

Alphabet, Inc. (NYSE: GOOGL)

Sector: Technology

Target Price	Current Price	52 Week High	52 Week Low	P/E	Market Cap	Dividend Yield	Beta
\$1414.63	\$1207.00	\$1530.74	\$1008.87	24.55	830.93B	0%	1.05

Business Description:

Alphabet, Inc. is a technology conglomerate mainly competing in search, cloud, media, and advertising markets. Alphabet's main subsidiaries consist of its frontrunner, Google, and other subsidiaries such as YouTube, Waymo, and Verily. Alphabet derives a majority of its revenue through digital advertising, and offers products to both businesses and consumers.

Industry Outlook:

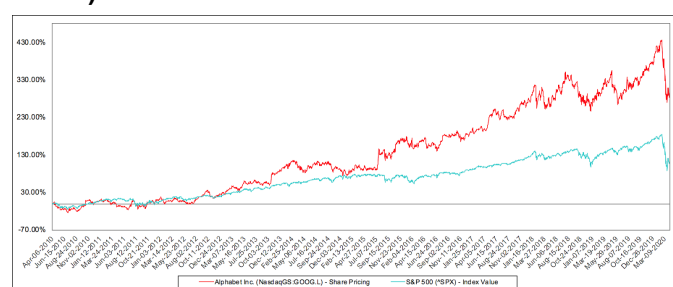
Growth in the tech industry is expected to increase over the next few years with an increase in cloud infrastructure demand, internet user growth, and increasing demand for internet ads. Growth in internet user-base is predicted to increase in the mobile segment and to be 70% of the advertising market. The global advertising market is predicted to have a CAGR of 18.5% until 2026.

Management:

- Sundar Pichai - Chief Executive Officer
- Ruth M. Porat - Chief Financial Officer
- David Drummond - Chief Legal Officer

Management sees the growth in Alphabet correlating with the growth of digital use and advertising in the future. Alphabet management prides themselves on being able to take advantage of technological trends and being the first to market. Management's salary is heavily dependent on stock-based incentives, but operates with a long-term mindset.

10-Year Stock Performance vs. S&P (Alphabet in red)



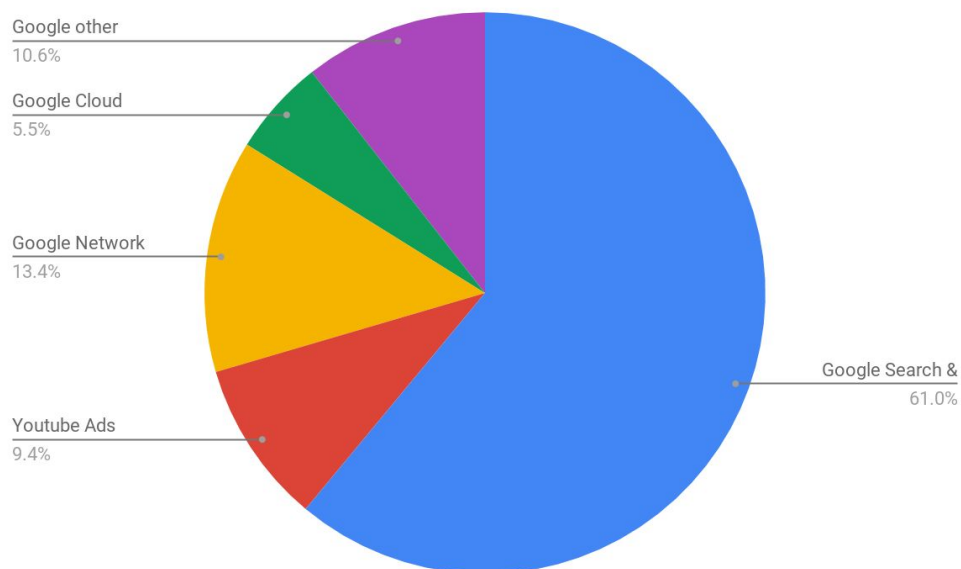
Risks:

Alphabet is one of the largest companies in the world and is a dominant player in multiple markets. Due to this, they are subject to a high level of antitrust risk. Alphabet currently pays fines to the EU for antitrust violations and is under investigation from the Department of Justice for violating antitrust laws as well. In addition, the environment developing around the COVID-19 pandemic could prevent businesses strapped for cash from spending their resources on advertising. Depending on the severity, this could drastically affect Alphabet's topline growth.

Corporate and Social Responsibility / ESG:

- In 2018, matched 100% of electricity consumption used for global operations with renewable energy
- Continued focus on reducing the environmental impact of datacenter use
- Offer afterwork educational classes, 5-month maternity leave, and time for employees to work on personal projects

Revenue Breakdown



Comparable Metrics

Comparables:	Share Price	Market Cap	EV	Revenue	EBITDA	Net Income	Gross Margin	EV/EBITDA	P/E	EV/Sales	P/B
Alphabet	\$ 1,172.00	\$814.03B	\$710.55B	\$161.86B	\$49.08B	\$34.34B	56%	14.48x	23.70x	4.39x	1.63x
Apple	\$ 241.41	\$1,056.29B	\$958.16B	\$260.17B	\$76.90B	\$55.26B	38%	12.46x	19.12x	3.68x	11.67x
Microsoft	\$ 153.83	\$1,170.04B	\$1,110.00B	\$125.84B	\$53.31B	\$39.24B	66%	20.82x	29.82x	8.82x	11.43x
IBM	\$ 106.34	\$94.47B	\$148.50B	\$77.15B	\$17.22B	\$9.43B	47%	8.62x	10.02x	1.92x	4.53x
Amazon	\$ 1,906.60	\$949.21B	\$936.00B	\$333.98B	\$50.17B	\$14.30B	41%	18.66x	66.38x	2.80x	15.76x
Alibaba	\$ 196.45	\$527.02B	\$493.90B	\$504.11B	\$154.39B	\$133.19B	45%	3.20x	3.96x	0.98x	4.77x
Baidu	\$ 102.94	\$28.26B	\$17.03B	\$111.90B	\$20.41B	\$16.10B	41%	0.83x	1.76x	0.15x	1.54x
Facebook	\$ 165.55	\$471.89B	\$417.04B	\$82.13B	\$42.92B	\$24.83B	83%	9.72x	19.00x	5.08x	4.67x
Median	\$ 181.00	\$670.53B	\$602.22B	\$143.85B	\$49.62B	\$29.59B	46%	11.09x	19.06x	3.24x	4.72x
Min	\$ 102.94	\$28.26B	\$17.03B	\$77.15B	\$17.22B	\$9.43B	38%	0.83x	1.76x	0.15x	1.54x
Max	\$ 1,906.60	\$1,170.04B	\$1,110.00B	\$504.11B	\$154.39B	\$133.19B	83%	20.82x	66.38x	8.82x	15.76x