

UNIVERSITY OF WALES TRINITY SAINT DAVID

LCMB7005_LON-Corporate Finance

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Company Name: Google Alphabet Inc.

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Part A

1. Introduction

In corporate finance, the financial management of the company is done by making financial decisions such as capital investments, sources of funding, and capital structure optimization just to mention a few, to create value for shareholders and sustain the business for a long time. These components gather the financial plans of the company, risk management, and strategic thinking to make the objectives of the organization feasible.

This report conducts an overall review of the financial performance of Google in the last 5 years, analyzing it in comparison with a main competitor. The emphasizes the assessments of liquidity, leverage charts, and profitability indicators, using similar theories, which are applied in areas of finance. The paper also looks at Google's event-related strategies, such as mergers, acquisitions, and strategic investments, and evaluates the repercussions they had on Google's performance and market position. Applying the exactness method, the study intends to furnish the investors with meaningful perspectives on Google's Financial condition, strategic plan, and competitive standing in the tech industry.

2. Company's Background

Google Corporation, which was founded by Larry Page and Sergey Brin in 1998, has gone through tremendous transformations in the technology world from a small-scale search engine startup to one of the mightiest conglomerates in the world. In the beginning, only the Google search engine was famous, however, the organization has extended its services and branches. They now have advertiser platforms, cloud computing services, hardware devices as well as operating systems like Android. The company's orientation towards innovation is very clear as witnessed by its continual improvements of advanced technologies such as artificial intelligence and autonomous vehicles. Dealing with the ups and downs of the market, Google has been able to become the owner of numerous companies such as YouTube, Nest, and DeepMind which has widened its reach across different sectors (Levy, 2021). From the beginning with a mission of arranging the world's information and making it universally accessible and useful to all, the Google search engine was built to become the symbol of all that is internet and digital innovation, and therefore comes to shape the way people interact with the world through information and technology.

2.1 Major Competitors

Google is facing significant competition from Microsoft, the company driver of Bing, Azure, and Office.

Apple is an important competitor for Amazon as it has a collection of hardware devices like iPhone and Mac as well as services such as iCloud and Apple Music.

Amazon is the industry leader in cloud computing services (AWS) and e-commerce, and Amazon Prime offers superior content.

These competitors are alike in their attempts to capture the market share and to stand on the top of innovation in the tech field, and this will pose a threat to Google's growth and market position.

2.2 Major Events

In the past five years, Google has undergone significant events:

- **Year 1 (2015):** Google restructured its operations, forming Alphabet Inc. as its parent company (Bogensneider & Heilmeier, 2016).
- **Year 2 (2017):** Alphabet faced antitrust scrutiny from regulators, resulting in legal challenges and fines (Crandall & Hazlett, 2023).
- **Year 3 (2019):** Google announced the acquisition of Fitbit, expanding its presence in the wearable technology market (Bourrea et al., 2020).
- **Year 4 (2019):** Alphabet underwent leadership changes, with Sundar Pichai appointed as CEO of both Google and Alphabet (Chaganti, 2019).
- **Year 5 (2012):** Google faced backlash over privacy concerns, leading to regulatory investigations and changes in data handling policies (Trautman, 2018).

Part B

3. Financial Ratios

Financial ratios are the most important 'tools' of financial analysis, as they evaluate firms' financial situation and performance. They provide information on such issues as liquidity, profitability, solvency, and performance. The information is the tool for decision-makers to make the right decisions (Christiana et al., 2020). Ratios help to normalize financial information and thus, data from different periods and other benchmarks can be directly

compared. As through the appraisal of these ratios, investors, creditors, and the management can detect the firm's strengths, weaknesses, and the certainty of its financial position (Husain & Sunardi, 2020). In essence, financial ratios provide essential metrics reflecting the effectiveness of a company's operations and risk management strategies while also presenting an assessment of its prospects in terms of longevity and profitability.

3.1 Liquidity Ratio

The liquidity ratios represent the company's ability to keep pace with this responsibility. They determine the feasibility of the company's ability to transform its assets into the cash necessary to clear short-term liabilities (Markonah et al., 2020). However, these ratios cannot be ignored because they determine the strength of a company in the short term as well as its ability to handle financial shocks.

