

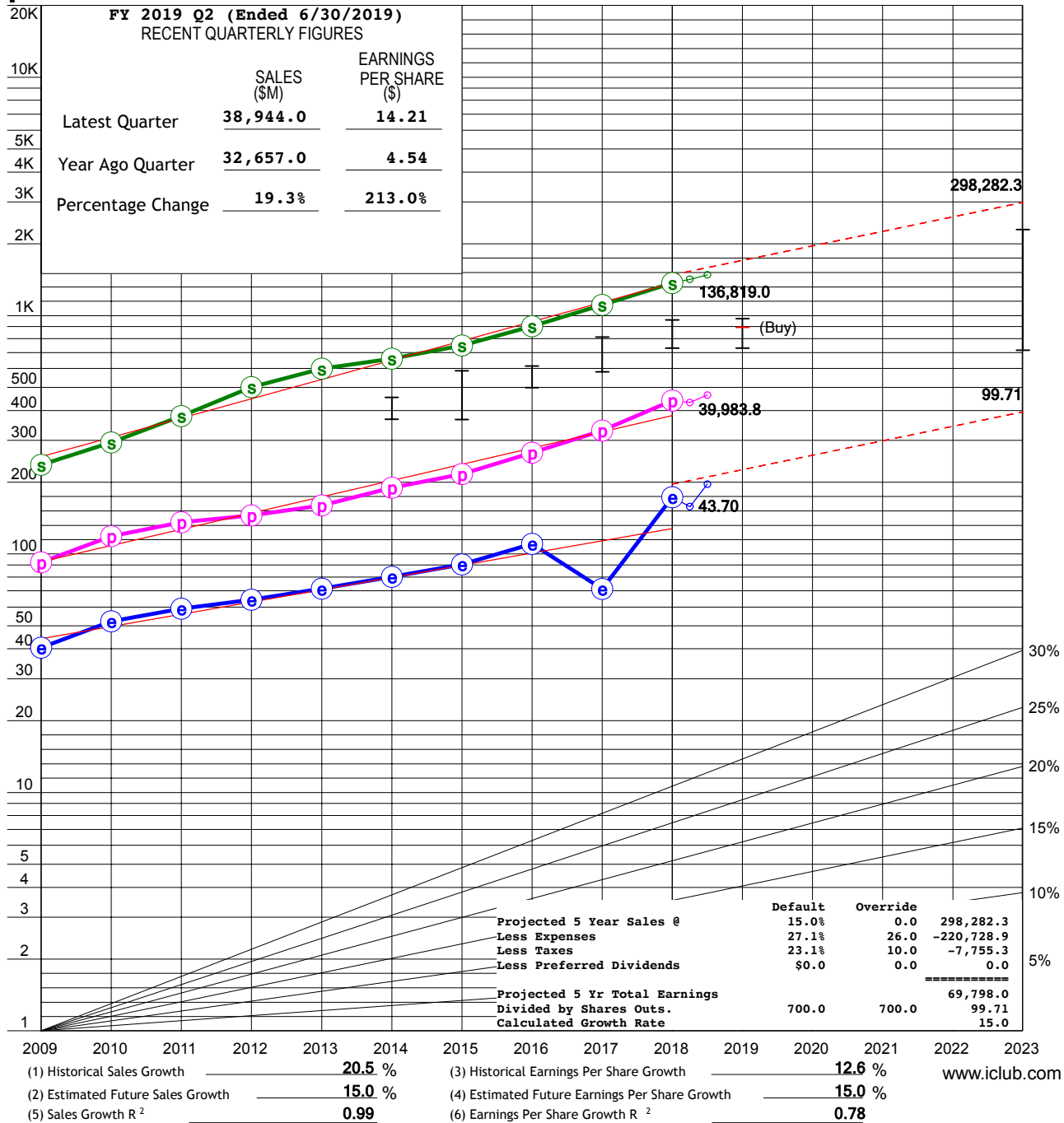


Stock Selection Guide

Company	GOOGLE INC	Price Date	08/09/19
Study by	jah	Data Date	08/09/19
Sector	Technology	Last Judgment	08/11/19
Industry	Internet Content & Infor	Data Source	BI
Preferred(\$M)	0.0	Reference	
Diluted(M Shares)	700.0	% Insiders	2.9
Total Debt(\$M)	4,074.0	% Institutions	48.1
% Tot Debt to Tot Cap	2.3	Quality	

