# ALPHABET INC. GOOGL (A)

| RECENT PRICE | P/E RATIO | P/FCF* RATIO | DIV. YLD (TTM) | BOOK VALUE |
|---|---|---|---|---|
| 313.00 | 28.9x | 51.7x | 0.27% | 34.35 |

NIANBAO QIYU

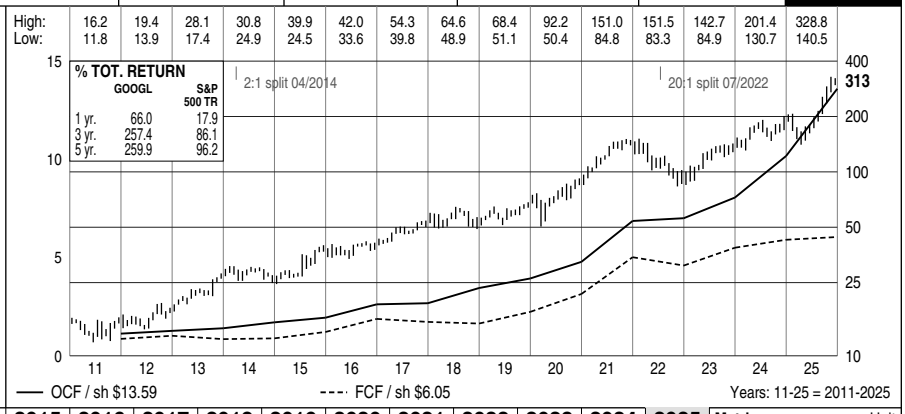
## HOW IT EARNS CASH | BUSINESS CHAIN

1 Search/Network: intent/inventory -> auctions; pay TAC.
2 YouTube: viewing -> ads/subscriptions; share proceeds.
3 Cloud/Workspace: usage + seats; load drives unit cost.
4 Ecosystem: subscriptions + Play fees + device sales.
5 Collections - operating cash costs/tax -> OCF; less gross cash PP&E -> reported FCF.

## BUSINESS MIX | FY25

| Revenue | $B | Mix | YoY | 3Y CAGR |
|---|---|---|---|---|
| Search & other | 224.5 | 55.7% | 13.4% | 11.4% |
| YouTube ads | 40.4 | 10.0% | 11.7% | 11.3% |
| Network | 29.8 | 7.4% | -1.9% | -3.1% |
| Subs/platforms/devices | 48.0 | 11.9% | 19.1% | 18.2% |
| Cloud | 58.7 | 14.6% | 35.8% | 30.7% |
| Other Bets | 1.5 | 0.4% | -6.7% | 12.9% |
| **Total (incl. FX)** | **402.8** | **100.0%** | **15.1%** | **12.5%** |

Watch: AI cash payback and segment cash conversion.




