

U.S. Internet

US Internet mega 1Q26 earnings: More similar than different



Mark Shmulik
+1 917 344 8508
mark.shmulik@bernsteinsg.com



Wenhuan Chang
+1 917 344 8546
wenhuan.chang@bernsteinsg.com



Deeksha Pandey
+1 917 344 8447
deeksha.pandey@bernsteinsg.com

We drafted the title long before earnings night and stand by it as we're picking at nuance vs. meaningful performance differences. US large cap Internet is in a good place - estimates went up, 30%+ Y/Y growth in EBIT dollars, AI traction abound, and everyone talked up supply chain pressure on infrastructure costs - Amazon and Google can pass through these costs, while Meta has to absorb them for now. Questions remain about the shape of 2H26 margins and 2027 CAPEX, but these aren't new. We remain long the group with a preference for Meta and Amazon over the longer-haul. Get some rest.

BERNSTEIN TICKER TABLE

Ticker	Rating	29 Apr 2026		Price Target	TTM Rel. Perf.	Reported EPS			Reported P/E (x)			
		Cur	Closing Price			Cur	2025A	2026E	2027E	2025A	2026E	2027E
GOOGL (Alphabet)	M	USD	349.94	390.00	90.2%	USD	10.81	14.47	14.32	32.4	24.2	24.4
OLD				345.00				12.08	13.71			
META (Meta)	O	USD	669.12	850.00	(7.6)%	USD	23.49	33.54	37.04	28.5	19.9	18.1
OLD				900.00				31.12	37.10			
AMZN (Amazon)	O	USD	263.04	315.00	12.0%	USD	7.17	8.78	11.12	36.7	30.0	23.6
OLD				300.00				7.67	10.70			
SPX			7,135.95									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

We remain Outperform on Meta, with a PT of \$850/Share (-\$50). We value Meta using a 50/50 combination of 2027e EV/Sales multiple of 7x (was 8X), and a DCF using an WACC of 10% and a terminal growth of 3.5%. We allocate a lower multiple due to the unclear the AI product progress and slightly soft 2Q revenue guidance. We consider Meta primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

We remain Outperform on Amazon, and take up our price target to \$315/Share (+\$15). We value Amazon using a 50/50 combination of SOTP method (which values the Retail segment at a 2027E EV/Sales multiple of 3x (unchanged) and the AWS segment at a 2027E EV/EBIT multiple of 25x (unchanged)), and a DCF using a WACC of 9% and a terminal growth rate of 3.5% (WACC and terminal growth rate remain unchanged).

We remain Market-Perform on Google. We raise our price target to \$390/Share (+\$45). We value Alphabet using a 50/50 combination of 2027e EV/ EBIT multiple of 28x (+3X) and a DCF using a WACC of 10% and a terminal growth of 3.5%. We revise up our EV/EBIT multiple from 25x to 28X driven by strong Cloud momentum. We consider Alphabet primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

DETAILS

PORTFOLIO MANAGER'S SUMMARY

Meta, Amazon and Alphabet all reported 1Q26 results last night after the market close.

Expectations were reasonably high for the group, with Amazon perhaps facing the highest bar, then Google and Meta respectively. And results were generally good though easy to focus on a few misses on a busy earnings night. All three delivered revenue beats in all the most important places, while 2Q revenues guides, where offered, appeared to build in some softness risk tied to macro. Cloud performance delivered for the group with healthy top-line growth and margins, though note the high bar AWS had coming in. It's clear that AI is delivering returns in core where advertising growth continues to defy previous held growth rate beliefs, and in cloud where the upside to both operating leverage and off-platform sales of Tranium and TPUs were well articulated.

When it comes to operating margin leverage, year-over-year we somehow saw all three players deliver 30% Y/Y growth in EBIT dollars, though hopes of further leverage this year were muted as infrastructure costs come up to offset most headcount efficiencies through the year. Of the three Meta is the only one down of the bunch as CAPEX went higher while lacking the ability to pass through higher infrastructure costs to enterprise customers. Though we note that CAPEX also went a touch higher at Google that also articulated a 'significant' increase in 2027, which we think is increasingly well understood by The Street for the group.

We'll stick to punchy single paragraph outcomes for each of our Big 3, but **continue to believe that large cap Internet remains undervalued as terminal risks continue to fade, and increasingly well positioned to be big AI winners over the longhaul** given their distribution advantages. We also note that Meta's incremental (read: non core) returns on this AI spend remains nascent, it's this uncertainty that we think gives them the most room to run here. **We'd be buyers of Meta's dip.**

Meta: Someone has to draw the short straw, and we get why that was Meta on this Mega Earnings night. Revenues were perhaps a touch ahead of consensus, and Other (read: business messaging) revenue growth beat nicely up to ~74% Y/Y growth, but as expected 2Q revenue guidance was a touch softer tied to a tougher macro environment and changes to business-as-usual in Europe with the mid-point decelerating from 33% [29% FxN] to 25% [23% FxN]. To top off the bull case misses, we didn't get any change in full year expense guidance despite that 30% Y/Y growth in EBIT dollars and headcount cuts, CAPEX did go up as Meta has to absorb higher supply -chain costs, and we even saw Daily Users decline Q/Q, though that blip was explained away tied to Russia/Iran headwinds. And yet, the setup here is precisely why we're excited - (1) the revenue leverage showed up, and we expect to see further operating leverage through the year despite lack of guidance changes; (2) the Spark Muse model is out the door, and it's clear Zuck & Co. are ready to go after Consumer AI hard, noting focus on e-commerce, and (3) Susan reminded us of Meta's ability to flex down 2027 CAPEX as needed while everyone is committed to chasing cloud capacity. **At an inexpensive valuation and no real change in the catalyst path for the year, we think investors will get paid to stick with this one. Remain Outperform with a price target of \$850 (-\$50).**

Amazon: For the first time in a while, Amazon's stock went up on the prepared remarks, a pleasant change for long-time Amazon holders waiting for the story to catch up to the numbers - and that's mostly what we got this earnings season. Revenue growth beat modestly, though a rising AWS bogey to 3-handle territory probably took some shine off a still-impressive 28% Y/Y growth. Remember, AWS hovered around mid-to-high teens growth for much of the past few years. What got investors going was further commentary on the call about non-frontier lab backlog growth Q/Q of ~\$20B that may be the highest sequential backlog growth in a while, while articulating the competitive advantage Tranium has to CAPEX spending and cloud margins hinting at the potential to sell Tranium racks off AWS owned infrastructure. Indeed, Amazon was the only company not to take up CAPEX for the year, and overall operating income beat comfortably led by AWS margin expansion. The 2Q OI guides was on the softer end of expectations, especially in light of Prime Day inclusion and fuel surcharge fees, but the revenue guidance almost reaching \$200B we think driven by but further AWS acceleration makes the Amazon story certainly feel a lot easier to own here as a steady compounder, now with AWS as an AI winner to boot. **We update our estimates as AWS numbers go higher and rate Amazon Outperform with a price target of \$315 (+\$15).**

Google: Remains a company firing on all cylinders, but what else can you say when Search added more ad dollars year-over-year than YouTube's 1Q total ad revenues, and growing at a nearly 2X rate. Same holds true in cloud that has surpassed the 6-handle for revenue growth highlighting that AI solutions are now the biggest driver of growth, while backlog has also nearly 2X'd Q/Q to more than \$460B. Add in favorable commentary around incremental growth from TPU rack sales off GCP, starting later this year, Waymo's 2X Y/Y growth to 500K weekly rides, and confirmation of more commercial and volumous search behavior.

This is a very clean print. Questions remain on 2H26 operating de-leverage risks as well as “significantly” higher 2027 CAPEX, and Meta and OpenAI remain circling that lucrative AI search journeys. **We take up our numbers, estimates, and price target to \$390 (+\$45) to reflect impressive acceleration in cloud along durable search performance and remain Market-Perform.**

STRONG PERFORMANCE FOR THE GROUP, AS USUAL SOME PUTS AND TAKES

- **Across Meta, Google, and Amazon, 1Q mega cap internet top-line growth showed continued, broad strength.**
 - **Meta** continue to deliver the fastest top-line growth, with revenues up 33% [29% FxN] to \$56.3B, just a touch above expectations and continuing to reflect clear AI led improvements in core engagement and ad performance trends. Elsewhere, other revenues grew 74% Y/Y led primarily by Business Messaging as a small but encouraging non-ad revenue stream.
 - **Google** comfortably exceeded Street expectations, with revenues up 22% [19% FxN] to \$109.9B, supported by accelerating momentum in its core franchises, with Search up 19% Y/Y and Cloud going from strength-to-strength accelerating to 63% Y/Y with an impressive 2X increase Q/Q in backlog, and commentary around AI solutions as the biggest contributor to Cloud growth for the first time. YouTube (+11%) and Network (-4%) missed slightly though offset but healthy growth in Subscriptions (+19%)
 - **Amazon** also posted solid results, with revenues up 17% [15% FxN] to \$181.5B, led by modest beats across the board. AWS (+28% Y/Y) may have been a touch lighter than a rich buy-side bogey but the highest Q/Q non-frontier lab backlog number in a while offers a continue path of accelerating growth. Elsewhere, Ads (+24% Y/Y), Subscriptions (+15% Y/Y) and Online Stores (+12% Y/Y) all delivered.
- **2Q revenue guidance shows fading FX tailwind and geopolitical uncertainty.** Meta’s outlook was again strong, and 2Q26 revenue guidance of 22-28% Y/Y revenue growth with 2ppts of FX tailwinds fell just short of the buy side target at the midpoint, though management noted macro uncertainty and changes in business operations in Europe as part of the guide. Amazon’s 2Q revenue guidance of \$194-199B (+16-19% Y/Y) was comfortably ahead of consensus as Prime Day moves into the quarter, and more importantly, AWS growth continues to show signs of acceleration.
- **Margin leverage across the board,** though higher depreciation-related expenses still to come. All three companies delivered Y/Y EBIT dollar growth of 30% Y/Y, not a bad result at all!
 - For Meta, operating margins of 41% were led by FOA at 48%, once again signifying the revenue leverage the business continues to push from AI enhancements. However, full year expense guidance remained unchanged, which may have put a damper into investor hopes that recent headcount reductions would translate to further operating leverage. Management re-iterated the need for greater infrastructure needs. EPS hit \$10.44 tied to tax liability changes, though excluding one-times EPS still beat at \$7.31
 - For Google, operating margins of 36% also beat Street estimates tied to continued strength in Google Search. Cloud margins continued to growth to an impressive 33%, though we expect higher depreciation to flow through in 2H26 and 2027. While management hasn’t indicated any notable headcount reduction efforts, headcount remained flat-ish Q/Q showing discipline. EPS came in at a whopping \$5.11 though excluding marking minority stakes to market was more in-line at \$2.76
 - For Amazon, operating income beat consensus handily approaching \$24B, led by AWS margins up to 38% with North America retail delivered 8% operating margins, and Europe improved modestly. Notably the OI guidance here may have disappointed investors though we note continued LEO costs, annual SBC issuance, and higher fuel related costs despite offsetting seller fees all likely contribute to the conservative guide. EPS was in-line at \$1.68
- **2026 Capex still goes up, and 2027? Significantly.** Understandably, CAPEX remains a key investor focus. We had heard recent affirmations from Amazon’s CEO (in the shareholder letter) and Google’s CEO (at Cloud Next in late April) on full-year capex plans, but only Amazon left 2026 CAPEX unchanged. Meta took up FY26 CAPEX by \$10B (\$125-145B) tied to higher supply-chain related costs including memory. While Google modestly took up CAPEX by \$5B (\$180-190B) also reflecting similar BOM inflation.