1 Growth Analysis

NAS: GOOG



2 QUALITY ANALYSIS

Company **GOOGLE INC (GOOG)**

08/09/19

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	35.4	36.8	32.6	26.3	24.3	26.1	26.2	26.8	27.0	29.2	27.1	UP
B % ROE (Beginning Yr)							15.7	16.5	9.3	19.3	15.2	UP
C % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	3.2	1.7	2.9	2.5	2.3	2.5	DOWN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **1,188.01 (24.0)** 52-WEEK HIGH (P/E) **1,289.27 (26.0)** 52-WEEK LOW (P/E) **970.11 (19.6)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2014	603.2	487.7	20.27	29.8	24.1	0.000	0.0	0.0
2 2015	780.0	486.2	22.84	34.2	21.3	0.000	0.0	0.0
3 2016	816.7	663.1	27.85	29.3	23.8	0.000	0.0	0.0
4 2017	1,078.5	771.8	18.00	59.9	42.9	0.000	0.0	0.0
5 2018	1,273.9	970.1	43.70	29.2	22.2	0.000	0.0	0.0
6 AVERAGE		675.8		30.6	22.8		0.0	
AVERAGE P/E RATIO	31.7	26.7	PROJECTED P/E RATIO	20.9	TTM EPS	49.54		
CURRENT P/E RATIO	24.0	PEG RATIO	1.4	FTM EPS	56.98			
RELATIVE VALUE	75.7%	89.9%	PROJ. RELATIVE VALUE	65.8%	78.1%	AVG TTM + FTM EPS	53.26	

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E **30.6** X Estimated High Earnings/Share **99.71** = Forecast High Price \$ **3,051.1**

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E **22.8** (as adj.) X Estimated Low Earnings/Share **43.70** = \$ **996.4**

(b) Average 5-Year Low Price = **675.8**

(c) Recent Severe Low Price = **771.8**

(d) Price Dividend Will Support = Present Divd. + High Yield = **0.00** + **0.000** = **0.0**

Selected Estimated Low Price = \$ **950.4**

C PRICE RANGES

Forecast High Price **3,051.1** - Estimated Low Price **950.4** = Range **2,100.7** 25% of Range = **525.2**

BUY (Lower 25% of Range) = **950.4** to **1,475.6**

MAYBE (Middle 50% of Range) = **1,475.6** to **2,525.9**

SELL (Upper 25% of Range) = **2,525.9** to **3,051.1**

Current Price **1,188.01** is in the **Buy** Range

D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price **3,051.1** - Current Price **1,188.01**) + (Current Price **1,188.01** - Estimated Low Price **950.4**) = **7.8** To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ **0.000** + Current Price of Stock \$ **1,188.01** = **0.0** % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout **0.0** + Forecast High P/E **30.6** = Avg. Yield **0.0**

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout **0.0** + Forecast Avg P/E **26.7** = Avg. Yield **0.0**

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield **0.0** % + Annual Appreciation **20.8** % = Compound Annual Total Return **20.8** %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield **0.0** % + Annual Appreciation **17.5** % = Projected Average Total Return **17.5** %

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ALPHABET INC. NDQ-GOOG

RECENT PRICE **1225.14** P/E RATIO **22.7** (Trailing: 23.6 Median: 24.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **Nil** VALUE LINE



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues per sh	37.21	45.63	58.29	76.10	89.03	96.97	109.10	130.58	159.55	196.70	228.15	268.95	308.75	350.10	391.50	432.90
"Cash Flow" per sh	12.21	14.90	17.12	19.38	22.31	26.20	29.04	35.80	45.78	58.91	70.35	75.95	81.50	87.10	92.70	98.30
Earnings per sh A	10.21	13.16	14.88	16.23	18.03	20.82	22.84	27.85	35.90	46.67	54.05	59.10	64.15	69.20	74.25	79.30
Div'ds Decl'd per sh	---	---	---	---	---	---	---	---	---	---	Nil	Nil	Nil	Nil	Nil	Nil
Book Value per sh	1.27	6.25	5.29	4.96	10.95	16.10	14.43	14.77	18.98	36.14	28.65	28.60	31.80	34.90	38.00	41.10
Common Shs Outst'd B	635.54	642.60	650.27	659.33	672.00	680.62	687.35	691.29	694.78	695.56	698.00	699.00	700.00	700.00	700.00	700.00

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 6/30/19
 Total Debt \$4074 mill. Due in 5 Yrs. \$1508 mill.
 LT Debt \$4074 mill. LT Interest \$114 mill. (2% of Cap'l)

Leases, Uncapitalized: Annual rentals \$1160 mill.
No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 693,398,400 shares (299,531,683 Class A shares, 46,522,084 Class B shares, and 347,344,583 Class C shares) C D

