

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

Alphabet Inc.

Since it was founded in 1998, technology company Alphabet (formerly Google) from Mountain View, California, has become an integral part of our professional and private activities. The company's eight core products alone each have more than one billion active users per month: Android (operating system), Chrome (web browser), Gmail (e-mail service), Google Drive (file hosting), Google Maps (online map service), Google Play (app store), Google Search (search engine) and YouTube (video portal). They are symbolic of the company's mission to organize the world's information and make it universally accessible. This allows Alphabet to grow continuously, with high profitability and without a large capital investment (table).

	2019	2018	2017	2016	2015
Sales in billions USD	162	137	111	90	75
EBIT in billions USD	34	28	26	24	19
ROCE	22%	22%	27%	29%	26%

Adjusted for cash, cash equivalents and securities, which now total USD 120 billion, Alphabet achieves very high operating margins in relation to total capital employed (ROCE). The slightly lower return is due to investments in data centres, quantum computers and artificial intelligence, among other things. These programmes are intended to generate income beyond the dominant advertising revenues, which are still driven by

growth, i.e. an increase in worldwide clicks (paid clicks) with a simultaneous disproportionately low decline in income per click (cost-per-click), as well as very low production costs, which are calculated as the TAC rate (traffic acquisition costs), i.e. payments for network and distribution partners in relation to advertising revenues (table).


	2019	2018	2017	2016	2015
Δ Paid clicks	23%	62%	54%	43%	33%
Δ Cost-per-click	-7%	-25%	-21%	-13%	-15%
TAC rate	22%	23%	23%	21%	21%

Thanks to cloud services (Google Cloud Platform, GSuite, Enterprise), Google Play, YouTube Premium/TV as well as innovative and user-friendly products such as Google Nest (smart home) and Google Pixel (laptops, smartphones), Alphabet is already generating 17% of its revenues independent of advertising (table).

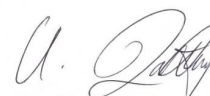
	2019	2018	2017	2016	2015
Advertising revenues	83%	85%	86%	88%	90%
Other revenues	17%	15%	14%	12%	10%

A great deal of innovative spirit underlies this growth. Around 16% of sales revenues are invested in research and development every year. In combination with its corporate culture, brand equity, network effects and consumer habits, this investment makes Alphabet a digital winner. We took advantage of the decline in the share price during the coronavirus crisis and significantly increased our position with long-term objectives.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky

Disclaimer: This document is a customer information ("CI") in the sense of the German Securities Trading Act (WpHG). Responsible as the author for the content is the tied agent listed below. This "CI" is used exclusively for information purposes and cannot replace an individual suitable investment advice. This "CI" does not constitute a contract or any other obligation or kind of contractual offer. Furthermore, the content does not constitute investment advice, an individual investment recommendation, an invitation to subscribe for securities or a declaration of consent or a solicitation of an agreement on a transaction in financial instruments. This "CI" is intended only for professional customers and eligible counterparties with a habitual residence or domicile in Germany and has not been written with the intention of giving legal or tax advice. The tax treatment of transactions is dependent on the personal circumstances of the respective customer and may be subject to future changes. Recommendations and forecasts are non-binding estimates of future events. They can therefore prove to be inaccurate regarding the future development of a product. The information contained in this document is based exclusively on the date on which this "CI" was provided. A guarantee for the actuality and correctness cannot be given. Past performance is not a reliable indicator of future performance. This information is protected by copyright, no reproduction or commercial use is permitted. Author/Issuer: GANÉ Aktiengesellschaft acting as a tied agent (§ 2 section 10 German Banking Act) in the order, in the name, for account and under the liability of the responsible liability holder BN & Partners Capital AG, Steinstraße 33, 50374 Erftstadt. BN & Partners Capital AG has a authorization from the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) pursuant to § 32 German Banking Act for the provision of investment advisory service pursuant to § 1 section 1a no. 1a Banking Act and the investment brokerage pursuant to §1 section 1a no. 1 German Banking Act. The above content only reflects the author's opinions, which may differ from those of BN & Partners Capital AG. A change of this opinion is possible at any time, without it being published. BN & Partners Capital AG assumes no liability for the content, correctness and up-to-dateness of the information contained therein and does not accept any liability for damage resulting from the use of the "CI" or parts thereof.