



Company	Ticker	Sector	Industry
Alphabet Inc. Class A	GOOGL-US	Communication Services	Interactive Media & Services

Business Description

Alphabet, Inc. is a holding company which engages in the business of acquisition and operation of different companies. Google, the Internet media giant, is a wholly-owned subsidiary, which generates 99 percent of Alphabet's revenue (of which more than 85 percent is from online advertising). Google's other revenue is from sales of apps and content on Google Play and YouTube, as well as cloud service fees and other licensing revenue (Google Cloud and Android). Sales of hardware such as Chromebooks, the Pixel smartphone, and smart home products, which include Nest and Google Home, also contribute to other revenue. Alphabet's moonshot investments are in its Other Bets segment where it bets on technology to enhance health (Verily), faster Internet access to homes (Google Fiber), self-driving cars (Waymo), and other endeavors including Access, Calico, CapitalG, Google Ventures, and X. The company was founded by Lawrence E. Page and Sergey Mikhaylovich Brin in 2015 and is headquartered in Mountain View, CA.

Price Chart



Key Info & Metrics

Empirical Research Rank:	6
Date Purchased:	11/15/2021
Price:	\$107.64
52-Week Range:	\$83.43 - \$142.97
Dividend Yield:	0.00%
Market Cap (\$M):	\$1,285,887
Forward Price-to-Earnings:	20
Total Return	
Year-to-Date:	22.0%
1 Year:	-22.7%
3 Year:	45.5%
5 Year:	104.0%

Investment Case - Updated: November 6, 2022

Alphabet, better known by its former name Google, is well positioned to continue to benefit from the shift in advertising to digital from more traditional channels like television and print. The company holds a greater than 90 percent share of the online search market, making it the de facto destination for product marketing. Despite rising competition from the likes of Amazon and others, its dominant market share has attracted scrutiny from regulators globally. Google Cloud is rapidly becoming a viable third player in the cloud services market behind Amazon Web Services and Microsoft Azure. Its mysteriously labeled 'Other Bets' carries unquantifiable potential, as Google devotes some of the world's best and brightest to various projects without demanding near term profits. Aside from the short-term dilution from Other Bets, we expect profitability to continue to benefit from increasing scale and free cash flow to be returned to shareholders through share repurchases.

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