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues (\$mill)	23651	29321	37905	50175	59825	66001	74989	90272	110855	136819	159250	188000	212750	237500	262500	287500
Operating Margin	40.4%	39.0%	34.7%	29.4%	28.0%	30.9%	31.3%	32.2%	31.0%	29.0%	34.0%	31.0%	30.0%	28.0%	26.0%	24.0%
Income Tax Rate	22.2%	21.2%	21.0%	19.4%	15.7%	18.9%	16.8%	19.3%	12.1%	11.3%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Profit Margin	27.6%	29.0%	25.7%	21.5%	20.4%	21.7%	21.1%	21.6%	23.2%	24.0%	25.7%	23.8%	23.8%	23.8%	23.8%	23.8%

ANNUAL RATES Past 10 Yrs, Past 5 Yrs, Est'd '16-'18 to '22-'24

Revenues	20.0%	17.0%	16.5%
"Cash Flow"	19.5%	19.0%	15.0%
Earnings	19.0%	17.5%	16.5%

Since our May review, shares of Alphabet are trading approximately 3% higher in price. The stock has been trading with a bit more volatility of late, due to recent headlines regarding a government investigation for potential antitrust violations by the Department of Justice, as well as a number of anticompetitive fines placed on the Internet search provider by the European Commission.

More recently, the company reported better-than-expected June-quarter financial results. The top line advanced 19.3% on a year-over-year basis, to \$38.944 billion. This reflected a nearly 20% rise in Google Advertising volumes, partially offset by solid, but slightly moderated gains from the Other Bets division. Meanwhile, on the profitability front, cost of goods sold increased 190 basis points as a function of revenues. This was moderated by a 60-basis-point downturn in operating expenses. All told, Alphabet's second-quarter bottom line rose 20.9%, to \$14.21 a share, besting our call of \$13.10.

We have raised our earnings outlook for this year by \$1.10, to \$54.05 a share. This would represent an almost 16% share-net gain for 2019. This ought to be supported by an estimated rise in revenues of 16.5%, to \$159.25 billion. We look for growth in mobile advertising, YouTube, and desktop search to be primary drivers here. Additional benefits should stem from acquisitions, like the pending \$2.6 billion purchase of Looker, a unified platform for business intelligence, data applications, and embedded analytics.

The overall financial position is in good shape and improving. Over the first half of this year, cash reserves climbed roughly 11%, to \$121 billion. Meanwhile, long-term debt remained pretty stable and represents a very low 2% of total capital. More recently, the board of directors approved a \$25.0 billion stock buyback program for its Class C Capital shares, which would augur well for share net, assuming it is utilized.

These shares have broad appeal. Our Timeliness Ranking System suggests GOOG will outpace the broader market averages in the coming year. The stock also offers above-average appreciation potential for the pull to 2022-2024.

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	20257	21500	22451	26064	90272
2017	24750	26010	27772	32323	110855
2018	31146	32657	33740	39276	136819
2019	36339	38944	39850	44117	159250
2020	43515	46010	47095	51380	188000

Company's Financial Strength A++
Stock's Price Stability 75
Price Growth Persistence 90
Earnings Predictability 90

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(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, (\$1.90); '18, (\$2.97).
 (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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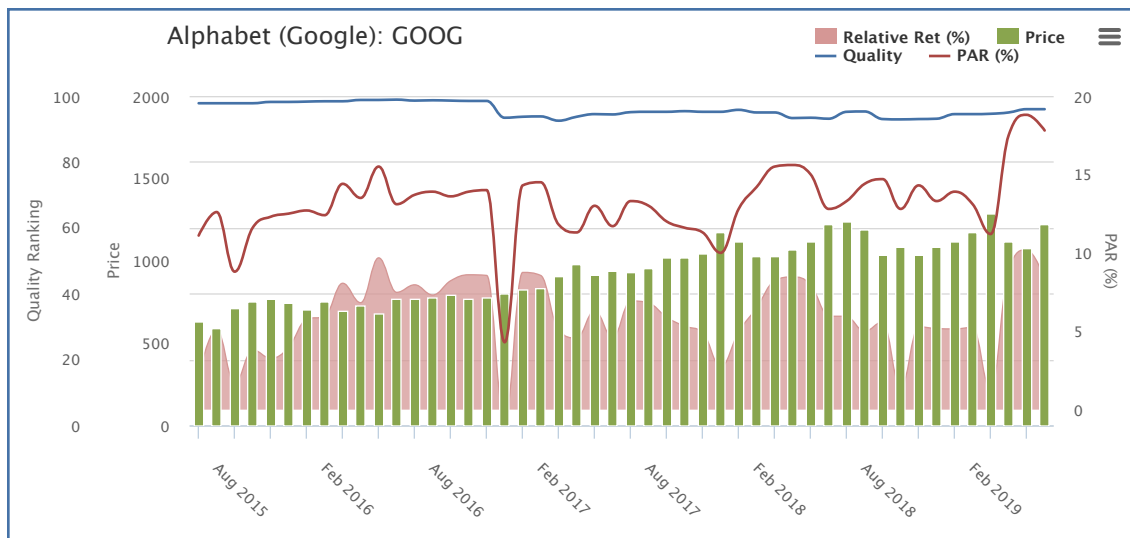
Alphabet (Google) (GOOG) q

