

# ModernGraham Valuation

Company Name:

Alphabet Inc Class C

Company Ticker GOOG

Date of Analysis

1/12/2019



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$737,370,483,663	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.14	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	125.75%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	37.35	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.67	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.14	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.04	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$28.31
MG Growth Estimate	8.64%
<b>MG Value</b>	<b>\$729.60</b>
MG Value based on 3% Growth	\$410.45
MG Value based on 0% Growth	\$240.61
Market Implied Growth Rate	14.42%

### MG Opinion

Current Price	\$1,057.19
% of Intrinsic Value	144.90%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

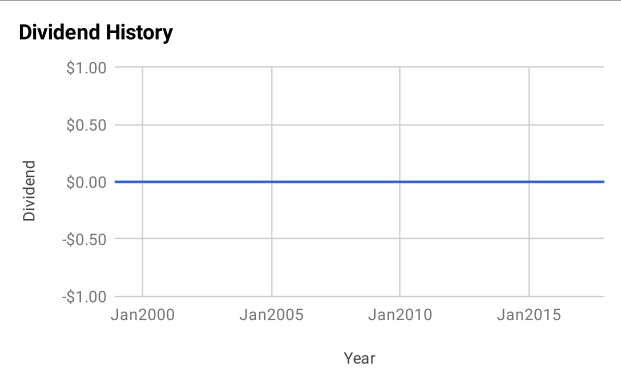
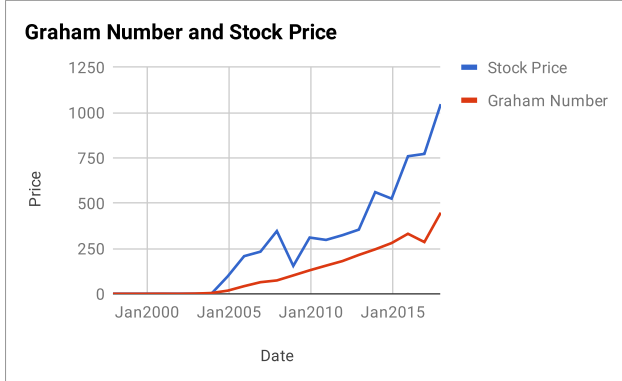
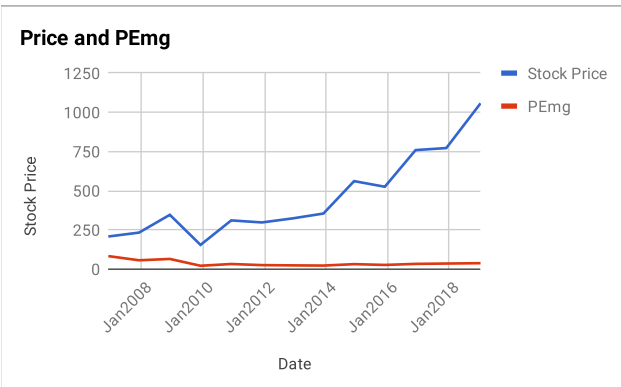
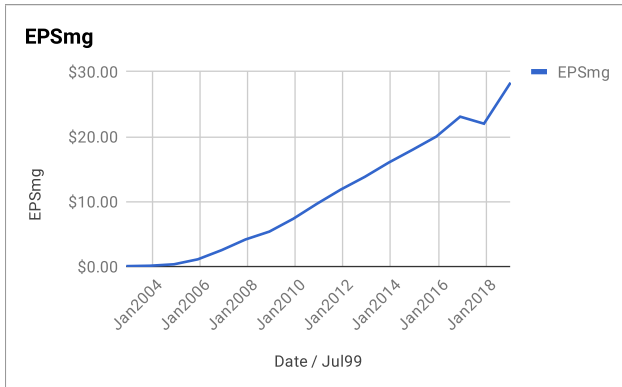
Net Current Asset Value (NCAV)	\$103.90
Graham Number	\$447.56
PEmg	37.35
Current Ratio	4.14
PB Ratio	4.67
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$40.56	Next Fiscal Year Estimate	\$28.31
Dec2017	\$18.00	Dec2017	\$21.99
Dec2016	\$27.85	Dec2016	\$23.07
Dec2015	\$22.84	Dec2015	\$20.00
Dec2014	\$20.57	Dec2014	\$17.96
Dec2013	\$18.79	Dec2013	\$15.99
Dec2012	\$16.16	Dec2012	\$13.80
Dec2011	\$14.89	Dec2011	\$11.85
Dec2010	\$13.17	Dec2010	\$9.66
Dec2009	\$10.22	Dec2009	\$7.34
Dec2008	\$6.66	Dec2008	\$5.37
Dec2007	\$6.65	Dec2007	\$4.16
Dec2006	\$4.98	Dec2006	\$2.52
Dec2005	\$2.51	Dec2005	\$1.10
Dec2004	\$0.73	Dec2004	\$0.33
Dec2003	\$0.21	Dec2003	\$0.11
Dec2002	\$0.21	Dec2002	\$0.05
Dec2001	\$0.02	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	-\$0.11	Total Current Assets	\$129,702,000,000
Dec1999	\$0.00	Total Current Liabilities	\$31,301,000,000
Dec1998	\$0.00	Long-Term Debt	\$3,948,000,000
		Total Assets	\$221,538,000,000
		Intangible Assets	\$20,343,000,000
		Total Liabilities	\$51,698,000,000
		Shares Outstanding (Diluted Average)	750,744,000





**Disclaimer:**

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

**Recommended Reading:**

- Other ModernGraham posts about the company**
- [Alphabet Inc. Valuation – October 2015 Update \\$GOOG \\$GOOGL](#)
  - [The Best Companies of the Software Industry – August 2015](#)
  - [The 16 Best Stocks For Value Investors This Week – 8/1/15](#)
  - [Google Inc. Analysis – July 2015 Update \\$GOOGL](#)
  - [Google Inc. Quarterly Stock Valuation – September 2014 \\$GOOGL](#)

- Other ModernGraham posts about related companies**
- [Shutterstock Inc Valuation – August 2018 \\$SSTK](#)
  - [Twitter Inc Valuation – June 2018 \\$TWTR](#)
  - [Salesforce.com Inc Valuation – June 2018 \\$CRM](#)
  - [eBay Inc Valuation – May 2018 \\$EBAY](#)
  - [Facebook Inc Valuation – March 2018 \\$FB](#)
  - [Salesforce.com Inc Valuation – April 2017 \\$CRM](#)
  - [Paypal Holdings Inc Valuation – Initial Coverage \\$PYPL](#)
  - [Netflix Inc Valuation – February 2017 \\$NFLX](#)
  - [Shutterstock Inc Valuation – Initial Coverage \\$SSTK](#)
  - [Synchronoss Technologies Inc Valuation – Initial Coverage \\$SNCR](#)