

## Alphabet Inc. (GOOGL)

**\$302.46** (Stock Price as of 12/18/2025)

Price Target (6-12 Months): **\$322.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 06/24/24)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: B

Value: D

Growth: B

Momentum: A

### Summary

Alphabet shares have outperformed the industry in a year. GOOGL is benefiting from accelerated growth across AI infrastructure, Google Cloud, and Search. Google Cloud ended the third quarter of 2025 with \$155 billion in backlog, up 46% sequentially. The number of new Google Cloud Platform customers increased by roughly 34% year over year, and 70% of Google Cloud customers now use Alphabet's AI products. In third-quarter 2025, revenues from products built on Alphabet's generative AI models (Gemini, Imagen, Veo, Chirp and Lyria) grew more than 200% year-over-year, reflecting accelerating adoption. Search is benefiting from AI Overviews and AI Mode that has driven growth in overall queries. YouTube is benefiting from the growing demand for shorts. However, stiff competition in cloud computing has been concerning.

### Data Overview

52 Week High-Low	\$328.83 - \$140.53
20 Day Average Volume (sh)	42,290,712
Market Cap	\$3,580.5 B
YTD Price Change	56.8%
Beta	1.07
Dividend / Div Yld	\$0.84 / 0.3%
Industry	<a href="#">Internet - Services</a>
Zacks Industry Rank	Top 37% (89 out of 243)

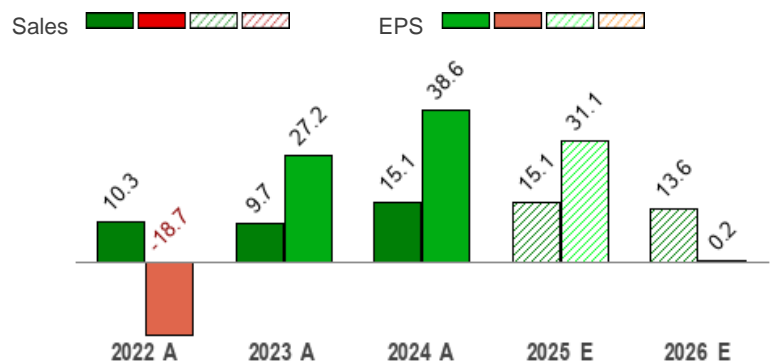
Last EPS Surprise	27.0%
Last Sales Surprise	3.0%
EPS F1 Est- 4 week change	0.4%
Expected Report Date	02/03/2026
Earnings ESP	0.4%

P/E TTM	29.3
P/E F1	28.7
PEG F1	2.0
P/S TTM	9.3

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	87,631 E	93,497 E	98,760 E	105,863 E	385,751 E
2025	76,486 A	81,723 A	87,470 A	94,023 E	339,702 E
2024	67,593 A	71,355 A	74,549 A	81,621 A	295,118 A

### EPS Estimates<sup>(2)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.40 E	2.63 E	2.61 E	2.92 E	10.56 E
2025	2.81 A	2.31 A	2.87 A	2.55 E	10.54 E
2024	1.89 A	1.89 A	2.12 A	2.15 A	8.04 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/18/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/17/2025.



## Overview

Alphabet is one of the most innovative companies in the modern technological age. Over the last few years, the company has evolved from primarily a search-engine provider to cloud computing, ad-based video and music streaming, autonomous vehicles, healthcare and others. In the online search arena, Google has a monopoly with roughly 90% of the online search volume and market. Over the years, the company has witnessed increase in search queries, resulting from ongoing growth in user adoption and usage, primarily on mobile devices, continued growth in advertiser activity, and improvements in ad formats.

The company is gaining market share in cloud-computing, driven by continued strength in the Google Cloud Platform and Google Workspace.

Alphabet also enjoys a dominant position in the autonomous vehicles market, thanks to Waymo's relentless efforts. In addition, it has bolstered its footprint in the healthcare industry with its life science division, Verily. The company has also become a renowned name in the world of entertainment on the back of YouTube.

Alphabet is also known as the maker of smartwatches (Pixel Watch), laptops and tablets (Chromebooks), and smart home products (Google Nest).