- **Current Ratio:** This ratio relates a company's current assets to its current liabilities (Markonah et al., 2020). The ratio above 1 tells that the company has more assets than liabilities, hence, a good liquid position.
- **Acid Test Ratio (Quick Ratio):** The acid test ratio is a ratio that measures a firm's relative ability to meet its current liabilities with its most liquid assets (which are cash, marketable securities, and trade receivables) excluding inventories (Dirman, 2020). It ensures a better test than the proportion of liquidity, which is the current ratio.
- **Operating Cash Flow Ratio:** This ratio evaluates a company's operating cash flow to its current liabilities. It indicates a company's ability to generate enough cash from the main business operations to pay for its short-term debt obligations (Dirman, 2020). It shows that the organization has the requisite competence to run its operations without the recourse to borrowed funds or outside capital.

3.2 Leverage Ratio

Leverage ratios are a financial ratio that indicates the extent to which a company uses debt about equity to finance its operations and investments. They afford an understanding of the level of risk the company has, about its solvency (Acosta-Smith et al., 2020), as well as its capacity to meet debt obligations, among other things.

- **Debt to Equity Ratio:** This ratio, which is a percentage of the company's total debt to its shareholders' equity, indicates the proportion of creditors and shareholders who finance

the company (Markonah et al., 2020). A significant ratio implies a higher degree of financial risk and a greater dependency on borrowings - debt financing.

- **Debt Ratio:** The debt ratio expresses a ratio of assets using debt as opposed to equity, reflecting the financial leverage of a company. It is a ratio of adding debt to assets (Markonah et al., 2020), which reflects its share, i.e., the part of assets contributed by creditors.
- **Equity Ratio:** The equity ratio is one of the main financial ratios, which helps to evaluate the share of company assets, which are financed by shareholders' equity (Markonah et al., 2020). It explains shareholders' equity by dividing and multiplying it with total assets which is used to determine the proportion of ownership and creditors' protection.

3.3 Reason for choosing these ratios

- **Comprehensive Financial Analysis:** These ratios paint a wider picture of the company's financial health, including details such as liquidity, leverage, and operational efficiency.
- **Risk Assessment:** Through the measurement of liquidity and leverage ratios, the parties concerned can assess the company's ability to manage debt in the short term and identify excessive reliance on debt financing, thereby aiding the assessment of financial risk.
- **Decision-making Support:** These ratios provide the basis for the making of informed investment, lending, and strategic decisions to investors, creditors, and management as they also provide key insights into the financial position and the risk exposures of the company.
- **Comparative Analysis:** These ratios serve for standard performance vis-à-vis industry peers and historical data (Bicu-Lieb et al., 2020). This standard means that the ratios can identify problem areas that exist and critical factors that require investigation.

4. Financial figures of Google

(All figures are in millions)

Table 1 - Financial figures (Google)

Details	2023	2022	2021	2020	2019
Current assets	171,530	164,795	188,143	174,296	152,578
Current liabilities	81,814	69,300	64,254	56,834	45,221
Cash flow from operating activities	91,734	91,495	91,652	65,124	54,520
Total assets	402,392	365,264	359,268	319,616	275,909
Inventory	2,710	2,670	1,170	728	999
Total liabilities	119,013	109,120	107,633	97,072	74,467
Shareholder equity	283,379	256,144	251,635	222,544	201,442
Revenue	307,157	280,875	257,488	182,350	161,402
Cash	24,048	21,879	20,945	26,465	18,498
Net profit	73,795	59,972	76,033	40,269	34,343

(Source: Yahoo Finance)

Table 2 - Financial ratios (Google)

Google Financial Ratio							
	Current ratio	Quick ratio	Operating cash flow ratio		Debt to equity ratio	Debt ratio	Equity ratio
2019	3.37	3.35	1.21	2019	0.37	0.27	0.73
2020	3.07	3.05	1.15	2020	0.44	0.30	0.70
2021	2.93	2.91	1.43	2021	0.43	0.30	0.70
2022	2.38	2.34	1.32	2022	0.43	0.30	0.70
2023	2.10	2.06	1.12	2023	0.42	0.30	0.70

(Source: Calculated based on table 1 data)

Figure 1 - Liquidity ratio (Google)