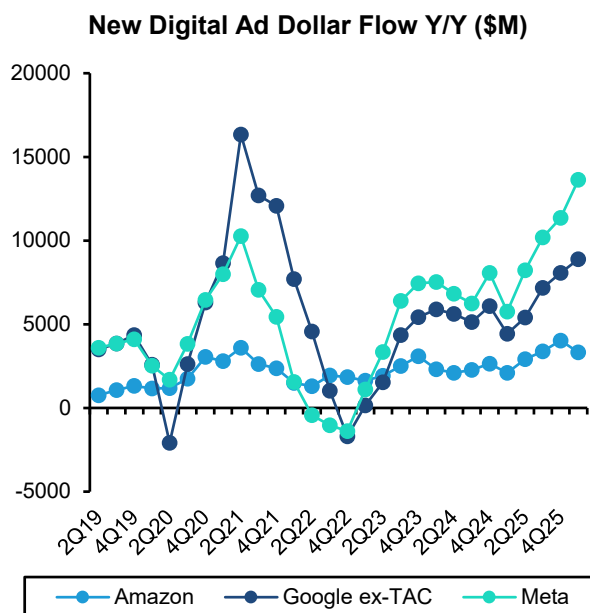
- Perhaps most strikingly, Google hinted at a “significant” step up in 2027 CAPEX, though commentary around Cloud growth, backlog growth, and the incrementality of selling TPU racks off of GCP all support higher investment levels.
- Meta, on the other hand, offered re-assuring commentary that 2027 spending may go down if demand and needs aren’t there. Meta’s CAPEX raise has the most questions around ROIC, which make sense given the lack of a hyperscale cloud business. Yet, we continue to see Meta as the most upside ROIC potential if they can unlock consumer AI TAM.

EXHIBIT 1: 1Q26 earning dashboard

KPI	Meta	Google	Amazon
Total revenue Y/Y growth (%)	33%	22%	17%
Total operating margin (%)	41%	36%	13%
Diluted EPS (\$)	10.44	5.11	2.78
Ad Y/Y growth (%)	33%	16%	24%
Cloud growth (%)		63%	28%
Cloud margin (%)		33%	38%
2Q revenue guide Y/Y growth (%)	25%		17%
2Q EBIT guide (\$B)			20-24
FY26 CAPEX guide (\$B)	125-145	180-190	200
	Beat	Inline	Miss

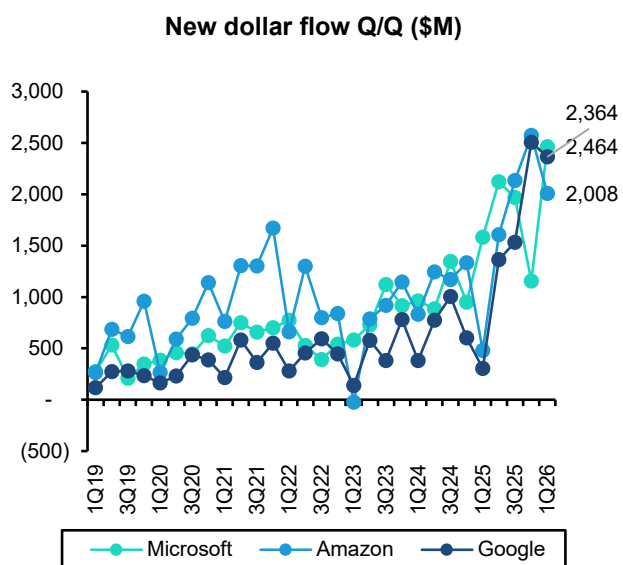
Source: Company reports, Bloomberg, Bernstein analysis

EXHIBIT 2: Incremental Y/Y net new digital ad dollars



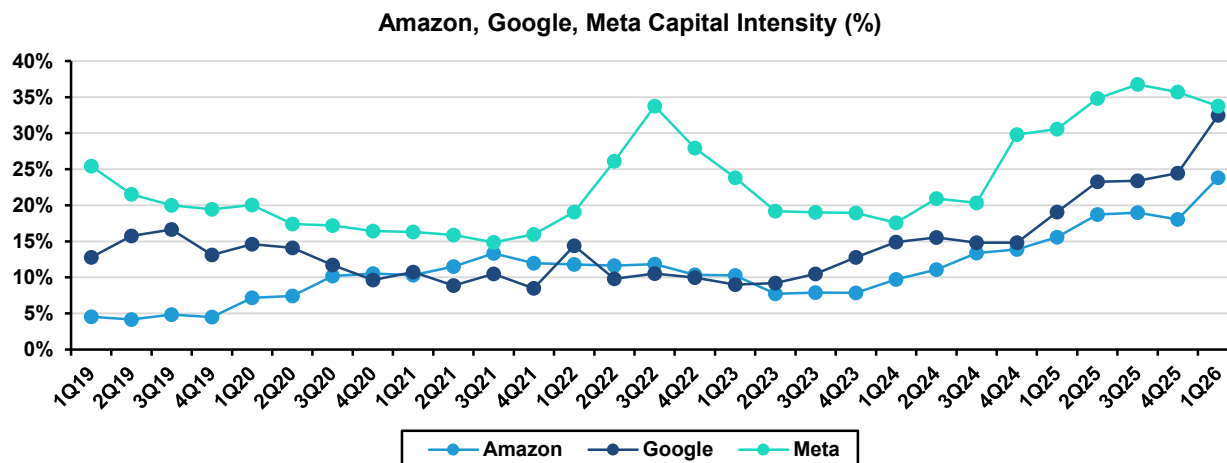
Source: Company reports, Bernstein analysis

EXHIBIT 3: New dollar flow by hyperscaler



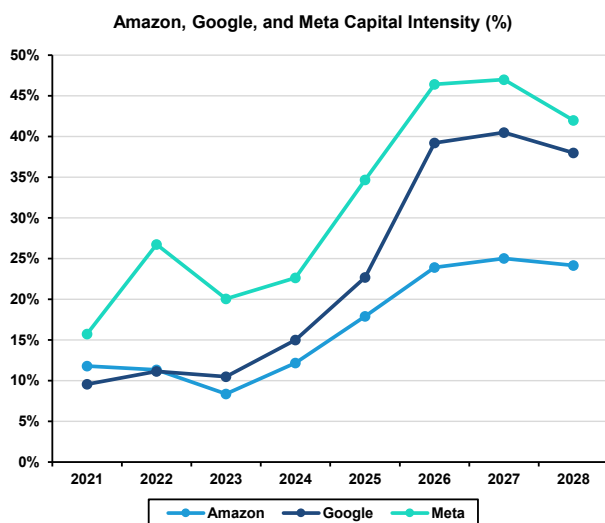
Microsoft numbers are Bernstein estimates
Source: Company reports; Bernstein analysis

EXHIBIT 4: Amazon, Google, and Meta Capital Intensity (%)



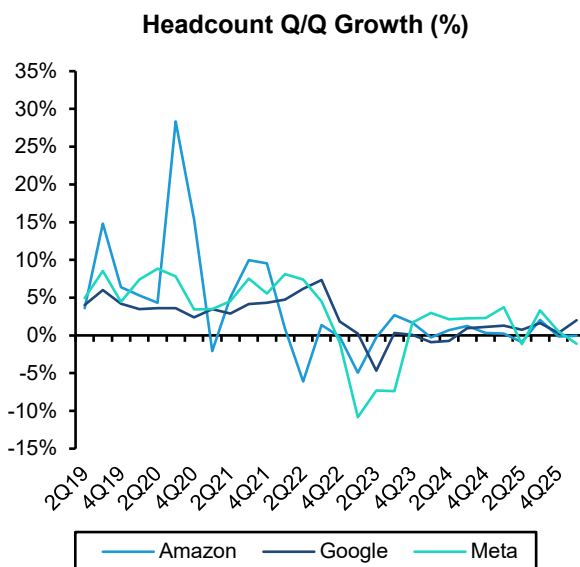
Source: Company reports, Bernstein estimates and analysis

EXHIBIT 5: Amazon, Google, and Meta Capital Intensity (%)



Source: Company reports, Bernstein estimates and analysis

EXHIBIT 6: Q/Q Headcount growth



Source: Company reports, Bernstein analysis

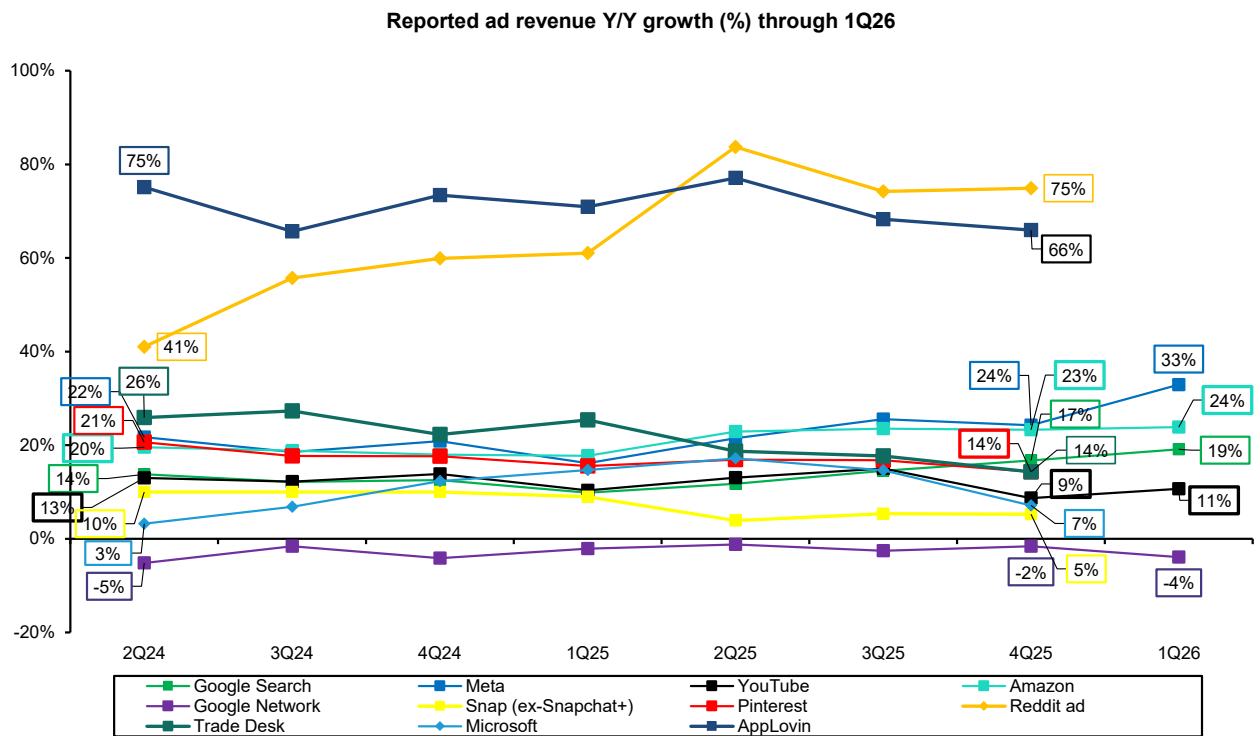
DIGITAL AD PERFORMANCE

Overall performance for the group remained strong and we re-iterate our thesis on digital ad performance likely skewing towards the largest platforms. Google called out strength in retail and financial services, while Meta called out strong engagement growth across all regions and a strong macro environment:

- Meta** Ad revenues grew 33% Y/Y [29% FxN] with ad impressions up +19% and pricing up +12% Y/Y. Meta continued to call out strength and improving engagement from AI efforts with FB video time spent seeing the biggest gain in 4 years. Elsewhere, new ad products continue to drive meaningful performance improvements for advertisers especially via GEM and Lattice. The only blip this quarter was DAP declining slightly to 3.56B Q/Q as WhatsApp limits in Russia, and the war in Iran has disrupted usage. Notably, management shared excluding these two markets DAP would have growth sequentially in the rest of the world. Lastly, now powered by Meta's new Muse Spark model, Meta AI is seeing a double digital growth in sessions per user.

