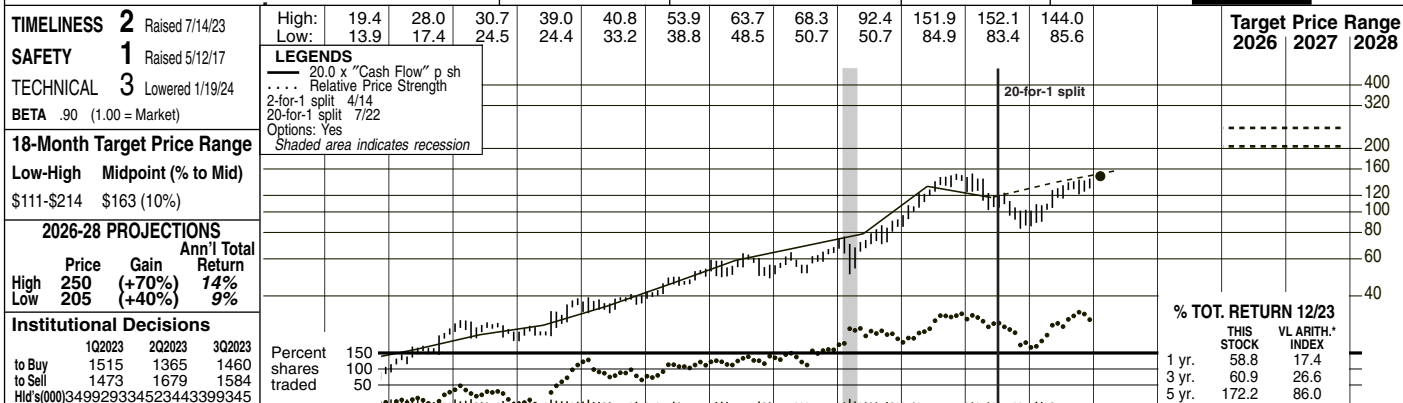


ALPHABET INC. NDQ-GOOG

RECENT PRICE **147.71** P/E RATIO **23.5** (Trailing: 28.4 Median: 25.0) RELATIVE P/E RATIO **1.34** DIV'D YLD **Nil** VALUE LINE



Google Inc. (now, officially Alphabet Inc.) undertook its initial public offering on August 19, 2004, selling approximately 19.6 million shares of its Class A Common stock for \$85 a share. Of the total shares, the company sold 14.1 million, and selling stockholders sold 5.5 million. The lead underwriters of the offering were Morgan Stanley and Credit Suisse First Boston.

CAPITAL STRUCTURE as of 9/30/23
 Total Debt \$13781 mill. Due in 5 Yrs. \$5865 mill.
 LT Debt \$13781 mill. LT Interest \$485 mill.
 (5% of Cap'l)

Leases, Uncapitalized: Annual rentals \$2955 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 12,516,000,000 shares
 (5,918,000,000 Class A shares, 873,000,000 Class B shares, and 5,725,000,000 Class C shares) ^C
as of 10/17/23

MARKET CAP: \$1.9 trillion (Large Cap)

CURRENT POSITION	2021	2022	9/30/23
Cash Assets	139649	113762	119935
Receivables	39304	40258	41020
Inventory	-	-	2957
Other	9190	10775	12398
Current Assets	188143	164795	176310
Accts Payable	6036	5128	5803
Debt Due	-	-	-
Other	58218	64172	80492
Current Liab.	64254	69300	86295

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22
change (per sh)	-	-	-
Revenues	20.5%	21.5%	10.0%
"Cash Flow"	20.0%	25.0%	11.5%
Earnings	19.5%	25.5%	13.0%
Dividends	-	-	Nil
Book Value	16.5%	13.5%	4.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec. 31	
2020	41159	38297	46173	56898	182527
2021	55314	61880	65118	75325	257637
2022	68011	69685	69092	76048	282836
2023	69787	74604	76693	85216	306300
2024	78000	83000	85000	95000	341000

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec. 31	
2020	.49	.51	.82	1.12	2.93
2021	1.31	1.36	1.40	1.53	5.61
2022	1.23	1.21	1.06	1.05	4.56
2023	1.17	1.44	1.55	1.59	5.75
2024	1.50	1.65	1.65	1.90	6.70

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020					
2021					
2022					
2023					
2024					

