

Alphabet

Financial Modeling Report Alphabet Inc. (Class A)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
par value Class A Common Stock, \$0.001	GOOGL	Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Google



As of December 31, 2024, there were 5,855 million shares of Alphabet's Class A stock outstanding, 866 million shares of Alphabet's Class B stock outstanding, and 5,598 million shares of Alphabet's Class C stock outstanding.

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ALPHABET INC. CLASS A**Research Date: -17 March,2025****Industry: - Communication & IT Services Ticker Name: - GOOGL****Sector: - Technology****Stock Rating: - Buy****Employees: - 183,323****Current Price: - \$156.06****Market: - USA****Target Price: - \$185.00 – \$230.00****Fiscal Year End: - December 31****Sundar Pichai: CEO of Alphabet and Google****Company Overview: -**

✓ Alphabet Inc., headquartered in Mountain View, California, is a global technology conglomerate founded in 1998 by Larry Page and Sergey Brin. Originally known as Google, the company restructured in 2015 to form Alphabet Inc., enabling it to diversify its operations.

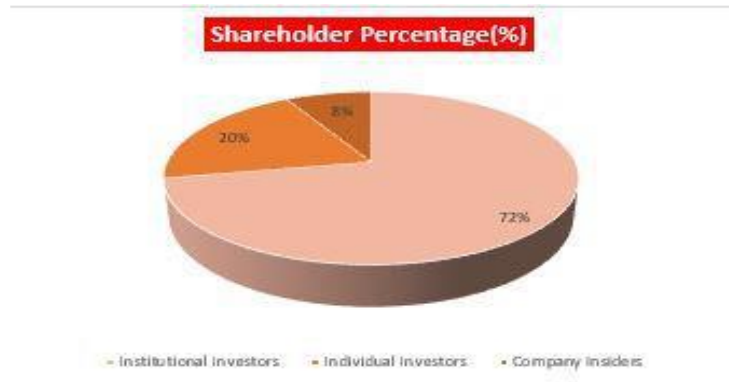
✓ Alphabet Inc. offers various products and platforms in the United States, Europe, the Middle East, Africa, the Asia-

pacific, Canada, and Latin America. It operates through Google Services, Google Cloud, and Other Bets segments. The Google Services segment provides products and services, including ads, Android, Chrome, devices, Gmail, Google Drive, Google Maps, Google Photos, Google Play, Search, and YouTube.

✓ It is also involved in the sale of apps in-app purchases and digital content in Google Play and YouTube; and devices, as well as in the provision of YouTube consumer subscription services. The Google Cloud segment offers infrastructure, cybersecurity, databases, analytics, AI, and other services; Google Workspace includes cloud-based communication and collaboration tools for enterprises, such as Gmail, Docs, Drive, Calendar, and Meet; and other services for enterprise customers.

**MARKET PROFILE**

MARKET PROFILE	
Closing Price	\$156.06
52-Week Range	\$147.22 - \$207.05
Market Cap.	1.89T
Outstanding Share	5855 (Millions)
EV/Revenue	3.20
EV/EBITDA	8.72
P/E RATIO	11.17
EPS	8.04
Beta	1.05



Shareholder Pattern: -

✓ **Institutional Investors** hold a significant portion of Alphabet's shares. These include mutual funds, pension funds, and hedge funds. Some of the largest institutional shareholders are.

The Vanguard Group (7.25%), BlackRock (6.27%), State Street Corporation (3.36%), Fidelity Investments (2.07%), Geode Capital Management (1.76%), T. Rowe Price (1.73%), JPMorgan Chase (1.42%), Capital International Investors (1.42%), Morgan Stanley (1.30%), Northern Trust (0.95%).

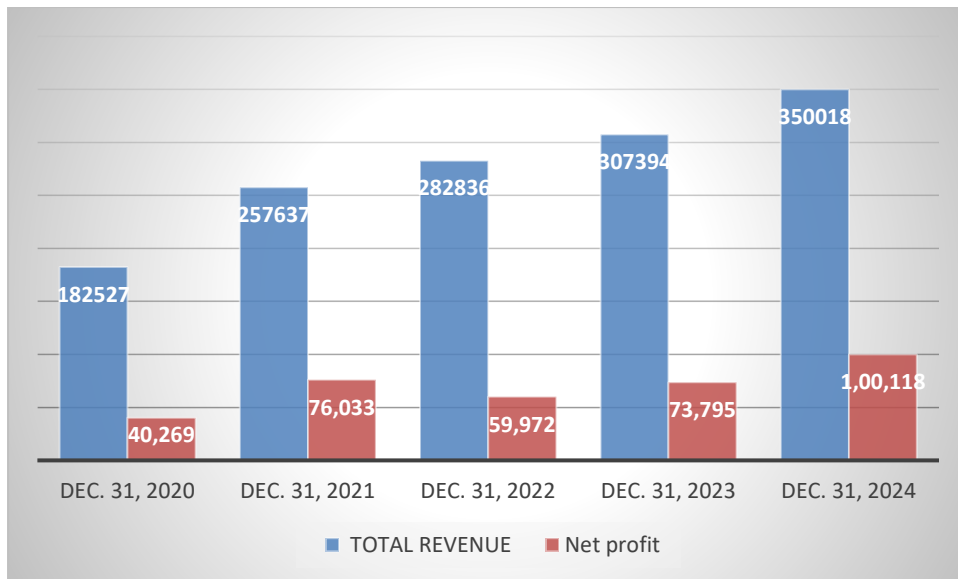
✓ **Individual Investors** own a portion of Alphabet's shares, though their collective stake is generally smaller than institutional investors. These can range from retail investors buy shares through brokerage accounts to employees participating in stock purchase plans.

✓ **Company Insiders**, including executives, directors, and other key employees, hold shares in Alphabet. This includes:

Larry Page: Co-founder and former CEO of Google.

Sergey Brin: Co-founder of Google.