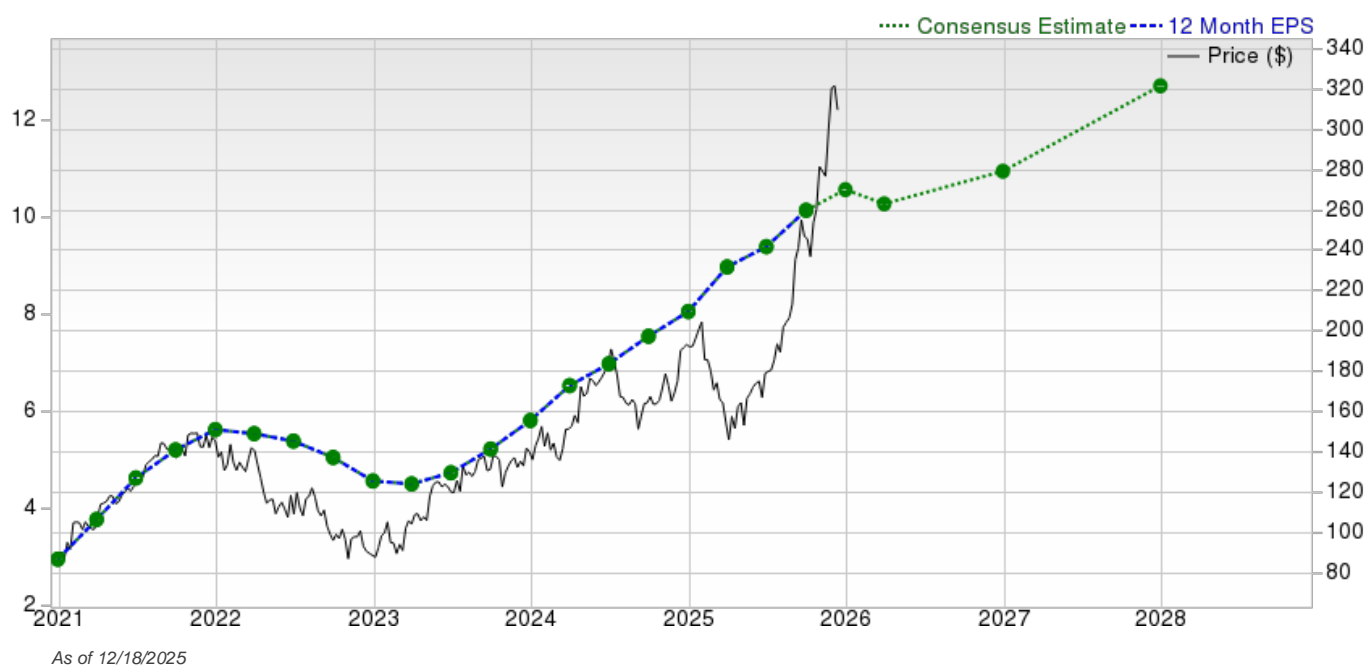
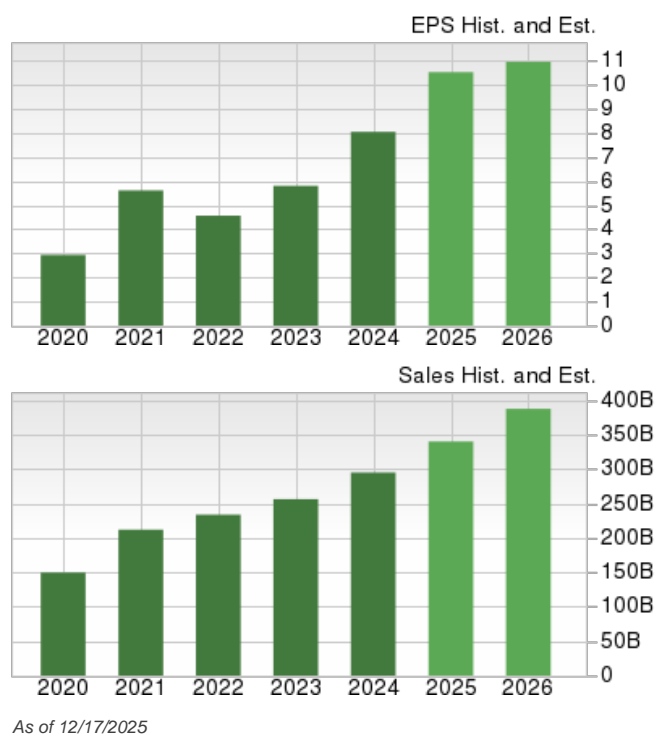
Alphabet, headquartered in Mountain View, CA, runs several businesses, most of which come under Google, which includes under two reportable segments — Google Services and Google Cloud. The non-Google businesses fall under the Other Bets segment.

Total revenues were \$350 billion in 2024, up 14% from 2023. Google Services, Google Cloud and Other Bets generated 87.1%, 12.4% and 0.5% of total revenues, respectively.

The Google Services segment includes products and services such as ads, Android, Chrome, devices, Gmail, Google Drive, Google Maps, Google Photos, Google Play, Search, and YouTube. The segment generates revenues primarily from performance and brand advertising, which remains crucial for the overall business. Ad revenues accounted for 75.6% of the total revenues in 2024.

