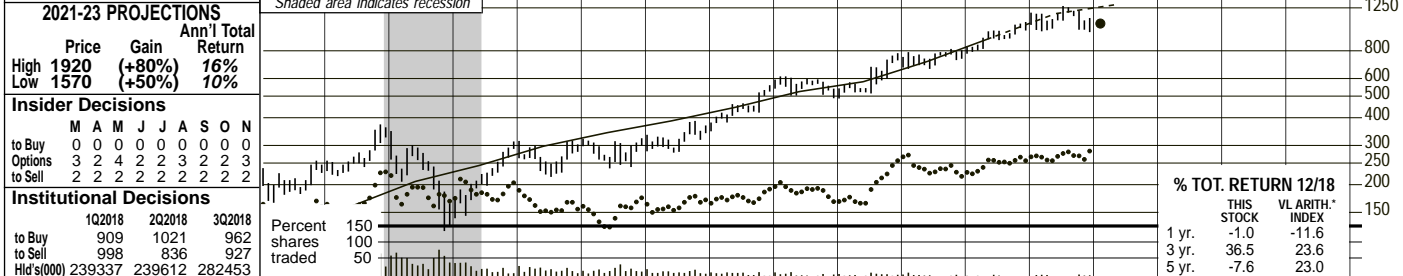


# ALPHABET INC. NDQ-GOOG

RECENT PRICE **1060.62** P/E RATIO **21.8** (Trailing: 24.3; Median: 25.0) RELATIVE P/E RATIO **1.31** DIV'D YLD **Nil** VALUE LINE

TIMELINESS <b>2</b> Lowered 1/11/18	High: 373.6	348.7	313.0	315.4	323.4	387.2	560.5	614.4	780.0	816.7	1078	1273	Target Price Range 2021 2022 2023
SAFETY <b>1</b> Raised 5/12/17	Low: 218.5	123.6	141.4	216.8	236.5	278.3	347.8	489.0	487.6	663.1	775.8	970.1	2500
TECHNICAL <b>2</b> Raised 1/25/19	<b>LEGENDS</b> --- 20.0 x "Cash Flow" p sh .... Relative Price Strength 2-for-1 split 4/14 Options: Yes Shaded area indicates recession												
BETA 1.10 (1.00 = Market)													



2021-23 PROJECTIONS		© VALUE LINE PUB. LLC											21-23		
Price	Gain	Ann'l Total Return	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Revenues per sh
High <b>1920</b>	<b>(+80%)</b>	<b>16%</b>	34.58	37.21	45.63	58.29	76.10	89.03	96.97	109.10	130.58	159.55	<b>194.50</b>	<b>224.95</b>	298.50
Low <b>1570</b>	<b>(+50%)</b>	<b>10%</b>	10.33	12.21	14.90	17.12	19.38	22.31	26.20	29.04	35.80	45.78	<b>58.85</b>	<b>64.90</b>	85.40
			8.35	10.21	13.16	14.88	16.23	18.03	20.82	22.84	27.85	35.90	<b>46.05</b>	<b>51.50</b>	69.75
			---	---	---	---	---	---	---	---	---	---	---	---	Nil
			3.74	1.27	6.25	5.29	4.96	10.95	16.10	14.43	14.77	18.98	<b>25.80</b>	<b>28.65</b>	32.15
			44.81	56.65	71.96	89.42	108.77	129.92	153.54	175.07	201.12	219.50	<b>271.85</b>	<b>328.80</b>	540.90
			630.23	635.54	642.60	650.27	659.33	672.00	680.62	687.35	691.29	694.78	<b>697.00</b>	<b>698.00</b>	700.00
			27.6	21.5	20.3	19.1	19.8	24.6	27.0	26.3	26.7	25.6	<b>24.5</b>		25.0
			1.66	1.43	1.29	1.20	1.26	1.38	1.42	1.32	1.40	1.29	<b>1.35</b>		1.40
			---	---	---	---	---	---	---	---	---	---	---	---	Nil
			21796	23651	29321	37905	50175	59825	66001	74989	90272	110855	<b>135550</b>	<b>157000</b>	208965
			36.0%	40.4%	39.0%	34.7%	29.4%	28.0%	30.9%	31.3%	32.2%	31.0%	<b>33.2%</b>	<b>31.7%</b>	31.5%
			1212.2	1240.0	1067.0	1396.0	1988.0	2781.0	3523.0	4132.0	5267.0	6103.0	<b>6250</b>	<b>6350</b>	6750
			5299.3	6520.4	8505.0	9737.0	10788	12214	14306	15826	19478	25705	<b>34765</b>	<b>38935</b>	53025
			9.5%	22.2%	21.2%	21.0%	19.4%	15.7%	18.9%	16.8%	12.1%	<b>10.0%</b>	<b>10.0%</b>	10.0%	
			24.3%	27.6%	29.0%	25.7%	21.5%	20.4%	21.7%	21.1%	21.6%	23.2%	<b>25.7%</b>	<b>24.8%</b>	25.4%
			17876	26420	31566	43845	46117	56978	63880	70804	88652	100125	<b>100645</b>	<b>107265</b>	151035
			---	---	---	2986.0	2988.0	2236.0	3228.0	1995.0	3935.0	3969.0	<b>4000</b>	<b>4250</b>	5000
			28239	36004	46241	58145	71715	87309	104500	120331	139036	152502	<b>189490</b>	<b>229510</b>	378630
			18.8%	18.1%	18.4%	16.0%	14.4%	13.7%	13.3%	13.0%	13.7%	16.5%	<b>18.0%</b>	<b>16.5%</b>	14.0%
			18.8%	18.1%	18.4%	16.7%	15.0%	14.0%	13.7%	13.2%	14.0%	16.9%	<b>18.5%</b>	<b>17.0%</b>	14.0%
			18.8%	18.1%	18.4%	16.7%	15.0%	14.0%	13.7%	13.2%	14.0%	16.9%	<b>18.5%</b>	<b>17.0%</b>	14.0%
			---	---	---	---	---	---	---	---	---	---	---	---	Nil