Sundar Pichai: CEO of Alphabet and Google.



Concalls Highlights: -

✓ **Revenue Growth:** Alphabet reported a 10% year over-year increase in revenue, driven by strong performance in Google Cloud and YouTube.

✓ **Google Cloud:** Continued robust growth with a 25% year-over-year revenue increase, highlighting increased enterprise adoption and strategic partnerships in key sectors such as finance, healthcare, and retail.

✓ **YouTube:** Advertising revenue increased by 14%, supported by higher user engagement and effective monetization strategies, particularly in short form content and live streaming.

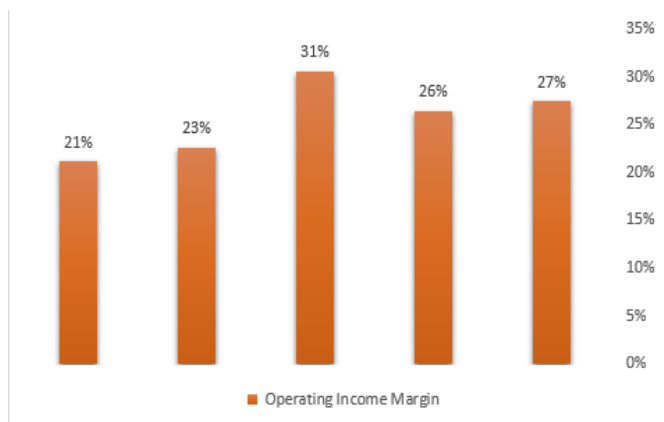
✓ **Other Bets:** Notable progress in Waymo with the expansion of autonomous vehicle testing and increased commercial deployments. Verily also advanced its healthcare projects, securing new partnerships with major healthcare providers.

Earnings Beat and Growth Projections: -

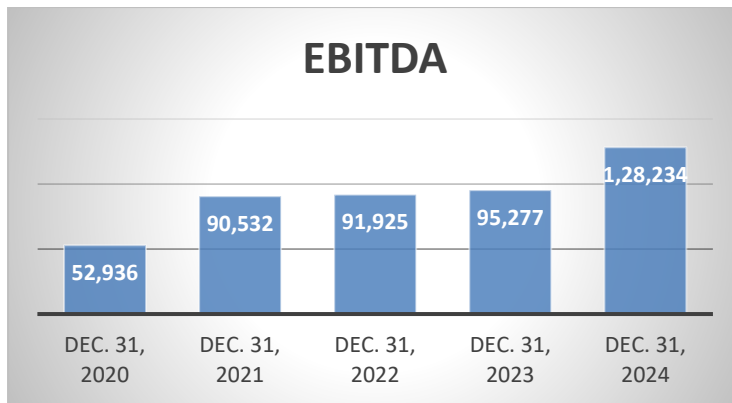
✓ **Earnings Beat:** Alphabet reported an EPS of \$14.90, surpassing analyst expectations of \$14.50, marking the fourth consecutive quarter of earnings beats.

✓ **Revenue Projections:** Analysts project a compound annual growth rate (CAGR) of 9-11% over the next three years, driven by strong performance in cloud services, digital advertising, and hardware sales.

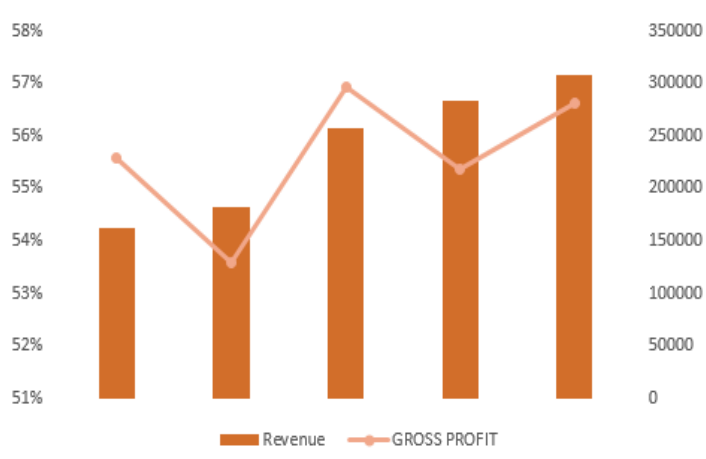
✓ **Earnings Growth:** Expected to maintain a steady growth trajectory with an estimated annual EPS growth of 10-12% over the next three years, fuelled by robust revenue streams and operational efficiency.

Operating Margin and Earnings Growth: -

✓ **Operating Margin:** Alphabet reported an operating margin of 27% for Q1 2024, a slight increase from 26% in the previous quarter, due to cost management and revenue growth in high-margin segments.



✓ **Earnings Growth:** The company's net income increased by 13% year-over-year, reflecting strong operational performance and strategic investments in high-growth areas such as cloud computing and artificial intelligence.



Solid Balance Sheet and Cash Flow: -

✓ **Balance Sheet:** Alphabet maintains a strong balance sheet with \$138 billion in cash and cash equivalents and minimal debt. This financial strength provides the company with significant flexibility for strategic investments and acquisitions.

✓ **Cash Flow:** The company generated \$24 billion in free cash flow in Q1 2024, up from \$22 billion in the same

period last year. This increase was driven by higher revenues and efficient capital expenditure management.



Competitive Positioning: -

✓ **Market Leadership:** Alphabet remains a dominant player in the digital advertising space, with Google Search and YouTube commanding significant market shares. The company also continues to expand its leadership in the cloud computing sector through Google Cloud.

✓ **Innovation and R&D:** Heavy investment in research and development (\$36 billion annually) ensures Alphabet remains at the forefront of technological innovation, particularly in AI, cloud computing, and autonomous vehicles.

✓ **Diversification:** Alphabet's diverse portfolio reduces dependence on any single revenue stream. The success of its "Other Bets" like Waymo and Verily highlights its potential to disrupt new industries.