Google Cloud is comprised of Google Cloud Platform and Google Workspace. Its key capabilities include AI infrastructure, database and analytics, collaboration tools, cybersecurity and generative AI.

Other Bets is a combination of multiple businesses, generating revenues primarily from the sale of healthcare-related and internet





---

## Reasons To Buy:

- ▲ The Google search engine is advanced, simple and adaptable, all at once. Alphabet's initiatives to deploy AI and infuse AI in Search is driving segment growth. Alphabet's initiatives like Mobile Friendly algorithm change, product listings, flight search, Google Now and the AI infusion is expected to help drive Alphabet's advertising revenues. In 2024, Google advertising revenues increased 11.2% over 2023 to \$264.59 billion driven by 13.2% increase in Google Search & other revenues and 14.7% increase in YouTube ads.
- ▲ Alphabet is leveraging AI to boost search dominance with the launch of Gemini 2.5. Search revenues are driven by improving engagement with features like AI Overview. Circle to Search is driving additional Search and is gaining popularity among younger users. At the end of the second quarter of 2025, Circle to Search was available on more than 300 million devices. Powered by Gemini 2.5, AI Overviews currently delivers the fastest AI responses in the industry. The combination of lens or Circle to Search, together with AI Overviews, is driving multimodal search usage. The addition of AI mode expands AI Overview's advanced reasoning, thinking and multimodal capabilities. AI Mode is now available in 40 languages and is currently used by more than 75 million daily active users.
- ▲ Alphabet has been growing rapidly in the booming cloud-computing market. In third-quarter 2025, Google Cloud revenues increased 33.5% year over year to \$15.16 billion. Google's growing investments in infrastructure, security, data management, analytics and AI are positive. Its strategic partnerships and acquisitions, and growing number of data centers are helping Google to expand its cloud footprint worldwide. Alphabet is benefiting from its partnership with NVIDIA in cloud. Google Cloud was the first cloud provider to offer NVIDIA's B200 and GB200 Blackwell GPUs and will be offering its next-generation Vera Rubin GPUs. Introduction of 2.5 flash, Imagen 3 and Veo 2 are noteworthy developments. Google Cloud is becoming a preferred choice for enterprises planning to deploy AI agents thanks to the Agent Development Kit and a low-code tool offering Agent Designer. The increasing number of cloud regions and availability zones globally remains a major positive. Google Cloud has 42 cloud regions, 127 zones, and 202 network edge locations across more than 200 countries. Google Cloud is considered the third-largest cloud player among numerous cloud providers worldwide.
- ▲ A deepening focus on Generative AI technology is a major positive for Alphabet. The company is cashing in on the increasing demand for Large Language Models with its most powerful AI model called Gemini. Vertex usage increased 20 times in 2024, with strong developer adoption of Gemini Flash, Gemini 2.0, Imagen 3 and Veo. GOOGL launched Gemma 3, a collection of lightweight, state-of-the-art open models that can run on a single GPU or Tensor Processing Unit (TPU). At its Cloud Next 2025 conference in Las Vegas, Alphabet unveiled Ironwood, its seventh-generation TPU, expected to be available later this year. Google Cloud unveiled its Cloud Wide Area Network (Cloud WAN), giving enterprises access to its private global fiber network. Alphabet also showcased Willow, its new quantum chip while on the AI model front, Alphabet launched Gemini 2.5, its most advanced reasoning model, alongside Gemini 2.5 Flash, a low-latency, cost-efficient version tailored for developers.
- ▲ Management execution has been good in recent times, which has helped Alphabet to build solid cash and short-term investment balance. As of Sept. 30, 2025, the company had a total cash, cash equivalents and marketable securities balance of \$98.5 billion, whereas its long-term debt was \$21.61 billion. The strong cash balance provides the flexibility required to pursue any growth strategy, whether through acquisitions or otherwise.

Alphabet's dominant search market share and expanding cloud footprint are key growth drivers.



