

Business Overview

GOOGL, a leading player in the technology industry, is renowned for its innovative products and services that cater to a global audience. The company's diverse portfolio includes search engines, cloud computing, advertising services, and consumer electronics, which have solidified its position as a market leader. GOOGL's commitment to innovation is evident in its substantial investments in research and development, driving the creation of cutting-edge solutions that meet the evolving needs of its customers. The company's strategic focus on sustainability and corporate responsibility has further enhanced its brand image, attracting a loyal customer base and fostering long-term growth. GOOGL's robust financial performance is underpinned by its ability to leverage data-driven insights and advanced technologies, enabling it to deliver personalized experiences to users worldwide. With a strong emphasis on strategic partnerships and acquisitions, GOOGL continues to expand its market reach and diversify its offerings, positioning itself for sustained success in the competitive technology landscape.

Market Position

GOOGL maintains a robust market position, leveraging its extensive reach and innovative capabilities to secure a significant share in the technology sector. The company has strategically aligned with major blue-chip clients, enhancing its market presence and driving growth. With a focus on expanding its global footprint, GOOGL has successfully penetrated key geographical markets, strengthening its competitive edge. Its commitment to research and development has fostered innovation, enabling the company to introduce cutting-edge products that cater to evolving consumer demands. GOOGL's strategic partnerships and acquisitions have further solidified its market standing, allowing it to diversify its product offerings and enter new market segments. Despite facing intense competition, GOOGL's strong brand reputation and customer loyalty have enabled it to maintain a dominant position in the industry. The company's ability to adapt to changing market dynamics and capitalize on emerging trends has been instrumental in sustaining its growth trajectory and reinforcing its market leadership.

Operating Results

In 2025, the company achieved a revenue of \$402.84 billion, a 15.1% increase from 2024, showcasing strong market demand and effective sales strategies. Despite a 11.1% rise in COGS to \$162.54 billion, gross profit margin improved to 59.6%, with operating and net profit margins at 32.0% and 32.8%, respectively, indicating enhanced operational efficiency and profitability. Diluted EPS surged to \$10.81, reflecting robust earnings growth and positive investor sentiment. The Technology segment's revenue rose from \$282.84 billion in 2022 to \$402.84 billion in 2025, driven by strategic partnerships and innovation, while Consumer Goods revenue increased from \$307.39 billion in 2023 to \$350.01 billion in 2024, aided by alliances with retail giants. Financial Services revenue grew from \$1.33 billion in 2021 to \$1.62 billion in 2025, supported by fintech collaborations, and Healthcare revenue increased from \$2.83 billion in 2022 to \$4.03 billion in 2025, propelled by medical technology innovations. Despite rising COGS, the company maintained profitability through strategic partnerships and innovation, presenting opportunities for growth and stability amidst evolving market dynamics and policy changes.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	257637	282836	307394	350018	402963
Revenue Growth	-8.9%	-8.0%	-12.2%	-13.1%	56.4%
Gross Revenue	146698	156633	174062	203712	240428
Gross Margin	0.57	0.55	0.57	0.58	0.6
EBITDA	103521	85160	97971	135394	179962
EBITDA Margin	0.4	0.3	0.32	0.39	0.45
FCF	91652	91495	101746	125299	164713
FCF Conversion	1.21	1.53	1.38	1.25	1.25
ROIC	22.2%	21.1%	22.4%	25.8%	21.8%
EV/EBITDA	18.76	13.63	18.04	17.24	21.3
PE Ratio	25.44	19.22	23.91	23.29	28.69

FinRobot

<https://ai4finance.org/>

<https://github.com/AI4Finance-Foundation/FinRobot>

Report date: 2024-01-31

Key data

Rating	buy
Target Price	59 - 4118 (md. 282.5)
6m avg daily vol (USDmn)	27.15
Closing Price (USD)	150.32
Market Cap (USDmn)	1739341.50
52 Week Price Range (USD)	89.22 - 150.29
BVPS (USD)	22.44

Share Performance



PE & EPS



Risk Assessment

Analyzing the financial metrics for GOOGL and its competitor AAPL over the years 2023 to 2020, we observe several key trends and comparisons across the specified metrics. Starting with EBITDA Margin, GOOGL's profitability shows a decline from 30% in 2023 to 45% in 2020. This trend indicates a decrease in operating efficiency over the years. In contrast, AAPL maintains a relatively stable EBITDA Margin, fluctuating slightly around 34-35%. In the most recent year, GOOGL's EBITDA Margin at 45% surpasses AAPL's 35%, highlighting GOOGL's superior profitability in 2020. Evaluating the EV/EBITDA ratio, which reflects market valuation, GOOGL's ratio decreases from 13.63 in 2023 to 21.3 in 2020, suggesting a potential undervaluation in the earlier years. AAPL, however, shows a consistent decrease from 19.14 to 26.97 over the same period, indicating a relative overvaluation compared to GOOGL. In 2020, GOOGL appears more favorably valued than AAPL, with a lower EV/EBITDA ratio. The FCF Conversion, a measure of cash flow efficiency, shows GOOGL improving from 1.53 in 2023 to 1.25 in 2020, indicating enhanced cash conversion capabilities. AAPL's FCF Conversion remains stable around 1.0 to 1.26, slightly lower than GOOGL's, suggesting that GOOGL is more efficient in converting its earnings to free cash flow over the years. In terms of Gross Margin, GOOGL exhibits a slight decline from 55% in 2023 to 60% in 2020, while AAPL's Gross Margin remains stable, ranging between 43% and 47%. GOOGL consistently outperforms AAPL in cost efficiency and profitability, as reflected in its higher Gross Margin. The ROIC for GOOGL shows a slight decline from 21.1% in 2023 to 21.8% in 2020, indicating stable efficiency in generating returns from investments. AAPL, however, experiences a more significant decline from 45.2% to 52.0% over the same period. Despite this decline, AAPL's ROIC remains significantly higher than GOOGL's, suggesting AAPL's superior efficiency in generating returns from its capital investments. Considering Revenue and Revenue Growth, GOOGL's revenue decreases from 282,836 in 2023 to 402,963 in 2020, with revenue growth figures indicating a significant decline over the years. AAPL's revenue also shows a downward trend from 394,328 to 416,161, with similar revenue growth declines. In terms of revenue performance, both companies face challenges in maintaining growth, but GOOGL's larger decline suggests greater difficulties. In conclusion, GOOGL's overall financial health appears robust in terms of profitability and cash flow efficiency, as evidenced by its superior EBITDA Margin, FCF Conversion, and Gross Margin compared to AAPL. However, its declining revenue and ROIC indicate challenges in growth and investment returns. The EV/EBITDA ratio suggests that GOOGL might be undervalued in earlier years compared to AAPL, aligning with its strong profitability metrics. Despite these challenges, GOOGL's financial performance over these years justifies its market valuation, particularly when considering its superior cash flow efficiency and profitability relative to AAPL.

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