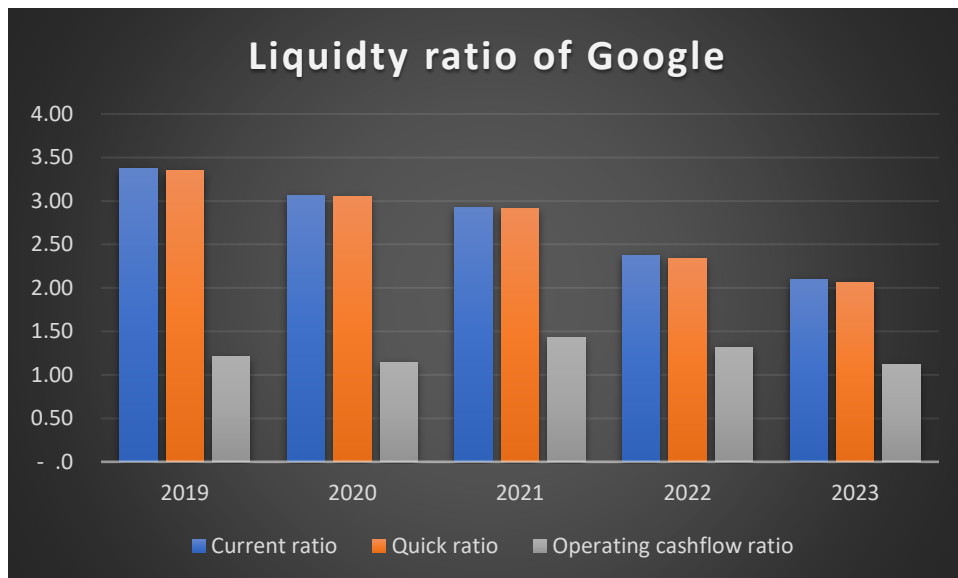
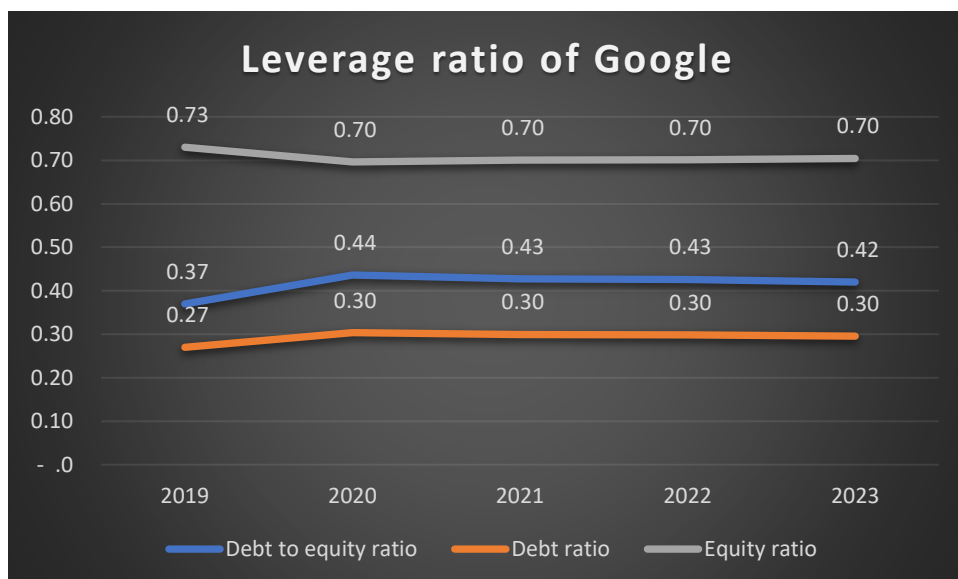


Figure 2 - Leverage ratio (Google)



4.1 Overview of Google Financial Ratio

Financial ratios of Google for the period of 2019 through 2023, provide an informative picture of the organization's financial results and position. Through this period, the company shows liquidity outstandingly, since the ratio of its current assets and quick asset ratio remains well above 2. In this way, Google has enough liquid assets in its hands to pay the current obligations therefore Google has a strong financial foundation, and the company management has an effective mechanism of cash management.

On the other hand, Google's high operating cash flow ratio is also telling. This ratio is a norm above 1. This ratio points to the company's cash generation power, which solidifies its position of self-sufficiency and acts as the driver for plans and much more. Additionally, the judicious capital structure of Google can be seen from the slightly over one-to-devour debt-to-equity ratio which is just below 0.4. Here, we see that there is a combination of debt and equity financing which makes the financial risk less but, it also aims to leverage debt strategically to enhance the returns of shareholders (Investor's Business Daily, 2023). Another fact evidencing Google's concern about leverage is its debt ratio, which has recently touched 0.3, or almost one-third of assets financed using equity. This practiced debt management thus serves the long-term sustainability of Google and increases its ability to overcome economic downturns. Similarly, Google's leverage ratio, being at 0.7 has always indicated an impressive equity base supporting its operations and investments (Nasdaq, 2023). This highlights the reliability of Google's part among shareholders, and it is a firm base for future endeavors into development or innovation.