- Google** Ad revenues were up +16% Y/Y [+13% FxN], though Search once again outperformed at +19% Y/Y, while YouTube (+11%) and Network (-4%) lagged. Search was lead by strength in retail and financial verticals, but managed discussed query volume expansion, with AI tools like AI overviews, AI mode, and Gemini driving better, higher converting user experiences. Management also shared that ~30% of search spend is now being delivered via PMax and AImax, pointed to the continued improvement in ad delivery and design to meet consumers in their commercial moments. As Google looks to monetize newer AI user experiences, they're testing many new ideas including direct offers in AI mode, pushing UCP for more direct user checkout, and deploying more personalized Gemini in more places.
- Amazon's** Ad revenues grew +24% Y/Y to \$17.2B, once again led by sponsored search ads, though management continued to be encouraged by uptake of Prime Video and DSP ads, though both are still small contributors relative to product/branded search.

EXHIBIT 7: **Digital ads growth (%)**



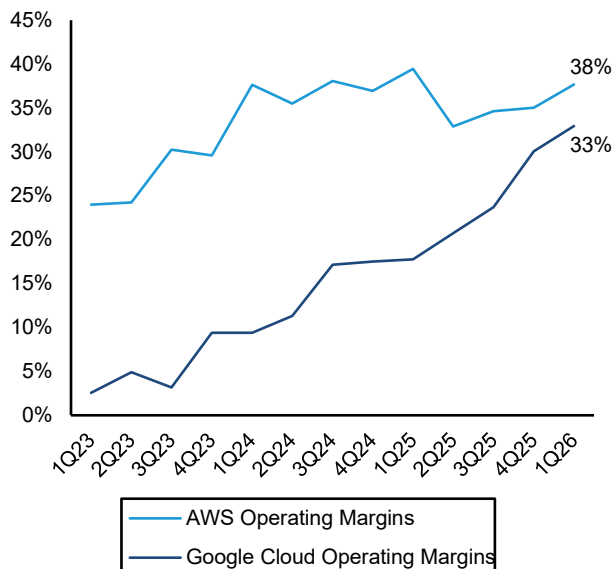
AppLovin excludes IAP
 Source: Company reports, Bernstein analysis

CLOUD

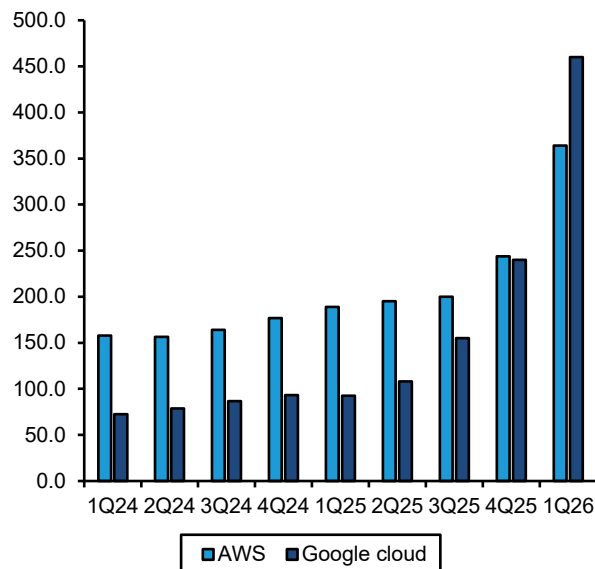
Stronger-than-ever cloud momentum, well above consensus for Google Cloud, while AWS forward-looking commentary offers upside driven by both AI and non-AI workloads.

- AWS continues steady acceleration.** AWS grew 28% Y/Y (~400 bps Q/Q acceleration from 24% in 4Q25) to a \$150B annual run-rate, and the fastest growth rate in 15 quarters, up ~\$2B Q/Q, the largest Q4 to Q1 AWS revenue increase ever.
 - Backlog grew to \$364B up ~50% from the \$244B announced in 4Q25. Notably, the \$364B backlog does not include the recent \$100B+ deal signed with Anthropic, and when excluding frontier lab contribution also points to the largest sequential step up in backlog commits.
- Google gaining solid ground.** Google Cloud revenue grew an astounding +63% Y/Y (+15 pts faster than 4Q25 at 48% Y/Y). Last quarter we saw Google Cloud neck-and-neck with AWS in terms of net new dollars added Q/Q (AWS added ~\$2.6B and Google wasn't that far off with \$2.5B). **This quarter again saw Google lead in terms of net new dollars added. AWS added ~2B net new dollars Q/Q vs Google at ~\$2.4B.**

- Google cloud's backlog of \$460B nearly doubled Q/Q, with management commentary that over half of the spend commits are expected over the next 24 months gives us a floor to model 2-year revenue growth alongside the launch of TPU rack sales in 2H this year.
- **AI offerings accelerating**, and AI revenue is tracking in the right direction, as evidenced by continued strength in AWS Bedrock and Google Gemini Enterprise.
 - **AWS** AI revenue is growing triple digits Y/Y. Bedrock saw 170% growth in customer spend Q/Q, and processed more tokens in Q1 than all prior years combined.
 - **Google's** Gemini Enterprise paid monthly active users grew 40% Q/Q. There was a 9x Y/Y growth both in seats sold with partners and in the number of partners adopting it for internal use. Enterprise AI solutions are an important growth driver, and revenue from products built on GenAI models grew nearly 800% Y/Y. Google also just introduced [Gemini Enterprise Agent platform](#) (at the Google Next conference on 22nd April), its new comprehensive platform to build, scale, govern, and optimize agents. Google noted that its first-party models (Gemini, etc.) now process over 16B tokens per minute via direct API usage, up from 10B last quarter. Over the past 12 months, 330 Google Cloud customers each processed over 1T tokens, and 35 reached the 10T token milestone.
- **Custom ASICs accelerating** and are becoming an increasingly important part of the AI story for both Amazon and Google.
 - **Amazon's** chips business grew 40% Q/Q in Q1, hitting a \$20B+ ARR, and growing triple-digit percentages Y/Y. Trainium ramp is progressing well, and Amazon now has over \$225B in revenue commitments for Trainium. Graviton is becoming increasingly important in the AI era as agentic workloads, real-time reasoning, code generation, reinforcement learning, and multi-step task orchestration are driving massive CPU demand. 98% of the top 1,000 EC2 use Graviton, including a [new deal with Meta](#) to power agentic AI on Graviton.
 - **Google announced third-party TPU sales**, and is expected begin to deliver TPUs hardware to a "select group" of customers in 2H26 with the vast majority of revenues to be realized in 2027. Revenue from TPU hardware sales will fluctuate from quarter to quarter depending on when TPUs are shipped to customers. Google has [introduced](#) its next 8th gen TPU (with two distinct, purpose-built architectures for training and inference). In April, Google and Broadcom signed a [long-term agreement](#) extending through 2031 to develop and supply future TPU generations, along with networking and related components. Google, Anthropic, and Broadcom also [announced](#) a partnership to get "multiple gigawatts of next-generation TPU capacity" online starting 2027 (Anthropic to access through Broadcom approximately 3.5 gigawatts as part of the multiple gigawatts)
- **Margins in focus, and both GCP and AWS holding up well.** Margins are supported by strong top-line momentum on robust demand, but there are important offsets related to rising technical infrastructure costs and higher depreciation. Both Amazon and Google are committed to countering these headwinds through disciplined efficiency efforts and ongoing cost reduction initiatives, while at the same time trying to move up the stack to higher-value managed AI services that carry structurally better margins than raw compute. We expect margins to stay healthy, but they can fluctuate as AI workloads scale, and depreciation from rapid build-out may add volatility.
 - **AWS AWS** operating income was \$14.2B, and margins landed at ~38% for AWS (up 270bps bps Q/Q from 35% in 4Q25). We expect margin compression ahead as AWS faces their annual SBC issuance in 2Q followed by expected higher infrastructure and depreciation related costs. Though we note management's commentary on custom ASICs driving tens of billions in CAPEX savings and hundreds of bps of margin improvement may offer an offset.
 - **Google Cloud** operating income hit \$6.6B, tripling Y/Y, with operating margin up once again to ~33% (up an impressive ~300 bps Q/Q from ~30% in 4Q25 and from 17.8% in 1Q25). We expect a similar margin trajectory to AWS above.

EXHIBIT 8: **Cloud margins holding up well**

Source: Company reports; Bernstein analysis

EXHIBIT 9: **Rapidly accelerating backlog growth (\$B)**

Source: Company reports; Bernstein analysis

ECOMMERCE

Amazon

- Online Store revenues came in at \$64B, up +12% Y/Y, and 2.5% ahead of consensus. Grocery continues to gain traction, and Amazon's own AI-powered shopping tools are emerging as a meaningful contributor to the retail growth story.
- **Unit sales still growing faster than shipping costs.** Paid units grew +15% Y/Y (vs +12% Y/Y in 4Q25) while shipping costs came up to +14% Y/Y (vs +10% Y/Y last quarter) given the tough macro and focus on expanding grocery ambitions. 3P products made up 60% of items sold in 1Q26, slightly below 61% in 4Q25 and 62% in 3Q25 that was the highest mix ever.
- **Regional performance including margins: NA revenue up 12% Y/Y** (vs 10% Y/Y last quarter). Same-day delivery is scaling rapidly, with meaningful growth in both volume and reach. Expansion into rural markets is also gaining steam. Margins expanded to ~8% in North America, though note excluding one-times costs saw incremental pressure from rising fuel costs and grocery/regional expansion efforts. **International revenue** rose +19% Y/Y (+11% FxN) and operating margins expanded Y/Y to 3.6% (vs ~3% in 1Q25). That said, low-priced entrants are beginning to bite internationally, driving seller fee adjustments and heightening price competition in key markets.
- **Early signs of traction for Amazon Rufus.** Rufus monthly active users are up over 115%, and engagement is up nearly 400% Y/Y. Amazon recently introduced sponsored product and brand prompts in Rufus that help brands showcase products. It's early days, but nearly 20% of shoppers who interact with a brand prompt in Rufus continue the conversation about that brand. Amazon also introduced a new AI experience in Seller Central that dynamically generates a custom, personalized visualization of data, key insights, and scenarios tailored to the seller's goals to help them take actions to grow their business.

Estimate and PT revisions

Meta:

- **Revenues:** We largely maintained our ad revenue estimates and slightly change the mix of Other and Reality Lab revenues based on growth rates and forward-looking commentary.

