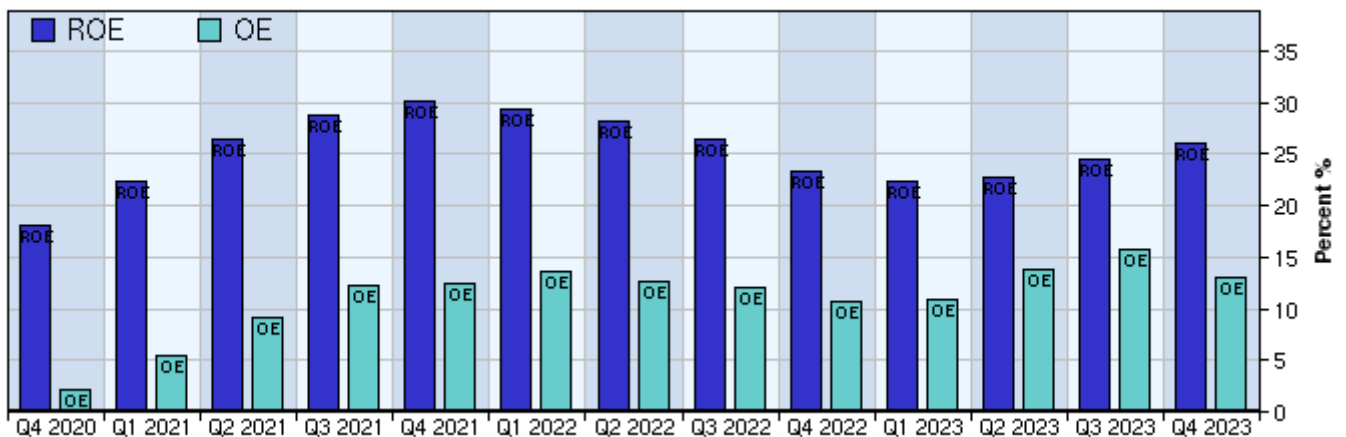


ALPHABET INC. (GOOGL)

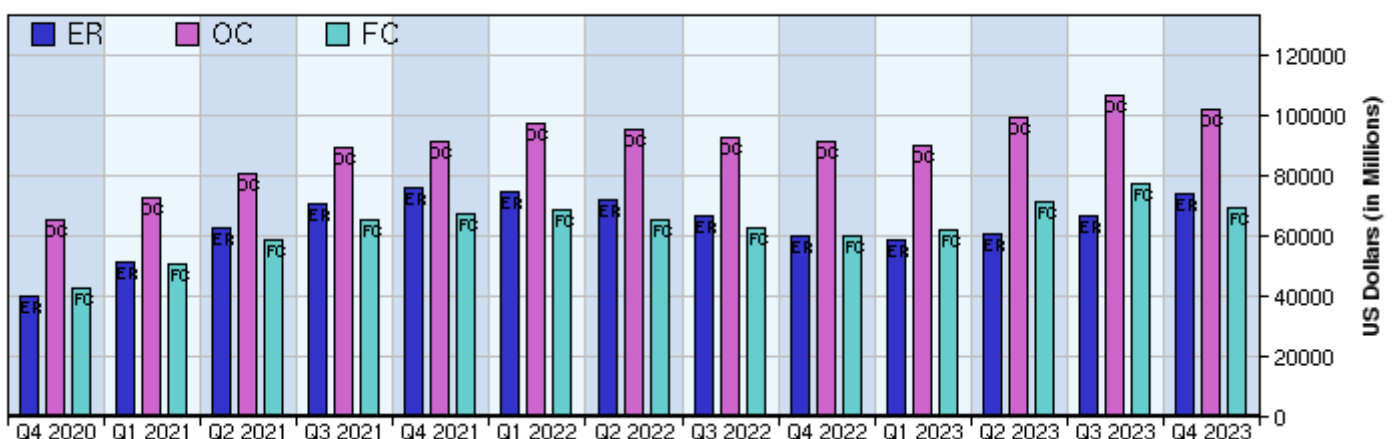
Information	Risk Analysis	Recommendation
Sector: Technology Industry: Internet Services Dividend: 0.46%	Conservative	Buy