---

## Reasons To Sell:

- ▼ Alphabet generates a significant portion of its revenues from advertising. In 2024, ad revenues accounted for 75.6% of the total revenues. However, the company always faces the risk of reduced spending by advertisers. It has already been suffering from a sluggish Network ad business for the past few quarters. In 2024, Network ad revenues declined 3% from 2023's level. Strict regulations tend to affect Google's ability to customize ads, which, in turn, might hurt its relationships with advertisers. This along with huge spending on AI-related initiatives is creating concern for investors. Year to date, Alphabet shares have underperformed the broader sector and industry.
- ▼ Alphabet faces several litigations globally. Regulatory scrutiny continues to worsen. Alphabet faces scrutiny about its practices across shopping, Android, AdSense for Search, advertising technology and Google Play. Regarding shopping, Alphabet's display and ranking of shopping search results and ads infringed European antitrust laws, and the company paid a \$3 billion fine in 2024. For Android, GOOGL is facing charges from the European Commission (EC) regarding its distribution practices. For search, Alphabet is fighting suits filed by the DOJ and a number of state Attorneys General. Alphabet is now required to share search data with rivals as per the latest ruling. Google's search distribution practices are also being investigated by the Australian Competition and Consumer Commission as well as the Japanese Fair-Trade Commission (JFTC). In April 2025, the JFTC issued a cease-and-desist order requiring Alphabet to make changes to its Android agreements to ensure consistency with Japanese antitrust law.
- ▼ Alphabet is facing stiff competition in various fields. In the cloud computing and generative AI space, it continues to face stiff competition from Amazon and Microsoft. Amazon has been dominating the cloud market on the back of AWS momentum, whereas Microsoft Azure is considered the second-largest cloud player. As far as generative AI is concerned, both Microsoft and Amazon are making concerted efforts to bring advancement into OpenAI's ChatGPT and Amazon Bedrock, respectively. Apart from these two peers, there are companies like Alibaba, IBM and Oracle, which are leaving no stone unturned to power their cloud offerings with generative AI. Given this competitive scenario, Alphabet at times has to adopt an aggressive pricing strategy to pick up market share.
- ▼ Alphabet is witnessing an escalation in costs which remains a concern for its margins. The company is targeting new technologies and markets, which generally require increased spending. Google has a deep focus on research and development (R&D) to achieve future growth and competitive edge. Its R&D expenses are rising steadily as Google continues to invest in the advancement of its products and services. In 2024, R&D expenses increased 14% from 2023. Per our model, R&D expenses are expected to see a CAGR of 15% between 2024 and 2027. For 2025, Alphabet now expects to spend \$85 billion on capital expenditures.

Growing competition and increasing litigation issues are headwinds. Mounting expenses remain concerns.



## Last Earnings Report

### Alphabet Q3 Earnings & Revenues Beat Estimates, Up Y/Y

Alphabet's third-quarter 2025 earnings of \$2.87 per share beat the Zacks Consensus Estimate by 26.99% and jumped 35.4% year over year.

Revenues of \$102.35 billion increased 16% year over year (15% at constant currency). Net revenues, excluding total traffic acquisition costs ("TAC") (the portion of revenues shared with Google's partners and the amount paid to distribution partners and others who direct traffic to Google's website), were \$87.47 billion, which surpassed the consensus mark by 3%. The figure rose 17.3% year over year. TAC of \$14.88 billion rose 8.4% year over year.

Google Services revenues increased 13.8% year over year to \$87.05 billion and accounted for 85.1% of total revenues. The figure beat the Zacks Consensus Estimate by 2.43%.

Google Cloud revenues surged 33.5% year over year to \$15.16 billion and accounted for 14.8% of the quarter's total revenues. The figure beat the Zacks Consensus Estimate by 3.25%.

### GOOGL's Services Ride on Search & YouTube

Search and other revenues increased 14.5% year over year to \$56.57 billion, surpassing the Zacks Consensus Estimate by 2.58%. Search and other revenues accounted for 55.3% of total revenues and 76.3% of Google Advertising revenues. Retail and financial services were the largest revenue contributors. Introduction of AI Overviews and AI Mode has driven growth in overall queries, including commercial queries and is creating opportunities for people to connect with businesses and shop on search. AI Max and Search are already used by hundreds of thousands of advertisers, making it the fastest-growing AI-powered search ads product.

YouTube's advertising revenues improved 15% year over year to \$10.26 billion, beating the consensus mark by 2.31%. Paid subscriptions led by Google One and YouTube Premium have surpassed 300 million. Shorts now earn more revenue per watch hour than traditional in-stream on YouTube. Alphabet has introduced a number of AI-powered features that are helping creators offer better content on their channels. AI is now automatically identifying products in creators' videos that are more shopper-friendly.

Google advertising revenues increased 12.6% year over year to \$74.18 billion and accounted for 85.2% of total revenues. The figure beat the consensus mark by 2.3%.

However, Google Network revenues decreased 2.6% year over year to \$7.35 billion but beat the consensus mark by 0.03%.

Google subscriptions, platforms and devices revenues, formerly known as Google Other revenues, were \$12.87 billion in the third quarter, up 20.8% year over year. The figure beat the consensus mark by 3.23%. Other Bets' revenues were \$344 million, down 11.3% year over year, and accounted for 0.3% of the third-quarter revenues. The figure missed the consensus mark by 19.98%.