- **Margins:** We maintained our 2026 OpEx, but changed the cadence as more D&A cost flow through in the rest of the year. We largely maintained our margin estimates beyond 2026.
- **EPS:** We slightly take down our 2026 EPS estimates due to the change of cadence of OpEx. We largely maintained our FY26 EPS estimates excluding the one-time tax benefit and 2027 EPS estimates as well.
- **CapEx:** We take up our 2026 CapEx estimates to reflect elevated guidance. We do the same for 2027+.
- **We remain Outperform on Meta, with a PT of \$850/share (down from \$900).** We value Meta using a 50/50 combination of 2027e EV/Sales multiple of 7x (was 8X), and a DCF using an WACC of 10% and a terminal growth of 3.5%. We allocate a lower multiple due to the unclear the AI product progress and slightly soft 2Q revenue guidance. We consider Meta primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

Google:

- **Revenues:** We take up our revenue estimates for Search, SP&D and Cloud in particular, to reflect the strong business performance and commentary around cloud backlog revenue recognition. We take down YouTube ad revenue due to the mix-shift towards subscription and network to reflect continued share shifts.
- **Margins:** We take up our EBIT margin and dollar estimates driven by higher revenue growth and operating leverage. We also changed the cadence of OpEx due to more D&A cost flow through in the later parts of the year.
- **CapEx:** We take up our 2026 full year CapEx estimates to ~\$190B to reflect the updated high end of management guidance. Beyond 2026, we also take up CapEx dollars to reflect the company's comment on significant CapEx increase in 2027.
- **EPS:** We take up our EPS estimates for 2026 and beyond driven by the higher revenue growth and operating leverage.
- **We raise our price target to \$390/share (+45).** We value Alphabet using a 50/50 combination of 2027e EV/ EBIT multiple of 28x (+3X) and a DCF using a WACC of 10% and a terminal growth of 3.5%. We revise up our EV/EBIT multiple from 25x to 28X driven by strong Cloud momentum. We consider Alphabet primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

Amazon:

- **Revenue:** For 2026, We take up our AWS revenue growth estimates as our SSO data points towards continued core strength, and more importantly we model continued acceleration for AI revenues tied to strong capacity adds. We also raise our Retail and Advertising revenue estimates, overall landing close to the upper end of announced guidance range for 2026. We revise up our 2026 and 2027 sales estimates to reflect durability of business unit growth trends.
- **Margins:** We revise up our EBIT estimates for 2026 to land marginally above the announced guidance range given strong operating leverage trends and recent performance exceeding previous guidance ranges. We expect AWS margins to fluctuate in the mid-30% range and settle in the low-to-mid 30s, though expect through strong increases in depreciation tied to higher spending. In aggregate, our EBIT margin for 2Q ticks down slightly.
- **We remain Outperform and take up our price target to \$315/Share (+\$15/Share).** We value Amazon using a 50/50 combination of SOTP method (which values the Retail segment at a 2027E EV/Sales multiple of 3x (unchanged) and the AWS segment at a 2027E EV/EBIT multiple of 25x (unchanged)), and a DCF using a WACC of 9% and a terminal growth rate of 3.5% (WACC and terminal growth rate remain unchanged).

EXHIBIT 10: GOOGL 1Q26 results vs Consensus and our expectations (1Q EPS benefitted from unrealized gains in non-marketable equity securities portfolio)

Source: Company reports, Bloomberg, Bernstein estimates and analysis

GOOGL 1Q26 vs. Expectations

	1Q26A	Y/Y Growth	Bernstein	Beat/Miss	Consensus	Beat/Miss
Total Revenue	109,896	22%	108,625	1%	107,100	3%
Google Search & Other	60,399	19%	59,828	1%	59,077	2%
YouTube Ads	9,883	11%	9,998	-1%	9,967	-1%
Google Network Members' Properties	6,971	-4%	7,075	-1%	7,152	-3%
Google Cloud	20,028	63%	19,211	4%	18,408	9%
Subscription, platforms and devices	12,384	19%	12,040	3%	12,029	3%
Other bets revenues	411	-9%			462	-11%
Hedging gains (losses)	-180	-169%				
Total Expenses	70,200	18%	72,602	-3%	70,913	-1%
Operating Income	39,696	30%	36,023	10%	36,187	10%
Google Services	40,589	24%	34,210	19%	37,369	9%
Google Cloud	6,598	203%	6,340	4%	5,079	30%
Other Bets	-2,100	71%	-1,500	40%	-1,566	34%
Alphabet level activities (restructuring)	-5,391	78%	-3,027	78%	-4,624	17%
Operating Margin (%)	36.1%	2ppt	33.2%	3ppt	33.8%	2ppt
Ex one-off restructuring	36.1%	2ppt	33.2%	3ppt	33.8%	2ppt
Google Services	45.3%	3ppt	38.5%	7ppt	42.4%	3ppt
Google Cloud	32.9%	15ppt	33.0%	0ppt	27.6%	5ppt
Other Bets	-510.9%		-12.5%		-338.8%	
Net Income	62,578	81%	34,049	84%	31,883	96%
Diluted EPS	5.11	82%	2.79	83%	2.62	95%
Google services revenue	77,253	16%	76,901	0%	76,197	1%
Google services margin	53%		44%			
Capex	35,674		42,092		36,394	
Free Cash Flow	10,116		10,182		11,802	-14%

Source: Company reports, Bloomberg consensus, Bernstein estimates and analysis

EXHIBIT 11: Google estimates changes post 1Q26 (1Q and FY26 EPS benefitted from unrealized gains in non-marketable equity securities portfolio)
GOOGL: Bernstein estimate revisions post 1Q26

Estimate revisions		New	Old	New vs. old	New Growth Y/Y	Consensus	Bern v Consensus
Total revenue	1Q26	109,896	108,625	1%	22%	107,100	3%
	2Q26	116,028	114,540	1%	20%	114,123	2%
	FY26	483,488	477,272	1%	20%	473,749	2%
	FY27	569,201	550,307	3%	18%	547,708	4%
2Q26 revenues	Search	62,319	62,048	0.4%	15%	62,269	0%
	YouTube	10,776	10,874	-1%	10%	10,842	-1%
	Network	7,060	7,170	-2%	-4%	7,208	-2%
	Cloud	22,207	21,117	5%	63%	20,364	9%
	SP&D*	13,276	12,939	3%	19%	12,907	3%
	Other bets	392	392	0%	5%	408	-4%
2026 revenues	Search	257,280	255,840	1%	15%	255,293	1%
	YouTube	44,327	44,757	-1%	10%	45,020	-2%
	Network	28,606	29,047	-2%	-4%	29,280	-2%
	Cloud	94,903	90,355	5%	62%	85,772	11%
	SP&D*	57,000	55,659	2%	19%	55,189	3%
	Other bets	1,552	1,614	-4%	1%	1,690	-8%
EBIT	1Q26	39,696	36,023	10%	<u>36%</u>	36,187	10%
<i><u>*Showing new EBIT margin in the New Growth column</u></i>	2Q26	38,859	37,478	4%	<u>33%</u>	38,568	1%
	FY26	161,729	157,284	3%	<u>33%</u>	159,782	1%
	FY27	192,747	184,129	5%	<u>34%</u>	200,169	-4%
GAAP EPS	1Q26	5.11	2.79	83%	82%	2.62	95%
	2Q26	2.99	2.89	3%	29%	2.79	7%
	FY26	14.47	12.08	20%	34%	11.75	23%
	FY27	14.32	13.71	4%	-1%	13.60	5%
Capex	1Q26	35,674	42,092	-15%		36,394	-2%
	2Q26	47,804	44,384	8%		42,644	12%
	FY26	189,594	184,943	3%		180,002	5%
	FY27	227,681	208,566	9%		203,212	12%

Excluding the 1Q26 benefit from unrealized gains in non-marketable equity securities portfolio, our FY26 EPS estimates would be \$12.14

Source: Company filings, Bloomberg consensus, Bernstein estimates and analysis

EXHIBIT 12: Meta 1Q26: Actuals vs. Bernstein estimates vs. Consensus (1Q EPS benefitted from one-time tax benefits)

META 1Q26 vs. Expectations (\$M)						
	1Q26A	Y/Y growth	Bernstein	Beat/Miss	Consensus	Beat/Miss
Family DAP	3,560	4%	3,613	-1%	3,606	-1%
Revenue	56,311	33%	56,500	0%	55,513	1%
FoA	55,909	33%	55,944	0%	55,000	2%
Advertising	55,024	33%	55,179	0%	54,259	1%
Other	885	74%	765	16%	741	19%
Reality Labs	402	-2%	556	-28%	508	-21%
Total Expenses	33,439	35%	37,008	10%	36,054	7%
EBIT	22,872	30%	19,493	17%	19,459	18%
EBIT Margin (%)	41%	-1ppt	35%	6ppt	35%	6ppt
EBIT Margin ex restructuring						
Net Income	26,773	61%	17,541	53%	17,204	56%
Diluted EPS	10.44	62%	6.90	51%	6.65	57%

For 2Q26	\$M	2Q26 Y/Y		
Midpoint revenue	59,500	25%	With 2% fX tailwind	
Revenue guidance	Bottom end	Top end		
	58,000	61,000		
Growth	22%	28%		
FY26	Bottom end	Top end	Average	Previous
Expenses	162,000	169,000	165,500	165,500
CAPEX	125,000	145,000	135,000	125,000

Source: Company reports, Bloomberg, Bernstein estimates and analysis

EXHIBIT 13: **Meta estimates revisions (1Q and FY26 EPS benefitted from one-time tax benefits)****META: Bernstein estimate revisions**

		New	Old	New vs. old	New Growth Y/Y	Consensus	New v Consensus
Total revenue	1Q26	56,311	56,500	0%	33%	55,513	1%
	2Q26	59,785	59,759	0%	26%	59,555	0%
	FY26	255,059	255,175	0%	27%	250,402	2%
	FY27	307,360	307,288	0%	21%	296,478	4%
DAP	1Q26	3,560	3,613	-1%	4%	3,606	-1%
	2Q26	3,602	3,653	-1%	4%	3,647	-1%
	FY26	3,687	3,733	-1%	3%	3,708	-1%
	FY27	3,838	3,885	-1%	4%	3,843	0%
EPS	1Q26	10.44	6.90	51%	62%	6.65	57%
	2Q26	7.15	7.38	-3%	0%	7.12	0%
	FY26	33.54	31.12	8%	43%	29.79	13%
	FY27	37.04	37.10	0%	10%	34.55	7%
EBIT margin ex restructuring	1Q26	41%	35%	6%			
	2Q26	34%	35%	-1%			
	FY26	35%	35%	0%			
	FY27	34%	34%	0%			
Capex	1Q26	18,997	28,250	-33%	47%	26,879	-29%
	2Q26	34,675	29,879	16%	110%	29,892	16%
	FY26	134,271	127,588	5%	93%	123,113	9%
	FY27	153,680	144,425	6%	14%	140,821	9%
Total expense	1Q26	33,439	37,008	-10%	35%		
	2Q26	39,577	38,903	2%	46%		
	FY26	166,678	166,933	0%	42%		
	FY27	201,606	201,560	0%	21%		

Source: Company report, Bloomberg and Bernstein analysis and estimates

EXHIBIT 14: **AMZN Performance: Actuals vs. Bernstein estimates vs. Consensus**

Amazon First Look Post 1Q26						
	1Q26A	Bernstein	Beat/Miss	Consensus	Beat/Miss	Growth Y/Y
Total Revenue	181,519	179,387	1%	177,234	2%	17%
Online Stores	64,254	62,999	2%	62,654	3%	12%
Physical Stores	5,785	5,865	-1%	5,813	0%	5%
Third-Party Seller Services	41,578	41,880	-1%	40,779	2%	14%
Subscription Services	13,427	12,981	3%	13,071	3%	15%
AWS	37,587	37,315	1%	36,680	2%	28%
Advertising	17,243	16,984	2%	16,896	2%	24%
Other	1,645	1,362	21%	1,457	13%	25%
Total Expenses	157,667	157,549	0%	156,480	-1%	
EBIT	23,852	21,838	9%	20,753	15%	
D&A	18,945	17,939	-6%	19,334	2%	
EBI TDA	42,797	39,777	8%	40,087	7%	
Other Income (Exp.)	-3,157	512		1,261		
Taxes	9,560	4,023	138%	4,012	138%	
Net Income	30,255	18,327	65%	18,003	68%	
Diluted EPS	2.78	1.68	65%	1.62	71%	

AMZN 2Q26 Guidance vs. Expectations - using Midpoint of range

	Low End	High End	Midpoint	Consensus	Beat/Miss
Revenue	194,000	199,000	196,500	189,146	4%
EBIT	20,000	24,000	22,000	22,857	-4%