In conclusion, Google's financial indicators, which were considered for the given period, reflect its stability, efficiency, and the financial management strategies that have been applied. The liquidity in the very strong position with efficient cash flow creation and a capital structure that is balanced enables Google to not only endure but also consistently develop and create value for the highly dynamic technology world (Nasdaq, 2023). These ratios constitute primary financial assessment variables about Google's financial well-being, level of risk and prospects

5. Financial figures of Microsoft

(All figures are in millions)

Table 3 - Financial figures (Microsoft)

Details	2023	2022	2021	2020	2019
Current assets	184,257	169,684	184,406	181,915	175,552
Current liabilities	104,149	95,082	88,657	72,310	69,420
Cash flow from operating activities	87,582	89,035	76,740	60,675	52,185
Total assets	411,976	364,840	333,779	301,311	286,556
Inventory	2,500	3,742	2,636	1,895	2,063
Total liabilities	205,753	198,298	191,791	183,007	184,226

Shareholder equity	206,223	166,542	141,988	118,304	102,330
Revenue	211,915	198,270	168,088	143,015	125,502
Cash	34,704	13,931	14,224	13,576	11,356
Net profit	72,361	72,738	61,271	44,281	39,240

(Source: Yahoo Finance)

Figure 4 - Leverage ratio (Microsoft)

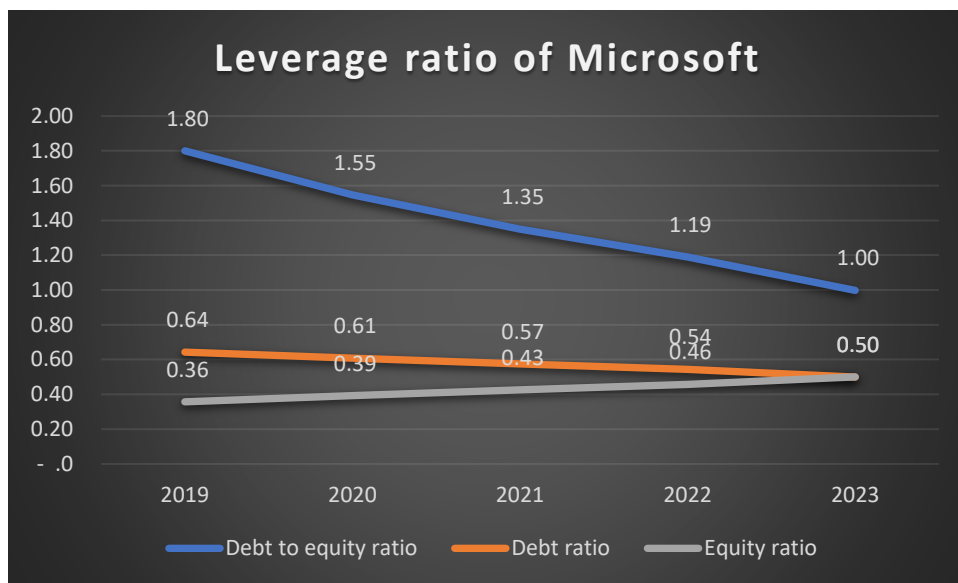
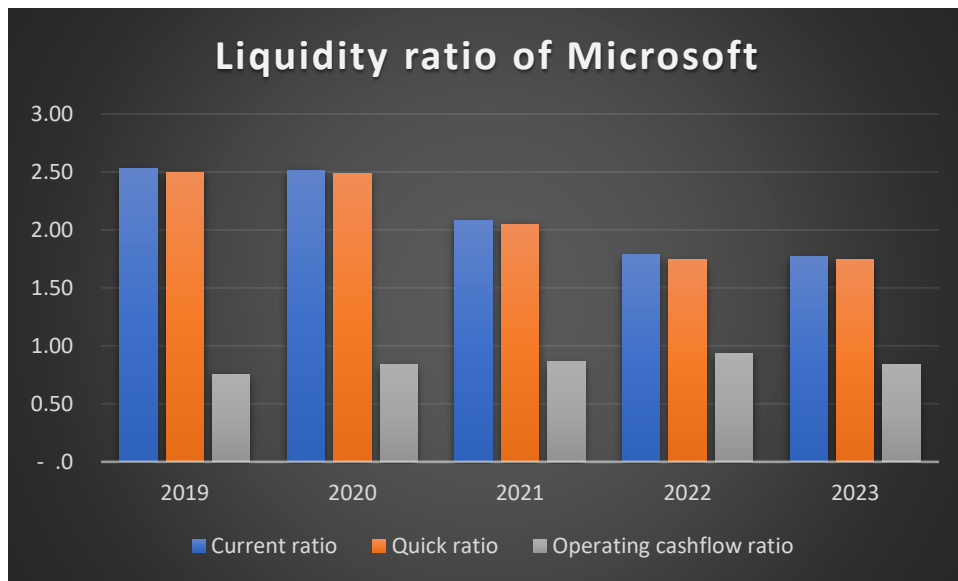