✓ **Global Reach:** With services available in over 100 languages and across nearly every country, Alphabet's global reach provides a competitive edge in capturing diverse markets and user bases.

SWOT Analysis: -

Strengths	Weaknesses
<p>Strong Brand and Market Position: Google is the most widely used search engine globally. Dominance in digital advertising, contributing a significant portion of revenue. Leading position in the mobile operating system market with Android.</p> <p>Diverse Product Portfolio: Wide range of successful products and services, including YouTube, Google Maps, Google Cloud, and more. Continuous innovation and introduction of new products and services.</p> <p>Financial Strength: Strong revenue growth and high profit margins. Significant cash reserves allow for substantial investments in R&D and acquisitions.</p> <p>Technological Leadership: Advanced capabilities in AI and machine learning. Continuous investment in cutting-edge technologies such as autonomous vehicles (Waymo) and life sciences (Verily).</p> <p>Global Reach: Extensive global presence with services available in multiple languages and regions. Large and diverse user base.</p>	<p>Dependence on Advertising Revenue: A significant portion of revenue comes from advertising, making the company vulnerable to fluctuations in the digital ad market.</p> <p>Regulatory Challenges: Facing increasing scrutiny and legal challenges from regulators worldwide, which could impact business operations and profitability.</p> <p>High Operating Costs: Substantial investments in R&D and other initiatives lead to high operating expenses.</p> <p>Product Failures and Write-offs: History of unsuccessful projects and product write-offs (e.g., Google Glass, certain hardware products).</p>
Opportunities	Threats
<p>Expansion in Cloud Computing: Growing demand for cloud services presents significant growth opportunities for Google Cloud Platform (GCP). Potential to capture more market share from competitors like AWS and Microsoft Azure.</p> <p>Advancements in AI and Machine Learning: Continued innovation in AI and machine learning can lead to new products, services, and efficiencies. Opportunities to enhance existing products with AI capabilities.</p> <p>Growth in Emerging Markets: Expanding internet penetration in emerging markets</p>	<p>Intense Competition: Stiff competition from other tech giants like Amazon, Microsoft, Facebook, and Apple across various segments. Competition in the digital ad market, cloud computing, and AI.</p> <p>Regulatory and Legal Risks: Potential for new regulations and legal challenges impacting data privacy, antitrust issues, and business practices. Fines and restrictions could affect profitability and operations.</p> <p>Cybersecurity Threats: Increasing cyber threats and data breaches pose significant risks to user trust and business operations. Potential for financial losses and reputational</p>

offers new user acquisition and revenue growth potential. Increasing adoption of smartphones and digital services.

Healthcare and Life Sciences: Investments in Verily and other healthcare initiatives can lead to breakthroughs in medical technology and health solutions.

Autonomous Vehicles: Waymo's development of autonomous driving technology positions Alphabet to capitalize on the future of transportation.

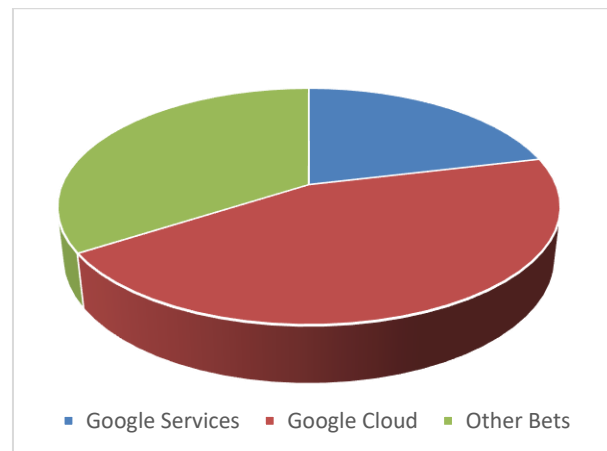
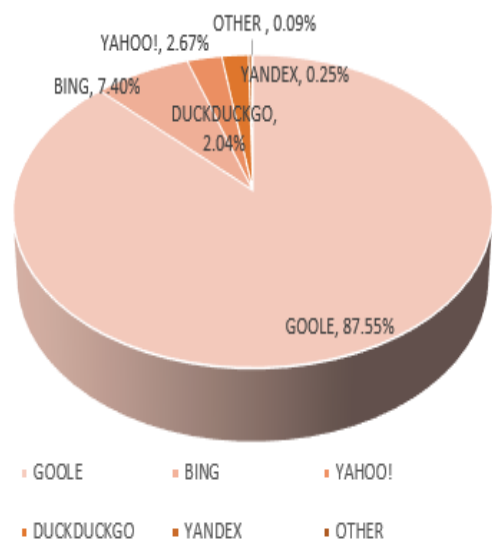
damage.

Market Saturation: High penetration in developed markets may lead to slower growth rates. Need to innovate to maintain user engagement and market share continuously.

Economic Downturns: Economic instability and downturns can negatively impact advertising budgets and overall spending on Alphabet's products and services.

Recommendation: -

Recommendation: -



✓ Given Alphabet's strong financial performance, robust growth prospects, solid balance sheet, and leadership in innovation, the recommendation is to **Buy**. The company's diversified revenue streams

and strategic investments position it well for sustained long-term growth, making it a valuable addition to an investment portfolio.

✓ Consistent Revenue and Earnings Growth:

Alphabet has demonstrated strong and consistent growth in both revenue and earnings. The company's diversified business model, including its core Google Services, Google Cloud, and Other Bets segments, has driven this growth.

✓ Strong Operating Margins: Alphabet's operating margin has consistently improved, reflecting efficient cost management and high margin segments' growth. This trend suggests continued profitability and operational efficiency.

✓ Market Leadership and Innovation: Alphabet maintains a dominant position in the digital advertising space and continues to lead in innovation, particularly in AI and cloud computing. The company's focus on research and development ensures it remains at the forefront of technological advancements, providing a competitive edge.



