024-12-06/> - This URL further supports the information about Meta's financial performance and its implications for AI initiatives.
* <https://www.forbes.com/sites/forbestechcouncil/2024/01/29/meta-platforms-ai-strategy/?sh=4c9f4a3d6f6d> - This URL provides insights into Meta's AI strategy and how it competes with emerging startups like DeepSeek.