

GOOG

Alphabet inc.

1/4/2026

Market Cap - \$3.81T

Price - \$315.52

Everyone knows who Google is, they are an info tech giant and part of the Mag 7. They are most well known for the google search engine, youtube, and all google products, one of which I am using to write this short paper. In the AI race which we are always hearing about, how do you know who will win and who will lose? The longer this race has gone on, the more people are realizing that to be profitable, you need information, a resource that Google has oogles of. Even just based on their regular products, they are a highly profitable company with strong margins in comparison to most tech peers (this money comes mostly from advertising). This along with other such metrics show strong financial positions and profitability for the future. Even though they are being traded at a premium right now, they are still positioned and should be expected to grow even further as the AI industry becomes more and more prevalent in the modern world. Google is expected to grow even further due to a myriad of factors, but the three main ones that I would like to point out are their TPU's, their vast access to information and data, and their well established position in the industry.

Their TPU's (Tensor Processing Units) are unique to Google as they are specifically made for the express purpose of accelerating large-scale machine learning. These are highly optimized devices which like how GPU's are made for gaming, TPU's are made for AI. Even though they still do need to buy GPUs and CPUs from companies like NVDA and AMD, they are able to keep costs low, keep some control over their AI infrastructure, and ensure a lower overall long term dependence on other firms.

AI is trained on data, something that companies like openAI and microsoft do not have access to in the same way that Google does. Data is important for AI as it is used to train the model to recognize patterns, make predictions, and perform tasks like doing a 10th graders homework. Google is the largest search engine in the world and with that, has been given all information into who is searching what, when, and why. All of the data they have collected and are still collecting has allowed Google to train a better, cleaner, and more unbiased AI than firms like OpenAI and Microsoft who do not have access to the same levels as Google.

Google has a ton of money. As one of the MAG 7, in 2025 of the 7 them and NVDA were the only 2 to outperform the market, and GOOG was THE top performer, outperforming NVDA by a large margin. Google has managed to separate itself in the AI race as they have data, infrastructure, and most importantly, revenue. Companies like OpenAI who have massive valuations, are simply not profitable yet and it is yet to be seen if and when they will become such. Unlike other companies, Google has actual profits and revenue sources which it can use to fund its AI run while others like OpenAI have to rely on VC firms and strategic partnerships.

<https://www.thestreet.com/investing/stocks/forget-the-magnificent-7-its-now-the-magnificent-2>

This article says something interesting about how GOOG and NVDA were the only 2 of the MAG 7 to outperform the market in 2025. More and more, people are realizing that firms need profit to justify lofty prices.

Total Valuation

Alphabet Class C has a market cap or net worth of \$3.80T. The enterprise value is \$2.91T.

Market Cap	\$3.80T
Enterprise Value	\$2.91T

Financial Efficiency

Alphabet Class C's return on equity (ROE) is 0.31 and return on invested capital (ROIC) is 25.51%.

Return on Equity (ROE)	0.31
Return on Assets (ROA)	0.22
Return on Invested Capital (ROIC)	25.51%
Return on Capital Employed (ROCE)	0.31
Revenue Per Employee	1.88M
Profits Per Employee	539.08K
Employee Count	185,719
Asset Turnover	0.78
Inventory Turnover	0.00

Share Statistics

Alphabet Class C has 5,407,000,000 shares outstanding. The number of shares has decreased by -2.65% in one year.

Shares Outstanding	5,407,000,000
Owned by Insiders	6.84%
Owned by Institutions	13.52%

Valuation Ratios

The current PE Ratio of Alphabet Class C is 31.1. Alphabet Class C's PEG ratio is 0.59.

PE Ratio	31.1
PS Ratio	6.66
PB Ratio	7.17
Price to Fair Value	7.17
Price to FCF	32.05
Price to Operating Cash Flow	22.44
PEG Ratio	0.59

www.tipranks.com/stocks/goog/statistics

Any other information you might need or want