Stock Selection Guide

Company	Alphabet		Date	02/02/24
Prepared by	MURPHY		Data taken from	BI Stock Data
Where traded	NAS	Industry	Internet Content & Information	
Capitalization --- Outstanding Amounts			Reference	

Preferred ($M)		0.0	% Insiders	% Institution
Common (M Shares)		12,589.0	3.1	19.0
Debt ($M)	28,504.0	% to Tot Cap	9.1	% Pot Dil	0.8

Symbol: GOOG

1 VISUAL ANALYSIS of Sales, Earnings, and Price

451,663

307,394

9.13

5.80

FY 2023 Q4	Sales ($M)	Earnings Per Share
Latest Quarter	86,310	1.64
Year Ago Quarter	76,048	1.05
Percentage Change	13.5%	56.2%
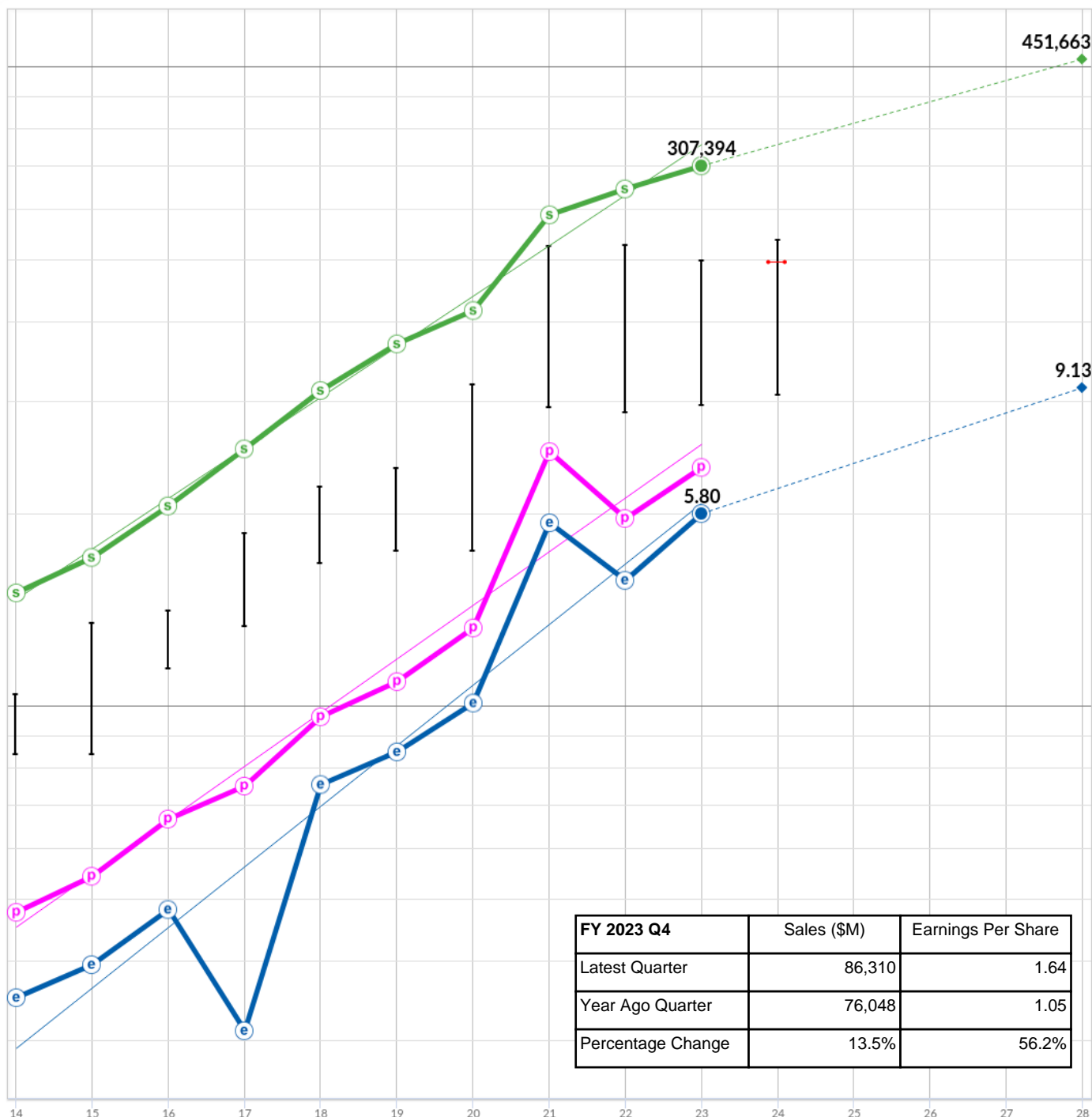
(1) Historical Sales Growth	20.0%	(3) Historical Earnings Per Share Growth	24.4%
(2) Estimated Future Sales Growth	8.0%	(4) Estimated Future Earnings Per Share Growth	9.5%