Shareholder Value



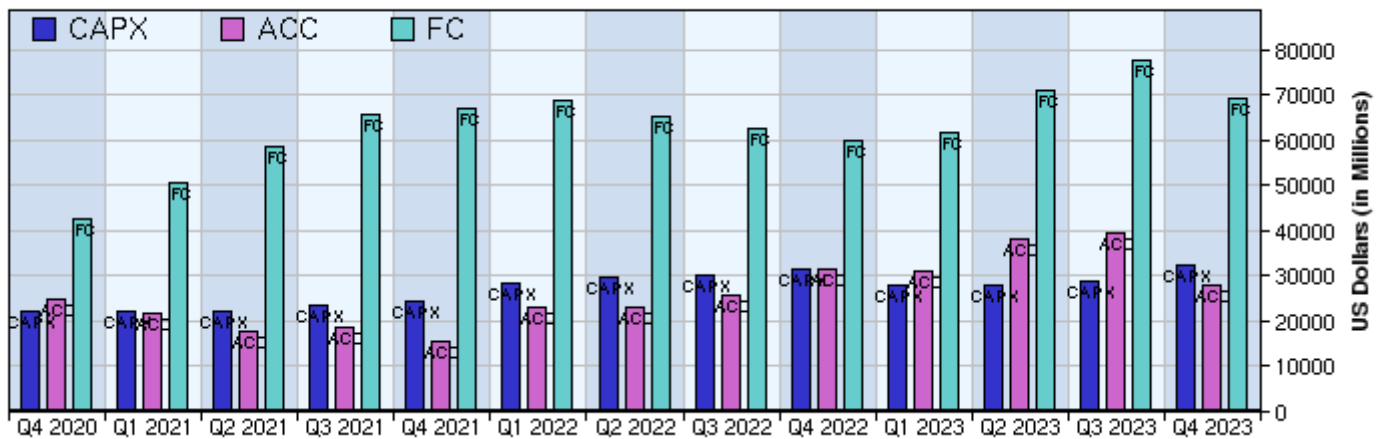
- This chart shows if a company is earning both an accounting profit (ROE) and an Owner Earnings (OE).
- OE is our proprietary metric used to determine if a company is currently adding to shareholder value.
- At McLean Equity Research, we believe the distinction between making an investment versus speculation is whether or not a company is creating shareholder value.
- The chart shows a positive trend to creating shareholder value.

Cash Flow



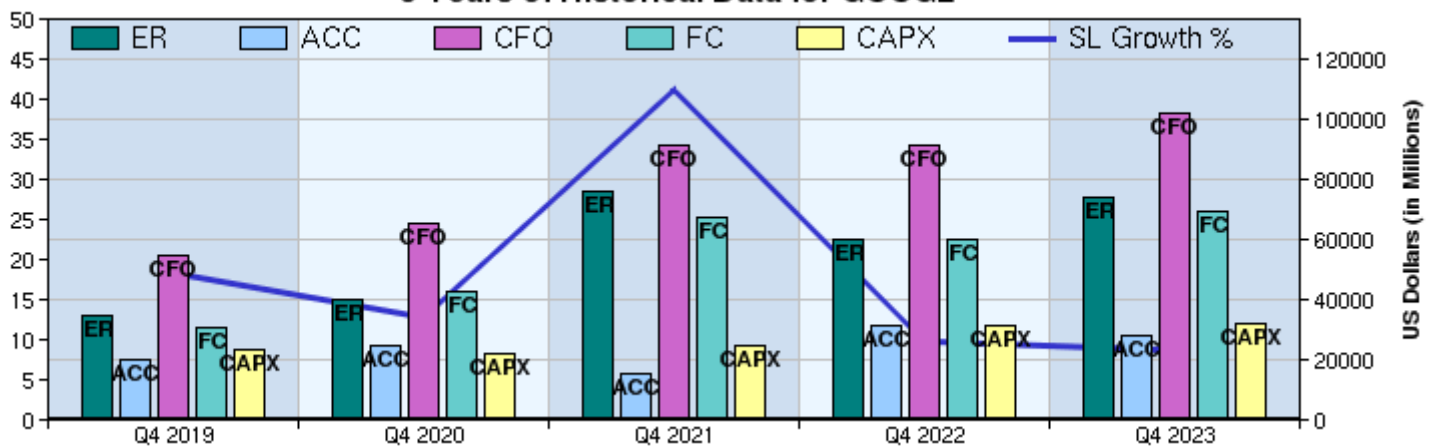
- McLean Equity Research has found that earnings backed by significant cash flows tend to be more consistent and sustainable than non-cash earnings.
- To measure earnings quality, McLean Equity Research pays close attention to cash received as a result of the companies core business.
- Generally, cash flow from operations greater relative to operational income indicates good quality of earnings.
- Cash Flow From Operations of \$107,085.0M exceeds net income of \$82,406.0M.
- Cash Flow From Operations is 1.3 times that of operating income.
- Cash Flow From Operations increased 19.1% year over year to \$107,085.0M in Q1 2024.
- Load Date 04/26/24.

