UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: **001-37580**

Alphabet Inc.

(Exact name of registrant as specified in its charter)

Delaware	**61-1767919**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1600 Amphitheatre Parkway
Mountain View, CA 94043
Attn: Corporate Secretary
Email: corporatesecretary@abc.xyz
(Address of principal executive offices, including zip code)
(650) 253-0000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.001 par value	GOOGL	Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Class C Capital Stock, $0.001 par value	GOOG	Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Depositary Shares, each representing a 1/20th interest in a share of 6.25% of Series A Mandatory Convertible Preferred Stock, par value $0.001	GOOGM	Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Depositary Shares, each representing a 1/20th interest in a share of 6.25% of Series B Mandatory Convertible Preferred Stock, par value $0.001	GOOGN	Nasdaq Stock Market LLC (Nasdaq Global Select Market)
2.375% Senior Notes due 2028	—	Nasdaq Stock Market LLC
2.500% Senior Notes due 2029	—	Nasdaq Stock Market LLC
4.125% Senior Notes due 2029	—	Nasdaq Stock Market LLC
3.200% Senior Notes due 2030	—	Nasdaq Stock Market LLC
2.875% Senior Notes due 2031	—	Nasdaq Stock Market LLC
3.450% Senior Notes due 2032	—	Nasdaq Stock Market LLC
4.625% Senior Notes due 2032	—	Nasdaq Stock Market LLC
3.000% Senior Notes due 2033	—	Nasdaq Stock Market LLC
3.125% Senior Notes due 2034	—	Nasdaq Stock Market LLC
3.625% Senior Notes due 2034	—	Nasdaq Stock Market LLC
3.375% Senior Notes due 2037	—	Nasdaq Stock Market LLC
3.500% Senior Notes due 2038	—	Nasdaq Stock Market LLC
4.100% Senior Notes due 2039	—	Nasdaq Stock Market LLC
5.500% Senior Notes due 2041	—	Nasdaq Stock Market LLC
4.000% Senior Notes due 2044	—	Nasdaq Stock Market LLC
3.875% Senior Notes due 2045	—	Nasdaq Stock Market LLC
4.500% Senior Notes due 2045	—	Nasdaq Stock Market LLC
4.000% Senior Notes due 2054	—	Nasdaq Stock Market LLC
5.875% Senior Notes due 2058	—	Nasdaq Stock Market LLC
4.800% Senior Notes due 2063	—	Nasdaq Stock Market LLC
4.375% Senior Notes due 2064	—	Nasdaq Stock Market LLC
6.125% Senior Notes due 2126	—	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 21, 2026, there were 5,888 million shares of Alphabet’s Class A stock outstanding, 827 million shares of Alphabet's Class B stock outstanding, and 5,579 million shares of Alphabet's Class C stock outstanding.

Alphabet Inc.
Form 10-Q
For the Quarterly Period Ended September 30, 2026

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Note About Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by words such as, but not limited to, "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "predicts," "projects," "will be," "will continue," "will likely result," and similar expressions. These include, among other things, expectations regarding the growth of our business and revenues, including factors that may impact such growth, and fluctuations in our revenues and margins; statements relating to plans, expectations, and trends about our core business metrics, costs and expenses, capital expenditures, future financing needs and sources of funding, products and services, strategic business transactions, and other aspects of our business operations and strategies; statements regarding the global macroeconomic and regulatory environment; as well as other statements regarding our future operations, financial condition and prospects, and actual or potential risk and liability exposures, including future commitments that may not be reflected on our balance sheet. Forward-looking statements may appear throughout this report and other documents we file with the Securities and Exchange Commission (SEC), including without limitation, the following sections: Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q and Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as updated in our subsequent Quarterly Reports on Form 10-Q, including in this Quarterly Report on Form 10-Q. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q; the risks discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as updated in our subsequent Quarterly Reports on Form 10-Q, including in this Quarterly Report on Form 10-Q; and the trends discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025; and those discussed in other documents we file with the SEC. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

As used herein, "Alphabet," "the company," "we," "us," "our," and similar terms include Alphabet Inc. and its subsidiaries, unless the context indicates otherwise.