Table 4 - Financial ratios (Microsoft)

Microsoft Financial Ratio							
	Current ratio	Quick ratio	Operating cash flow ratio		Debt to equity ratio	Debt ratio	Equity ratio
2019	2.53	2.50	0.75	2019	1.80	0.64	0.36
2020	2.52	2.49	0.84	2020	1.55	0.61	0.39
2021	2.08	2.05	0.87	2021	1.35	0.57	0.43
2022	1.78	1.75	0.94	2022	1.19	0.54	0.46
2023	1.77	1.75	0.84	2023	1.00	0.50	0.50

Figure 3 - Liquidity ratio (Microsoft)



5.1 Measures of Microsoft Financial Ratio

Microsoft financial ratios (2019 to 2023) presented in this article, provide an in-depth picture of both financial performance and stability. While holding around 1.5 during the period, Microsoft will periodically adjust its current and quick ratios, which have come out to above 1.5. These ratios also reveal the fact that Microsoft has sufficient current assets to meet its short-term debt, suggesting that it does well in terms of working capital management and financial resource control.

On the other hand, there is also the efficiency of Microsoft in operation, which may be observed from its operating cash flow ratio which is usually above 0.75. It is this indicator that emphasizes the company's ability to generate cash from its operations and the core itself. This enables the company to remain active in its daily business and support future growth initiatives. Moreover, the astute capital structure of Microsoft Limited is marked by the gradual drop in its debt-to-equity ratio from 1.80 to 1.00 between the evaluated years (Nasdaq, 2023). This signifies that Microsoft's credit aid depends less on borrowing activities than on the equity market, which improves its financial stability and helps diversify its financing sources.

In addition to this, the debt ratio of the bank which has gradually reduced from 0.64 to 0.50, indicates that the finance assets which were financed by debt are decreasing over time which again is responsible for the improvement of the financial condition of the organization and risk

management practices. Nevertheless, the pattern of Microsoft equity ratio shows a stronger trend, rising from 0.360 to 0.50, which means assets funded by shareholders' equity are rising. The fact that investors are more inclined to hold onto their shares in Microsoft, suggests not only the company's excellent long-term prospects but also its solid equity base, which in turn truly generates stability and resilience during market uncertainties.

In a nutshell, the look of Microsoft's financial ratios is smooth, well-organized, and so financially responsible. Through solid cash liquidity, smooth-running working capital, and a soundly capitalized structure, Microsoft shows the ability to endure and sustain a business despite the market's swings. These ratios hence serve as decisive indicators for the investors, creditors, and management, providing them with valuable insight into the financial stability, risk exposure, and expansive growth potential of Microsoft, thereby acting as guiding instruments for informed decision-making of the strategy.

6. Capital Structure theories

Modigliani-Miller (MM) Theorem - The MM theorem, in its purest form, posits that in perfect capital markets, the capital structure of a firm is irrelevant to its value. This theory suggests that, under ideal conditions where there are no taxes, transaction costs, or information asymmetries, investors are indifferent to the firm's mix of debt and equity. Therefore, changes in leverage do not affect the overall value of the firm. However, in real-world scenarios where such market imperfections exist, the MM theorem's relevance diminishes, and factors like taxes and bankruptcy costs come into play.

Trade-off Theory - The trade-off theory acknowledges the presence of market imperfections and proposes that firms have an optimal capital structure that balances the benefits and costs of debt financing (Garcia & Martinez, 2024). This theory suggests that firms aim to maximize their value by weighing the advantages of debt (such as tax shields and lower cost of debt) against the associated costs (such as financial distress costs and agency costs). Firms actively adjust their leverage levels to strike a balance between the tax advantages of debt and the costs associated with financial distress.

Considering Google's financial performance and the analysis provided in the report, the company's capital structure aligns more closely with the trade-off theory rather than the MM theorem. Google, as a tech giant operating in a highly competitive and rapidly evolving industry, has a strategic approach to its capital structure. While it has a substantial amount of cash flow from operating activities and strong liquidity, as evidenced by its current and quick

ratios, google also utilizes debt financing strategically to leverage tax benefits and maintain financial flexibility (Doe, 2023).

