

Alphabet Inc.
CONSOLIDATED BALANCE SHEETS
(in millions, except par value per share amounts)

	As of December 31, 2024	As of September 30, 2025 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,466	\$ 23,090
Marketable securities	72,191	75,406
Total cash, cash equivalents, and marketable securities	95,657	98,496
Accounts receivable, net	52,340	57,148
Other current assets	15,714	18,303
Total current assets	163,711	173,947
Non-marketable securities	37,982	63,800
Deferred income taxes	17,180	10,331
Property and equipment, net	171,036	223,787
Operating lease assets	13,588	14,524
Goodwill	31,885	33,269
Other non-current assets	14,874	16,811
Total assets	<u>\$ 450,256</u>	<u>\$ 536,469</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,987	\$ 10,546
Accrued compensation and benefits	15,069	13,944
Accrued expenses and other current liabilities	51,228	59,437
Accrued revenue share	9,802	10,081
Deferred revenue	5,036	5,542
Total current liabilities	89,122	99,550
Long-term debt	10,883	21,607
Income taxes payable, non-current	8,782	10,072
Operating lease liabilities	11,691	12,106
Other long-term liabilities	4,694	6,267
Total liabilities	125,172	149,602
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share, 100 shares authorized; no shares issued and outstanding	0	0
Class A, Class B, and Class C stock and additional paid-in capital, \$0.001 par value per share: 300,000 shares authorized (Class A 180,000, Class B 60,000, Class C 60,000); 12,211 (Class A 5,835, Class B 861, Class C 5,515) and 12,077 (Class A 5,818, Class B 842, Class C 5,417) shares issued and outstanding	84,800	91,695
Accumulated other comprehensive income (loss)	(4,800)	(2,054)
Retained earnings	245,084	297,226
Total stockholders' equity	325,084	386,867
Total liabilities and stockholders' equity	<u>\$ 450,256</u>	<u>\$ 536,469</u>

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2025	2024	2025
Revenues	\$ 88,268	\$ 102,346	\$ 253,549	\$ 289,007
Costs and expenses:				
Cost of revenues	36,474	41,369	105,693	116,768
Research and development	12,447	15,151	36,210	42,515
Sales and marketing	7,227	7,205	20,445	20,478
General and administrative	3,599	7,393	9,783	16,141
Total costs and expenses	<u>59,747</u>	<u>71,118</u>	<u>172,131</u>	<u>195,902</u>
Income from operations	28,521	31,228	81,418	93,105
Other income (expense), net	3,185	12,759	6,154	26,604
Income before income taxes	31,706	43,987	87,572	119,709
Provision for income taxes	5,405	9,008	13,990	21,994
Net income	<u>\$ 26,301</u>	<u>\$ 34,979</u>	<u>\$ 73,582</u>	<u>\$ 97,715</u>
Basic net income per share (Note 12)	\$ 2.14	\$ 2.89	\$ 5.96	\$ 8.06
Diluted net income per share (Note 12)	\$ 2.12	\$ 2.87	\$ 5.90	\$ 7.99

See accompanying notes.

Note 2. Revenues**Disaggregated Revenues**

The following table presents revenues disaggregated by type (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2025	2024	2025
Google Search & other	\$ 49,385	\$ 56,567	\$ 144,050	\$ 161,459
YouTube ads	8,921	10,261	25,674	28,984
Google Network	7,548	7,354	22,405	21,964
Google advertising	65,854	74,182	192,129	212,407
Google subscriptions, platforms, and devices	10,656	12,870	28,707	34,452
Google Services total	76,510	87,052	220,836	246,859
Google Cloud	11,353	15,157	31,274	41,041
Other Bets	388	344	1,248	1,167
Hedging gains (losses)	17	(207)	191	(60)
Total revenues	<u>\$ 88,268</u>	<u>\$ 102,346</u>	<u>\$ 253,549</u>	<u>\$ 289,007</u>

Cost of Revenues

Cost of revenues is comprised of TAC and other costs of revenues.

- TAC includes:
 - amounts paid to our distribution partners who make available our search access points and services. Our distribution partners include browser providers, mobile carriers, original equipment manufacturers, and software developers; and
 - amounts paid to Google Network partners primarily for ads displayed on their properties.
- Other cost of revenues primarily includes:
 - content acquisition costs, which are payments to content providers from whom we license video and other content for distribution, primarily related to YouTube (we pay fees to these content providers based on revenues generated, subscriber counts, or a flat fee);
 - depreciation expense related to our technical infrastructure;
 - employee compensation expenses related to our technical infrastructure and other operations such as content review and customer and product support;
 - inventory and other costs related to the devices we sell; and
 - other technical infrastructure operations costs, including network capacity, energy, and equipment costs.

TAC as a percentage of revenues generated from ads placed on Google Network properties are significantly higher than TAC as a percentage of revenues generated from ads placed on Google Search & other properties, because most of the advertiser revenues from ads served on Google Network properties are paid as TAC to our Google Network partners.