Facebook Ecosystem

Facebook Inc.
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Phone: +1 (650) 543-4800 www.facebook.com

Outside Relationships

Regulators

- Subjects of US and Foreign Regulation
- Privacy
- Data Protection and Personal Information
- Content
- Intellectual Property
- Advertising
- Marketing
- Distribution
- Data Security
- Data Retention and Deletion
- Electronic Contracts and Other Communications
- Competition
- Protection of Minors
- Consumer Protection
- Telecommunications
- Product Liability
- Taxation
- Economic or Other Trade Prohibitions or Sanctions
- Anti-Corruption Law Compliance
- Securities Law Compliance
- Online Payment Services
- Data Retention and Deletion
- California Consumer Privacy Act
- Foreign Data Protection, Privacy, Content, Competition, and Other Laws
- European General Data Protection Regulation (GDPR)
- Brazilian General Data Protection Law (effective August 2020)

Capital

- Commercial Banks

Suppliers

- Professional Services Firms
  - Ernst & Young (Auditors)
  - Kilpatrick Townsend (Law)
  - Gibson, Dunn & Crutcher LLP (Law)

Customers

- Social Media Users
  - Individuals
  - Businesses
  - Organizations
  - Universities
  - Other Groups and Communities
- Advertisers
  - Businesses
  - Organizations
  - Universities
  - Individuals
  - Political Campaigns
- Business Customers
- Applications Developers and Engineers
- Software Developers
- Third Party Patent Owners

Flows

- Revolving Loan Facility
- Professional Services
- Business Regulation
- Account Registrations to Use (and Create Content on) Facebook Social Media Platforms
- Connections and Communications with Broader Communities of Interest
- Products and Services Sales
- Ad Sales and Data Analytics
- Business Tools (Including Data Analytics and Customer Behavior Insights)
- Open Source Technology, Research, and Frameworks for Collaborations
- Gaming and Other Applications that sit on Facebook's Platforms
- Intellectual Property Licenses

Facebook Inc. (Delaware Corporation)

Debt Structure

Debt ($0.0B @ 12/31/19)

- 2021 Senior Unsecured Revolving Credit Facility ($2.0B)

Equity Structure

Equity

- 2017 Share Repurchase Program (No Expiration Date)
- Class A Common Stock (5,000 million Class A shares authorized; 2,407 million shares outstanding)
- Class B Stock (4,141 million Class B shares authorized; 445 million shares outstanding)

Governance

Board of Directors

Peggy Alford (A)	Nancy Killefer	Peter A. Thiel (C/N)
Mark Andreessen (A)(C/N)	Robert Kimmitt (LD)	Tracy T. Travis (A)
Andrew Houston (C/N)	Sheryl K. Sandberg	Mark Zuckerberg (Chairman)

Committees: Lead Independent Director (LD); Audit & Risk Oversight (A); Compensation, Nominating & Corporate Governance (C/N)

Management Team

Founder, Chairman, CEO – Mark Zuckerberg	CTO – Mike Schroepfer
COO – Sheryl Sandberg	Chief Revenue Officer – David Fischer
CFO – Dave Wehner	General Counsel – Jennifer Newstead

Corporate Matters

- **Human Resources**: Hiring / Training; Pension Plans; Compensation; Immigration; Benefit / 401(k) Plans; Talent Development; Recruitment; Equity Incentive Plan; Onboarding; Non-Disclosure / Invention Agreements
- **Business and Marketing**: Advertising; Retail Accounts; E Commerce
- **Investor Relations**: SEC Filings and Reports; Corporate Responsibility; Investor Education Center; Corporate Governance
- **Privacy**: Data Protection; User Privacy; Content Monitoring
- **Product Management**: Product Usability; Product Functionality
- **Finance and Accounting**: Budget Support; Internal Audit; Accounting; Cash Management; Financial Reporting; Tax; Risk Management; FP&A; Insurance; Treasury / Cash Management
- **Global Public Policy**: Global Elections and Political Ad Transparency; Civic Engagement
- **Legal**: Real Estate; Transactions; Contract Management; Corporate Governance; Secretarial Matters; IP Management; Subsidiary Management; Litigation Management; Securities Compliance; Employment Law
- **Information Technology**: Software Licenses; IT Equipment; Help Desk / Hotline; Data Processing Systems; E Commerce Platforms
- **Product Divisions**: New Platforms and Infrastructure; Family of Apps; Central Product Services
- **Product Management and Technology**: New Technologies; Existing Product Enhancements; 3rd Party Business & Technology Acquisitions
- **Security (IP)**: Utility/DesignPatent; Trademarks; Copyrights; Service Marks; Trade Dress
- **Chief Executive**: Management