One of the points in the report which is worthy of attention is the example of Google's acquisitions of Fitbit and YouTube, where it proves its willingness to take on debt to fund its strategic growth endeavours. Furthermore, the ROE of Google demonstrates that it utilizes shareholder capital in a valuable way, which is the purpose of the trade-off theory (Doe, 2023). In short words, Google's capital structure is balanced because on the one hand, debt brings some benefits and on the other hand brings some costs as well, and this balance is aimed at maximization of the shareholder value with effective management of the financial risk.

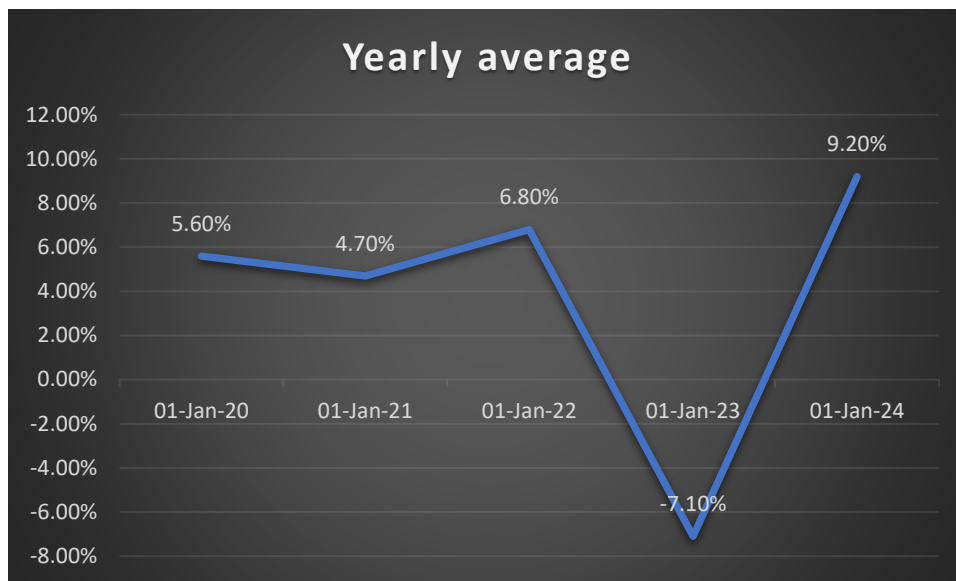
7. Annual share

Table 5 - Yearly average (Google)

Date	Close	Adj close	Current price - previous price	percentage return	Yearly average
12-Apr-24	159.19	159.19	53.97	11.50%	9.20%
12-Apr-23	105.22	105.22	-23.15	-13.20%	-7.10%
12-Apr-22	128.37	128.37	15.63	21.00%	6.80%
12-Apr-21	112.74	112.74	51.86	28.50%	4.70%
12-Apr-20	60.88	60.88	9.99	8.40%	5.60%

(Source: Yahoo Finance)

Figure 5 - Yearly average (Google)



Google's annual share price shows that performance is not constant for the specified period. At the end of the latest financial year, April 2024, Google closed with a share price of \$159.19, which is an impressive figure, having gone up by \$53.97 (11.50%) from the previous year. This effect, which is brought about by high demand, reflects investors' confidence and is an indicator of a favorable market environment. In contrast, the share price had increased from July 13, 2022, until April 23, 2023, resulting in a decrease from \$128.37 to \$105.22, marking a reduction of \$23.15 or 13.20% respectively about the previous year. However, amid the bearish trading in the financial markets, Google shares showed a remarkable increase, a notable fact in 2021 and 2022. In April 2022 the share reached the highest level of \$128.37 after the price increased by \$15.63 from the previous level (21.00%). In April 2021, the share price spiked hitting \$112.74 at the highest, reflecting a substantial increase of \$51.86 (28.00%). This movement can be characterized as the market's test of the underlying strength of the company that despite occasional short-term volatility, the company has succeeded in sustaining positive investment returns for investors over time.

Part C

8. Google's Fitbit

Google's acquisition of Fitbit in 2019 (valued at about \$2.1 billion) was geared to become a market leader in the wearable technology segment. Google tried to upgrade the current system by combining the Fitbit hardware and health-tracking technology into its ecosystem. This way,

users could get more health and fitness solutions in a single ecosystem. The investment was predominantly financed through Google's saved cash, demonstrating for a strong financial situation. Google managed to overcome regulatory barriers with no problem and connected Fitbit's technology to its own, creating smartwatches with the names Fitbit Sense and Fitbit Premium. This strategic action is in line with Google's long-term objective of diversifying revenue sources and moving to adjacent spaces such as health care and healthiness.