Source: Company reports, Bloomberg consensus, Bernstein estimates and analysis

EXHIBIT 15: **Our Amazon estimates revisions post 1Q26 earnings**

Changes to estimates	Period	New	Old	% change	New Y/Y %	Old Y/Y %
Revenue (\$M)	1Q26	181,519	179,387	1%	17%	15%
	2Q26	197,983	190,680	4%	18%	14%
	FY26	837,854	817,544	2%	17%	14%
	FY27	960,215	926,939	4%	15%	13%
	FY28	1,089,239	1,052,054	4%	13%	13%
EBIT (\$M)	1Q26	23,852	21,838	9%	30%	19%
	2Q26	24,145	23,766	2%	26%	24%
	FY26	102,633	100,349	2%	28%	25%
	FY27	148,428	142,732	4%	45%	42%
	FY28	203,199	191,407	6%	37%	34%
EBIT Margin (%)	1Q26	13.1%	12.2%	1.0%		
	2Q26	12.2%	12.5%	-0.3%		
	FY26	12.2%	12.3%	0.0%		
	FY27	15.5%	15.4%	0.1%		
	FY28	18.7%	18.2%	0.5%		
Y/Y revenue growth (%)						
Retail & other	2Q26	14.1%	9.5%			
AWS	2Q26	31.0%	27.7%			
Advertising	2Q26	24.0%	19.0%			
Retail & other	FY26	12.5%	10.0%			
AWS	FY26	32.0%	27.5%			
Advertising	FY26	22.2%	19.6%			

Source: Company reports, Bloomberg consensus, Bernstein estimates and analysis

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 16: Our Google model

in millions except per share and percentage data

GOOGL	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	FY2025	FY2026E	FY2027E	FY2028E
GAAP INCOME STATEMENT												
Revenue	90,234	96,428	102,346	113,828	109,896	116,028	122,514	135,050	402,836	483,488	569,201	650,401
Cost of Revenue	36,361	39,039	41,369	45,766	41,271	45,145	48,124	53,326	162,535	187,866	216,414	242,074
Research and Development	13,556	13,808	15,151	18,572	17,032	18,681	20,337	23,229	61,087	79,278	96,764	110,568
Sales and Marketing	6,172	7,101	7,205	8,215	7,606	8,354	8,821	9,724	28,693	34,505	40,437	46,207
General and Administrative	3,539	5,209	7,393	5,341	4,291	4,989	5,023	5,807	21,482	20,110	22,839	26,098
One Time costs (restructuring & fines)	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	59,628	65,157	71,118	77,894	70,200	77,169	82,306	92,085	273,797	321,760	376,454	424,948
EBIT	30,606	31,271	31,228	35,934	39,696	38,859	40,208	42,965	129,039	161,729	192,747	225,453
D&A	4,487	4,998	5,611	6,040	6,482	8,586	9,066	9,994	21,136	34,128	51,797	71,544
EBITDA (incl. SBC)	35,093	36,269	36,839	41,974	46,178	47,445	49,274	52,959	150,175	195,856	244,544	296,997
Other Income (Expenses)	11,183	2,662	12,759	3,183	37,716	5,000	5,000	5,000	29,787	52,716	16,000	10,000
Net Income	34,540	28,196	34,979	34,455	62,578	36,535	37,659	39,955	132,170	176,726	173,886	196,132
Weight Avg. Diluted Shares	12,291	12,198	12,203	12,228	12,238	12,222	12,205	12,189	12,230	12,213	12,147	12,081
Diluted GAAP EPS	2.81	2.31	2.87	2.82	5.11	2.99	3.09	3.28	10.81	14.47	14.32	16.24
GAAP Margins:												
Gross Margin	60%	60%	60%	60%	62%	61%	61%	61%	60%	61%	62%	63%
EBIT Margin (ex-One Time Fines)	34%	34%	34%	33%	36%	33%	33%	32%	32%	33%	34%	35%
EBITDA Margin (ex-One Time Fines)	39%	38%	36%	37%	42%	41%	40%	39%	37%	41%	43%	46%
Y/Y Growth (GAAP):												
Revenue	12%	14%	16%	18%	22%	20%	20%	19%	15%	20%	18%	14%
EBITDA	21%	16%	13%	19%	32%	31%	34%	26%	11%	16%	15%	12%
EPS	52%	22%	35%	31%	82%	29%	8%	16%	35%	34%	-1%	13%
ADJUSTED ITEMS												
Adjusted EBITDA (ex-SBC)	40,609	42,267	43,207	49,045	52,929	54,662	56,897	61,348	175,128	225,837	279,840	337,329
Adjusted EBITDA Margin	45%	44%	42%	43%	48%	47%	46%	45%	43%	47%	49%	52%
Non-GAAP Net Income	40,056	34,194	41,347	41,526	69,329	43,752	45,281	48,344	157,123	206,706	209,182	236,464
Diluted Non-GAAP EPS	3.26	2.80	3.39	3.40	5.67	3.58	3.71	3.97	12.85	16.92	17.22	19.57
KEY METRICS (ex-Other Bets)												
Search	50,702	54,190	56,567	63,073	60,399	62,319	63,921	70,642	224,532	257,280	283,008	304,234
YouTube	8,927	9,796	10,261	11,383	9,883	10,776	11,215	12,453	40,367	44,327	49,291	53,728
Network Members	7,256	7,354	7,354	7,828	6,971	7,060	7,060	7,515	29,792	28,606	27,890	27,193
Advertising Revenue	66,885	71,340	74,182	82,284	77,253	80,154	82,196	90,610	294,691	330,212	360,190	385,154
Cloud	12,260	13,624	15,157	17,664	20,028	22,207	24,706	27,962	58,705	94,903	142,022	190,986
Other	10,379	11,203	12,870	13,578	12,384	13,276	15,251	16,090	48,030	57,000	65,359	72,549
Google Segment Revenues	89,524	96,167	102,209	113,526	109,665	115,637	122,153	134,662	401,426	482,116	567,571	648,689
Advertising Growth (Y/Y)	8%	10%	13%	14%	16%	12%	11%	10%	11%	12%	9%	7%
Google Segment Growth (Y/Y)	12%	14%	16%	18%	22%	20%	20%	19%	12%	10%	11%	9%
BALANCE SHEET & CASH FLOW												
Cash + Marketable Securities	95,328	95,148	98,496	126,843	126,840	109,397	106,376	101,288	126,843	101,288	81,548	83,483
Property and equipment, net	185,062	203,231	223,787	246,597	281,020	320,238	361,647	407,294	246,597	407,294	583,177	758,786
All Other	194,984	203,674	214,186	221,841	296,059	291,396	300,290	312,807	221,841	312,807	342,653	375,481
Total Assets	475,374	502,053	536,469	595,281	703,919	721,030	768,313	821,390	595,281	821,390	1,007,379	1,217,750
FCF	18,953	5,301	24,461	24,551	10,116	(8,693)	5,783	3,771	73,266	10,978	17,120	40,950
FCF Margin	21%	5%	24%	22%	9%	-7%	5%	3%	18%	2%	3%	6%

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 17: **Our META model**

in millions except per share and percentage data

META	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	FY2025	FY2026E	FY2027E	FY2028E
GAAP INCOME STATEMENT												
Revenue	42,314	47,516	51,242	59,893	56,311	59,785	64,167	74,797	200,965	255,059	307,360	357,333
Cost of Revenue	7,572	8,491	9,206	10,905	10,218	11,598	12,448	14,511	36,174	48,775	60,153	70,037
Research and Development	12,150	12,942	15,144	17,136	17,699	19,968	22,073	25,730	57,372	85,470	101,429	116,848
Sales and Marketing	2,757	2,979	2,845	3,410	2,908	4,185	4,620	5,385	11,991	17,098	21,583	25,013
General and Administrative	2,280	2,663	3,512	3,697	2,614	3,826	4,107	4,787	12,152	15,334	18,442	20,368
Total Expenses	24,759	27,075	30,707	35,148	33,439	39,577	43,248	50,413	117,689	166,678	201,606	232,266
EBIT	17,555	20,441	20,535	24,745	22,872	20,207	20,918	24,384	83,276	88,381	105,754	125,067
D&A	3,900	4,342	4,963	5,411	5,999	7,413	7,957	9,275	18,616	30,644	47,333	53,600
EBITDA (incl. SBC)	21,455	24,783	25,498	30,156	28,871	27,621	28,875	33,658	101,892	119,025	153,087	178,667
EBIT ex one-off item	17,555	20,441	20,535	24,745	22,872	20,207	20,918	24,384	83,276	88,381	105,754	125,067
Other Income (Expenses)	827	93	1,128	609	(1,120)	716	703	602	2,657	900	2,448	2,333
Net Income	16,644	18,337	2,709	22,768	26,773	18,245	18,854	21,787	60,458	85,659	94,136	110,838
Weight Avg. Diluted Shares	2,590	2,570	2,572	2,565	2,564	2,552	2,550	2,547	2,574	2,553	2,542	2,534
GAAP EPS	6.43	7.14	1.05	8.88	10.44	7.15	7.40	8.55	23.49	33.54	37.04	43.75
GAAP Margins:												
Gross Margin	82%	82%	82%	82%	82%	81%	81%	81%	82%	81%	80%	80%
EBIT Margin	41%	43%	40%	41%	41%	34%	33%	33%	41%	35%	34%	35%
EBITDA Margin	51%	52%	50%	50%	51%	46%	45%	45%	51%	47%	50%	50%
EBIT Margin ex one-off item	41%	43%	40%	41%	41%	34%	33%	33%	41%	35%	34%	35%
Y/Y Growth (GAAP):												
Revenue	16%	22%	26%	24%	33%	26%	25%	25%	22%	27%	21%	16%
EBITDA	25%	34%	19%	8%	35%	11%	13%	12%	20%	17%	29%	17%
EPS	36%	38%	-83%	11%	62%	0%	602%	-4%	-2%	43%	10%	18%
NON-GAAP METRICS												
Adjusted EBITDA (ex-SBC)	25,602	29,617	31,053	36,046	34,903	33,421	35,541	40,726	122,318	144,592	182,489	212,479
Adjusted EBITDA Margin	61%	62%	61%	60%	62%	56%	55%	54%	61%	57%	59%	59%
Non-GAAP Net Income	20,791	23,171	8,264	28,497	34,599	24,046	25,520	28,855	80,723	113,019	123,537	144,650
Non-GAAP EPS	8.03	9.02	3.21	11.11	13.49	9.42	10.01	11.33	31.36	44.27	48.60	57.09
KEY METRICS												
DAP	3,430	3,480	3,540	3,580	3,560	3,602	3,646	3,687	3,580	3,687	3,838	3,988
DAP Growth (Y/Y, %)	6%	6%	8%	7%	4%	3%	3%	3%	7%	3%	4%	4%
ARPP	12.4	13.7	14.5	16.6	15.66	16.60	17.60	20.28	16.6	20.3	23.4	26.2
BALANCE SHEET & CASH FLOW												
Cash + Marketable Securities	70,230	47,071	44,448	81,592	81,180	79,786	66,812	56,637	81,592	56,637	45,514	57,959
All Other	209,983	247,673	259,396	284,429	314,070	347,262	378,987	418,862	284,429	418,862	534,105	646,744
Total Assets	280,213	294,744	303,844	366,021	395,250	427,048	445,799	475,499	366,021	475,499	579,619	704,702
Capex	12,941	16,538	18,829	21,383	18,997	34,675	37,217	43,382	69,691	134,271	153,680	157,227
Capital intensity	31%	35%	37%	36%	34%	58%	58%	58%	35%	53%	50%	44%
FCF	10,334	8,549	10,625	14,077	12,386	(2,562)	(6,467)	(3,669)	43,585	(313)	15,496	39,831
FCF/Share	3.99	3.33	4.13	5.49	4.83	(1.00)	(2.54)	(1.44)	16.94	(0.15)	6.10	15.72