"Alphabet," "Google," and other trademarks of ours appearing in this report are our property. We do not intend our use or display of other companies' trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	As of December 31, 2025	As of September 30, 2026 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 30,708	$ 56,334
Marketable securities	96,135	208,764
Total cash, cash equivalents, and marketable securities	126,843	265,098
Accounts receivable, net	62,886	72,784
Inventory	2,439	13,308
Other current assets	13,870	23,475
Total current assets	206,038	374,665
Non-marketable securities	68,687	135,230
Deferred income taxes	9,113	1,458
Property and equipment, net	246,597	372,827
Operating lease assets	15,221	20,273
Goodwill	33,380	58,117
Intangible assets, net	1,283	8,817
Other non-current assets	14,962	31,925
Total assets	$ 595,281	$ 1,003,312
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 12,200	$ 21,975
Accrued compensation and benefits	17,546	17,729
Accrued expenses and other current liabilities	55,557	74,317
Accrued revenue share	10,864	11,051
Deferred revenue	6,578	9,429
Total current liabilities	102,745	134,501
Long-term debt	46,547	125,102
Income taxes payable, non-current	9,531	12,219
Deferred income taxes	919	27,833
Operating lease liabilities	12,744	16,815
Other long-term liabilities	7,530	9,293
Total liabilities	180,016	325,763
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Series A and Series B preferred stock and additional paid-in capital, $0.001 par value per share, 100 shares authorized; 6.25% mandatory convertible preferred stock, 0 and 19 shares issued and outstanding allocated equally between each series with a liquidation preference of $1,000 per share	0	18,023
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); 12,088 (Class A 5,822, Class B 837, Class C 5,429) and 12,294 (Class A 5,888, Class B 828, Class C 5,578) shares issued and outstanding	93,126	147,068
Accumulated other comprehensive income (loss)	(1,916)	(4,326)
Retained earnings	324,055	516,784
Total stockholders' equity	415,265	677,549
Total liabilities and stockholders' equity	$ 595,281	$ 1,003,312

See accompanying notes.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Revenues	$ 102,346	$ 127,577	$ 289,007	$ 357,269
Costs and expenses:				
Cost of revenues	41,369	51,419	116,768	138,633
Research and development	15,151	20,640	42,515	55,891
Sales and marketing	7,205	8,804	20,478	24,813
General and administrative	7,393	6,138	16,141	16,890
Total costs and expenses	71,118	87,001	195,902	236,227
Income from operations	31,228	40,576	93,105	121,042
Other income (expense), net	12,759	(8,221)	26,604	127,478
Income before income taxes	43,987	32,355	119,709	248,520
Provision for income taxes	9,008	5,887	21,994	47,281
Net income	34,979	26,468	97,715	201,239
Preferred stock dividends	0	298	0	384
Net income available to common stockholders	$ 34,979	$ 26,170	$ 97,715	$ 200,855
Basic net income per common share (Note 12)	$ 2.89	$ 2.14	$ 8.06	$ 16.51
Diluted net income per common share (Note 12)	$ 2.87	$ 2.12	$ 7.99	$ 16.33

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Net income	$ 34,979	$ 26,468	$ 97,715	$ 201,239
Other comprehensive income (loss):				
Change in foreign currency translation adjustment, net of income tax benefit (expense) of $(60), $22, $175, and $(68)	(642)	(111)	2,631	(446)
Available-for-sale investments:				
Change in net unrealized gains (losses)	230	(1,826)	1,066	(2,455)
Less: reclassification adjustment for net (gains) losses included in net income	(36)	27	(149)	42
Net change, net of income tax benefit (expense) of $(54), $511, $(259), and $685	194	(1,799)	917	(2,413)
Cash flow hedges:				
Change in net unrealized gains (losses)	338	32	(895)	539
Less: reclassification adjustment for net (gains) losses included in net income	183	(163)	93	(90)
Net change, net of income tax benefit (expense) of $(123), $12, $216, and $(146)	521	(131)	(802)	449
Other comprehensive income (loss)	73	(2,041)	2,746	(2,410)
Comprehensive income	$ 35,052	$ 24,427	$ 100,461	$ 198,829

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions; unaudited)

	Three Months Ended September 30, 2025						
	Series A and Series B Preferred Stock and Additional Paid-In Capital		Class A, Class B, Class C Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of June 30, 2025	0	$ 0	12,104	$ 89,283	$ (2,127)	$ 275,760	$ 362,916
Common stock issued	0	0	29	0	0	0	0
Stock-based compensation	0	0	0	6,413	0	0	6,413
Tax withholding related to vesting of restricted stock units, and other	0	0	0	(3,400)	0	0	(3,400)
Repurchases of stock	0	0	(56)	(641)	0	(10,912)	(11,553)
Dividends and dividend equivalents declared ($0.21 per share) on common stock	0	0	0	40	0	(2,601)	(2,561)
Sale of interest in consolidated entities	0	0	0	0	0	0	0
Net income	0	0	0	0	0	34,979	34,979
Other comprehensive income (loss)	0	0	0	0	73	0	73
Balance as of September 30, 2025	0	$ 0	12,077	$ 91,695	$ (2,054)	$ 297,226	$ 386,867