Free Cash Flow



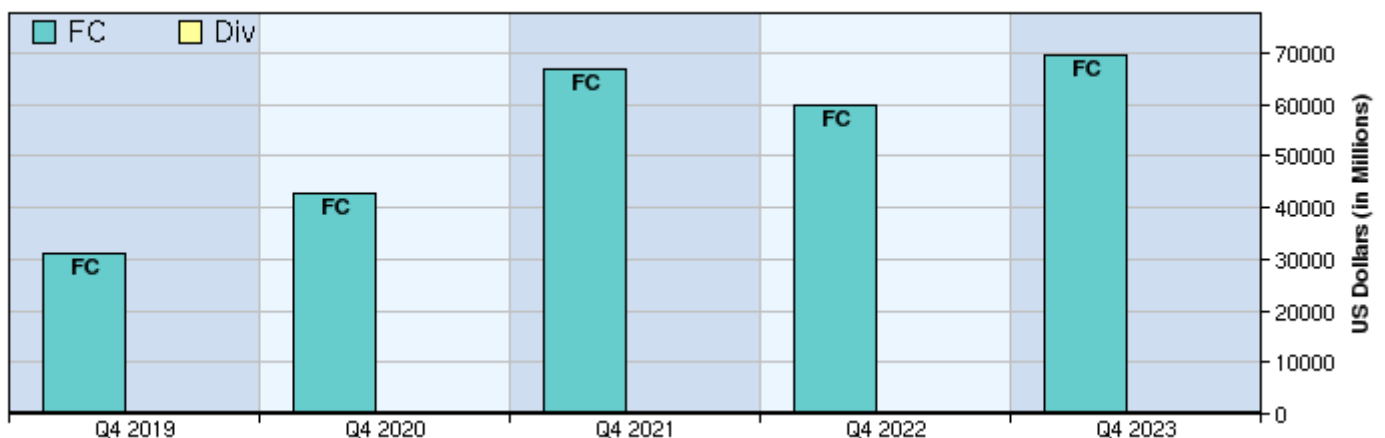
- In this chart, capital expenditures and accruals are compared to free cash flow.
- McLean Equity Research has shown that companies with high levels of free cash tend to outperform in the future.
- Accruals decreased -21.2% year over year to \$24,679.0M in Q1 2024.
- Capital expenditures have increased by 35.7% over the last year while free cash flow has increased by 11.6%.
- Free cash increased 11.6% year over year to \$69,111.0M in Q1 2024.
- This company is generating significant amounts of free cash flow and is clearly self-funding.

5 Years of Historical Data for GOOGL



- This chart measures the relationship between net earnings and accruals. Also, it measures free cash and capital expenditures. Knowing how accruals affect net earnings is key to understanding the difference between GAAP earnings and cash based earnings.

5 Years of FC & Dividend Data for GOOGL



- Current Dividend Yield is 0.46%.
- This chart shows a company's ability to pay its dividend. Most investors believe dividends are paid out of net earnings. Not true. Dividends are paid out of free cash. Either a company has enough free cash to pay the dividend or it will have to borrow the money.
- FC Payout Ratio now 0.00 and a year ago 0.00. The higher this ratio, the more likelihood of a dividend increase.

