



Alphabet Inc. is an American multinational conglomerate headquartered in Mountain View, California. It was created through a restructuring of Google on October 2, 2015, and became the parent company of Google and several former Google subsidiaries. The two co-founders of Google remained as controlling shareholders, board members, and employees at Alphabet. Alphabet is the world's fourth-largest technology company by revenue and one of the world's most valuable companies.

Address: 1600 AMPHITHEATRE PARKWAY, MOUNTAIN VIEW, CA, US

Financials Date: Jun 30, 2023

Industry: SERVICES-COMPUTER PROGRAMMING, DATA PROCESSING, ETC.

Sector:

TECHNOLOGY Exchange: NASDAQ

Executive Valuation Summary



Previous Close	Distance to Price Target	Price Target
130.42	-9.52%	118

Valuation Measures		Model Assumptions	
Market Cap	2.29T	Valuation Date	
Trailing P/E Ratio	23.60	WACC	11.07%
Forward P/E Ratio	24.10	EBITDA Multiple	24
PEG Ratio	2.87	Assumed Tax Rate	21.00%
Enterprise Value / EBITDA	18.24	Implied EV / EBITDA	19.59
Enterprise Value / Sales	6.16	Implied EV / FWD Sales	4.96
Price / Sales Ratio	5.82	Implied Price / FWD Sales	6.02

Price Target	Peer Comparison Summary		
	Name	EVToEBITDA	EVToRevenue
118	Alphabet Inc Cl...	12.16	4.06
	Cisco Systems I...	11.61	3.67
	Oracle Corporati...	16.78	6.50
	Intuit Inc	37.14	9.20
	Average	16.95	5.20

Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Fiscal Period	FY	FY	FY	FY	FY	FY	FY	FY
Revenue	182.5B	257.6B	282.8B	308.3B	336.0B	366.3B	399.2B	435.2B
Revenue Growth using Manual percentage input	NaN	41.15%	9.78%	9.00%	9.00%	9.00%	9.00%	9.00%
Cost of Goods Sold (COGs)	84.7B	110.9B	126.2B	139.4B	157.3B	171.4B	186.9B	203.7B
% of Sales	46.42%	43.06%	44.62%	45.21%	46.81%	46.81%	46.81%	46.81%
Gross Profit	97.8B	146.7B	156.6B	168.9B	178.7B	194.8B	212.4B	231.5B
% of Sales - Derived from Quarterly Model	53.58%	56.94%	55.38%	54.79%	53.19%	53.19%	53.19%	53.19%
Operating Expenses (SG&A)	-56.6B	-68.0B	-81.8B	-99.1B	-117.1B	-127.7B	-139.2B	-151.7B
% of Sales - Derived from Quarterly Model	-30.99%	-26.39%	-28.92%	-32.14%	-34.86%	-34.86%	-34.86%	-34.86%
Operating Income (EBIT)	41.2B	78.7B	74.8B	69.8B	61.6B	67.1B	73.2B	79.8B
Interest Expense	0K	0K	0K	0K	0K	0K	0K	0K
Other Income	7B	12B	-3514000K	0	0	0	0	0
Total Other Income	7B	12B	-3514000K	5B	5B	5B	5B	5B
Pretax Income (EBT)	48.1B	90.7B	71.3B	75.0B	66.7B	72.3B	78.3B	84.9B
Income Tax Expense	8B	15B	11B	15.7B	14.0B	15.2B	16.4B	17.8B
Tax Rate	NaN	NaN	NaN	21.00%	21.00%	21.00%	21.00%	21.00%
Net Income	40.3B	76.0B	60.0B	59.2B	52.7B	57.1B	61.9B	67.1B
Operating Income (EBIT)	41.2B	78.7B	74.8B	69.8B	61.6B	67.1B	73.2B	79.8B
Depreciation & Amortization (D&A)	12.9B	11.6B	15.3B	15.2B	16.6B	18.1B	19.7B	21.5B
% of Sales	7.07%	4.48%	5.40%	4.94%	4.94%	4.94%	4.94%	4.94%
EBITDA	54.1B	90.3B	90.1B	85.1B	78.2B	85.3B	92.9B	101.3B
Diluted EPS	2.98	5.61	4.09	4.04	3.59	3.89	4.22	4.57
Diluted EPS Growth		88.49%	-27.10%	-1.26%	-10.98%	8.31%	8.36%	8.41%

