

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Alphabet Inc.

Since its founding in 1998, Alphabet has become an integral part of our everyday lives. The company's mission is to make global information universally accessible and usable. Meanwhile, six products have more than two billion monthly users each, and a total of 15 products have more than half a billion monthly users, including three billion Android devices. In the past five years alone, Alphabet has invested around USD 150 billion in research and development to lead the way as an innovation leader. This enabled Alphabet to overcome disruptive threats such as transitioning from the desktop to the mobile world, social networks and vertical search engines. We see generative AI as a development step that improves the user experience, strengthens conversion for advertisers and facilitates the generation of new revenue streams for Alphabet. Under the name "Gemini", Alphabet integrates generative AI as a multimodal platform to generalise, seamlessly understand, process and combine various information, including text, code, audio, images and video.

Alphabet is growing sustainably as a strongly scalable technology group; it is highly profitable and has low capital expenditure: adjusted by free liquidity totalling USD 111 billion, an operating margin relative to the total capital employed (ROCE) of 29% was achieved in 2023. At the same time, continuous share

buybacks ensure an additional increase of earnings per share (table).

	2023	2022	2021	2020	2019
Revenue in billions (USD)	307	283	258	183	162
of which advertising revenues	77%	79%	3%	81%	83%
EBIT in billions (USD)	84	75	78	41	34
ROCE	29%	30%	36%	23%	22%
Σ Share reduction	-2.9%	-3.1%	-2.0%	-1.9%	-1.1%

In terms of profit, ad-free revenue from powerful tools and services is increasing significantly. At the same time, advertising revenue continues to dominate and is increasing in absolute values. It correlates with global Internet use and is characterised by growth, i.e. an increase in global clicks (paid clicks) with simultaneously disproportionately decreasing profits per click (cost-per-click), and very low production costs calculated as the TAC rate (traffic acquisition costs), i.e. payments for network and distribution partners in relation to advertising revenue (table).

	2023	2022	2021	2020	2019
Δ Paid clicks	7%	10%	23%	19%	23%
Δ Cost-per-click	1%	-1%	15%	-10%	-7%
TAC rate	21%	22%	22%	22%	22%

For us, Alphabet is a long-term core position. We consider the stock a debt-free equity bond with growing coupons and permanent monetary protection. The return on investment is an attractive 4%.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky

Disclaimer: This document is a customer information ("CI") within the meaning of the Securities Trading Act (WpHG), the "CI" is directed exclusively to professional clients within the meaning of section 67 WpHG (natural and juristic persons) with habitual residence or registered office in Germany and is used solely for informational purposes. Also, it was not written with the intention of providing legal or tax advice. The tax treatment of transactions depends on the personal circumstances of the respective customer and may be subject to future changes. The individual circumstances of the recipient (including the economic and financial situation) were not taken into account in the preparation of the "CI". An investment in mentioned financial instruments / investment strategy / financial service involves certain product specific risks - e.g. Market or industry risks and risk in currency, default, liquidity, interest rate and credit - and is not suitable for all investors. Therefore, potential prospects should make an investment decision only after a detailed investment advisory session by a registered investment advisor and after consulting all available sources of information. For further information, please refer to the "Key Investor Information" and the securities prospectus: www.gane.de. Past performance is not a reliable indicator of future performance. Recommendations and forecasts are non-binding value judgments about future events and may therefore prove to be inaccurate with respect to the future development of a product. The listed information refers exclusively to the time of the creation of this "CI", a guarantee for timeliness and continued correctness cannot be accepted. The above content reflects only the opinions of the author, a change of opinion is possible at any time, without it being published. The present "AI" is protected by copyright, any duplication and commercial use are not permitted. Date: 05/05/2024. Editor: GANÉ Advisory GmbH, Aribosstraße 33, 82166 Gräfelfing, acts as a tied agent (section 3 (2) German Wertpapierinstitutsgesetz (WpIG) on behalf, in the name, for account and under the liability of the responsible legal entity BN & Partners Capital AG, Steinstrasse 33, 50374 Erftstadt. BN & Partners Capital AG has a corresponding license (section 3 (2) WpIG) from the German Federal Financial Supervisory Authority (BaFin) for the provision of investment advice in accordance with section 2 (2) No. 4 WpIG and the investment brokerage to section 2 (2) No. 4 WpIG.