Internet Services Industry Analysis & Recommendations

Ticker	Market Cap	Div Yield	RSW	SL / TC	SL / TL	TL / TA	TL / OC	Z Score	EV/IC Ratio	PE	EV/FC Ratio	CROIC	OE%	Risk Analysis	Recom
META	1,235,801	0.41	0.00	0.85	1.95	0.33	0.96	12.29	7.47	28.36	25.33	29.49	17.72	Conservative	Buy
GOOGL	1,869,794	0.46	0.91	1.04	2.78	0.28	1.07	12.49	6.83	26.76	30.23	22.58	12.96	Conservative	Buy
NFLX	262,421	0.00	0.00	0.99	1.27	0.56	3.76	7.67	8.20	44.45	41.79	19.63	9.50	Conservative	Buy
MELI	76,653	0.00	0.00	1.70	1.00	0.82	2.71	4.41	8.63	71.85	15.20	56.74	50.84	Conservative	Neutral
MA	449,305	0.59	0.00	1.12	0.73	0.83	3.01	11.50	18.62	35.75	37.71	49.38	40.46	Conservative	Neutral
YELP	2,701	0.00	0.00	1.88	5.00	0.27	0.89	6.74	3.09	23.39	8.01	38.59	33.27	Conservative	Neutral
WIX	9,696	0.00	0.00	3.03	0.84	1.03	7.49	2.58	0.00	297.54	0.00	35.95	32.65	Speculative	Neutral
VIPS	7,483	0.00	0.00	2.82	3.19	0.49	2.45	3.07	0.00	1.58	0.00	30.63	27.09	Speculative	Neutral
YEXT	736	0.00	0.00	2.75	1.12	0.71	7.83	0.35	2.91	-257.50	9.87	29.51	25.87	Conservative	Neutral
GRVY	612	0.00	0.00	1.56	6.33	0.20	0.86	7.35	0.00	5.87	0.00	27.98	21.57	Speculative	Neutral
RSSS	95	0.00	0.00	3.00	1.59	0.65	8.60	2.06	5.75	-127.50	26.84	21.42	18.09	Conservative	Neutral
MTCH	9,717	0.00	0.00	0.92	0.76	1.02	4.25	0.64	3.18	14.04	11.94	26.65	15.78	Conservative	Neutral
SPOT	60,762	0.00	0.00	3.56	2.28	0.70	8.56	4.25	0.00	-102.06	0.00	18.08	15.26	Speculative	Neutral
UBER	160,021	0.00	0.00	1.81	1.38	0.70	6.35	3.52	6.94	110.02	35.44	19.58	14.06	Conservative	Neutral
LQDT	567	0.00	0.00	1.50	2.32	0.46	2.76	3.86	2.50	30.00	12.28	20.33	13.66	Conservative	Neutral
BCOV	85	0.00	0.00	2.08	1.64	0.56	6.43	-0.42	0.69	-9.76	4.17	16.63	11.83	Conservative	Neutral
V	440,667	0.75	1.01	0.52	0.66	0.56	2.49	6.68	8.78	31.17	29.18	30.09	10.88	Conservative	Neutral
NTES	60,299	2.11	0.00	0.70	1.68	0.33	1.74	23.30	0.00	73.36	0.00	22.37	8.10	Speculative	Neutral
SFIX	262	0.00	0.00	6.84	4.35	0.61	12.08	1.59	0.99	-3.65	16.25	6.10	4.64	Conservative	Neutral
CARG	2,474	0.00	0.00	1.58	2.97	0.35	2.75	7.06	4.57	90.31	43.76	10.44	4.11	Conservative	Neutral
CANG	120	0.00	0.00	0.44	2.05	0.18	0.81	2.35	0.00	-82.75	0.00	26.55	3.88	Speculative	Neutral
EVER	638	0.00	0.00	3.05	5.73	0.35	5.32	7.22	8.50	-15.92	143.11	5.94	2.67	Conservative	Neutral
CARS	1,139	0.00	1.02	0.74	1.06	0.58	4.66	0.50	1.90	12.89	12.92	14.68	1.08	Conservative	Neutral
BABA	201,181	1.28	0.00	0.68	1.15	0.43	3.77	13.08	0.00	156.82	0.00	15.67	1.00	Speculative	Neutral
QNST	972	0.00	0.00	2.54	4.06	0.38	9.98	5.16	4.16	-10.81	108.40	3.84	-0.10	Speculative	Neutral