### Google Cloud Benefits From Enterprise Adoption

Google Cloud ended the reported quarter with \$155 billion in backlog, up 46% sequentially. The number of new Google Cloud Platform customers increased by roughly 34% year over year, and 70% of Google Cloud customers now use Alphabet's AI products. The company has signed more deals worth more than \$1 billion through the third quarter of 2025 than GOOGL did in the previous two years combined. Currently, nine of the top 10 AI labs are using Google Cloud.

In third-quarter 2025, revenues from products built on Alphabet's generative AI models (Gemini, Imagen, Veo, Chirp and Lyria) grew more than 200% year-over-year, reflecting accelerating adoption. Over the past 12 months, each of roughly 150 Google Cloud customers has processed approximately 1 trillion tokens with Alphabet's models for a wide range of applications.

Alphabet saw double-digit growth in Workspace, driven by an increase in average revenues per seat and the number of seats in the reported quarter.

### GOOGL's Operating Details

Third-quarter 2025 costs and operating expenses were \$71.12 billion, up 19% year over year. As a percentage of revenues, the figure increased 180 basis points (bps) on a year-over-year basis to 69.5%.

The operating margin was 30.5%, which contracted 180 bps year over year. Excluding the European Commission fine of \$3.46 billion, non-GAAP operating margin expanded 160 bps year over year.

Segment-wise, Google Services' operating margin of 38.5% contracted 180 bps year over year. Google Cloud's operating income was \$3.59 billion compared with \$1.95 billion reported in the year-ago quarter.

Other Bets reported a loss of \$1.43 billion compared with a loss of \$1.12 billion in the year-ago quarter.

### Alphabet's Balance Sheet Remains Strong

As of Sept. 30, 2025, cash, cash equivalents, and marketable securities were \$98.5 billion, up from \$95.15 billion as of June 30, 2025.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Oct 29, 2025
Sales Surprise	2.95%
EPS Surprise	26.99%
Quarterly EPS	2.87
Annual EPS (TTM)	10.14



---

Long-term debt was \$21.61 billion as of Sept. 30, 2025, compared with \$23.61 billion as of June 30, 2025.

Alphabet generated \$48.41 billion of cash from operations in the third quarter of 2025 compared with \$27.75 billion in the second quarter of 2025. GOOGL spent \$23.95 billion on capital expenditure, generating a free cash flow of \$24.46 billion in the reported quarter.

### **Alphabet Raises Capital Expenditure Guidance**

For 2025, Alphabet now expects to spend capital expenditures between \$91 billion and \$93 billion, up from the previous estimate of \$85 billion. The company expects capital expenditure to increase significantly in 2026.

---



## Recent News

On Dec. 10, Alphabet announced the launch of YouTube TV Plans in early 2026, bringing more choice and flexibility to its subscribers with more than 10 genre-specific packages.

On Dec. 8, Alphabet's Google Cloud and NextEra Energy announced an expanded partnership to develop multiple, new gigawatt (GW)-scale data center campuses with accompanying generation and capacity.

On Dec. 4, Alphabet introduced Gemini 3 Deep Think mode to Google AI Ultra subscribers in the Gemini app. Replit and Google Cloud also expanded their partnership to bring vibe coding capabilities to enterprise developers and teams.

On Dec. 3, Alphabet announced the general availability of Google Workspace Studio — the place to design, manage, and share AI agents in Workspace. Moreover, Wing and Walmart launched ultra-fast drone delivery in Metro Atlanta.

On Dec.1, Alphabet announced that its most intelligent model, Gemini 3 is now available on AI Mode in Google Search in nearly 120 countries and territories in English.

On Nov. 20, Alphabet introduced Nano Banana Pro (Gemini 3 Pro Image), its new state-of-the art image generation and editing model. Built on Gemini 3 Pro, Nano Banana Pro uses Gemini's state-of-the-art reasoning and real-world knowledge to visualize information.

On Nov. 18, Alphabet introduced Gemini 3, its most intelligent model with state-of-the-art reasoning, deep multimodal understanding and powerful agentic capabilities. Gemini 3 is now available in Google Search, starting with AI Mode.

On Nov. 5, Alphabet launched an AI Mode button under the search bar at the time of opening a "New Tab" page in Chrome. The shortcut for AI Mode in Chrome will also soon be coming to 160 new countries and other languages, including Hindi, Indonesian, Japanese, Korean, Portuguese and more across all your devices, from desktop to mobile.