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 18: **Our AMZN Model**

in millions except per share and percentage data

GAAP INCOME STATEMENT													
Revenue	155,667	167,702	180,169	213,386	181,519	197,983	210,110	248,241	637,959	716,924	837,854	960,215	1,089,239
Cost o Revenue	76,976	80,809	88,670	109,959	87,463	94,799	99,118	121,490	326,288	356,414	402,870	429,806	456,123
Fulfillment	24,593	25,976	27,679	30,826	27,289	29,742	31,683	36,340	98,505	109,074	125,054	139,883	151,905
Marketing	9,763	11,416	11,686	14,264	10,314	12,869	13,867	16,880	43,907	47,129	53,931	63,466	72,979
Technology and Content	22,994	27,166	28,962	29,399	29,567	32,271	34,668	40,960	88,544	108,521	137,466	160,689	185,171
General and administrative	2,628	2,965	2,875	2,704	2,587	3,366	3,152	3,724	11,359	11,172	12,828	14,102	15,505
Other	308	199	2,875	1,257	447	792	840	993	763	4,639	3,072	3,841	4,357
Total Expenses	137,262	148,531	162,747	188,409	157,667	173,839	183,328	220,387	569,366	636,949	735,221	811,787	886,040
EBIT	18,405	19,171	17,422	24,977	23,852	24,145	26,782	27,855	68,593	79,975	102,633	148,428	203,199
D&A	14,262	15,227	16,796	19,471	18,945	20,788	22,062	27,307	52,795	65,756	89,101	115,604	144,586
EBITDA (incl. SBC)	32,667	34,398	34,218	44,448	42,797	44,933	48,843	55,161	121,388	145,731	191,734	264,032	347,784
Other Expenses (Benefits)	1,278	1,007	(3,765)	3,785	(6,403)	4,010	4,472	4,641	9,345	2,305	6,720	25,221	34,997
Net Income	17,127	18,164	21,187	21,192	30,255	20,135	22,310	23,214	59,248	77,670	95,913	123,207	168,201
Weight Avg. Diluted Shares	10,793	10,806	10,845	10,863	10,874	10,910	10,946	10,981	10,721	10,827	10,928	11,071	11,217
GAAP EPS	1.59	1.68	1.95	1.95	2.78	1.85	2.04	2.11	5.52	7.17	8.78	11.12	14.99
GAAP Margins:													
Gross Margin	51%	52%	51%	48%	52%	52%	53%	51%	49%	50%	52%	55%	58%
EBIT Margin	12%	11%	10%	12%	13%	12%	13%	11%	11%	11%	12%	15%	0%
EBITDA Margin	21%	21%	19%	21%	24%	23%	23%	22%	19%	20%	23%	27%	0%
Y/Y Growth (GAAP):													
Revenue	9%	13%	13%	14%	17%	18%	17%	16%	11%	12%	17%	15%	13%
EBIT	20%	31%	0%	18%	30%	26%	54%	12%	86%	17%	28%	45%	37%
EPS	62%	33%	37%	5%	75%	10%	4%	8%	91%	30%	22%	27%	35%
NON-GAAP METRICS													
Adjusted EBITDA	36,356	40,932	39,065	48,845	46,829	52,654	54,502	60,281	143,399	165,198	214,266	289,852	377,112
Adjusted EBITDA Margin	23%	24%	22%	23%	26%	27%	26%	24%	22%	23%	26%	30%	35%
Adjusted EPS (ex Rivian)	1.59	1.68	1.95	1.95	2.78	1.85	2.04	2.11	5.52	7.17	8.78	11.12	14.99
Adjusted EPS growth	62%	33%	37%	5%	75%	10%	4%	8%	89%	30%	22%	27%	35%
KEY METRICS													
eCommerce GMV (Est.)	182,825	198,595	214,331	267,703	209,775	224,412	243,265	302,505	769,594	863,454	979,957	1,077,953	1,164,189
GMV Growth (Y/Y)	8%	13%	13%	14%	15%	13%	14%	13%	10%	12%	13%	10%	8%
Retail Revenue (Est.)	111,167	119,636	128,045	154,781	125,044	136,530	143,149	172,870	468,764	513,629	577,594	625,642	670,855
Retail Growth (Y/Y)	6%	11%	11%	10%	12%	14%	12%	12%	8%	10%	12%	8%	7%
AWS Revenue (Reported)	29,267	30,873	33,006	35,579	37,587	40,444	43,898	48,032	107,556	128,725	169,960	229,446	298,280
AWS Growth (Y/Y)	17%	17%	20%	24%	28%	31%	33%	35%	19%	20%	32%	35%	30%
Advertising Revenue (Est.)	13,921	15,694	17,703	21,317	17,243	19,461	21,598	25,580	56,214	68,635	83,882	98,509	113,285
Ad Growth (Y/Y)	18%	23%	24%	23%	24%	24%	22%	20%	20%	22%	22%	17%	15%
BALANCE SHEET & CASH FLOW													
Cash + Marketable Securities	94,565	93,180	94,197	123,029	143,089	186,476	241,304	313,733	101,202	123,029	313,733	562,440	855,624
All Other	548,691	588,990	633,724	695,013	773,541	806,221	838,093	877,244	523,692	695,013	877,244	1,029,480	1,178,232
Total Assets	643,256	682,170	727,921	818,042	916,630	992,696	1,079,397	1,190,978	624,894	818,042	1,190,978	1,591,920	2,033,857
Adj. FCF Operations	(7,240)	1,147	1,297	15,990	(17,202)	(9,325)	2,159	19,888	38,219	11,194	(4,479)	38,471	83,439
Adjusted FCF Margin	-5%	1%	1%	7%	-9%	-5%	1%	8%	6%	2%	-1%	4%	8%

Source: Company reports, Bernstein estimates and analysis

DISCLOSURE APPENDIX

I. REQUIRED DISCLOSURES

References to "Bernstein" or the "Firm" in these disclosures relate to the following entities: Bernstein Institutional Services LLC (April 1, 2024 onwards), Sanford C. Bernstein & Co., LLC (pre April 1, 2024), Bernstein Autonomous LLP, BSG France S.A. (April 1, 2024 onwards), Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited, Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社) and analysts employed by Société Générale Africa Technologies & Services to produce Bernstein research under a Global Services Agreement in place between Bernstein and Société Générale.

Bernstein is part of a joint venture between Société Générale (SG) and AllianceBernstein, L.P. (AB). Unless specifically noted otherwise, for purposes of these disclosures, references to Bernstein's "affiliates" relate to both SG and AB and their respective affiliates.

An associate contributing to this report has a financial interest in the equity or debt securities of Alphabet Inc.

An associate contributing to this report has a financial interest in the equity or debt securities of Meta Platforms Inc..

An associate contributing to this report has a financial interest in the equity or debt securities of Amazon.Com Inc.

VALUATION METHODOLOGY**Alphabet Inc**

We value Alphabet on a Price Target of \$390, using a 50/50 combination of 2027e EV/ EBIT multiple of 28x and a DCF using a WACC of 10% and a terminal growth of 3.5%. We consider Alphabet primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

Meta Platforms Inc.

We value Meta on a Price Target of \$850 using a 50/50 combination of 2027e EV/Sales multiple of 7x, and a DCF using a WACC of 10% and a terminal growth of 3.5%. We consider Meta primarily a digital advertising business and benchmark valuation to comparable peers in this industry set.

Amazon.Com Inc

We value Amazon on a Price Target of \$315 using a 50/50 combination of SOTP method which values Amazon's largest segment (Retail) at a 2027E EV/Sales multiple of 3x, and a DCF using a WACC of 9% and a terminal growth rate of 3.5%.

RISKS**Alphabet Inc**

Upside risk to our price target:

- Faster than expected revenue growth tied to digital advertising recovery and idiosyncratic efforts or better than expected margins tied to recent effort to slow down hiring and small scale lay-offs.
- Favorable regulatory outcomes further entrenching Google's incumbency positions across both Search and Network.

Downside risk to our price target:

- Terminal risk narratives tied to Search disintermediation, either from negative headlines or share loss (users and/or revenue) in search. If search were to suffer topline changes it could have a trickle effect across the business and have a material impact on GOOGL's ad revenues and we would expect further de-rating in the stock.
- Alphabet is currently under investigation in multiple regulatory proceedings across both anti-trust and privacy, domestically and abroad. In particular, the DOJ case against Google on Search will likely reach a verdict later this year.

Meta Platforms Inc.

Downside risk to our target price:

- Meta is currently under investigation in multiple regulatory proceedings now mostly focused on teen-protection and anti-trust domestically and abroad.
- Signs that we're reaching maturity in digital ads, increased competition as alternatives emerge with compelling ad ROIs, or further privacy related changes (e.g., Cookie depreciation) could all put press on Meta's revenue outlook resulting in compressing revenue growth and de-rating.
- Meta's metaverse aspirations could lead to margin headwinds and potentially minimal ROIC, which could negatively affect both estimates and multiples.

Amazon.Com Inc

Downside risks to our price target:

- Amazon is currently under investigation in multiple regulatory proceedings across both anti-trust and privacy, domestically and abroad. Any regulations or actions by either the FTC, DOJ, or EU agencies could negatively impact the company's financials and valuation.
- New investments such as Groceries, Healthcare, AI, and Other Bets could result in a new investment cycle resulting in elevated capital intensity, compressing operating margins, and lower FCF.
- Share loss across core businesses from new eCommerce entrants and main AWS competitors could derate the multiples associated with both core businesses

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION**EQUITY RATINGS DEFINITIONS****Bernstein brand**

The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/- 15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and

Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

The Autonomous brand has three categories of common stock ratings:

- Outperform (OP): Stock will outpace the relevant index by more than 10 pp
- Neutral (N): Stock will perform in line with the market index to within +/- 10 pp
- Underperform (UP): Stock will trail the performance of the relevant index by more than 10 pp

Coverage Suspended: Coverage of a company under the Autonomous research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

Not Covered (NC) denotes companies that are not under coverage.

Autonomous brand common stock ratings are based on a 12-month time horizon.

Autonomous brand – preferred stocks

The Autonomous brand has three categories of preferred stock ratings:

- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Underperform (UP): The total return of the preferred instrument is expected to underperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.

Autonomous preferred stock ratings are based on a 6-month time horizon.

AUTONOMOUS CREDIT RESEARCH

Where this report contains investment recommendations for credit instruments, as defined in article 3(1)(35) of the Market Abuse Regulation, the information below is presented to comply with its disclosure requirements.

The report may also include reference(s) to published opinions by other Autonomous or Bernstein analysts covering the equity securities of the issuer(s) referenced herein. Please note an investment recommendation for credit instruments published by the author(s) of this report may differ from the published view of the analyst covering equity securities for the issuer(s) contained in this report and vice versa.

CREDIT RATINGS DEFINITIONS

The Autonomous brand has three categories of credit ratings:

- Credit Outperform (C-OP): The total return of the Reference Credit Instrument is expected to outperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Neutral (C-N): The total return of the Reference Credit Instrument is expected to perform in line with that of bonds of other issuers operating in similar sectors or rating categories over the next six months.
- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform that of bonds of other issuers operating in similar sectors or rating categories over the next six months.



Autonomous credit ratings are based on a 6-month time horizon.

A list of all investment recommendations produced by the author(s) of this report alongside credit ratings history are available upon request.