| VALUE CREATION | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Metric | Unit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **DEMAND & ENTRY** Android/Chrome provide entry. Search captures intent; YouTube attention; Cloud workloads. | 37.9 | 46.0 | 55.5 | 66.0 | 75.0 | 90.3 | 110.9 | 136.8 | 161.9 | 182.5 | 257.6 | 282.8 | 307.4 | 350.0 | 402.8 | Revenue | $B |
| | 29.3% | 21.5% | 20.6% | 18.9% | 13.6% | 20.4% | 22.8% | 23.4% | 18.3% | 12.8% | 41.2% | 9.8% | 8.7% | 13.9% | 15.1% | Rev. YoY | % |
| | 65.2% | 62.7% | 60.4% | 61.1% | 62.4% | 61.1% | 58.9% | 56.5% | 55.6% | 53.6% | 56.9% | 55.4% | 56.6% | 58.2% | 59.7% | Gross Margin | % |
| | 11.7 | 13.8 | 15.4 | 16.5 | 19.4 | 23.7 | 26.2 | 27.5 | 34.2 | 41.2 | 78.7 | 74.8 | 84.3 | 112.4 | 129.0 | Op. Income | $B |
| | 31.0% | 30.0% | 27.7% | 25.0% | 25.8% | 26.3% | 23.6% | 20.1% | 21.1% | 22.6% | 30.6% | 26.5% | 27.4% | 32.1% | 32.0% | Op. Margin | % |
| ↓ **PARALLEL REVENUE** | 9.7 | 10.6 | 12.7 | 14.1 | 16.3 | 19.5 | 12.7 | 30.7 | 34.3 | 40.3 | 76.0 | 60.0 | 73.8 | 100.1 | 132.2 | Net Income | $B |
| **SEARCH & OTHER** Auctions: clicks +6%; price/click +7%. | 25.7% | 23.1% | 22.9% | 21.4% | 21.8% | 21.6% | 11.4% | 22.5% | 21.2% | 22.1% | 29.5% | 21.2% | 24.0% | 28.6% | 32.8% | Net Margin | % |
| | 14.6 | 16.6 | 18.7 | 23.0 | 26.6 | 36.0 | 37.1 | 48.0 | 54.5 | 65.1 | 91.7 | 91.5 | 101.7 | 125.3 | 164.7 | OCF | $B |
| **YOUTUBE** Ads + subscriptions; ad sales +11.7%. | 38.4% | 36.1% | 33.6% | 34.9% | 35.4% | 39.9% | 33.5% | 35.1% | 33.7% | 35.7% | 35.6% | 32.3% | 33.1% | 35.8% | 40.9% | OCF Margin | % |
| | 1.50x | 1.57x | 1.47x | 1.63x | 1.63x | 1.85x | 2.93x | 1.56x | 1.59x | 1.62x | 1.21x | 1.53x | 1.38x | 1.25x | 1.25x | OCF / Net Inc. | x |
| **PAID ECOSYSTEM** Subscriptions, fees, devices; sales +19.1%. | 3.4 | 3.3 | 7.4 | 11.0 | 10.0 | 10.2 | 13.2 | 25.1 | 23.5 | 22.3 | 24.6 | 31.5 | 32.3 | 52.5 | 91.4 | Capex | $B |
| | 23.6% | 19.7% | 39.4% | 47.8% | 37.4% | 28.3% | 35.5% | 52.4% | 43.2% | 34.2% | 26.9% | 34.4% | 31.7% | 41.9% | 55.5% | Capex / OCF | % |
| **CLOUD** Usage + contracts; sales +35.8%. | 11.1 | 13.3 | 11.3 | 12.0 | 16.6 | 25.8 | 23.9 | 22.8 | 31.0 | 42.8 | 67.0 | 60.0 | 69.5 | 72.8 | 73.3 | FCF | $B |
| | 29.4% | 29.0% | 20.4% | 18.2% | 22.2% | 28.6% | 21.6% | 16.7% | 19.1% | 23.5% | 26.0% | 21.2% | 22.6% | 20.8% | 18.2% | FCF Margin | % |
| | 1.90 | 10.57 | 1.45 | 4.89 | 0.24 | 0.99 | 0.29 | 1.49 | 2.52 | 0.74 | 2.62 | 6.97 | 0.50 | 2.93 | 1.59 | Acq. + Intangibles | $B |
| ↓ **SHARING & CASH CONVERSION** | 13.0% | 63.6% | 7.8% | 21.2% | 0.9% | 2.7% | 0.8% | 3.1% | 4.6% | 1.1% | 2.9% | 7.6% | 0.5% | 2.3% | 1.0% | Acq.+Intang. / OCF | % |