Summary: -

✓ Alphabet Inc. has consistently demonstrated strong financial performance from 2020 to 2024, characterized by steady revenue growth, robust operating income, and solid net income. The company maintains a healthy balance sheet with significant cash reserves and minimal debt, allowing for strategic investments and sustained innovation. Alphabet's diversified business model, encompassing high-growth areas such as cloud computing, digital advertising, and artificial intelligence, positions it well for continued success in technology.

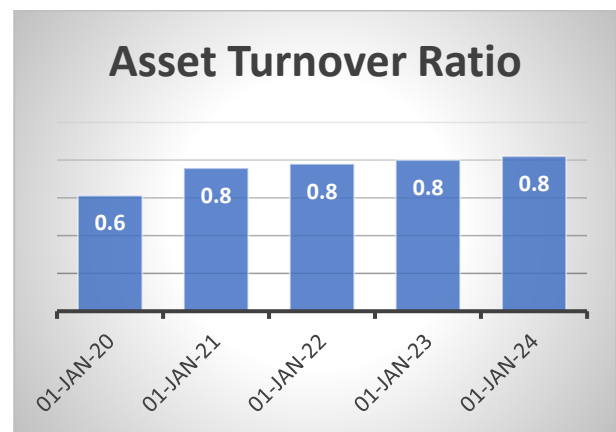
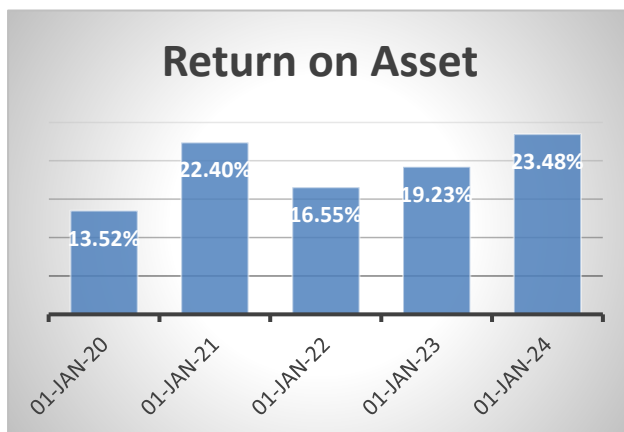
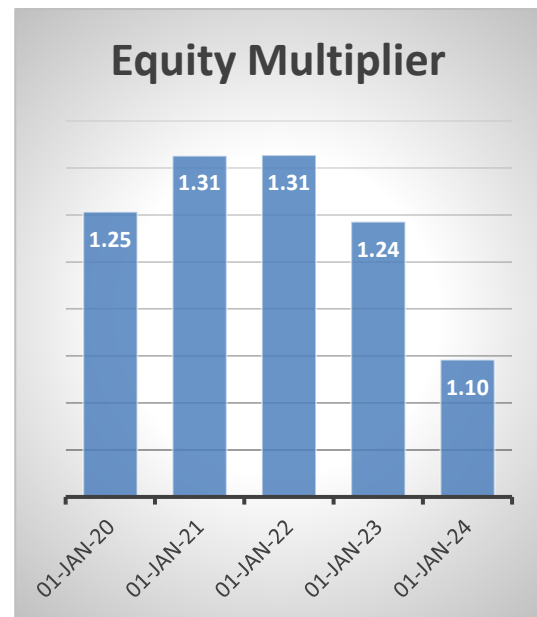
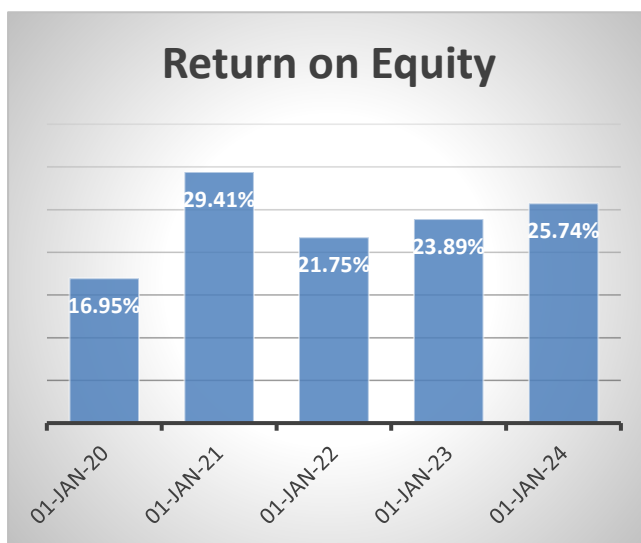
Du-Pont Analysis

∞ The ROE of Alphabet Inc. has been positive for all the years. However, in the year 2021, it was highest with 29%.

The range lies between 17% to 29%.

∞ Asset turnover ratio was mostly constant for all four years. The range lies between 0.6x to 0.8x

∞ Net profit is not consistent for all four preceding years.



DuPont Analysis

Return on Equity (ROE)					
	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Net Profit	40,269	76,033	59,972	73,795	1,00,118
Average Shareholder Equity	2,37,585	2,58,503	2,75,764	3,08,833	3,89,009
Return on Equity	17%	29%	22%	24%	26%

Return on Equity (ROE) - Dupont Equation					
	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Net Profit	40,269	76,033	59,972	73,795	1,00,118
Revenue	1,82,527	2,57,637	2,82,836	3,07,394	3,50,018
Net Profit Margin (A)	22.06%	29.51%	21.20%	24.01%	28.60%
Revenue	1,82,527.0	2,57,637.0	2,82,836.0	3,07,394.0	3,50,018.0
Average Total Asset	2,97,762.5	3,39,442.0	3,62,266.0	3,83,828.0	4,26,324.0
Asset Turnover Ratio (B)	0.6x	0.8x	0.8x	0.8x	0.8x
Average Total Asset	2,97,762.5	3,39,442.0	3,62,266.0	3,83,828.0	4,26,324.0
Average Shareholder Equity	2,37,584.5	2,58,502.5	2,75,764.0	3,08,832.5	3,89,008.7
Equity Multiplier (C)	1.25x	1.31x	1.31x	1.24x	1.10x
Return on Equity (A*B*C)	16.95%	29.41%	21.75%	23.89%	25.74%