	Nine Months Ended September 30, 2025						
	Series A and Series B Preferred Stock and Additional Paid-In Capital		Class A, Class B, Class C Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2024	0	$ 0	12,211	$ 84,800	$ (4,800)	$ 245,084	$ 325,084
Common stock issued	0	0	86	0	0	0	0
Stock-based compensation	0	0	0	18,011	0	0	18,011
Tax withholding related to vesting of restricted stock units, and other	0	0	0	(9,349)	0	0	(9,349)
Repurchases of stock	0	0	(220)	(2,267)	0	(37,850)	(40,117)
Dividends and dividend equivalents declared ($0.62 per share) on common stock	0	0	0	100	0	(7,723)	(7,623)
Sale of interest in consolidated entities	0	0	0	400	0	0	400
Net income	0	0	0	0	0	97,715	97,715
Other comprehensive income (loss)	0	0	0	0	2,746	0	2,746
Balance as of September 30, 2025	0	$ 0	12,077	$ 91,695	$ (2,054)	$ 297,226	$ 386,867

	Three Months Ended September 30, 2026						
	Series A and Series B Preferred Stock and Additional Paid-In Capital		Class A, Class B, Class C Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of June 30, 2026	19	$ 18,023	12,230	$ 131,371	$ (2,285)	$ 493,371	$ 640,480
Common stock issued	0	0	64	12,372	0	0	12,372
Mandatory convertible preferred stock issued	0	0	0	0	0	0	0
Purchase of capped call options	0	0	0	0	0	0	0
Stock-based compensation	0	0	0	8,681	0	0	8,681
Tax withholding related to vesting of restricted stock units, and other	0	0	0	(5,413)	0	0	(5,413)
Dividends and dividend equivalents declared ($0.22 per share) on common stock	0	0	0	57	0	(2,757)	(2,700)
Dividends declared ($12.15 per share) and accrued on preferred stock	0	0	0	0	0	(298)	(298)
Sale of interest in consolidated entities	0	0	0	0	0	0	0
Net income	0	0	0	0	0	26,468	26,468
Other comprehensive income (loss)	0	0	0	0	(2,041)	0	(2,041)
Balance as of September 30, 2026	19	$ 18,023	12,294	$ 147,068	$ (4,326)	$ 516,784	$ 677,549

	Nine Months Ended September 30, 2026						
	Series A and Series B Preferred Stock and Additional Paid-In Capital		Class A, Class B, Class C Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2025	0	$ 0	12,088	$ 93,126	$ (1,916)	$ 324,055	$ 415,265
Common stock issued	0	0	206	42,789	0	0	42,789
Mandatory convertible preferred stock issued	19	19,034	0	0	0	0	19,034
Purchase of capped call options	0	(1,011)	0	0	0	0	(1,011)
Stock-based compensation	0	0	0	23,469	0	0	23,469
Tax withholding related to vesting of restricted stock units, and other	0	0	0	(16,232)	0	(16)	(16,248)
Dividends and dividend equivalents declared ($0.65 per share) on common stock	0	0	0	158	0	(8,110)	(7,952)
Dividends declared ($12.15 per share) and accrued on preferred stock	0	0	0	0	0	(384)	(384)
Sale of interest in consolidated entities	0	0	0	3,758	0	0	3,758
Net income	0	0	0	0	0	201,239	201,239
Other comprehensive income (loss)	0	0	0	0	(2,410)	0	(2,410)
Balance as of September 30, 2026	19	$ 18,023	12,294	$ 147,068	$ (4,326)	$ 516,784	$ 677,549