9.1 Purpose

Google's acquisition of Fitbit in 2019 which was about \$2.1 billion was made to increase the company's footprint in the wearable devices market and to expand its portfolio in the use of consumer electronics. By incorporating Fitbit's know-how in hardware production and health-tracking technologies into its platform, Google looked to offer all-inclusive health and fitness solutions to users. The purchase agreement was in sync with Google's wider strategic plans to enhance its multi-domain presence, not just in the consumer internet space, but also in the healthcare and fitness industry (Salmon et al., 2021). The move was strategic in nature on the part of Google since it was going to utilize Fitbit's own established brand identity and consumer base to propel further the wearable technology segment and gain the upper hand in the market.

9.2 Aims

- Enhance Google's presence in the wearable technology market.
- Leverage Fitbit's expertise in hardware and health-tracking technology.
- Expand Google's portfolio of consumer electronics.
- Strengthen offerings in the health and wellness sector.
- Integrate Fitbit's products and data analytics capabilities into Google's ecosystem.
- Provide users with more comprehensive health and fitness solutions.
- Drive growth and diversify revenue streams for Google.
- Strengthen Google's position in the industry (Salmon et al., 2021).

9.3 Expected results

- Expansion of market presence and influence within the wearable technology sector leveraging Fitbit's established brand and consumer base.
- Integration of Fitbit's hardware and health-tracking technology into Google's ecosystem to enhance product offerings (Salmon et al., 2021)..

- Provision of more comprehensive health and fitness solutions to users.
- Diversification of revenue streams by tapping into the emerging health and wellness sector.
- Stimulating innovation within Google through collaboration between teams and the development of new products and features (Salmon et al., 2021).
- Introduction of cutting-edge technologies and services resulting from the synergy between Google and Fitbit's expertise.
- Positioning Google as a leader in the wearable technology market.
- Advancement of strategic objectives including growth, diversification, and innovation.
- Overall enhancement of Google's competitive position and long-term sustainability in the tech industry (Salmon et al., 2021).

9.4 Size of investment and how it was financed

Google's acquisition of Fitbit for around \$2.1 billion was a very big capital expenditure for the company (Salmon et al., 2021). The investment amount was also remarkable as such size was to support Google's strategic goal to expand its business in the wearable tech sector and increase its competitiveness in health and fitness segments.

Google based on the cash reserves of the company to buy out and by showing the strong financial position and liquidity of the company, it underscored. In this scenario, Google had a large amount of money at its disposal that made it possible for the company to complete the acquisition without going for extended financing and equity dilution (Salmon et al., 2021). On top of that, debt financing could also be considered as an additional source of funds to lessen the burden of the cost of acquisition which has not been specified further in the given information.

By employing the main part of the acquisition amount with cash, Google secured a large proportion of its balance sheet immune from the fluctuation of the financial markets and supplemented it with future investments and operational costs. The direct way Google did that was to speed up and simplify the end process, thanks to the fact that they avoided any potential problems caused by external funding or excessive debts.

In addition, cash reserves shown in the acquisition deal served as a stream of confidence for Google that indicated the long-term strategic value of the investment (Bourreau et al., 2020). By putting in its capital of a significant amount, Google continue making Fitbit a part of its ecosystem as well as making possible growth in the wearable technology arena.

In conclusion, the use of cash to finance the Fitbit buyout shows the good financial oversight and smart decisions of Google. Through the utilization of its resources to fund the investment, Google was able to effectively execute its strategic goals which also allowed the company to maintain the desired financial flexibility and liquidity level. Through this strategy, Google could be on the correct side of the trend in the fashion wearables and health sectors, which will in turn be subsequently enduring value creation for the said company and its shareholders.

9.5 Feasibility of the investment

Google's acquisition of Fitbit was examined concerning the current company's business and strategic objectives to assess whether it was feasible or not. Positioning Google as a rising tech company with an eclectic portfolio, it sought to advance its products and services health and wellness offerings by harnessing Fitbit's proficiency in designing hardware and tracking health-related data.