Return on Asset (ROA)					
	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Net Profit	40,269.0	76,033.0	59,972.0	73,795.0	1,00,118.0
Average Total Asset	2,97,762.5	3,39,442.0	3,62,266.0	3,83,828.0	4,26,324.0
Return on Asset	13.52%	22.40%	16.55%	19.23%	23.48%

Return on Assets (ROA) - Dupont Equation					
	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
Net Profit	40,269.0	76,033.0	59,972.0	73,795.0	1,00,118.0
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Return on Asset (A*B)	13.52%	22.40%	16.55%	19.23%	23.48%

Financial Statements

Balance Sheet

THE ALPHABET INC.										
(in USD million except per Share Data)										
Balance Sheet as of:	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29
Current Assets										
Cash and cash equivalents	26,465	20,945	21,879	24,048	23,466	1,19,200	2,15,912	3,40,628	5,01,212	7,10,072
Marketable securities	1,10,229	1,18,704	91,883	86,868	72,191	72,191	72,191	72,191	72,191	72,191
Total cash, cash equivalents, and marketable securities	1,36,694	1,39,649	1,13,762	1,10,916	95,657	1,91,391	2,88,103	4,12,819	5,73,403	7,82,263
Accounts receivable, net	30,930	39,304	40,258	47,964	52,340	64,253.54	77,011.89	93,364.02	116,510.02	156,846.01
Other current assets	6,672	9,190	10,775	12,650	15,714	15,714	15,714	15,714	15,714	15,714
Total current assets	1,74,296	1,88,143	1,64,795	1,71,530	1,63,711	2,71,359	3,80,829	5,21,897	7,05,627	9,54,823
Non-marketable investments	20,703	29,549	30,492	31,008	37,982	37,982	37,982	37,982	37,982	37,982
Deferred income taxes	1,084	1,284	5,261	12,169	17,180	17,180	17,180	17,180	17,180	17,180
Property and equipment, net	84,749	97,599	1,12,668	1,34,345	1,71,036	1,79,436	2,15,066	2,60,731	3,25,370	4,38,013
Operating lease assets	12,211	12,959	14,381	14,091	13,588	13,588	13,588	13,588	13,588	13,588
Intangible assets, net	1,445	1,417	-	-	-	-	-	-	-	-
Goodwill	21,175	22,956	28,960	29,198	31,885	31,885	31,885	31,885	31,885	31,885
Other non-current assets	3,953	5,361	8,707	10,051	14,874	14,874	14,874	14,874	14,874	14,874
Total Assets	3,19,616	3,59,268	3,65,264	4,02,392	4,50,256	5,66,304	7,11,404	8,98,137	11,46,505	15,08,346
Liabilities and Stockholders' Equity										
Current liabilities:										
Accounts payable	5,589	6,037	5,128	7,493	7,987	9,948	11,923	14,455	18,038	24,283
Accrued compensation and benefits	11,086	13,889	14,028	15,140	15,069	15,069	15,069	15,069	15,069	15,069
Accrued expenses and other current liabilities	28,631	32,044	37,866	46,168	51,228	51,228	51,228	51,228	51,228	51,228
Accrued revenue share	7,500	8,996	8,370	8,876	9,802	9,802	9,802	9,802	9,802	9,802
Deferred revenue	2,543	3,288	3,908	4,137	5,036	5,036	5,036	5,036	5,036	5,036
Income taxes payable, net	1,485	-	-	-	-	-	-	-	-	-
Total current liabilities	56,834	64,254	69,300	81,814	89,122	91,083	93,058	95,590	99,173	1,05,418
Long-term debt	13,932	14,817	14,701	11,870	10,883	18,412	13,588	10,277	8,439	6,991
Deferred revenue, non-current	481	535	599	-	-	-	-	-	-	-
Income taxes payable, non-current	8,849	9,176	9,258	8,474	8,782	8,782	8,782	8,782	8,782	8,782
Deferred income taxes	3,561	5,257	514	-	-	-	-	-	-	-
Operating lease liabilities	11,146	11,389	12,501	12,460	11,691	-	-	-	-	-
Other long-term liabilities	2,269	2,205	2,247	4,395	4,694	4,694	4,694	4,694	4,694	4,694
Total Liabilities & Equity	97,072	1,07,633	1,09,120	1,19,013	1,25,172	1,22,971	1,20,122	1,19,343	1,21,088	1,25,885
Commitments and Contingencies										
Stockholders' equity:										
Preferred stock, \$0.001 par value per share, 100,000 shares authorized; no shares issued and outstanding	-	-	-	-	-	-	-	-	-	-
Class A and Class B common stock, and Class C capital stock and additional paid-in capital, \$0.001 par value per share: 15,000,000 shares authorized (Class A 9,000,000, Class B 3,000,000, Class C 3,000,000); 688,335 (Class A 299,828, Class B 46,441, Class C 342,066) and	58,510	61,774	68,184	76,534	84,800	84,800	84,800	84,800	84,800	84,800
Accumulated other comprehensive income (loss)	633	-1,623	-7,603	-4,402	-4,800	-4,800	-4,800	-4,800	-4,800	-4,800
Retained earnings	1,63,401	1,91,484	1,95,563	2,11,247	2,45,084	3,63,333	5,11,282	6,98,794	9,45,417	13,02,461
Total stockholders' equity	2,22,544	2,51,635	2,56,144	2,83,379	3,25,084	4,43,333	5,91,282	7,78,794	10,25,417	13,82,461
Total liabilities and stockholders' equity	3,19,616	3,59,268	3,65,264	4,02,392	4,50,256	5,66,304	7,11,404	8,98,137	11,46,505	15,08,346