On Oct.17, Alphabet launches Grounding with Google Maps in Gemini API, enabling developers to build geospatial-aware AI apps using real-time Maps data.

On Oct.16, Salesforce and Google expand partnership, integrating Gemini models with Agentforce 360 and Workspace to deliver hybrid reasoning, automation, and intelligent AI-driven workflows across enterprise applications.

## Valuation

Alphabet shares are up 76.9% in the past six-month period and 62.7% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 71% while the Zacks Computer & Technology sector is up 22.1% in the past six-month period. Over the past year, the Zacks sub-industry and the sector are up 59.1% and 23.9%, respectively.

The S&P 500 index is up 16.5% in the past six-month period and 18.1% in the past year.

The stock is currently trading at 28.05X forward 12-month earnings, which compares to 28.35X for the Zacks sub-industry, 27.86X for the Zacks sector and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 32.58X and as low as 15.56X, with a 5-year median of 21.01X. Our Neutral recommendation indicates that Alphabet will perform in line with the market. Our \$322 price target reflects 29.45X forward 12-month earnings.

The table below shows summary valuation data for GOOGL

Valuation Multiples - GOOGL					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	28.05	28.35	27.86	23.3
	5-Year High	32.58	34.53	29.92	23.78
	5-Year Low	15.56	17.17	18.7	15.73
	5-Year Median	21.01	21.7	26.61	21.22
P/S F12M	Current	9.59	7.44	6.51	5.25
	5-Year High	10.19	7.78	7.39	5.5
	5-Year Low	4.3	3.69	4.24	3.83
	5-Year Median	6.36	5.12	6.29	5.05
EV/EBITDA TTM	Current	25.27	20.18	19.17	18.55
	5-Year High	26.69	22.8	23.68	22.41
	5-Year Low	10.44	8.58	12.03	13.88
	5-Year Median	17.36	14.23	18.35	17.97

As of 12/16/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 37% (89 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Amazon.com, Inc. (AMZN)	Outperform	2
Reddit Inc. (RDDT)	Outperform	1
Apple Inc. (AAPL)	Neutral	3
Baidu, Inc. (BIDU)	Neutral	3
DoorDash, Inc. (DASH)	Neutral	3
Microsoft Corporation.. (MSFT)	Neutral	3
Shopify Inc. (SHOP)	Neutral	3
Snap Inc. (SNAP)	Neutral	2

## Industry Comparison<sup>(1)</sup> Industry: Internet - Services

	GOOGL	X Industry	S&P 500	AAPL	AMZN	MSFT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Outperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	2	3
VGM Score	B	-	-	D	B	B
Market Cap	3,580.52 B	520.78 M	38.74 B	4,016.80 B	2,365.42 B	3,538.70 B
# of Analysts	17	2	22	11	15	16
Dividend Yield	0.28%	0.00%	1.42%	0.38%	0.00%	0.76%
Value Score	D	-	-	F	C	D
Cash/Price	0.03	0.22	0.04	0.01	0.04	0.03
EV/EBITDA	25.93	7.15	14.56	27.98	18.75	22.01
PEG Ratio	1.97	1.73	2.18	2.54	1.52	1.81
Price/Book (P/B)	9.26	2.29	3.30	54.48	6.40	9.75
Price/Cash Flow (P/CF)	31.33	13.48	15.17	32.47	20.93	26.03
P/E (F1)	28.82	19.47	19.74	33.47	30.85	30.55
Price/Sales (P/S)	9.29	1.50	3.08	9.65	3.42	12.04
Earnings Yield	3.55%	3.54%	5.04%	2.99%	3.24%	3.27%
Debt/Equity	0.06	0.00	0.57	1.06	0.14	0.10
Cash Flow (\$/share)	9.47	0.62	8.99	8.37	10.57	18.29
Growth Score	B	-	-	C	B	A
Hist. EPS Growth (3-5 yrs)	20.74%	7.06%	8.16%	10.10%	26.63%	14.94%
Proj. EPS Growth (F1/F0)	31.09%	20.60%	8.60%	8.85%	29.66%	14.30%
Curr. Cash Flow Growth	34.63%	-7.25%	6.75%	7.17%	42.81%	23.15%
Hist. Cash Flow Growth (3-5 yrs)	19.28%	11.85%	7.43%	12.56%	27.41%	18.96%
Current Ratio	1.75	1.73	1.18	0.89	1.01	1.40
Debt/Capital	5.29%	1.62%	38.01%	51.51%	12.07%	8.88%
Net Margin	32.23%	3.62%	12.78%	26.92%	11.06%	35.71%
Return on Equity	35.00%	4.67%	17.00%	164.05%	23.62%	32.45%
Sales/Assets	0.79	0.75	0.53	1.22	1.03	0.50
Proj. Sales Growth (F1/F0)	15.10%	0.00%	5.79%	8.30%	11.90%	15.40%
Momentum Score	A	-	-	C	B	B
Daily Price Chg	-3.21%	0.00%	-1.16%	-1.01%	-0.58%	-0.06%
1 Week Price Chg	-3.73%	0.00%	-2.40%	-0.18%	-1.46%	-0.96%
4 Week Price Chg	1.34%	0.00%	1.19%	1.22%	-0.64%	-2.26%
12 Week Price Chg	20.06%	-10.10%	1.26%	7.74%	0.48%	-6.67%
52 Week Price Chg	57.49%	1.55%	14.46%	9.59%	0.34%	8.85%
20 Day Average Volume	42,290,712	79,520	2,751,030	41,019,656	38,421,612	23,573,654
(F1) EPS Est 1 week change	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.37%	0.00%	0.00%	0.45%	0.39%	0.19%
(F1) EPS Est 12 week change	5.55%	4.87%	0.69%	3.76%	6.18%	2.88%
(Q1) EPS Est Mthly Chg	0.41%	0.00%	0.00%	0.91%	0.00%	0.36%