Operations

Worldwide	US & Canada	Europe	Asia-Pacific	Rest of the World
(2019 Revenue = $70.70B)	(2019 Revenue = $32.21B)	(2019 Revenue = $16.83B)	(2019 Revenue = $15.41B)	(2019 Revenue = $6.26B)

Products and Services

- **FACEBOOK** (Social Media Platform): News Feed; Stories; Marketplace; Watch
- **INSTAGRAM** (Social Media Platform): Instagram Feed; Instagram Stories
- **OTHER SOCIAL MEDIA**: WhatsApp (Messaging); Messenger (Messaging); Workplace (Work Collaboration Tool); Portal (Video Chatting)
- **OTHER**: Oculus (Virtual Reality Products); Novi (Digital Payments Platform)

Components of Operating Revenue

Advertising (98.4% of total revenue in 2019)

Marketers Purchase Ads That Can Appear On:

- Facebook
- Instagram
- Messenger
- 3rd Party Applications and Sites

Other Revenue

- Delivery of Consumer Hardware Devices
- Net Fees from Developers Using Payments Infrastructure
- Other Sources

Technology Investing

- Consumer Hardware Products
- Artificial Intelligence (AI)
- Connectivity Efforts
- Virtual Reality and Augmented Reality

Sales and Support Force

Facebook has a self-service ad platform to launch and manage their advertising campaigns. Facebook also has a global sales force that is focused on attracting and retaining advertisers and providing support to them throughout the stages of the marketing cycle from pre-purchase decision-making to real-time optimizations to post-campaign analytics.

Infrastructure

Data Centers (15)

US	Prineville, OR	Forest City, NC	Atlanta, GA	Henrico, VA
	Altoona, IA	Los Lunas, New Mexico	Huntsville, AL	New Albany, OH
	Papillion, NE	Eagle Mountain, UT	Fort Worth, Texas	
International	Clonee, Ireland	Odense, Denmark	Lulea, Sweden	Singapore

Office Buildings and VR Manufacturing Facility (In Over 70 Cities Globally)

- North America
- Latin America
- Europe
- HQ: Menlo Park, California, NA
- Shenzhen China Plant (Oculus)
- Middle East
- Africa
- Asia Pacific

Competitors of Facebook's Primary Business Goals

Advertising	Messaging	Social Media and Video Sharing		Development Platforms	Consumer Hardware and VR Products
Google	Apple	Google	Tencent	Companies That Provide Development Platforms for Applications Developers	Companies that Develop and Deliver Consumer Hardware and Virtual Reality Products and Services
YouTube	Tencent	YouTube	Snap		
Amazon	Snap	Bytedance	Twitter		
		LinkedIn	Pinterest		

Securities Regulation and NASDAQ Listing Rules

- Class A Equity Capital (1 vote per share)
- Class B Equity Capital (10 votes per share)
- Common Stock Repurchases

Outside Relationships

Customers

- Oculus VR Headsets and Equipment Sales
- Virtual Reality (VR) Customers
  - Retail Customers
  - Business Enterprise Customers

Suppliers

Capital

- Significant Shareholders (Class A)
  - Vanguard Group (7.85%)
  - BlackRock Fund Advisors (6.62%)
  - Fidelity Management & Research (5.17%)
- Significant Shareholders (Class B)
  - Mark Zuckerberg (81.8%)
  - Eduardo Saverin (10.3%)
  - Dustin Moskovitz (7.3%)

Regulators

- Securities Regulators
  - US Securities and Exchange Commission
  - The NASDAQ Stock Market

Key Company Data (Rev. 9/2019)

Financials (2019)

- Revenue: $70.7B (+27% YoY)
- Ad Revenue: $69.7B (+27% YoY)
- Total Expenses: $46.7B
- Operating Margin: 34%
- Net Income: $18.48B

Top Countries (Users)

1. India – 280M
2. United States – 190M
3. Indonesia – 130M
4. Brazil – 120M
5. Mexico – 86M

Resources

- 48,268 Employees
- 85 Offices
- 35 Different Countries
- $54.8B in Liquid Assets

Share Information

- NYSE Symbol: FB
- Share Price: $234.02 (6/24/2020)
- Dividend: N/A
- Diluted EPS: $4.43

Commitments

$4.54B in Non-Cancellable Commitments for data center and network infrastructure

Facebook Key Metrics

- Daily Active Users (DAUs): 1.73 B
- Monthly Active Users (MAUs): 2.60 B
- Family Daily Active People (DAP): 2.36 B
- Family Monthly Active People (MAP): 2.99 B

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