Income Statement

THE ALPHABET INC.											
(in USD million except per Share Data)		HISTORICAL DATA					ESTIMATE DATA				
Income Statement		12 months Dec. 31, 2020	12 months Dec. 31, 2021	12 months Dec. 31, 2022	12 months Dec. 31, 2023	12 months Dec. 31, 2024	12 months Dec. 31, 2025	12 months Dec. 31, 2026	12 months Dec. 31, 2027	12 months Dec. 31, 2028	12 months Dec. 31, 2029
Net Sales		\$ 1,82,527	\$ 2,57,637	\$ 2,82,836	\$ 3,07,394	\$ 3,50,018	\$ 4,17,276	\$ 5,00,131	\$ 6,06,326	\$ 7,56,641	\$ 10,18,591
Sales Growth %		0.00%	41.15%	9.78%	8.68%	13.87%	19.22%	19.86%	21.23%	24.79%	34.62%
COGS		84,732	1,10,939	1,26,203	1,33,332	1,46,306	182998	219335	265906	331828	446707
COGS % Revenue		46.42%	43.06%	44.62%	43.37%	41.80%					
Gross Profit		97,795	1,46,698	1,56,633	1,74,062	2,03,712	2,34,278	2,80,797	3,40,419	4,24,813	5,71,884
Gross Profit Margin		53.58%	56.94%	55.38%	56.63%	58.20%	56.14%	56.14%	56.14%	56.14%	56.14%
Sales and Marketing Expense		17,946	22,912	26,567	27,917	27,808	30,319	33,056	36,041	39,295	42,843
Sales and Marketing Expense % Revenue		9.83%	8.89%	9.39%	9.08%	7.94%	7.27%	6.61%	5.94%	5.19%	4.21%
General and Administrative Expense		11,052	13,510	15,724	16,425	14,188	14,933	15,717	16,542	17,411	18,325
S&G Exp % Revenue		6.05%	5.24%	5.56%	5.34%	4.05%	3.58%	3.14%	2.73%	2.30%	1.80%
Research and Development		27,573	31,562	39,500	45,427	49,326	56,251	64,147	73,153	83,423	95,134
R&D Exp % Revenue		15.11%	12.25%	13.97%	14.78%	14.09%	13.48%	12.83%	12.06%	11.03%	9.34%
INCOME FROM OPERATION (EBIT)		41,224	78,714	74,842	84,293	1,12,390	1,32,776	1,67,876	2,14,683	2,84,684	4,15,582
Other Income (expenses),net		6858	12020	-3514	1424	7425	7570	7718	7869	8022	8179
Other Income (expenses),net% REVENUE		3.76%	4.67%	-1.24%	0.46%	2.12%					
EBT		48,082	90,734	71,328	85,717	1,19,815	1,40,346	1,75,594	2,22,552	2,92,707	4,23,761
PROVISION FOR INCOME TAX		7,813	14,701	11,356	11,922	19,697	22,096	27,646	35,039	46,084	66,717
		16.25%	16.20%	15.92%	13.91%	16.44%	15.74%	15.74%	15.74%	15.74%	15.74%
NET INCOME		40,269	76,033	59,972	73,795	1,00,118	1,18,249	1,47,948	1,87,513	2,46,623	3,57,043
NET PROFIT MARGIN		22.06%	29.51%	21.20%	24.01%	28.60%	28.34%	29.58%	30.93%	32.59%	35.05%
Depreciation and Amortization		11,712	11,818	17,083	10,984	15,844	20,347	24,387	29,565	36,895	49,668
Depreciation and Amortization % Sales		6.42%	4.59%	6.04%	3.57%	4.53%	4.88%	4.88%	4.88%	4.88%	4.88%
Retained Earning		1,63,401	1,91,484	1,95,563	2,11,247	2,45,084	3,63,333	5,11,282	6,98,794	9,45,417	13,02,461

Cash Flow Statement

THE ALPHABET INC.

(in USD million except per Share Data)

Cash Flow Statement	12 Months 31-Dec-25	12 Months 31-Dec-26	12 Months 31-Dec-27	12 Months 31-Dec-28	12 Months 31-Dec-29
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Cash From Operating Activities:-

Net Income	1,18,249	1,47,948	1,87,513	2,46,623	3,57,043
Adjustment:					
Depreciation of property and equipment	20,347	24,387	29,565	36,895	49,668
Share-based compensation expense					
Change in assets and liabilities:-	(9,953)	(10,783)	(13,820)	(19,563)	(34,091)
accounts receivable net	-11914	-12758	-16352	-23146	-40336
Accounts payable	1,961	1,975	2,532	3,583	6,245
Net Cash Provided by Operating Activities	1,28,644	1,61,552	2,03,258	2,63,955	3,72,620

Investing Activities

Capital Expenditures	-28,747	-60,017	-75,231	-1,01,533	-1,62,312
Net Cash from Investing Activities	(28,747)	(60,017)	(75,231)	(1,01,533)	(1,62,312)

Financing Activities

Cash dividends paid	-	-	-	-	-
Cash before Raising (Repayment) of Debt	99,896	1,01,536	1,28,027	1,62,422	2,10,309
Debt Raised	-	-	-	-	-
Debt Repaid	-4162	-4824	-3311	-1838	-1448
Net Cash from in Financing Activities	-4,162	-4,824	-3,311	-1,838	-1,448

Particulars					
Cash and Cash Equivalents, Beginning of Year	23,466	1,19,200	2,15,912	3,40,628	5,01,212
Net Increase/(Decrease) in Cash and Cash Equivalents	95,734	96,712	1,24,716	1,60,584	2,08,861
Cash and Cash Equivalents, End of Period	1,19,200	2,15,912	3,40,628	5,01,212	7,10,072

REVENUE SEGMENTS

THE ALPHABET INC.