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e. the private side) within the Firm, and into other areas, units, groups or affiliates (i.e. public side) of the Firm

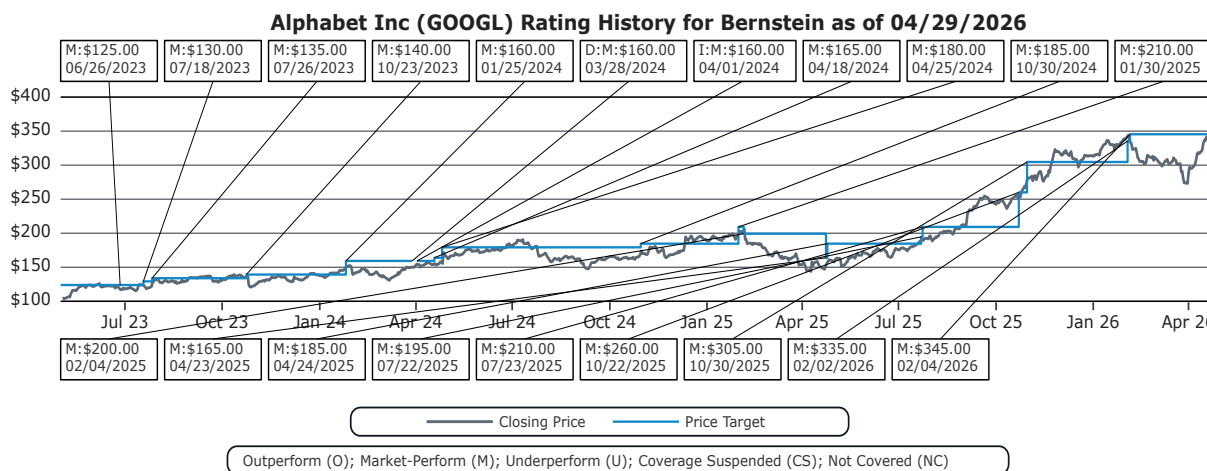
DISTRIBUTION OF EQUITY RATINGS/INVESTMENT BANKING SERVICES

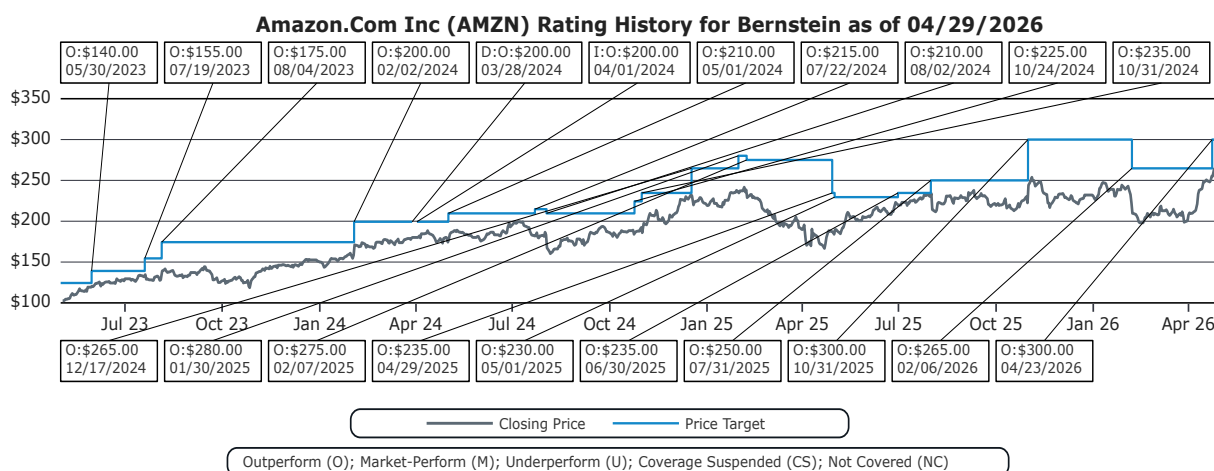
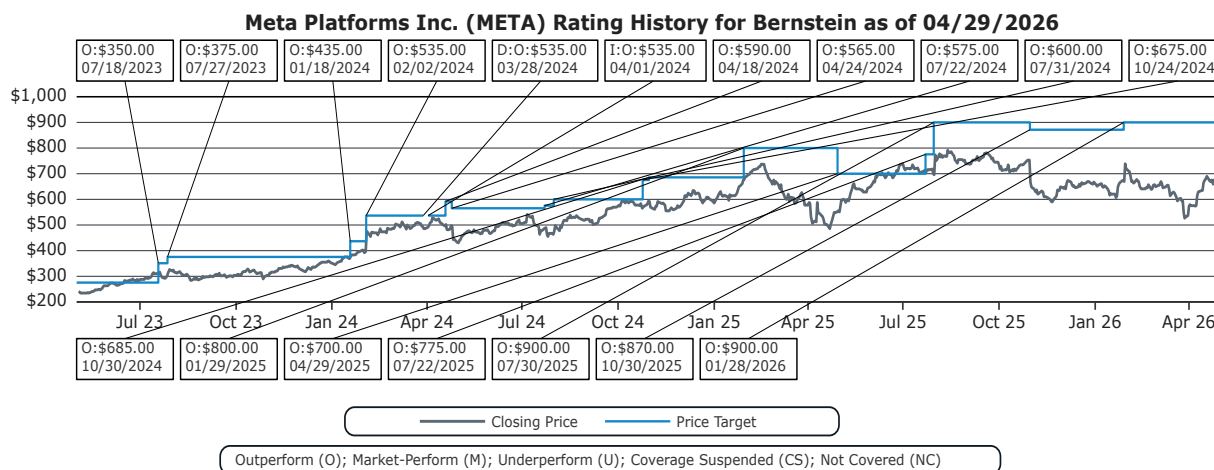
Equity Rating	Market Abuse Regulation (MAR) and FINRA Rating Category	Global Rating Distribution	Investment Banking Relationships*
Outperform	BUY	51.1%	16.5%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	36.3%	17.8%
Underperform	SELL	12.6%	14.9%

* These figures represent the percentage of companies within each equity rating category for which affiliates of Bernstein have provided investment banking services within the previous 12 months. As of March 31, 2026. All figures are updated quarterly.

PRICE CHARTS / RATINGS AND PRICE TARGET HISTORY

Prior to April 1, 2024, Sanford C. Bernstein & Co., LLC. issued the ratings and price target information in the graph(s) below for the following companies: Alphabet Inc, Meta Platforms Inc. and Amazon.Com Inc.





All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

CONFLICTS OF INTEREST

SG and/or its affiliate.s is acting as Joint Bookrunner for Alphabet Inc's bond issue (EUR, 3, 6, 9, 13, 19, 39Y). Bernstein Autonomous LLP or BSG France SA, beneficially, has either a net long or short position of 0.5% or more of the total issued share capital of a class of common equity securities of the following MIFID eligible securities: Alphabet Inc and Meta Platforms Inc..

Bernstein and/or affiliates have received compensation for investment banking services in the past twelve months from Alphabet Inc and Amazon.Com Inc.

Bernstein and/or affiliates have received compensation for non-investment banking securities-related products or services in the previous twelve months from the following clients: Alphabet Inc and Amazon.Com Inc.

Certain affiliates of Bernstein act as market maker or liquidity provider in the debt securities of: Alphabet Inc, Meta Platforms Inc. and Amazon.Com Inc.

Bernstein and/or affiliates had an investment banking client relationship during the past twelve months with Alphabet Inc and Amazon.Com Inc.

Affiliates of Bernstein managed or co-managed in the past twelve months a public offering of securities of Alphabet Inc and Amazon.Com Inc.

Certain affiliates of Bernstein act as market maker or liquidity provider in the equities securities of: Alphabet Inc, Meta Platforms Inc. and Amazon.Com Inc.

OTHER MATTERS

The legal entity(ies) employing the analyst(s) listed in this report, and their location, can be determined by the country code of their phone number, as follows:

- +1 Bernstein Institutional Services LLC; New York, New York, USA
- +44 Bernstein Autonomous LLP; London UK
- +212 Société Générale Africa Technologies & Services; Casablanca, Morocco
- +33 BSG France S.A.; Paris, France
- +34 BSG France S.A.; Madrid, Spain
- +41 Bernstein Autonomous LLP; Geneva, Switzerland
- +49 BSG France S.A.; Frankfurt, Germany
- +91 Sanford C. Bernstein (India) Private Limited; Mumbai, India
- +852 Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司; Hong Kong, China
- +65 Sanford C. Bernstein (Singapore) Private Limited; Singapore
- +81 Sanford C. Bernstein Japan KK; Tokyo, Japan

Where this report has been prepared by research analyst(s) employed by a non-US affiliate, such analyst(s), is/are (unless otherwise expressly noted below) not registered as associated persons of Bernstein Institutional Services LLC or any other SEC-registered broker-dealer and are not licensed or qualified as research analysts with FINRA. Accordingly, such analyst(s) may not be subject to FINRA's restrictions regarding (among other things) communications by research analysts with a subject company, interactions between research analysts and investment banking personnel, participation by research analysts in solicitation and marketing activities relating to investment banking transactions, public appearances by research analysts, and trading securities held by a research analyst account.

Where this report has been prepared by research analyst(s) employed by Société Générale Africa Technologies & Services (part of the Société Générale group of companies), it has been prepared on behalf of a Bernstein company under a Global Services Agreement in place between Bernstein and Société Générale.

CERTIFICATION

Each research analyst listed in this report, who is primarily responsible for the preparation of the content of this report, certifies that all of the views expressed in this publication accurately reflect that analyst's personal views about any and all of the subject securities or issuers and that no part of that analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this publication.

II. ADDITIONAL GLOBAL CONFLICT DISCLOSURES

It is at the sole discretion of the Firm as to when to initiate, update and cease research coverage. The Firm has established, maintains and relies on information barriers to control the flow of information contained in one or more areas (i.e., the private side) within the Firm, and into other areas, units, groups or affiliates (i.e., public side) of the Firm.

III. OTHER IMPORTANT INFORMATION AND DISCLOSURES

Separate branding is maintained for "Bernstein" and "Autonomous" research products.

- Bernstein produces a number of different types of research products including, among others, fundamental analysis and quantitative analysis under both the "Autonomous" and "Bernstein" brands. Recommendations contained within one type of research product may differ from recommendations contained within other types of research products, whether as a result of differing time horizons, methodologies or otherwise. Furthermore, views or recommendations within a research product issued

under one brand may differ from views or recommendations under the same type of research product issued under the other brand. The Research Ratings System for the two brands and other information related to those Rating Systems are included in the previous section.

- Autonomous operates as a separate business unit within the following entities: Bernstein Institutional Services LLC, Bernstein Autonomous LLP, Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 and Sanford C. Bernstein (India) Private Limited. For information relating to “Autonomous” branded products (including certain Sales materials) please visit: www.autonomous.com. For information relating to Bernstein branded products please visit: www.bernsteinresearch.com.

Analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to, generating investment banking revenues.

This report has been produced by an independent analyst as defined in Article 3 (1)(34)(i) of EU 596/2014 Market Abuse Regulation (“MAR”) and the same article of MAR as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

To our readers in the United States: Bernstein Institutional Services LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission (“SEC”) and a member of the U.S. Financial Industry Regulatory Authority, Inc. (“FINRA”) is distributing this publication in the United States and accepts responsibility for its contents. Where this material contains an analysis of debt product(s), such material is intended only for institutional investors and is not subject to the US independence and disclosure standards applicable to debt research prepared for retail investors.

Bernstein Institutional Services LLC may act as principal for its own account or as agent for another person (including an affiliate) in sales or purchases of any security which is a subject of this report. This report does not purport to meet the objectives or needs of any specific individuals, entities or accounts.

To our readers in Canada: If this publication pertains to a Canadian domiciled company, it is being distributed in Canada by Sanford C. Bernstein (Canada) Limited, which is licensed and regulated by the Canadian Investment Regulatory Organization. If the publication pertains to a non-Canadian domiciled company, it is being distributed by Bernstein Institutional Services LLC, which is licensed and regulated by both the SEC and FINRA, into Canada under the International Dealers Exemption.

This document may not be passed onto any person in Canada unless that person qualifies as “permitted client” as defined in Section 1.1 of NI 31-103.

To our readers in Brazil: This report has been prepared by Bernstein Institutional Services LLC, and Banco BTG Pactual S.A. (“BTG”) is responsible for the distribution of this report in Brazil.

To readers in the United Kingdom: This publication has been issued or approved for issue in the United Kingdom by Bernstein Autonomous LLP, authorised and regulated by the Financial Conduct Authority and located at 60 London Wall, London EC2M 5SH, +44 (0)20-7170-5000. Registered in England & Wales No OC343985.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

To our readers in the member states of the EEA: This publication is being distributed by BSG France SA, which is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and Autorité des Marchés Financiers (AMF).

