

<b>Alphabet Inc</b> <b>NASDAQ: GOOGL</b> <b>Sector: Communication Services</b> <b>Industry: Internet Content and Information</b>	<b>Intrinsic Value: \$206</b> <b>Current Price: \$171.29</b> <b>Stop Loss: \$37</b>	<b>TTM P/E:</b> <b>22.9</b> <b>Forward</b> <b>P/E: 18.76x</b> <b>Beta: 1.04</b> <b>5 Yr. ROIC:</b> <b>20.39%</b>	<b>Market Cap: \$2.16T</b> <b>Dividend Yield:</b> <b>0.46%</b> <b>52 Wk. Range H/L:</b> <b>191.75/127.90</b>
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Alphabet Inc. is a holding company. The Company's segments include Google Services, Google Cloud, and Other Bets. The Google Services segment includes products and services such as ads, Android, Chrome, devices, Google Maps, Google Play, Search, and YouTube. The Google Cloud segment includes infrastructure and platform services, collaboration tools, and other services for enterprise customers. Its Other Bets segment is engaged in the sale of healthcare-related services and Internet services. Its Google Cloud provides enterprise-ready cloud services, including Google Cloud Platform and Google Workspace. Google Cloud Platform provides access to solutions such as cybersecurity, databases, analytics, and artificial intelligence (AI) offerings, including its AI infrastructure, Vertex AI platform, and Duet AI for Google Cloud. Google Workspace includes cloud-based communication and collaboration tools for enterprises, such as Calendar, Gmail, Docs, Drive, Meet and other enterprise services.

### Competitive Advantage:

- Market share dominance, 90% in global search engine
- Data Infrastructure: 25 Data centers with 8 more being developed.
- Brand Recognition: Google & YouTube
- Diversified Revenue Streams: Cloud Services, Hardware and Subscriptions

### Risks:

- Antitrust scrutiny
- Data Privacy and Compliance
- Competition

### Investment Thesis:

- Diversified Portfolio.
- Wide Economic Moat.
- High ROIC of 26.55%.
- Innovation-Driven.
- Global Reach.

### ESG:

- MSCI: AAA
- Committed to achieving net-zero carbon emissions by 2030
- ESG Risk Rating 23.9; Medium Risk

### Comp Analysis:

Company Name	Description	Market Cap (Bn)	EV	EBITDA	EV/EBITDA	P/E TTM	5Y Avg. ROIC	Gross Margin %	Net Margin %	5Y Beta	Credit Rating
ALPHABET INC.	Alphabet is the parent company of Google, focusing on digital advertising, search engine services, and innovation in sectors like cloud computing, autonomous vehicles, and artificial intelligence.	\$2,115.19	2,127.511	115.478	18.4	22.9	20.39%	57.6%	26.70%	1.04	AA+
Meta Platforms, Inc.	Meta owns and operates popular social media platforms like Facebook, Instagram, WhatsApp, and Threads. It is focused on building a digital world where people can interact and experience virtual reality.	\$1,435.87	1,475.292	80.062	18.4	26.4	21.30%	81.4%	35.6%	1.21	AA-
AMAZON.COM, INC.	Amazon is one of the world's largest retailers, offering a vast array of products and services. It is a major player in cloud computing (AWS), digital streaming (Prime Video), and artificial intelligence.	\$2,077.39	2,091.560	104.049	20.1	39.9	13.24%	48.0%	7.4%	1.15	AA
MICROSOFT CORPORAT	Microsoft is a multinational technology company known for its software, hardware, and cloud computing services. Its most famous products include Windows OS, Microsoft Office suite, and Xbox.	\$3,051.05	3,198.666	136.552	23.4	34.2	28.84%	69.3%	35.6%	0.90	AAA
NETFLIX, INC.	Netflix is a global streaming service that offers a wide range of movies and TV shows and has over 232 million subscribers.	\$323.20	332.192	9.977	33.3	42.8	15.72%	45.2%	20.7%	1.26	A

  

Statistics Summary	Market Cap (Bn)	EV	EBITDA	EV/EBITDA	P/E TTM	ROIC	Gross Margin %	Net Margin %	5Y Beta
High	3,051.05	3,198.666	136.552	23.3	39.9	28.84%	69.30%	35.60%	1.04
Low	323.20	332.192	9.977	33.3	22.9	15.72%	45.20%	20.70%	0.90
Average	1,800.54	1,845,044.20	89,223.58	22.73	33.28	19.50%	60.30%	25.16%	1.11
Communications	8,886.72	11,063	1,146.76	9.8x	22.6x	8.50%	56.50%	11.80%	

### Intrinsic Valuation:

Exit Multiple Method - Value per Share	Perpetuity Growth Method - Value per Share	WACC (After Tax)	Exit Multiple Sensitivity Analysis
Year 5 EBITDA: 200,820 WACC (After Tax): 8.48% Exit Enterprise Value / EBITDA: 17.44 Terminal Value in 5 years: 3,568,698 PV of Terminal Value (B WACC): 2,333,176 (+) PV of Free Cash Flows (B WACC): 301,297 (-) Current Enterprise Value: 2,634,472 (-) Total Debt: 28,719 (+) Minority Interest: 0 (+) Cash and Marketable Securities: 100,726 (=) Equity Value: 2,706,478 Shares outstanding: 12,241 Estimated Value per Share (USD): 221.16 Current Price (USD): 171.29 Margin of Safety: 21.03%	Free Cash Flow at year 5: 111,883.1 WACC (After Tax): 8.48% Perpetuity Growth Rate: 4.90% Present Value in 5 years: 2,807,698 PV of Perpetuity (B WACC): 1,955,664 (+) PV of Free Cash Flows (B WACC): 301,297 (-) Current Enterprise Value: 2,256,960 (-) Total Debt: 28,719 (+) Minority Interest: 0 (+) Cash and Marketable Securities: 100,726 (=) Equity Value: 2,328,966 Shares outstanding: 12,241 Estimated Value per Share (USD): 190.26 Current Price (USD): 171.29 Margin of Safety: 10.03%	Debt: 0 % Debt: 0.00% Cost of Debt: 4.88% Tax Rate: 33.62% Equity Value: 300,710 % Equity: 100.00% Cost of Equity: 8.48% Risk Free Rate (U.S. 10Y): 4.38% Beta: 1.04 Market Risk Premium: 4.00% WACC (After Tax): 8.48%	12.5x 10.0x 7.5x 5.0x 2.5x 0.00% 0.50% 1.00% 1.50% 2.00% 2.50% 0.00% 0.164 0.191 0.217 0.244 0.271 0.00% 0.007 0.106 0.222 0.349 0.484 0.00% 0.170 0.188 0.226 0.254 0.282 7.50% 0.078 0.095 0.111 0.126 0.144

  

Expected Returns
ALPHABET INC. (NASDAQ:GOOGL)
Perpetuity Growth Method Fair Value
Exit Multiple Method Fair Value
Best Case
Average
Margin of Safety

Margin of Safety: 20.08%  
 Target Price: 206  
 WACC: 8.48