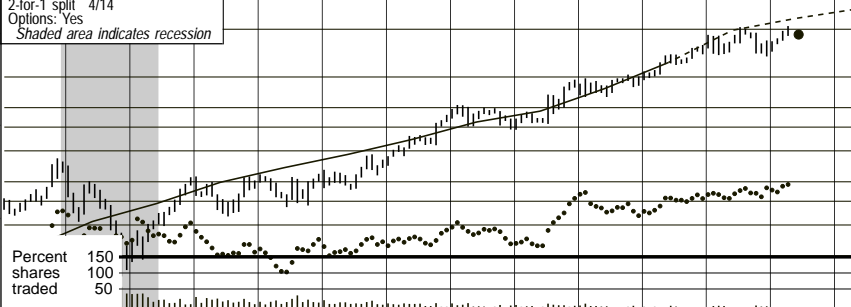


ALPHABET INC. NDQ-GOOG

RECENT PRICE **1188.48** P/E RATIO **22.8** (Trailing: 24.0 Median: 25.0) RELATIVE P/E RATIO **1.25** DIV'D YLD **Nil** VALUE LINE

TIMELINESS 2 Lowered 1/12/18	High: 348.7	313.0	315.4	323.4	387.2	560.5	614.4	780.0	816.7	1078	1273	1289	Target Price Range 2022 2023 2024
SAFETY 1 Raised 5/12/17	Low: 123.6	141.4	216.8	236.5	278.3	347.8	489.0	487.6	663.1	775.8	970.1	1014	
TECHNICAL 3 Lowered 3/15/19	LEGENDS --- 20.0 x "Cash Flow" p sh Relative Price Strength 2-for-1 split 4/14 Options: Yes Shaded area indicates recession												
BETA 1.05 (1.00 = Market)	2022-24 PROJECTIONS Price Gain Ann'l Total High 2410 (+105%) 19% Low 1970 (+65%) 13%												



Insider Decisions												
	J	J	A	S	O	N	D	J	F			
to Buy	0	0	0	0	0	0	0	0	0			
Options to Buy	2	2	3	2	2	3	3	2	2			
Options to Sell	2	2	2	2	2	2	2	2	2			
Institutional Decisions												
	2Q2018	3Q2018	4Q2018									
to Buy	1021	962	1125									
to Sell	836	927	964									
Hld's(000)	239612	282453	237403									

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.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
	37.21	45.63	58.29	76.10	89.03	96.97	109.10	130.58	159.55	196.70	227.80	268.55	Revenues per sh	407.85
	12.21	14.90	17.12	19.38	22.31	26.20	29.04	35.80	45.78	61.90	69.15	75.95	"Cash Flow" per sh	107.50
	10.21	13.16	14.88	16.23	18.03	20.82	22.84	27.85	35.90	46.67	52.95	59.10	Earnings per sh A	87.65
	---	---	---	---	---	---	---	---	---	---	Nil	Nil	Div'ds Decl'd per sh	Nil
	1.27	6.25	5.29	4.96	10.95	16.10	14.43	14.77	18.98	36.14	28.65	28.60	Cap'l Spending per sh	32.15
	56.65	71.96	89.42	108.77	129.92	153.54	175.07	201.12	219.50	255.38	316.65	382.50	Book Value per sh	636.45
	635.54	642.60	650.27	659.33	672.00	680.62	687.35	691.29	694.78	695.56	698.00	699.00	Common Shs Outst'g B	700.00
	21.5	20.3	19.1	19.8	24.6	27.0	26.3	26.7	25.6	24.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
	1.43	1.29	1.20	1.26	1.38	1.42	1.32	1.40	1.29	1.32			Relative P/E Ratio	1.40
	---	---	---	---	---	---	---	---	---	---			Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 3/31/19														
Total Debt \$4066 mill. Due in 5 Yrs. \$1508 mill.														
LT Debt \$4066 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 694,243,900 shares (299,436,023 Class A shares, 46,544,284 Class B shares, and 348,263,508 Class C shares) C D as of 4/22/19														
MARKET CAP: \$825 billion (Large Cap)														

CURRENT POSITION	2017	2018	3/31/19											
(\$MILL.)														
Cash Assets	101871	109140	113448											
Receivables	18336	20838	19149											
Inventory	---	---	---											
Other	4101	5698	5610											
Current Assets	124308	135676	138207											
Accts Payable	3137	4378	3710											
Debt Due	---	---	---											
Other	21046	30242	31200											
Current Liab.	24183	34620	34910											

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24											
Revenues	22.0%	17.5%	16.5%											
"Cash Flow"	21.0%	16.5%	14.5%											
Earnings	20.0%	14.5%	15.5%											
Dividends	---	---	Nil											
Book Value	22.5%	17.0%	19.0%											

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2016	20257	21500	22451	26064	90272
2017	24750	26010	27772	32323	110855
2018	31146	32657	33740	39276	136819
2019	36339	38735	39820	44106	159000
2020	43515	45910	46995	51280	187700

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	13.10	14.40	13.55	52.95
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					

(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)** Qtrly egs. may not sum. Next earnings report due late July. **(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 recently posted better-than-expected first-quarter earnings. To that end, the Internet search provider's revenues climbed 16.7%, to \$36.3 billion, thanks to solid double-digit increases in Google Advertising, Other, and Other Bets volumes. Meanwhile, on the profitability front, total expenses rose 170 basis points as a percentage of the top line (after excluding the \$1.7 billion charge from the European Commission (EC)). To recap, the EC penalized Alphabet with this fine, citing that certain contractual agreements that Google had with AdSense for Search partners infringed on European competition law. We have excluded this nonrecurring charge from our figures. All told, GOOG's March-quarter earnings advanced roughly 31% on a year-over-year basis, to \$11.90 a share. This was markedly above our call for share net of \$10.45.

As a result, we have raised our annual earnings estimate by \$1.45, to \$52.95 a share. This would represent a year-over-year gain of approximately 13.5%, supported by an estimated rise in revenues of more than 16%, to \$159 billion. The mobile search segment should continue to get a

boost from increased user traction and usage, along with general growth in advertising activity. Meanwhile, YouTube ought to continue growing though its video ads. A new collaboration with Amazon, adding a YouTube application to its Fire Stick, which has more than 30 million active users, augurs well for prospects. Finally, desktop search has also been registering higher contributions, likely thanks to improved ad formats. Elsewhere, we are introducing our 2020 top- and bottom-line estimates at \$187.7 billion and \$59.10 a share, respectively. Some uncertainty does arise from the regulatory front, in terms of fines or restrictions, as well as from increased competition.

These shares may appeal to short- and long-term investors, alike. In fact, our Timeliness Ranking System has Alphabet shares pegged to outpace the broader market averages in the coming year (Timeliness: 2). Moreover, the stock's recent quotation, coupled with our 3- to 5-year projections, suggests that this equity offers above-average capital appreciation potential for the pull to 2022-2024.

Bryan J. Fong *May 10, 2019*

Company's Financial Strength	A++
Stock's Price Stability	75
Price Growth Persistence	90
Earnings Predictability	95

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