NO CASH DIVIDENDS BEING PAID

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
Revenues per sh	4.45	4.85	5.46	6.53	7.98	9.84	11.76	13.52	19.46	22.01	24.45	27.25	Revenues per sh	32.70
"Cash Flow" per sh	1.12	1.31	1.45	1.79	2.29	2.95	3.41	3.94	6.61	5.86	6.90	7.90	"Cash Flow" per sh	10.45
Earnings per sh ^A	.90	1.04	1.14	1.39	1.80	2.33	2.58	2.93	5.61	4.56	5.75	6.70	Earnings per sh ^A	9.00
Div'ds Decl'd per sh	-	-	-	-	-	-	-	-	-	-	-	-	Div'ds Decl'd per sh	Nil
Cap'l Spending per sh	.55	.81	.72	.74	.95	1.81	1.71	1.65	1.86	2.45	2.50	2.52	Cap'l Spending per sh	2.40
Book Value per sh	6.50	7.68	8.75	10.06	10.97	12.77	14.63	16.48	19.00	19.93	22.20	28.70	Book Value per sh	30.75
Common Shs Outst'g ^B	13440	13612	13747	13826	13896	13911	13767	13504	13242	12849	12516	12500	Common Shs Outst'g ^B	13000
Avg Ann'l P/E Ratio	24.6	27.0	26.3	26.7	25.6	23.8	23.1	25.2	22.3	25.3	20.8		Avg Ann'l P/E Ratio	25.0
Relative P/E Ratio	1.38	1.42	1.32	1.40	1.29	1.29	1.23	1.29	1.21	1.47	1.20		Relative P/E Ratio	1.40
Avg Ann'l Div'd Yield	-	-	-	-	-	-	-	-	-	-	-	-	Avg Ann'l Div'd Yield	Nil
Revenues (\$mill)	59825	66001	74989	90272	110855	136819	161857	182527	257637	282836	306300	341000	Revenues (\$mill)	425000
Operating Margin	28.0%	30.9%	31.3%	32.2%	31.0%	29.0%	29.0%	29.7%	35.0%	31.9%	32.0%	31.0%	Operating Margin	35.0%
Depreciation (\$mill)	2781.0	3523.0	4132.0	5267.0	6103.0	8164.0	10856	12905	11555	15287	14500	15000	Depreciation (\$mill)	19000
Net Profit (\$mill)	12214	14306	15826	19478	25705	32814	36025	40269	76033	59972	71965	83750	Net Profit (\$mill)	117000
Income Tax Rate	15.7%	18.9%	16.8%	19.3%	12.1%	11.3%	12.8%	16.2%	16.2%	15.9%	14.0%	14.0%	Income Tax Rate	14.0%
Net Profit Margin	20.4%	21.7%	21.1%	21.6%	23.2%	24.0%	22.3%	22.1%	29.5%	21.2%	23.5%	24.5%	Net Profit Margin	27.5%
Working Cap'l (\$mill)	56978	63880	70804	88652	100125	101056	107357	117462	123889	95495	90015	91000	Working Cap'l (\$mill)	100000
Long-Term Debt (\$mill)	2236.0	3228.0	1995.0	3935.0	3969.0	4012.0	4554.0	13932	14817	14701	13785	14000	Long-Term Debt (\$mill)	16000
Shr. Equity (\$mill)	87309	104500	120331	139036	152502	177628	201442	222544	251635	256144	278000	359000	Shr. Equity (\$mill)	400000
Return on Total Cap'l	13.7%	13.3%	13.0%	13.7%	16.5%	18.1%	17.5%	17.1%	28.6%	22.2%	24.5%	22.5%	Return on Total Cap'l	28.0%
Return on Shr. Equity	14.0%	13.7%	13.2%	14.0%	16.9%	18.5%	17.9%	18.1%	30.2%	23.4%	26.0%	23.5%	Return on Shr. Equity	29.5%
Retained to Com Eq	14.0%	13.7%	13.2%	14.0%	16.9%	18.5%	17.9%	18.1%	30.2%	23.4%	26.0%	23.5%	Retained to Com Eq	29.5%
All Div'ds to Net Prof	-	-	-	-	-	-	-	-	-	-	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Alphabet Inc. is the successor and parent holding company of Google Inc., which operates the world's leading Internet search engine. The company derives revenues primarily through delivering targeted advertising. Revenues are also derived from the licensing of search technology and solutions to enterprises. Revenues in 2022: United States, 48%; International, 52%.

Has 190,234 employees. Off. & dir. own less than 1% of Class A common stock, 52.9% of Class B; The Vanguard Group, 3.3%; BlackRock, 2.8% of Class A (4/23 Proxy). CEO & Dir.: Sundar Pichai. Co-founder & Dir.: Larry Page. Co-founder & Dir.: Sergey Brin. Inc.: DE. Addr.: 1600 Amphitheatre Parkway, Mountain View, CA 94043. Telephone: 650-253-0000. Internet: www.google.com.

Alphabet Inc. probably posted a strong fourth-quarter performance, closing out 2023 with higher revenue and earnings. (Note: Alphabet was scheduled to issue its fourth quarter earnings release shortly after this report went to press.) Year over year, revenues probably increased roughly 12% to \$85.2 billion and earnings likely rose from \$1.05 per share to \$1.59. We anticipate Google Search and Google Cloud continued to make significant contributions to the top line, as both of these segments are making impressive strides with increased focus on Artificial Intelligence (AI).

giant needs to pick up the pace. Google's recent \$1.0 billion investment in a United Kingdom data center appears to be a move in the right direction, however, it's also another sign that the tech giant is lagging behind its peers. On point, in November, Microsoft announced plans to invest approximately \$3.2 billion in the United Kingdom to support its AI growth strategy.

Google is cutting jobs as it dedicates more resources to the advancement of AI. In January, hundreds of jobs were cut across the company's hardware, voice assistant and engineering teams. The layoffs were made to reduce costs, and shift company focus on investments in growth opportunities such as AI. Leadership has indicated that improving operating efficiency and expanding AI services in the cloud and Google workspace is a high priority right now. Competition in the AI space is fierce, and to stay in the game, the search

Lawsuits are not going away. In fact, a \$5 billion settlement was reached in part by Google last month. The lawsuit was filed against the tech giant in 2020 and sought damages for violating consumer privacy. This legal issue is one of many for Google. Also last month, Google was involved in a separate case, accused of overcharging consumers through restrictions on the distribution of apps on *Android* devices and unneeded fees for in-app transactions. As part of the settlement, Google is expected to pay \$700 million.

These high-quality timely shares offer broad appeal. The stock gets the top score for Price Growth Persistence (100 out of 100).
 Kathleen Uckert February 2, 2024

(A) Diluted earnings per share for Class A and B common stock and Class C capital stock. Excludes nonrecurring gains/(losses): '08, (\$0.17); '14, (\$0.03); '17, (\$0.90); '18, (\$0.15); '19, (0.12). Qlty 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.	Company's Financial Strength A++ Stock's Price Stability 85 Price Growth Persistence 100 Earnings Predictability 70
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