SSTK	1,630	3.16	0.00	1.38	1.79	0.47	5.94	3.44	2.20	14.68	39.35	5.59	-1.65	Speculative	Neutral
LYFT	7,770	0.00	0.00	3.26	1.10	0.90	32.36	-1.23	3.87	-33.91	-36,214	-0.01	-3.07	Speculative	Neutral
INSE	282	0.00	0.00	1.38	0.78	1.25	10.99	-0.56	2.32	83.18	93.30	2.48	-4.79	Speculative	Neutral
Ticker	Market Cap	Div Yield	RSW	SL / TC	SL / TL	TL / TA	TL / OC	Z Score	EV/IC Ratio	PE	EV/FC Ratio	CROIC	OE%	Risk Analysis	Recom
SHOP	74,359	0.00	0.00	0.71	3.16	0.20	2.37	27.62	0.00	615.90	0.00	9.07	-5.07	Speculative	Neutral
CPRT	52,236	0.00	0.00	0.58	5.11	0.10	0.59	41.27	6.89	37.59	58.21	11.83	-5.38	Speculative	Neutral
LTRPA	130	0.00	0.00	0.78	0.43	1.13	18.68	-0.67	0.72	-0.14	10.19	7.10	-5.73	Speculative	Neutral
ANGI	167	0.00	0.00	0.85	1.64	0.43	8.35	2.45	0.09	-69.67	2.94	3.03	-8.74	Speculative	Neutral
BILI	4,588	0.00	0.00	1.03	1.20	0.57	70.39	0.25	0.00	-8.47	0.00	0.39	-9.32	Speculative	Neutral
DADA	420	0.00	0.00	1.64	5.21	0.27	-5.30	5.54	0.00	-5.89	0.00	-6.04	-12.16	Speculative	Neutral
FVRR	948	0.00	0.00	0.45	0.54	0.65	8.03	1.36	0.00	272.56	0.00	10.13	-12.32	Speculative	Neutral
TME	12,432	0.00	0.00	0.42	1.41	0.26	2.67	7.76	0.00	63.95	0.00	10.82	-13.07	Speculative	Neutral
EB	543	0.00	0.00	0.62	0.44	0.81	104.79	-0.05	0.32	-28.56	28.05	1.14	-15.07	Speculative	Neutral
HUYA	368	0.00	0.00	0.66	3.04	0.18	-71.69	2.47	0.00	-37.08	0.00	-1.46	-16.65	Speculative	Neutral
SY	98	0.00	0.00	0.58	1.94	0.24	34.24	1.33	0.00	29.75	0.00	-1.11	-18.40	Speculative	Neutral
SOHU	424	0.00	0.00	0.56	0.73	0.44	-32.20	1.23	0.00	-14.42	0.00	-2.71	-20.41	Speculative	Neutral
TRUE	309	0.00	0.00	1.04	4.34	0.19	-4.54	1.85	0.84	-7.25	-6.97	-12.03	-21.62	Speculative	Neutral
OPRX	221	0.00	0.00	0.48	1.45	0.31	-10.69	2.08	1.40	-10.69	-44.02	-3.18	-23.80	Speculative	Neutral
WB	1,251	0.00	0.00	0.29	0.46	0.52	5.67	1.74	0.00	5.65	0.00	10.43	-24.24	Speculative	Neutral
FPAY	32	0.00	0.00	0.85	0.90	0.82	-7.45	1.31	1.09	-3.05	-6.38	-17.10	-28.93	Speculative	Neutral
FUBO	473	0.00	0.00	2.32	1.62	0.78	-5.37	-1.72	0.91	-1.33	-3.37	-26.90	-31.21	Speculative	Neutral
TCX	203	0.00	0.00	0.84	0.44	1.02	-153.18	0.03	1.43	-2.24	-7.41	-19.30	-31.24	Speculative	Neutral
CSGP	39,181	0.00	0.00	0.30	1.49	0.19	3.34	0.00	3.25	104.40	225.85	1.44	-31.54	Speculative	Neutral
EBAY	27,234	2.03	0.00	0.14	0.14	0.71	56.94	3.89	1.87	-132.70	106.41	1.76	-71.47	Speculative	Neutral
JMIA	759	0.00	0.00	1.89	1.54	0.64	-1.55	-12.05	0.00	-14.71	0.00	-81.08	-86.38	Speculative	Neutral
GIGM	15	0.00	0.00	0.10	1.45	0.06	-2.48	-3.22	0.00	-4.33	0.00	-2.86	-104.30	Speculative	Neutral