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Nine Months Ended September 30,	
	2025	2026
Operating activities		
Net income	$ 97,715	$ 201,239
Adjustments:		
Depreciation of property and equipment	15,096	21,955
Stock-based compensation expense	17,882	23,338
Deferred income taxes	7,130	33,077
Loss (gain) on debt and equity securities, net	(22,266)	(126,755)
Other	843	4,825
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	(3,582)	(10,821)
Inventory	(1,154)	(10,959)
Income taxes, net	(3,292)	4,602
Other assets	(2,906)	(17,757)
Accounts payable	(771)	1,925
Accrued expenses and other liabilities	6,299	(860)
Deferred revenue	1,317	3,340
Net cash provided by operating activities	112,311	127,149
Investing activities		
Purchases of property and equipment	(63,596)	(131,953)
Purchases of marketable securities	(60,834)	(116,467)
Maturities and sales of marketable securities	61,301	88,516
Purchases of non-marketable securities	(3,312)	(24,160)
Maturities and sales of non-marketable securities	1,196	1,875
Acquisitions, net of cash acquired, and purchases of intangible assets	(1,425)	(34,103)
Other investing activities	(1,845)	(879)
Net cash used in investing activities	(68,515)	(217,171)
Financing activities		
Net payments related to stock-based award activities	(9,001)	(17,424)
Repurchases of stock	(39,810)	0
Dividend payments on preferred and common stock	(7,513)	(8,167)
Proceeds from issuance of common stock, net of costs	0	42,870
Proceeds from issuance of mandatory convertible preferred stock, net of costs	0	19,063
Proceeds from issuance of debt, net of costs	38,002	85,222
Repayments of debt	(26,094)	(8,879)
Proceeds from sale of interest in consolidated entities, net	400	3,758
Other financing activities	(400)	(686)
Net cash provided by (used in) financing activities	(44,416)	115,757
Effect of exchange rate changes on cash and cash equivalents	244	(109)
Net increase (decrease) in cash and cash equivalents	(376)	25,626
Cash and cash equivalents at beginning of period	23,466	30,708
Cash and cash equivalents at end of period	$ 23,090	$ 56,334
Supplemental disclosures of non-cash investing activities:		
Property and equipment included in accrued liabilities and accounts payable	$ 14,574	$ 35,921

See accompanying notes.

Alphabet Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Nature of Operations

Google was incorporated in California in September 1998 and re-incorporated in the State of Delaware in August 2003. In 2015, we implemented a holding company reorganization, and as a result, Alphabet Inc. ("Alphabet") became the successor issuer to Google.

We generate revenues by delivering relevant, cost-effective online advertising; cloud-based solutions that provide enterprise customers of all sizes with infrastructure, platform services, and applications; and sales of products and services, such as fees received for subscription-based products, apps and in-app purchases, consumer devices, and Tensor Processing Unit (TPU) systems.

Basis of Consolidation

The consolidated financial statements of Alphabet include the accounts of Alphabet and entities consolidated under the variable interest and voting models. Intercompany balances and transactions have been eliminated.

Unaudited Interim Financial Information

These unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP), and in our opinion, include all adjustments of a normal recurring nature necessary for fair financial statement presentation. Interim results are not necessarily indicative of the results to be expected for the full year ending December 31, 2026. We have made estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates.

These consolidated financial statements and other information presented in this Form 10-Q should be read in conjunction with the consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the SEC. There have been no material changes to our significant accounting policies from our Annual Report on Form 10-K for the year ended December 31, 2025, except for as described below.

Use of Estimates

Preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates due to uncertainties. On an ongoing basis, we evaluate our estimates, including those related to the allowance for credit losses; contingent liabilities; fair values of financial instruments, intangible assets, and goodwill; income taxes; inventory; and useful lives of intangible assets and property and equipment, among others. We base our estimates on assumptions, both historical and forward looking, that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to our customers, and the collectibility of an amount that we expect in exchange for those goods or services is probable. Sales and other similar taxes are excluded from revenues.

Google Advertising

Google advertising revenues consist of revenues from:

- Google Search and other properties, including revenues from traffic generated by search distribution partners who use Google.com as their default search in browsers, toolbars, etc. and other Google owned and operated properties like Gmail, Google Maps, and Google Play;
- YouTube properties; and
- Google Network properties, including revenues from Google Network properties participating in AdMob, AdSense, and Google Ad Manager.

Our customers generally purchase advertising inventory through Google Ads, Google Ad Manager, Google Display & Video 360, and Google Marketing Platform, among others.

We offer advertising by delivering both performance and brand advertising. We recognize revenues for performance advertising when a user engages with the advertisement. For brand advertising, we recognize revenues when the ad is displayed, or a user views the ad.

For ads placed on Google Network properties, we evaluate whether we are the principal (i.e., report revenues on a gross basis) or agent (i.e., report revenues on a net basis). Generally, we report advertising revenues for ads placed on Google Network properties on a gross basis; that is, the amounts billed to our customers are recorded as revenues, and amounts paid to Google Network partners are recorded as cost of revenues. Where we are the principal, we control the advertising inventory before it is transferred to our customers. Our control is evidenced by our sole ability to monetize the advertising inventory before it is transferred to our customers and is further supported by us being primarily responsible to our customers and having a level of discretion in establishing pricing.