MIPAR	9.4%
Sweet Spot	14.4% - 19.4%

Company	Ticker	Sector Industry	Quality	PAR
Alphabet (Google)	GOOG	Communications Internet Content & Info	96	18.5%
Current Price (08/09)				\$1,188.01
CAPS Rating (Rate this stock on CAPS)				★★★★☆
Expected Income Statement				
Current Sales				151,003.7
Sales Growth Forecast				18.5%
Net Profit Margin				23.0%
Projected Shares Outstanding				759.84
EPS - Five year Forecast				\$106.79
Average P/E Ratio				26.0
Projected Average Price				\$2,776.63
Price Appreciation (Annualized)				18.5%
Annual Dividend Yield				0.0%
Projected Annual Return				18.5%
Quality				
Financial Strength			99	24.7
EPS Stability			92	23.0
Industry Sales Growth Rate			16.5%	14.0
Industry Net Profit Margin			18.0%	16.0
Calculated Quality Rating				77.6
Fool CAPS				
Total Players				
1125 Outperforms				37 Underperforms
All-Stars (305)				
298 Outperforms (98%)				7 Underperforms
Fundamental Data Updated: 07/12/2019				

Top In Internet Content & Info		
Ticker	Quality	PAR
GOOG	96	18.5%
GOOGL	96	17.7%
FB	96	26.2%
BIDU	64	23.8%
TCX	46	20.7%

Top In Communications		
Ticker	Quality	PAR
GOOG	96	18.5%
GOOGL	96	17.7%
NFLX	87	23.5%
FB	96	26.2%
CMCSA	98	10.3%



ALPHABET INC. NDQ-GOOG

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
Revenues per sh	37.21	45.63	58.29	76.10	89.03	96.97	109.10	130.58	159.55	196.70	228.15	268.95		408.45
"Cash Flow" per sh	12.21	14.90	17.12	19.38	22.31	26.20	29.04	35.80	45.78	58.91	70.35	75.95		111.35
Earnings per sh A	10.21	13.16	14.88	16.23	18.03	20.82	22.84	27.85	35.90	46.67	54.05	59.10		91.15
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	Nil	Nil		Nil
Cap'l Spending per sh	1.27	6.25	5.29	4.96	10.95	16.10	14.43	14.77	18.98	36.14	28.65	28.60		32.15
Book Value per sh	56.65	71.96	89.42	108.77	129.92	153.54	175.07	201.12	219.50	255.38	317.80	383.75		645.00
Common Shs Outst'g B	635.54	642.60	650.27	659.33	672.00	680.62	687.35	691.29	694.78	695.56	698.00	699.00		700.00
Avg Ann'l P/E Ratio	21.5	20.3	19.1	19.8	24.6	27.0	26.3	26.7	25.6	23.8	Bold figures are Value Line estimates			25.0
Relative P/E Ratio	1.43	1.29	1.20	1.26	1.38	1.42	1.32	1.40	1.29	1.29				1.40
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--				Nil

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Common Stock 693,398,400 shares (299,531,683 Class A shares, 46,522,084 Class B shares, and 347,344,583 Class C shares) C D

MARKET CAP: \$850 billion (Large Cap)

CURRENT POSITION	2017	2018	6/30/19
Cash Assets (\$MILL.)	101871	109140	121056
Receivables	18336	20838	20965
Inventory	--	--	--
Other	4101	5698	5416
Current Assets	124308	135676	147437
Accts Payable	3137	4378	3925
Debt Due	--	--	--
Other	21046	30242	33075
Current Liab.	24183	34620	37000

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '16-'18 to '22-'24
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Earnings	19.0%	17.5%	16.5%
Dividends	--	--	Nil
Book Value	20.0%	15.5%	19.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
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Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2016	6.02	7.00	7.25	7.56	27.85
2017	7.73	8.90	9.57	9.70	35.90
2018	9.09	11.75	13.06	12.77	46.67
2019	11.90	14.21	14.40	13.54	54.05
2020	13.45	14.65	15.95	15.05	59.10

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015					
2016					
2017					
2018					
2019					

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Bryan J. Fong August 9, 2019

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