To our readers in Hong Kong: This publication is being distributed in Hong Kong by Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, which is licensed and regulated by the Hong Kong Securities and Futures Commission (Central Entity No. AXC846) to carry out Type 4 (Advising on Securities) regulated activities and subject to the licensing conditions mentioned in the SFC Public Register (<https://www.sfc.hk/publicregWeb/corp/AXC846/details>). This publication is solely for professional investors, as defined in the Securities and Futures Ordinance (Cap. 571). The purpose of this report is solely to provide an analysis of the issuers referred to in this report and is not intended for any purpose contrary to the laws of Hong Kong.

To our readers in Singapore: This publication is being distributed in Singapore by Sanford C. Bernstein (Singapore) Private Limited, only to accredited investors or institutional investors, as defined in the Securities and Futures Act 2001 of Singapore ("SFA"). Recipients in Singapore should contact Sanford C. Bernstein (Singapore) Private Limited in respect of matters arising from, or in connection with, this publication. Sanford C. Bernstein (Singapore) Private Limited is regulated by the Monetary Authority of Singapore and licensed under the SFA as a capital markets services licence holder for dealing in capital markets products that are securities and collective investment schemes and an exempt financial adviser for advising on, issuing and promulgating analyses and reports on securities. Sanford C. Bernstein (Singapore) Private Limited is registered in Singapore with Company Registration No. 20213710W and located at One Raffles Quay, #27-11 South Tower, Singapore 048583, +65-6230-4612.

To our readers in the People's Republic of China: The securities referred to in this document are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, the "PRC") in contravention of any applicable laws of the PRC.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

We do not represent that this document may be lawfully distributed, or that any securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us which would permit a public offering of any securities or distribution of this document in the PRC. Accordingly, the securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

To our readers in Japan: This publication is being distributed in Japan by Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社), which is registered in Japan as a Financial Instruments Business Operator with the Kanto Local Finance Bureau (registration number: The Director-General of Kanto Local Finance Bureau (FIBO) No.3387) and regulated by the Financial Services Agency. It is also a member of Japan Investment Advisers Association. This publication is solely for qualified institutional investors in Japan only, as defined in Article 2, paragraph (3), items (i) of the Financial Instruments and Exchange Act.

For the institutional client readers in Japan who have been granted access to the Bernstein website by Daiwa Securities Group Inc. ("Daiwa"), your access to this document should not be construed as meaning that Bernstein is providing you with investment advice for any purposes. Whilst Bernstein has prepared this document, your relationship is, and will remain with, Daiwa, and Bernstein has neither any contractual relationship with you nor any obligations towards you.

To our readers in Australia: Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is responsible for distributing research in Australia. It is regulated by the Securities and Exchange Commission under U.S. laws, by the Financial Conduct Authority under U.K. laws, which differs from Australian laws. Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司 is exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

To our readers in India: This publication is being distributed in India by Sanford C. Bernstein (India) Private Limited (SCB India) which is licensed and regulated by Securities and Exchange Board of India ("SEBI") as a research analyst entity under the SEBI (Research Analyst) Regulations, 2014, having registration no. INH000006378 and as a stock broker having registration no. INZ000213537. SCB India is currently engaged in the business of providing research and stock broking services. Please refer to www.bernsteinresearch.in for more information.

- SCB India is a Private limited company incorporated under the Companies Act, 2013, on April 12, 2017 bearing corporate identification number U65999MH2017FTC293762, and registered office at Level 3A, 4th Floor, First International Financial Centre, Plot Nos C-54 and C-55, G Block, Near CBI Office, Bandra Kurla Complex, Bandra (East), Mumbai 400098, Maharashtra, India (Phone No: +91-22-68421401).

- For details of Associates (i.e., affiliates/group companies) of SCB India, kindly email MUM-BERNSTEIN-InCompliance@bernsteinsg.com.
- SCB India does not have any disciplinary history as on the date of this report.
- Except as noted above, SCB India and/or its Associates (i.e., affiliates/group companies), the Research Analysts authoring this report, and their relatives
 - do not have any financial interest in the subject company
 - do not have actual/beneficial ownership of one percent or more in securities of the subject company;
 - is not engaged in any investment banking activities for Indian companies, as such;
 - have not managed or co-managed a public offering in the past twelve months for any Indian companies;
 - have not received any compensation for investment banking services or merchant banking services from the subject company in the past 12 months;
 - have not received compensation for brokerage services from the subject company in the past twelve months;
 - have not received any compensation or other benefits from the subject company or third party related to the specific recommendations or views in this report; and
 - do not currently, but may in the future, act as a market maker in the financial instruments of the companies covered in the report.
 - do not have any conflict of interest in the subject company as of the date of this report.
- Except as noted above, the subject company has not been a client of SCB India during twelve months preceding the date of distribution of this research report. Neither SCB India nor its Associates (i.e., affiliates/group companies) have received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months.
- The principal research analyst(s) who prepared this report, members of the analysts' team, and members of their households are not an officer, director, employee or advisory board member of the companies covered in the report.
- Our Compliance officer / Grievance officer is Ms. Rupal Talati, who can be reached at +91-22-68421451, or MUM-BERNSTEIN-InCompliance@bernsteinsg.com / Scbin-investorgrievance@bernsteinsg.com
- The Research investor charter and Terms & Conditions of SCB India are available on its website and may be accessed at [Sanford C. Bernstein \(India\) Private Limited](https://bernsteinresearch.in/) (https://bernsteinresearch.in/) for your reference.
- Disclaimer: Registration granted by SEBI, and certification from NISM, is in no way a guarantee of performance of the intermediary or provide any assurance of returns to investors. Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

To our readers in Switzerland: This document is provided in Switzerland by or through Bernstein Autonomous LLP, and is provided only to qualified investors as defined in article 10 of the Swiss Collective Investment Scheme Act ("CISA") and related provisions of the Collective Investment Scheme Ordinance and in strict compliance with applicable Swiss law and regulations. The products mentioned in this document may not be suitable for all types of investors. This document is based on the Directives on the Independence of Financial Research issued by the Swiss Bankers Association (SBA) in January 2008.

To our readers in the Middle East: Bernstein Autonomous LLP, DIFC branch has its principal office at Gate Village 06, DIFC, Dubai, UAE. Bernstein Autonomous LLP, DIFC branch is regulated by the Dubai Financial Services Authority (DFSA) with the registration number CL10040 and is provisioned for Arranging Deals in Investments and Advising on Financial Products. All communications and services are directed at Professional Clients and Market Counterparties only (as defined in the DFSA rulebook). Persons other than Professional Clients and Market Counterparties, such as Retail Clients, are not the intended recipients of our communications or services.

LEGAL

All research publications are disseminated to our clients through posting on the firm's password protected websites, bernsteinresearch.com and autonomous.com. Certain, but not all, research publications are also made available to clients through third-party vendors or redistributed to clients through alternate electronic means as a convenience.

This publication has been published and distributed in accordance with the Firm's policy for management of conflicts of interest in investment research, a copy of which is available from Bernstein Institutional Services LLC, Director of Compliance, 245 Park Avenue, New York, NY 10167. Additional disclosures and information regarding Bernstein's business are available on our website www.bernsteinresearch.com.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any of the entities referenced herein or any of their subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. This publication is based upon public sources we believe to be reliable, but no representation is made by us that the publication is accurate or complete. We do not undertake to advise you of any change in the reported information or in the opinions herein. This publication was prepared and issued by entity referred to herein for distribution to eligible counterparties or professional clients. This publication is not an offer to buy or sell any security, and it does not constitute investment, legal or tax advice. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with their professional advisors in light of their specific circumstances. The value of investments may fluctuate, and investments that are denominated in foreign currencies may fluctuate in value as a result of exposure to exchange rate movements. Information about past performance of an investment is not necessarily a guide to, indicator of, or assurance of, future performance.

This report is directed to and intended only for our clients who are "eligible counterparties", "professional clients", "institutional investors" and/or "professional investors" as defined by the aforementioned regulators, and must not be redistributed to retail clients as defined by the aforementioned regulators. Retail clients who receive this report should note that the services of the entities noted herein are not available to them and should not rely on the material herein to make an investment decision. The result of such act will not hold the entities noted herein liable for any loss thus incurred as the entities noted herein are not registered/ authorised/ licensed to deal with retail clients and will not enter into any contractual agreement/arrangement with retail clients. This report is provided subject to the terms and conditions of any agreement that the clients may have entered into with the entities noted herein. All research reports are disseminated on a simultaneous basis to eligible clients through electronic publication to our client portal.

The information in this report was prepared by Bernstein solely for the internal business use of our clients. Clients may store, display, analyze, reformat and print the information in this report for this limited use only. Clients may not copy, alter, create derivative works, resell, reverse engineer, commercially exploit, share or distribute any part of the information contained herein for any purpose without Bernstein's express written consent. These restrictions include extracting data or using the content to develop indices or other products. Further, you may not use this report, or any portion of this report, to train or finetune any third-party machine learning or artificial intelligence system, or as a prompt or input into any such system. You also may not, without Bernstein's express written consent, do any of the foregoing in connection with your own internal machine learning or artificial intelligence system.

Bernstein may use artificial intelligence tools in the preparation of its materials. Any such materials are reviewed by Bernstein's research analysts prior to publication.

This report has been prepared for information purposes only and is based on current public information that we consider reliable, but the entities noted herein do not warrant or represent (express or implied) as to the sources of information or data contained herein are accurate, complete, not misleading or as to its fitness for the purpose intended even though the entities noted herein rely on reputable or trustworthy data providers, it should not be relied upon as such. Opinions expressed are the author(s)' current opinions as of the date appearing on the material only and we do not undertake to advise you of any change in the reported information or in the opinions herein.

This publication was prepared and issued by the entity referred to herein for distribution to eligible counterparties or professional clients. The information in this report is intended for general circulation and does not constitute an offer to buy or sell any security, investment, legal or tax advice nor a personal recommendation, as defined by any of the aforementioned regulators. It does not take into account the particular investment objectives, financial situations, or needs of individual investors. The report has not been reviewed by any of the aforementioned regulators and does not represent any official recommendation from the aforementioned regulators. The investments referred to herein may not be suitable for you. Investors must make their own investment decisions in consultation with advice sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any recipient of the recommendation, before the recipient

makes a commitment to purchase the investment product.

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. The information in this report does not constitute, or form part of, any offer to sell or issue, or any offer to purchase or subscribe for shares, or to induce engage in any other investment activity. The value of any securities or financial instruments mentioned in this report may fluctuate subject to market conditions. Information about past performance of an investment is not necessarily a guide to, indicative of, or assurance of future performance. Estimates of future performance mentioned by the research analyst in this report are based on assumptions that may not be realized due to unforeseen factors like market volatility/fluctuation. In relation to securities or financial instruments denominated in a foreign currency other than the clients' home currency, movements in exchange rates will have an effect on the value, either favorable or unfavorable. Before acting on any recommendations in this report, recipients should consider the appropriateness of investing in the subject securities or financial instruments mentioned in this report and, if necessary, seek for independent professional advice.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors where that permission profile is not consistent with the licenses held by the entities noted herein. This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject the entities noted herein to any regulation or licensing requirement within such jurisdiction.

Source: Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

No part of this material may be reproduced, distributed or transmitted or otherwise made available without prior consent of the entities noted herein. Copyright Bernstein Institutional Services LLC Bernstein Autonomous LLP, BSG France S.A., Sanford C. Bernstein (Hong Kong) Limited 盛博香港有限公司, Sanford C. Bernstein (Canada) Limited, Sanford C. Bernstein (India) Private Limited (SEBI registration no. INH000006378), Sanford C. Bernstein (Singapore) Private Limited and Sanford C. Bernstein Japan KK (サンフォード・C・バーンスタイン株式会社). All rights reserved. The trademarks and service marks contained herein are the property of their respective owners. Any unauthorized use or disclosure is strictly prohibited. The entities noted herein may pursue legal action if the unauthorized use results in any defamation and/or reputational risk to the entities noted herein and research published under the Bernstein and Autonomous brands.