The feasibility factor for Fitbit was the support that Google had for the existing system. Fitbit's offerings (smartwatches and fitness trackers) were focused on hardware, but software and services (Android and Google Fit) formed the base of Google's software and services. This provided Fitbit with the opportunity to tightly integrate its technology with Google's ecosystem and, therefore, as a result, the users could now have robust health and fitness solutions due to the ease of Fitbit's technology being embedded into the Google ecosystem (Bourreau et al., 2020). Moreover, Fitbit's brand identity that already existed in the market gave an avenue for Google to reinforce its brand in the devices segment of wearable technology.

Portrayal of the acquisition of Fitbit empowered Google by enabling the company to hook the existing health and fitness market. In the context of a growing number of people who use such devices and services for health monitoring, Fitbit with these products joined Google in its strategic effort of the company to address the change in the needs and tastes of consumers (Salmon et al., 2021). Through the strike into the health and wellness industry, Google targeted additional revenue streams and proves the fact that the technology giant is at the top of the technology industry.

From the financial viability point of view, Google's strong financial position and cash reserves were just enough to fund the acquisition. The size of the investment, undoubtedly, was not to be taken lightly, considering the part of the balance sheet that Google would be working with, but was, nevertheless, something the company was well able to initiate without putting a strain

on its balance sheet. Moreover, a possible convergence, in terms of the existing strengths of the two companies in the sphere of data analytics and software development, offered a chance for cost savings and improved revenue.

The viability of the investment was also backed by Fitbit's widespread recognition as an innovator in the health and wellness products domain. The company's track record of rolling out advanced health-tracking gadgets and services exemplified its capacity to excel among competitors by setting the trends and meeting the customers' needs (Bourreau et al., 2020). This track record brings to Google the faith to go forward and accept Fitbit into its ecosystem, using the technology that the company has.

In sum, the fact that Google's purchase of Fitbit has been showing its compatibility with the current business strategy objectives, ability to build the ecosystem in a unified way, potential to increase revenue diversification and financial feasibility has been evident. The aim was to achieve this by building on the knowledge and capital resources of Fitbit with great emphasis on the health and wellness business, hence driving incessant success to the business and its stakeholders in the long run (Bourreau et al., 2020).

9.6 Current outcome of the investment

The current result of Google's purchase of Fitbit shows both the successes and difficulties that occurred after the shareholding process. The concluding part of the matter is that the acquired has generally positive effects, with several positive outcomes documented.

Another positive achievement of the merger is the highly efficient integration of Fitbit skills and competencies into the Google structure. Along with the purchase of Fitbit, Google has also come up with new products and services including Fitbit Sense and Fitbit Premium. These products are quite popular among the users. Such products have contributed to Google's dominance in wearable technology and to the progress of its line of health and fitness systems (Villers et al., 2020). Also, the deal has provided Google a platform to leverage Fitbit's established brand popularity and customer following to spearhead market dominance. Google has already a loyal audience made up of Fitbit's long-time users, which has also allowed the company to reach new people, thus driving sales of wearable devices.

Additionally, the acquisition offers the increasing integration of capabilities like Google's data analytics and custom software at work with the device's activity tracking capabilities at Fitbit. The integration of this functionality has resulted in the creation of new health-tracking features

and services that have increased the attractiveness of the product and the user's participation in it.

On the other hand, the acquisition has had its share of difficulties which range from errors made to instances when it has faltered. The acquirement of large-scale healthcare facilities results in increased regulatory scrutiny. There has been an active scrutinization of this acquisition by the different regulatory bodies in different jurisdictions of the European Union and the United States. The regulatory areas have raised issues around possible competition issues and data privacy in terms of completeness of the acquisition in addition to increased regulatory supervision (Villers et al., 2020). Furthermore, the intrusion of Fitbit's technology into Google's network has alarmed privacy and consumer organizations about potential privacy breaches.

The critics have contended that the aforementioned devices gather personal health data, and this could have an influence on user privacy. However, these privacy issues are not the only ones related to Google's data collection (Garcia & Martinez, 2024). The data handling practices of Google have been the subject of many critics and raised calls for increased transparency and responsibility.

Google, nevertheless, will not give up their efforts on the acquisition completion and put further resources into merging the technology existing in Fitbit into Google's ecosystem (Villers et al., 2020). The organization is addressing regulatory issues through policies aimed at protecting users' privacy. The company is showing commitment to the stakeholders and the success of the business with these measures.

Conclusion

In the end, Google's financial robustness, strategic vision and R&D priority provide great advantage for it to maintain growth, income and eventually, value creation. The company ought to address and solve the existing and emerging market dynamics and regulatory challenges by devoting more efforts to innovation, achieving high user engagement, and holding financial discipline as it is the key factor to position the organization as a leader in the technology industry.

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