2 EVALUATING Management   **Alphabet**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	26.1%	26.2%	26.8%	24.5%	25.5%	24.5%	26.3%	35.2%	25.2%	27.9%	26.0%
% Earned on Equity	14.0%	13.5%	14.4%	8.0%	17.9%	17.4%	18.6%	30.4%	23.1%	26.6%	21.4%
% Debt To Capital	4.8%	4.2%	2.8%	2.5%	2.2%	7.3%	10.7%	10.1%	10.4%	9.1%	9.5%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 143.54 (02/02/24)   **52-WEEK HIGH**   155.20   **52-WEEK LOW**   88.86

	A	B	C	D	E	F	G	H
Year	**Price**		**Earnings**	**Price Earnings Ratio**		**Dividend**	**% Payout**	**% High Yield**
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	68.3	50.7	2.46	27.8	20.6	0.00	0.0	0.0
2020	92.4	50.7	2.93	31.5	17.3	0.00	0.0	0.0
2021	151.9	85.0	5.61	27.1	15.1	0.00	0.0	0.0
2022	152.1	83.5	4.56	33.4	18.3	0.00	0.0	0.0
2023	143.9	85.6	5.80	24.8	14.8	0.00	0.0	0.0
AVERAGE		71.1		28.9	17.2		0.0	
CURRENT/TTM			5.80	26.8	15.3	0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 23.1					**CURRENT PRICE EARNINGS RATIO: 24.7**			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS
Avg. High P/E   26.0   X Estimate High Earnings/Share   9.13   =   Forecasted High Price $ 237.4

B LOW PRICE - NEXT 5 YEARS
(a) Avg. Low P/E   18.8   X Estimate Low Earnings/Share   5.21   =   Forecasted Low Price $ 97.9
(b) Avg. Low Price of Last 5 Years   71.1
(c) Recent Market Low Price   83.5
(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price $ 85.0

C ZONING   using 25%-50%-25%
Forecasted High Price   237.4   Minus Forecasted Low Price   85.0   =   152.4   Range.   25% of Range   38.1
Buy Zone   85.0   to   123.1
Hold Zone   123.1   to   199.3
Sell Zone   199.3   to   237.4

Present Market Price of   143.54   is in the   **HOLD**   Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} \quad 237.4 \quad \text{Minus Present Price} \quad 143.54}{\text{Present Price} \quad 143.54 \quad \text{Minus Low Price} \quad 85.0} = \frac{93.84}{58.54} = 1.6$ To 1

E PRICE TARGET   (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} \quad 237.4}{\text{Closing Price} \quad 143.54} = 1.6538$ X   100   =   165.38   -   100   =   65.4   % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend} \quad 0.00}{\text{Closing Price} \quad 143.54} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E
$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{26.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E
$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{22.40} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E
Annualized Appreciation	10.6 %
Average Yield	0.0 %
Annualized Rate of Return	10.6 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E
Annualized Appreciation	7.3 %
Average Yield	0.0 %
Annualized Rate of Return	7.3 %