Discounted Cash Flow Analysis	2023	2024	2025	2026	2027	Normalized
EBITDA	85.1B	78.2B	85.3B	92.9B	101.3B	101.3B
Less: D&A	-15244834.4K	-16616869.5K	-18112387.8K	-19742502.7K	-21519327.9K	-43731916.2K
EBIT	69.8B	61.6B	67.1B	73.2B	79.8B	57.6B
Less: Taxes	-14665893.1K	-12936999.2K	-14101329.1K	-15370448.8K	-16753789.1K	-12089145.6K
NOPAT	55.2B	48.7B	53.0B	57.8B	63.0B	45.5B
Plus: D&A	15.2B	16.6B	18.1B	19.7B	21.5B	43.7B
Less: CapEx	-30980791.9K	-33769063.2K	-36808278.9K	-40121024.0K	-43731916.2K	-43731916.2K
Less: (Increase) / Decrease in NWC	3.6B	824.6M	2.1B	2.3B	2.5B	
Unlevered Free Cash Flow	43.0B	32.3B	36.5B	39.8B	43.3B	45.5B
Discount Period	0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor	0.949	0.854	0.769	0.692	0.623	0.623
PV of Unlevered Free Cash Flow	40.8B	27.6B	28.1B	27.5B	27.0B	

Fiscal Year	2023	2023	2023	2024	2024	2024	2024	2025
Fiscal Period	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	73.4B	74.3B	75.2B	76.1B	77.0B	77.9B	78.8B	79.6B
Revenue Growth	5.32%	7.52%	-1.14%	9.01%	4.87%	4.81%	4.76%	4.70%
Cost of Goods Sold (COGs)	33.3B	33.9B	34.6B	35.2B	35.9B	36.6B	37.3B	37.9B
% of Sales	45.33%	45.65%	45.98%	46.31%	46.64%	46.97%	47.30%	47.63%
Gross Profit	40.1B	40.4B	40.6B	40.8B	41.1B	41.3B	41.5B	41.7B
% of Sales	54.67%	54.35%	54.02%	53.69%	53.36%	53.03%	52.70%	52.37%
Operating Expenses (SG&A)	-23294.8M	-24116.9M	-24939.1M	-25761.2M	-26583.4M	-27405.5M	-28227.7M	-29049.8M
% of Sales	-31.74%	-32.47%	-33.17%	-33.86%	-34.54%	-35.20%	-35.84%	-36.47%
Operating Income (EBIT)	16.8B	16.3B	15.7B	15.1B	14.5B	13.9B	13.3B	12.7B
Interest Expense	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K
Other Income	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K
Total Other Income	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K	-391000.0K
Pretax Income (EBT)	16.4B	15.9B	15.3B	14.7B	14.1B	13.5B	12.9B	12.3B
Income Tax Expense	3.5B	3.3B	3.2B	3.1B	3.0B	2.8B	2.7B	2.6B
Tax Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
Net Income	13.0B	12.5B	12.1B	11.6B	11.1B	10.7B	10.2B	9.7B
Operating Income (EBIT)	16.8B	16.3B	15.7B	15.1B	14.5B	13.9B	13.3B	12.7B
Depreciation & Amortization (D&A)	3.6B	3.7B	3.7B	3.7B	3.8B	3.8B	3.9B	3.9B
% of Sales	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%
EBITDA	20.4B	19.9B	19.4B	18.8B	18.3B	17.7B	17.2B	16.6B
Diluted EPS	1.02	0.99	0.96	0.93	0.89	0.86	0.83	0.79
EPS Growth	-15.71%	-6.89%	1.46%	-21.06%	-12.23%	-12.91%	-13.66%	-14.47%