## Analyst Earnings Model<sup>(2)</sup>

### Alphabet Inc. (GOOGL)

In \$MM, except per share data

	2019A	2020A	2021A	2022A	2023A	2024A	2025E					2026E					2027E
	FY	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
<b>Income Statement</b>																	
Total Revenue	\$161,857.0	\$182,527.0	\$257,637.0	\$282,836.0	\$307,394.0	\$350,018.0	\$90,234.0	\$96,428.0	\$102,346.0	\$108,826.2	\$397,834.2	\$102,679.4	\$109,367.5	\$115,274.5	\$123,489.4	\$450,810.8	\$507,914.9
Traffic Acquisition Costs	\$30,089.0	\$32,778.0	\$45,566.0	\$48,955.0	\$50,886.0	\$54,900.0	\$13,748.0	\$14,705.0	\$14,876.0	\$14,803.7	\$58,132.7	\$15,048.6	\$15,870.2	\$16,514.5	\$17,626.9	\$65,060.2	\$73,070.4
Net Revenue (Ex-TAC)	\$131,768.0	\$149,749.0	\$212,071.0	\$233,881.0	\$256,508.0	\$295,118.0	\$76,486.0	\$81,723.0	\$87,470.0	\$94,022.5	\$339,701.5	\$87,630.8	\$93,497.3	\$98,760.0	\$105,862.5	\$385,750.6	\$434,844.4
Cost of Revenue	\$71,896.0	\$84,732.0	\$110,939.0	\$126,203.0	\$133,332.0	\$146,306.0	\$36,361.0	\$39,039.0	\$41,369.0	\$44,156.7	\$160,925.7	\$39,987.9	\$42,769.7	\$46,987.9	\$49,206.8	\$178,952.3	\$202,412.2
Gross Profit	\$89,961.0	\$97,795.0	\$146,698.0	\$156,633.0	\$174,062.0	\$203,712.0	\$53,873.0	\$57,389.0	\$60,977.0	\$64,669.5	\$236,908.5	\$62,691.5	\$66,597.8	\$68,286.6	\$74,282.6	\$271,858.5	\$305,502.6
Research and Development	\$26,018.0	\$27,573.0	\$31,562.0	\$39,500.0	\$45,427.0	\$49,326.0	\$13,556.0	\$13,808.0	\$15,151.0	\$15,709.7	\$58,224.7	\$16,064.7	\$16,187.6	\$17,200.7	\$18,462.8	\$67,915.7	\$76,147.8
Sales and Marketing	\$18,464.0	\$17,946.0	\$22,912.0	\$26,567.0	\$27,917.0	\$27,808.0	\$6,172.0	\$7,101.0	\$7,205.0	\$6,768.0	\$27,246.0	\$7,049.7	\$6,422.3	\$7,491.9	\$7,858.9	\$28,822.8	\$32,289.8
General and Administrative	\$9,551.0	\$11,052.0	\$13,510.0	\$15,724.0	\$16,425.0	\$14,188.0	\$3,539.0	\$5,209.0	\$7,393.0	\$5,744.3	\$21,885.3	\$5,602.7	\$6,387.2	\$6,858.4	\$6,953.9	\$25,802.2	\$29,208.0
Total Operating Expenses	\$54,033.0	\$56,571.0	\$67,984.0	\$81,791.0	\$89,769.0	\$91,322.0	\$23,267.0	\$26,118.0	\$29,749.0	\$28,222.1	\$107,356.1	\$28,717.1	\$28,997.0	\$31,551.0	\$33,275.6	\$122,540.7	\$137,645.7
Operating Income	\$34,231.0	\$41,224.0	\$78,714.0	\$74,842.0	\$84,293.0	\$112,390.0	\$30,606.0	\$31,271.0	\$31,228.0	\$36,447.4	\$129,552.4	\$33,974.4	\$37,600.8	\$36,735.6	\$41,007.0	\$149,317.7	\$167,857.0