* Glossary of Terms is on the next page.

Definition of Terms

Altman Z Score - The output of a credit-strength test that gauges a publicly traded manufacturing company's likelihood of bankruptcy. A score below 2.675 means the company is probably headed for bankruptcy.

Capx (Capital Expenditures) - Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. This type of outlay is made by companies to maintain or increase the scope of their operations.

CFO (Cashflow From Operations) - In accounting, a measure of the amount of cash generated by a company's normal business operations. Cashflow From Operations is important because it indicates whether a company is able to generate sufficient positive cash flow. CFO is calculated by adjusting net income for items such as depreciation, changes to accounts receivable and changes in inventory.

CROIC% (Cash Return On Invested Capital) - A method of valuation that compares a company's cash return to its equity. CROIC provides analysts with a cash flow based metric for evaluating the earnings of a company. CROIC is found by the following formula:
$$\text{CROIC\%} = \text{Free Cashflow} / \text{Invested Capital} * 100$$

OE% (Owner Earnings) - A key difficulty in measuring profits is in defining costs. We believe that looking at return on invested capital minus a charge for the use of that capital produces a much better view of the value of a company. Owner Earnings treats the cost of equity capital as an expense - equity capital is not free. Only after all costs are accounted for is there any true return for the shareholder.

ER (Earnings or Net Income) - The amount of profit that a company produces during a specific period, which is usually defined as a quarter (three calendar months) or a year. Earnings typically refer to after-tax net income.

EV (Enterprise Value) - A measure of a company's value, often used as an alternative to straightforward market capitalization. Enterprise value is calculated as market cap plus debt, minority interest and preferred shares, minus total cash and cash equivalents.

EV / FC Ratio - Enterprise Value to Free Cash Flow compares the total valuation of the company with its ability to generate free cashflow. Our version of the PE Ratio.

FC (Free Cashflow) - A measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base. It can be calculated by taking operating cash flow and subtracting capital expenditures.

FC Earnings Yield (Free Cash Earnings Yield) - This metric identifies stocks with the combination of a high levels of free cash and a high return on invested capital. Simply, It measures how cheap a stock is relative to its free cash. It is calculated by taking the Free Cash divided by the Enterprise Value.

IC (Invested Capital) - The total amount of money that was endowed into a company by the shareholders, bondholders and all other interested parties. Invested capital is often determined by adding the total debt and lease obligations to the amount of equity in the firm and then subtracting the non-operating cash and investments.

PE (Price/Earnings Ratio) - A valuation ratio of a company's current share price compared to its per-share earnings. Calculated as:
$$\text{Market Value per Share} / \text{Earnings per Share (EPS)}$$

PEG Ratio (Price/Earnings / Growth Ratio) - A ratio used to determine a stock's value while taking into account earnings growth. The calculation is as follows:
$$\text{PEG Ratio} = \text{Price/Earnings Ratio} / \text{Annual EPS Growth}$$

PFC (Price/Free Cashflow Ratio) - A valuation metric that compares a company's market price to its level of annual free cash flow. This is similar to the valuation measure of price-to-cash flow but uses the stricter measure of free cash flow, which reduces operating cash flow by capital expenditures.
$$\text{Cash Flow} = \text{Market Capitalization} / \text{Free Cash Flow}$$

ROE (Return on Equity) - The amount of net income returned as a percentage of shareholders equity. ROE is expressed as a percentage and calculated as:
$$\text{Return on Equity} = \text{Net Income} / \text{Shareholder's Equity}$$

SL (Sales or Revenue) - The amount of sales generated by a company.

Mac Ratio - The Mac Ratio is a way to identify firms with high quality cash flow relative to their earning. Positive numbers are view as good quality cash flow. Negative numbers are view as poor quality cash flow.

EV/IC Ratio (Enterprise Value/Invested Capital) - EV/IC is an alternative version of the more commonly used Price to Book ratio. Market capitalization is substituted for enterprise value and invested capital replaces net asset value. EV/IC tells us the value or multiple accorded by investors to each dollar of capital invested in a company.