(in USD millions)

Valuation Date 13-Jan-25

	HISTORICAL DATA					ESTIMATE DATA				
Segment Information	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027	Dec. 31, 2028	Dec. 31, 2029
Google Services	1,68,635	2,37,529	2,53,528	2,72,543	3,04,930	3,55,985	4,15,589	4,85,172	5,66,405	6,61,239
Growth%		41%	7%	8%	12%					
					17%					
Google Cloud	13,059	19,206	26,280	33,088	43,229	58,409	78,918	1,06,630	1,44,073	1,94,663
Growth%		47.07%	36.83%	25.91%	30.65%					
					35.11%					
Other Bets	657	753	1,068	1,527	1,648	2,090	2,651	3,363	4,265	5,410
Growth%		15%	42%	43%	8%					
					27%					
Hedging gains (losses)	176	149	1,960	236	211	792	2,973	11,161	41,898	1,57,279
Growth%		-15%	1215%	-88%	-11%					
					275%					
TOTAL REVENUE	1,82,527	2,57,637	2,82,836	3,07,394	3,50,018	4,17,276	5,00,131	6,06,326	7,56,641	10,18,591
Growth%		41.15%	9.78%	8.68%	13.87%	19.22%	19.86%	21.23%	24.79%	34.62%

DEBT SCHEDULE & EXTRA CALCULATION

THE ALPHABET INC.

(in USD million except per Share Data)

Debt Schedule	12 Months Dec. 31, 2025	12 Months Dec. 31, 2026	12 Months Dec. 31, 2027	12 Months Dec. 31, 2028	12 Months Dec. 31, 2029
Opening Debt	22,574	18,412	13,588	10,277	8,439
Add: Debt Issued	-	-	-	-	-
Less: Debt Repaid	4,162	4,824	3,311	1,838	1,448
Ending Debt	18,412	13,588	10,277	8,439	6,991

Interest Expense	768	626	462	349	287
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Working Notes

Repayment Head	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027	Dec. 31, 2028	Dec. 31, 2029
Future Principal Payments for long-term debt	1000	2000	1000	0	0
Future lease payments under operating lease	3162	2824	2311	1838	1448

Weighted Average Discount Rate= 3.4%

Working Notes	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Receivables Turnover=	5.90	6.55	7.03	6.41	6.69
Days of Receivables at Hand=	62 days	56 days	52 days	57 days	55 days
Average Days or Receivables=	56 days				
Payables Turnover=	15.16	18.38	24.61	17.79	18.32
Days of Payables at Hand=	24 days	20 days	15 days	21 days	20 days
Average Days or Payables=	20 days				
Average Marketable Securities=	95975				
Non-Marketable Securities Forecasts=	LAST YEAR				

FIXED SCHEDULE

THE ALPHABET INC.

(in USD million except per Share Data)

Property Plant and Equipment	Fixed Asset Schedule- Alphabet Inc.									
	12 months Dec. 31, 2020	12 months Dec. 31, 2021	12 months Dec. 31, 2022	12 months Dec. 31, 2023	12 months Dec. 31, 2024	12 months Dec. 31, 2025	12 months Dec. 31, 2026	12 months Dec. 31, 2027	12 months Dec. 31, 2028	12 months Dec. 31, 2029
(Dollars in millions, except per share amounts)										
Opening Balance-WDV	73,646	84,749	97,599	1,12,668	1,34,345	1,71,036	1,79,436	2,15,066	2,60,731	3,25,370
Add: Net Addition during the Period	22,281	24,640	31,485	32,251	52,535	28,747	60,017	75,231	1,01,533	1,62,312
Total Depreciable Assets During the Year	95,927	1,09,389	1,29,084	1,44,919	1,86,880	1,99,783	2,39,453	2,90,297	3,62,265	4,87,681
Less: Depreciation during the year	11,178	11,790	16,416	10,574	15,844	20,347.00	24,387.15	29,565.33	36,894.92	49,668.01
Closing Balance-WDV	84749	97599	112668	134345	171036	179436.50	215066	260731	325370	438013

Amortizable Intangible Assets	Amortizable Intangible Assets- Alphabet Inc.									
	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2026	Dec. 31, 2027	Dec. 31, 2028	Dec. 31, 2029
(Dollars in millions, except per share amounts)										
Opening Balance-WDV	1,979	1,445	1,417	2,084	1,674	1,674	1,674	1,674	1,674	1,674
Add: Net Addition during the Period	0	0	0	0	0	0	0	0	0	0
Total Amortizable Assets During the Year	1,979	1,445	1,417	2,084	1,674	1,674	1,674	1,674	1,674	1,674
Less: Amortization during the year	534	28	667	410	0	0	0	0	0	0
Closing Balance-WDV	1,445	1,417	2,084	1,674	1,674	1,674	1,674	1,674	1,674	1,674

Working Notes

Particular	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Property Plant and Equipment Turnover=	1.90	2.36	2.19	2.12	1.87
Average PPE Turnover=	2.09				
Depreciation Rate=	12%	11%	13%	7%	8%
Average Depreciation Rate=	10%				

Beta Regression

Competitors	REGRESSION BETA	R sq	Unlevered beta
ALPHABET Inc.	1.05	0.42	0.95
Meta Platforms Inc.	1.15	0.27	1.07
MICROSOFT CORP	0.98	0.51	0.92
APPLE Inc.	1.08	0.51	1.01
IBM	0.82	0.35	0.65
Amazon	1.04	0.36	0.90

Weighted Average Cost of Capital

Alphabet Inc. WACC Calculation

(in USD million except per Share Data)

Weighted average cost of capital				
Particulars	Weight	Particulars	Cost	Value
Debt (%)	12.5%	Cost of debt (After Tax) (%)	3.5%	0.4%
Equity (%)	87.5%	Cost of equity	8.9%	7.8%
WACC				8.2%

