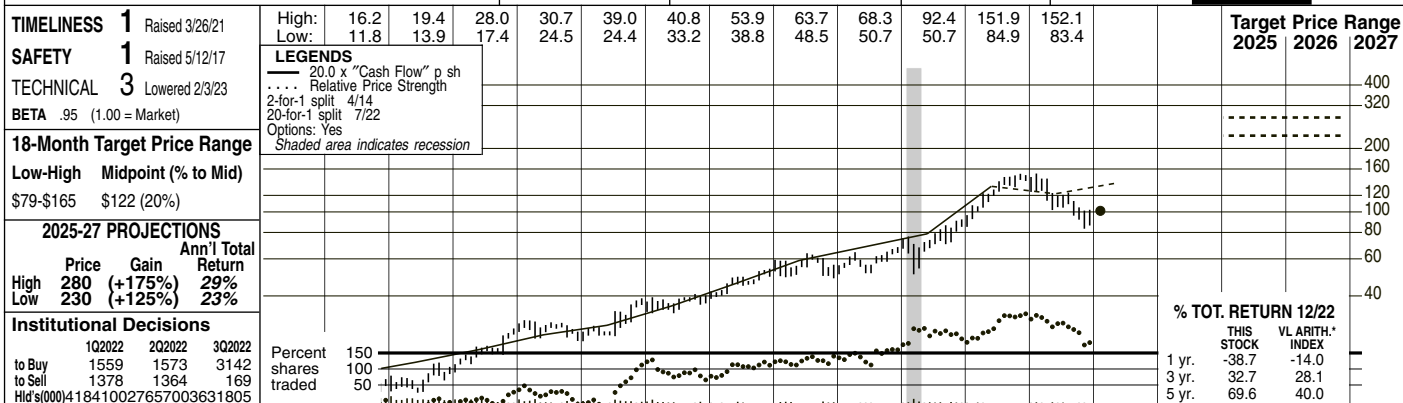


ALPHABET INC. NDQ-GOOG

RECENT PRICE **101.21** P/E RATIO **21.5** (Trailing: 20.1 Median: 25.0) RELATIVE P/E RATIO **1.27** DIV'D YLD **Nil** VALUE LINE



2025-27 PROJECTIONS	Price	Gain	Ann'l Total Return
High	280	(+175%)	29%
Low	230	(+125%)	23%

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Revenues per sh	37.55
3.81	4.45	4.85	5.46	6.53	7.98	9.84	11.76	13.52	19.46	21.80	23.20	"Cash Flow" per sh	12.50
.97	1.12	1.31	1.45	1.79	2.29	2.95	3.41	3.94	6.61	5.70	6.30	Earnings per sh A	10.20
.81	.90	1.04	1.14	1.39	1.80	2.33	2.58	2.93	5.61	4.70	5.25	Div'ds Decl'd per sh	Nil
..	..	..	..	..	..	..	..	..	..	..	..	Cap'l Spending per sh	2.20
.25	.55	.81	.72	.74	.95	1.81	1.71	1.65	1.86	2.10	2.10	Book Value per sh	59.25
5.44	6.50	7.68	8.75	10.06	10.97	12.77	14.63	16.48	19.00	19.60	18.90	Common Shs Outst'g B	13200
13187	13440	13612	13747	13826	13896	13911	13767	13504	13242	13000	13200	Avg Ann'l P/E Ratio	25.0
19.8	24.6	27.0	26.3	26.7	25.6	23.8	23.1	25.2	22.3	24.5	..	Relative P/E Ratio	1.40
1.26	1.38	1.42	1.32	1.40	1.29	1.29	1.23	1.29	1.20	1.45	..	Avg Ann'l Div'd Yield	Nil
..	..	..	..	..	..	..	..	..	..	..	..	Revenues (\$mill)	495635
50175	59825	66001	74989	90272	110855	136819	161857	182527	257637	283300	306000	Operating Margin	38.0%
29.4%	28.0%	30.9%	31.3%	32.2%	31.0%	29.0%	29.0%	29.7%	35.0%	37.0%	32.0%	Depreciation (\$mill)	17000
1988.0	2781.0	3523.0	4132.0	5267.0	6103.0	8164.0	10856	12905	11555	13000	14000	Net Profit (\$mill)	148320
10788	12214	14306	15826	19478	25705	32814	36025	40269	76033	61100	69300	Income Tax Rate	14.0%
19.4%	15.7%	18.9%	16.8%	19.3%	12.1%	11.3%	12.8%	16.2%	16.2%	13.0%	14.0%	Net Profit Margin	29.9%
21.5%	20.4%	21.7%	21.1%	21.6%	23.2%	24.0%	22.3%	22.1%	29.5%	22.0%	22.5%	Working Cap'l (\$mill)	336420
46117	56978	63880	70804	88652	100125	101056	107357	117462	123889	111000	115000	Long-Term Debt (\$mill)	16000
2988.0	2236.0	3228.0	1995.0	3935.0	3969.0	4012.0	4554.0	13932	14817	15000	15250	Shr. Equity (\$mill)	781985
71715	87309	104500	120331	139036	152502	177628	201442	222544	251635	255000	250000	Return on Total Cap'l	18.5%
14.4%	13.7%	13.3%	13.0%	13.7%	16.5%	18.1%	17.5%	17.1%	28.6%	22.5%	26.0%	Return on Shr. Equity	19.0%
15.0%	14.0%	13.7%	13.2%	14.0%	16.9%	18.5%	17.9%	18.1%	30.2%	24.0%	27.5%	Retained to Com Eq	19.0%
15.0%	14.0%	13.7%	13.2%	14.0%	16.9%	18.5%	17.9%	18.1%	30.2%	24.0%	27.5%	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 9/30/22	
Total Debt	\$14653 mill. Due in 5 Yrs. \$4819 mill.
LT Debt	\$14653 mill. LT Interest \$346 mill. (5% of Cap'l)