Interest Income	\$2,427.0	\$1,865.0	\$1,499.0	\$2,174.0	\$3,865.0	\$4,482.0	\$1,001.0	\$1,050.0	\$1,076.0	\$1,190.9	\$4,317.9	\$1,115.1	\$1,181.3	\$1,242.6	\$1,339.4	\$4,878.4	\$5,494.7
Interest Expense	\$100.0	\$135.0	\$346.0	\$357.0	\$308.0	\$268.0	\$34.0	\$261.0	\$143.0	\$136.9	\$574.9	\$147.3	\$185.8	\$166.8	\$180.2	\$680.2	\$764.3
Other Expense / (Income)	(\$3,067.0)	(\$5,128.0)	(\$10,867.0)	\$5,331.0	\$2,133.0	(\$3,211.0)	(\$10,216.0)	(\$1,873.0)	(\$11,826.0)	(\$1,377.6)	(\$25,292.6)	(\$1,562.0)	(\$1,171.4)	(\$1,560.0)	(\$1,608.9)	(\$5,902.3)	(\$5,810.9)
Total Other Income (Expense), net	\$5,394.0	\$6,858.0	\$12,020.0	(\$3,514.0)	\$1,424.0	\$7,425.0	\$11,183.0	\$2,662.0	\$12,759.0	\$2,431.7	\$29,035.7	\$2,529.8	\$2,166.9	\$2,635.8	\$2,768.1	\$10,100.5	\$10,541.3
Pre-Tax Income	\$39,625.0	\$48,082.0	\$90,734.0	\$71,328.0	\$85,717.0	\$119,815.0	\$41,789.0	\$33,933.0	\$43,987.0	\$38,879.2	\$158,588.2	\$36,504.2	\$39,767.7	\$39,371.4	\$43,775.0	\$159,418.3	\$178,398.3
Income Tax	\$5,282.0	\$7,813.0	\$14,701.0	\$11,356.0	\$11,922.0	\$19,697.0	\$7,249.0	\$5,737.0	\$9,008.0	\$7,962.0	\$29,956.0	\$7,475.6	\$8,143.9	\$8,062.8	\$8,964.6	\$32,646.9	\$36,533.8
Tax Rate	13.3%	16.2%	16.2%	15.9%	13.9%	16.4%	17.3%	16.9%	20.5%	20.5%	18.9%	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%
Net Income	\$34,343.0	\$40,269.0	\$76,033.0	\$59,972.0	\$73,795.0	\$100,118.0	\$34,540.0	\$28,196.0	\$34,979.0	\$30,917.2	\$128,632.2	\$29,028.6	\$31,623.8	\$31,308.6	\$34,810.4	\$126,771.4	\$141,864.5
Basic Shares Outstanding	13,616.3	13,616.3	13,353.0	13,063.0	12,630.0	12,319.0	12,183.0	12,122.0	12,086.0	12,030.4	12,105.3	11,974.7	11,919.1	11,863.5	11,807.8	11,891.3	11,807.8
Diluted Shares Outstanding	13,971.1	13,740.6	13,553.0	13,159.0	12,722.0	12,447.0	12,291.0	12,198.0	12,203.0	12,147.4	12,209.8	12,091.7	12,036.1	11,980.5	11,924.8	12,008.3	11,924.8
Basic EPS	\$2.52	\$2.96	\$5.69	\$4.59	\$5.84	\$8.13	\$2.84	\$2.33	\$2.89	\$2.57	\$10.63	\$2.42	\$2.65	\$2.64	\$2.95	\$10.66	\$12.01
Diluted EPS	\$2.46	\$2.93	\$5.61	\$4.56	\$5.80	\$8.04	\$2.81	\$2.31	\$2.87	\$2.55	\$10.54	\$2.40	\$2.63	\$2.61	\$2.92	\$10.56	\$11.90
Dividend Per share						\$0.60	\$0.20	\$0.20	\$0.21	\$0.21	\$0.82	\$0.21	\$0.22	\$0.22	\$0.22	\$0.87	\$0.91



---

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

---

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>D</b>
Growth Score	<b>B</b>
Momentum Score	<b>A</b>
VGM Score	<b>B</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

---

## Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.