| | 2.0 | 2.7 | 3.3 | 4.3 | 5.3 | 6.9 | 7.9 | 10.0 | 11.7 | 13.4 | 15.7 | 19.5 | 22.1 | 22.8 | 27.1 | SBC Expense | $B |
| Sharing, cash costs, tax and timing shape OCF. | 13.6% | 16.2% | 17.9% | 18.6% | 19.8% | 19.1% | 21.3% | 20.8% | 21.5% | 20.6% | 17.1% | 21.3% | 21.7% | 18.2% | 16.5% | SBC / OCF | % |
| | -- | -- | -- | -- | 1.8 | 3.7 | 4.8 | 9.1 | 18.4 | 31.1 | 50.3 | 59.3 | 61.5 | 62.2 | 45.7 | Repurchases | $B |
| Ads TAC / ad revenue: 20.3% | -- | -- | -- | -- | 6.7% | 10.2% | 13.1% | 18.9% | 33.7% | 47.8% | 54.9% | 64.8% | 60.4% | 49.7% | 27.8% | Repurchases / OCF | % |
| Group OCF margin: 40.9% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 7.36 | 10.05 | Dividends | $B |
| ↓ **REINVESTMENT & FCF** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 5.9% | 6.1% | Dividends / OCF | % |
| R&D is in OCF; cash PP&E reduces FCF. | 57.2% | 47.3% | 41.5% | 33.5% | 33.3% | 35.1% | 21.9% | 38.2% | 37.5% | 37.2% | 58.8% | 44.9% | 42.6% | 43.8% | 37.0% | ROIC | % |
| | 18.7% | 16.4% | 16.1% | 14.8% | 14.6% | 15.0% | 8.7% | 18.6% | 18.1% | 19.0% | 32.1% | 23.6% | 27.4% | 33.3% | 36.1% | ROE | % |
| Group cash PP&E / OCF: 55.5% | 14.9% | 12.8% | 12.6% | 11.9% | 11.8% | 12.4% | 6.9% | 14.3% | 13.5% | 13.5% | 22.4% | 16.6% | 19.2% | 23.5% | 25.3% | ROA | % |
| | 13.00 | 13.20 | 13.43 | 13.60 | 13.75 | 13.83 | 13.90 | 13.91 | 13.77 | 13.50 | 13.24 | 12.85 | 12.46 | 12.21 | 12.09 | Shares Out. | B sh |
| FCF growth: 0.7% | 2.94 | 3.52 | 4.17 | 4.88 | 5.48 | 6.56 | 8.00 | 9.84 | 11.68 | 13.41 | 19.29 | 21.65 | 24.34 | 28.41 | 33.25 | Revenue / Sh. | $/sh |
| Group PP&E is not all AI. | 0.74 | 0.80 | 0.94 | 1.03 | 1.14 | 1.39 | 0.90 | 2.19 | 2.46 | 2.93 | 5.61 | 4.56 | 5.80 | 8.05 | 10.82 | Diluted EPS | $/sh |
| **RETURN CONDITION** | 1.13 | 1.27 | 1.40 | 1.70 | 1.94 | 2.62 | 2.68 | 3.45 | 3.94 | 4.78 | 6.86 | 7.00 | 8.06 | 10.17 | 13.59 | OCF / Sh. | $/sh |
| Cash funds compute. Lower unit costs and better products must lift use, sales and incremental cash enough to justify investment. Group cash growth does not prove AI payback. | 0.27 | 0.25 | 0.55 | 0.81 | 0.73 | 0.74 | 0.95 | 1.81 | 1.70 | 1.64 | 1.85 | 2.41 | 2.55 | 4.26 | 7.55 | Capex / Sh. | $/sh |
| | 0.86 | 1.02 | 0.85 | 0.89 | 1.21 | 1.88 | 1.73 | 1.64 | 2.24 | 3.15 | 5.02 | 4.59 | 5.50 | 5.91 | 6.05 | FCF / Sh. | $/sh |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.60 | 0.83 | Dividend / Sh. | $/sh |
| | 19.0x | 20.0x | 23.3x | 27.4x | 26.9x | 27.2x | 51.8x | 25.5x | 24.0x | 25.0x | 21.9x | 24.9x | 20.3x | 20.2x | 19.4x | Avg. P/E | x |
| | 5.3% | 5.8% | 3.0% | 3.4% | 3.1% | 4.8% | 3.3% | 3.2% | 3.4% | 3.7% | 3.5% | 5.3% | 4.0% | 3.2% | 1.9% | FCF Yield | % |
| | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0.3% | 0.3% | Dividend Yield | % |