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 9/30/18**  
 Total Debt \$3986 mill. Due in 5 Yrs. \$1506 mill.  
 LT Debt \$3986 mill. LT Interest \$124 mill.  
 (2% of Cap'l)

**Leases, Uncapitalized:** Annual rentals \$1160 mill.

**No Defined Benefit Pension Plan**  
 Pfd Stock None

**Common Stock** 695,677,773 shares (298,971,186 Class A shares, 46,879,767 Class B shares, and 349,615,045 Class C shares) C D as of 10/19/18

**MARKET CAP: \$738 billion (Large Cap)**

CURRENT POSITION	2016	2017	9/30/18
Cash Assets	86333	101871	106416
Receivables	14137	18336	17897
Inventory	---	---	---
Other	4938	4101	5389
Current Assets	105408	124308	129702
Accts Payable	2041	3137	3789
Debt Due	---	---	---
Other	14715	21046	27512
Current Liab.	16756	24183	31301

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	22.0%	17.5%	14.0%
"Cash Flow"	21.0%	16.5%	15.0%
Earnings	20.0%	14.5%	16.0%
Dividends	---	---	Nil
Book Value	22.5%	17.0%	18.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2015	17258	17727	18675	21329	74989
2016	20257	21500	22451	26064	90272
2017	24750	26010	27772	32323	110855
2018	31146	32657	33740	<b>38007</b>	<b>135550</b>
2019	<b>36505</b>	<b>38015</b>	<b>39100</b>	<b>43380</b>	<b>157000</b>

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2015	5.10	4.93	5.73	7.06	22.84
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	<b>12.15</b>	<b>46.05</b>
2019	<b>10.45</b>	<b>13.10</b>	<b>14.40</b>	<b>13.55</b>	<b>51.50</b>

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

NO CASH DIVIDENDS BEING PAID

**Alphabet will likely post solid fourth-quarter and year-end financial results.** Note: The company was expected to issue earnings for the recently completed year shortly after this report went to press. To that end, we think the world's leading Internet search engine logged an annual revenue increase of more than 20%, to \$135.5 billion, stemming from double-digit gains from its Advertising, Other, and Other Bets divisions. Meanwhile, the mobile search unit continues to benefit from increased user traction and usage, coupled with growth in advertising activity. An uptick in volumes of desktop search can largely be attributed to improvements in ad formats and delivery, as well as from growth in YouTube. On the profitability front, overall expenses have been rising as a percentage of the top line, even after excluding the nonrecurring charges from the European Commission earlier in 2018 and 2017 of \$5.07 billion and \$2.74 billion, respectively. However, a healthy uptick in other income and reduced taxes likely drove the bottom line approximately 28%, to \$46.05 a share. At the same time, we look for healthy, double-

digit top- and bottom-line growth in 2019, as well, if at a more moderate pace. **Tighter regulation in the EU is resulting in fines.** To that end, France fined Google \$56.8 million for violating Europe's new data privacy rules known as the General Data Protection Regulation or (GDPR). The stricter rules were put into play last May. CNIL (France's top data-privacy agency) alleges that Google failed to disclose how a user's personal data would be utilized and that the company did not obtain valid consent to gather that data for targeted ads. This comes shortly after Alphabet was fined roughly \$5.1 billion this past July due to antitrust issues with its Android devices. That commission stated that Alphabet was getting an unfair competitive advantage by preloading its Google Search App and Chrome browser onto devices. The company is finding agreeable work-arounds to keep Android free and open source, as well as offering new licensing agreements that allow competing apps to be preinstalled, as well. **All told, these timely shares offer worthwhile appreciation potential.**  
 Bryan J. Fong February 8, 2019

(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).  
 Qtrly 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	70
Price Growth Persistence	90
Earnings Predictability	90

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