Leases, Uncapitalized: Annual rentals \$2539 mill.	
No Defined Benefit Pension Plan	
Pfd Stock	None

Common Stock	
12,943,000,000 shares	(5,973,000,000 Class A shares, 884,000,000 Class B shares, and 6,086,000,000 Class C shares) C D
as of 10/18/22	

MARKET CAP: \$1.3 trillion (Large Cap)	
CURRENT POSITION	2020 2021 9/30/22

Cal-endar	QUARTERLY REVENUES (\$mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2019	36339	38944	40499	46075	161857
2020	41159	38297	41673	56898	182527
2021	55314	61880	65118	75325	257637
2022	68011	69685	69092	76512	283300
2023	73000	73000	75000	85000	306000

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2019	.60	.71	.51	.76	2.58
2020	.49	.51	.82	1.11	2.93
2021	1.32	1.36	1.40	1.53	5.61
2022	1.23	1.21	1.06	1.20	4.70
2023	1.20	1.25	1.35	1.45	5.25

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019					
2020					
2021					
2022					
2023					

Alphabet Inc. will likely report mixed results for the fourth quarter. Year over year, revenues are expected to increase slightly (about 2%) to \$76.5 billion and earnings ought to drop from \$1.53 per share to \$1.20 per share. Google Search and Google Cloud will probably make significant contributions to fourth quarter performance, as they did in the third quarter. We expect both of these segments to feature more Artificial Intelligence (AI). On point, Google Cloud is launching four AI powered tools specifically designed to assist retailers with inventory management and the personalized shopping experience on ecommerce websites. Google Search has much of its attention on OpenAI's launch of ChatGPT (Chat Generative Pre-trained Transformer). **ChatGPT is lighting a fire under the feet of Alphabet.** The chatbot technology employed by ChatGPT has the potential to rival and replace current search engines like Google. With Google's prominent position as a search engine, we anticipate a solid response from Google. Google already has chatbot technology called LaMDA, but it is not widely available. It remains to be seen if this will be integrated into search or other apps, but it is clear that ChatGPT poses a long-term threat to Google search. **Effects from cost cutting should be reflected in 2023 earnings, as the company has plans to eliminate roughly 12,000 jobs.** We wouldn't be surprised if GOOG makes a shift from the layoffs, real-locating resources to business areas that support its advancement in AI. Other measures to reduce cost include the cancellation of the tech giant's next generation Pixelbook laptop, and permanently closing the cloud gaming service Stadia. **These high-quality shares offer broad appeal.** The stock possesses our highest rank for Safety (1), and it is also credited with strong scores for Stock Price Stability (90 out of 100) and Price Growth Persistence (100). GOOG also receives our top grade for Financial Strength (A++). The equity holds above-average capital appreciation potential for the pull to 2025-2027. Moreover, our Timeliness Ranking System has Alphabet pegged to outpace the broader market averages in the year ahead.

Kathleen Uckert February 3, 2023

(A) Diluted earnings per share for Class A and B common stock and Class C capital stock. Excludes nonrecurring gains/(losses): '08, (\$3.38); '14, (\$0.55); '17, (\$17.90); '18, (\$2.97); '19, (2.42). Qly egs. may not sum. Next earnings report due late April. (B) In millions. (C) Class A common stock entitled to one vote per share. Class B common stock entitled to 10 votes per share. Class C common stock is non-voting. (D) All preferred stock converted to Class B common stock upon initial public offering.

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Company's Financial Strength		A++
Stock's Price Stability		90
Price Growth Persistence		100
Earnings Predictability		70

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