## CORE KPI TRACKER | FY21-25

| Metric | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|
| Clicks YoY | +23% | +10% | +7% | +5% | **+6%** |
| CPC YoY | +15% | -1% | +1% | +7% | **+7%** |
| Ads TAC rate | 21.8% | 21.8% | 21.4% | 20.7% | **20.3%** |
| Cloud margin | -11.9% | -7.3% | 5.2% | 14.1% | **23.7%** |
| Backlog YoY* | -- | 26.1% | 15.2% | 25.8% | **160.5%** |
| PP&E / OCF | 26.9% | 34.4% | 31.7% | 41.9% | **55.5%** |

## ANNUAL GROWTH | CAGR

| | 1Y | 3Y | 5Y | 10Y | 15Y |
|---|---|---|---|---|---|
| Revenue | 15.1% | 12.5% | 17.2% | 18.3% | 19.1% |
| OCF | 31.5% | 21.6% | 20.4% | 20.0% | 19.7% |
| FCF | 0.7% | 6.9% | 11.3% | 16.0% | 16.9% |
| Net income | 32.0% | 30.1% | 26.8% | 23.2% | 20.1% |
| EPS diluted | 34.4% | 33.4% | 29.9% | 25.2% | 20.5% |
| FCF / share | 2.4% | 9.6% | 14.0% | 17.4% | 17.3% |
| Div. / share | 38.3% | -- | -- | -- | -- |

## LIQUIDITY & CAPITAL | FY2025

| | |
|---|---|
| Est. market cap | $3.788T |
| Shares out. (A+B+C) | 12.088B |
| Cash + securities | $126.8B |
| Notes, carrying value | $48.5B |
| 2026 notes principal | $2.0B |
| Capex / OCF FY24 | 41.9% |

**CAPITAL RETURNS:** FY11-FY25 OCF of $915.1B, less cash PP&E of $361.8B, yielded **$553.3B of FCF.** Buybacks: **$347.9B (62.9% of FCF);** dividends: **$17.4B (3.1%).** Combined payouts: **66.0%.** The $188.0B balance is before acquisitions, investments, debt repayments and equity-award cash settlements; it is not cash retained.

**NET SHARES:** All classes, split-adjusted: 12.852B at FY10-end to 12.088B at FY25-end, **down 5.9%.** FY25: 240M retired less 117M issued = **123M fewer shares (1.0%).** Cumulative FCF covered payouts. FY25 net debt proceeds were $32.1B; allocation to buybacks is not established.

**Cash grows; reinvestment takes the gain.** OCF rose $39.4B; cash PP&E rose $38.9B. FCF grew 0.7%: almost all added cash was reinvested, without proving AI returns.

**Search is the central engine.** Its 55.7% sales share makes advertiser value decisive. Lower total TAC reflects the Network mix shift, not better Search terms. Watch distribution costs and monetization.

**Cloud profit is one test.** Sales grew 35.8%; margin reached 23.7%. AI R&D sits at group level; Cloud profit alone cannot prove returns after capacity investment. Require cash evidence, not backlog alone.

**Demand must become collectible cash.** Backlog is $242.8B, mainly Cloud; just over half is expected as revenue within 24 months. Delivery and usage govern timing; commitments are not cash or capital returns.

**Judge the benefit per share.** FCF/share grew 2.4% versus 0.7% total. Issuance offsets buybacks; stock awards remain an ownership cost excluded from reported FCF.

**The price needs a cash case.** Frozen $313 implies 51.7x FCF and a 1.93% yield. Future cash must justify the price. Weaker Search monetization or Cloud growth without cash conversion undermines the case. Fair value remains open.

KPI: Search clicks/CPC and backlog YoY; TAC/Cloud/PP&E: annual rates.
Growth: 1Y YoY; 3/5/10/15Y CAGR. Total includes FX hedge adjustment.
--: zero or no comparable figure shown. FY21 backlog comparison not established.
FCF = operating cash flow - cash purchases of PP&E; SBC not deducted.
Flows/sh: basic WA economic shares; EPS: company diluted; BV: FY-end.
Chart: adjusted USD monthly ranges; TR reinvests dividends. QA market.
Archived FY25 record; historical source review and ROE definition open.

| | |
|---|---|
| Financial Strength | -- |
| Stock Price Stability | -- |
| Price Growth Persistence | -- |
| Cash Generation Stability | -- |

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