Working Notes

Cost of equity	
Particulars	Value
Risk-free rate (%)	4.24%
Beta	1.01
Equity market risk premium (%)	4.6%
Cost of equity capital (%)	8.9%

Cost of debt	
Particulars	Value
Debt borrowing rate (%)	4.7%
Expected income tax rate (%)	27.0%
After-tax cost of debt (%)	3.5%

Discounted Cash Flow

ALPHABET Inc. DCF Valuation					
(in USD million except per Share Data)					
Valuation Date	13-Jan-25				
Latest Filing	31-Dec-24				
Choose Discounting	Year end discountin2				
Date of cash flows	12 Months 31-Dec-25	12 Months 31-Dec-26	12 Months 31-Dec-27	12 Months 31-Dec-28	12 Months 31-Dec-29
EBIT	1,32,776	1,67,876	2,14,683	2,84,684	4,15,582
Tax Rate	15.74%	15.74%	15.74%	15.74%	15.74%
NOPAT	1,11,871	1,41,445	1,80,883	2,39,863	3,50,152
Add: Depreciation and amortisation	20,347	24,387	29,565	36,895	49,668
Add/Less: (Increase)/ Decrease in net working capital	-9953	-10783	-13820	-19563	-34091
Less: Capital expenditure	-28747	-60017	-75231	-101533	-162312
Debt free cash flow (Free Cash Flows to Firm)FCFF	93,518	95,033	1,21,397	1,55,663	2,03,418
Discount rate (%) (wacc)	8.20%				
Full Period or Partial Period	0.83	1.00	1.00	1.00	1.00
Discounting Period-Year End	0.17	1.17	2.17	3.17	4.17
Discounting Period-Mid Year	0.08	0.67	1.67	2.67	3.67
Present value factor- Year end discounting	0.99	0.91	0.84	0.78	0.72
Present value factor- Mid year discounting	0.99	0.95	0.88	0.81	0.75
Present value debt free cash flow	76915	86688	102349	121297	146501
Present value for explicit period	5,33,751				
Terminal value	Gordon growth Method				
Long Term Growth Rate		1.4%			
Terminal Value		30,35,104			
Present Value of TV		22,73,697.62			
DCF Value of Firm / Operating Business Enterprise Value	28,07,449				
Add: Non Operating Assets	1,40,761				
Total Value of Firm	29,48,210				
Less: Gross Debt & Debt Equivalents	10,883				
Add: Cash	23,466				
Less: Non Controlling Interest	-				
DCF value of Common Equity	29,60,793				
No. of shares o/s	5,855				
DCF value per share	505.69				
Terminal Value	Exit Multiple Method				
LTM EV/EBITDA		6.96			
Terminal Year EBITDA		4,65,250			
Terminal Value		32,38,139			
Present Value of TV		24,25,798			
DCF Value of Firm / Operating Business Enterprise Value	29,59,549				
Add: Non Operating Assets	1,40,761				
Total Value of Firm	31,00,310				
Less: Gross Debt & Debt Equivalents	10,883				
Add: Cash	23,466				
Less: Non Controlling Interest	-				
DCF value of Common Equity	31,34,659				
No. of shares o/s-Diluted	5,855				
DCF value per share	535.38				

Comparable Company Analysis

ALPHABTE Inc. (GOOGL)																		
(in USD million except per Share Data)																		
Comparable Companies Analysis																		
Company	Ticker	Market Data							Financials				Valuation					
		Share Price	Shares Outstanding	Equity Value	Debt	Preference Share Capital	Minority Interest	Cash	Investment	Enterprise Value	Revenue	EBITDA	EBIT	Net Income	EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Alphabet Inc.	GOOGL	192	5,855	11,26,795	1,25,172	-	-	23,466	1,10,173	11,18,328	3,50,018	1,28,234	1,12,390	1,00,118	3.20	8.72	9.95	11.17
Meta Platforms Inc.	META	592	2,211	13,09,509	93,417	-	-	43,889	39996	13,19,041	1,64,501	1,01,568	69,380	62,360	8.02	12.99	19.01	21.15
MICROSOFT CORP	MSFT	415	7,341	30,44,092	2,43,686	-	-	18,315	71,828	31,97,635	2,45,122	1,31,720	1,09,433	88,136	13.05	24.28	29.22	36.28
Apple	AAPL	230	15,344	35,29,684	3,08,030	-	-	29,943	1,26,767	36,81,004	3,91,045	1,34,661	1,23,216	93,736	9.41	27.34	29.87	39.27
IBM	IBM	221	922	2,03,453	1,09,783	-	-	13,947	2,431	2,96,858	62,753	16,400	11,263	6,023	4.73	18.10	26.36	49.29
High															13.05	27.34	29.87	49.29
75th Percentile															10.32	25.04	29.38	41.77
Average															8.80	20.67	26.12	36.50
Median															8.72	21.19	27.79	37.78
25th Percentile															7.20	16.82	24.52	32.50
Low															4.73	12.99	19.01	21.15
															EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Implied Enterprise Value															36,12,608	32,11,087	29,41,829	41,82,356
Debt															1,25,172	1,25,172	-	-
Preference Share Capital															-	-	-	-
Minority Interest															-	-	-	-
Cash															23,466	23,466	23,466	-
Investment															1,10,173	1,10,173	1,10,173	-
Implied Market Value															36,21,075	32,19,554	30,75,468	41,82,356
Shares Outstanding															5,855	5,855	5,855	5,855
Implied Value Per Share															618.46	549.88	525.27	714.32

Football Field Analysis

ALPHABTE Inc. (GOOGL)

(in USD million except per Share Data)

Football Filed Analysis

Method	Lower	Difference	Higher
DCF	505.69	29.70	535.38
CCA	714.32	-95.86	618.46
Market Consensus	184.00	56.0	240.00
52 week range	147.22	59.83	207.05
Unaffected Price	167.00	-	167.00
Final Range	147.22	471.2	618.46

