

# Google parent Alphabet hits \$2tn valuation as it announces first dividend

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Google's parent company has hit a stock market value of \$2tn (£1.6tn) as investors reacted to a declaration of its first ever dividend alongside strong results on Thursday. Shares in Alphabet rose 10% in early Wall Street trading on Friday to give the tech group a stock market capitalisation – a measure of a corporation's value – of more than \$2tn. Alphabet last hit that level in intraday trading in 2021, but Friday was the first time it has closed above that benchmark. Alphabet's shares rose after it posted results on Thursday that exceeded analysts' expectations. Microsoft also reported strong figures on Thursday, amid heavy investment in artificial intelligence, and investors pushed the company past the \$3tn mark at market close on Friday, a level it has already crossed this year. Alphabet's quarterly figures included better than expected results from its core Google search business as well as its YouTube platform, and strong figures from its cloud business, which has been boosted by the training and operation of artificial intelligence models. The company also announced its first ever dividend. Russ Mould, the investment director at AJ Bell, an investment platform, said Alphabet joining the ranks of dividend-paying tech company was a "sign of the times". "Big tech firms have enjoyed stellar growth over the past decade and while most remain highly innovative, their cashflows have become so strong that there's oodles of money left over post-reinvestment in the business to reward shareholders," he added. Alphabet joins a trio of US-listed companies with valuations of more than \$2tn: Microsoft at more than \$3tn; Apple at \$2.6tn; and Nvidia, the leading chip supplier for AI products, at just more than \$2tn. Apple also passed the \$3tn mark last year.