Google Subscriptions, Platforms, and Devices

Google subscriptions, platforms, and devices revenues consist of revenues from:

- consumer subscriptions, which primarily include revenues from YouTube services, such as YouTube TV, YouTube Music and Premium, and NFL Sunday Ticket, as well as Google One, which offers access to our most capable Gemini models;
- platforms, which primarily include revenues from Google Play sales of apps and in-app purchases;
- consumer devices, which primarily include sales of the Pixel family of devices; and
- other products and services.

Subscription revenues are recognized ratably over the period of the subscription, primarily monthly. We report revenues from Google Play sales of apps and in-app purchases on a net basis because our performance obligation is to facilitate a transaction between app developers and end users for which we earn a service fee.

Google Cloud

Google Cloud revenues consist of revenues from:

- Google Cloud Platform primarily generates consumption-based fees and subscriptions for infrastructure, platform, and other services. These services provide access to solutions such as artificial intelligence (AI) offerings including our enterprise AI infrastructure, Vertex AI platform, and Gemini Enterprise; cybersecurity offerings; and data and analytics solutions.
- Google Workspace includes subscriptions for cloud-based communication and collaboration tools for enterprises, such as Gmail, Docs, Calendar, Drive, and Meet, with integrated features like Gemini for Google Workspace.
- Product sales, primarily the sale of TPU systems.
- Other enterprise services.

Our cloud services are generally provided on either a consumption or subscription basis and may have contract terms longer than a year. Revenues related to cloud services provided on a consumption basis are recognized when the customer utilizes the services, based on the quantity of services consumed using the relative standalone selling price allocation. Revenues related to cloud services provided on a subscription basis are recognized over the contract term as the customer receives and consumes the benefits of the cloud services.

Our Google Cloud product sales generally consist of the sale of TPU systems comprising hardware, software, installation, support, and extended warranty services. Customer arrangements may also include options requiring us to repurchase the hardware and embedded software at pre-set prices, over a multi-year term, which are generally accounted for as rights of return. Where the customer assigns the TPU systems to another party, but retains the ability to require us to repurchase the TPU systems, we account for this as a financial guarantee. Product sales revenue from hardware, net of estimated allowances for returns, and software is recognized generally when control of the hardware is transferred to the customer. Installation, support, and extended warranty services revenue are recognized ratably over the service period or as services are performed.

Arrangements with Multiple Performance Obligations

At contract inception, we assess whether concurrent agreements with a customer should be accounted for as a single agreement. Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenues to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on observable prices of our products and services sold or priced separately in comparable circumstances to similar customers.

Customer Incentives and Credits

Certain customers receive cash-based incentives or credits, which are accounted for as variable consideration. We estimate these amounts based on the expected amount to be provided to customers and reduce revenues. We believe that there will not be significant changes to our estimates of variable consideration related to customer incentives and credits.

Sales Commissions

We expense sales commissions when incurred when the period of the expected benefit is one year or less. We recognize an asset for certain sales commissions and amortize if the expected benefit period is greater than one year. These costs are recorded within sales and marketing expenses.

Cost of Revenues

Cost of revenues consists of traffic acquisition costs (TAC) and other costs of revenues.

- TAC includes:
  - amounts paid to our distribution partners who make available our search access points and other ad-supported 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 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, primarily 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 related costs associated with the consumer devices and TPU systems hardware we sell; and
  - other technical infrastructure operations costs, including energy, equipment, and network capacity costs.

Inventory

Inventory consists primarily of hardware related to TPU systems for sale to enterprise customers and consumer devices, which primarily include the Pixel family of products. We utilize third-party contract manufacturers to manufacture our inventory. Our inventory includes raw material components purchased directly from our suppliers; work-in-process inventory undergoing conversion into finished products; and fully assembled finished goods. Inventories are stated at the lower of cost or net realizable value.

Acquired Intangible Assets

Intangible assets with definite lives are amortized over their estimated useful lives on a straight-line basis generally over periods ranging from one to 10 years, and are subsequently removed from the presentation of gross intangible assets and accumulated amortization once they are fully amortized.

Assets Held for Sale

We consider assets to be held for sale in the period when all of the criteria for a qualifying plan of sale are met. Upon designation as held for sale, we record the assets at the lower of their carrying value or their estimated fair value, reduced for the cost to sell the assets, and cease depreciation. Long-lived assets classified as held for sale are measured at fair value on a nonrecurring basis.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2024-03 "Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)" to improve the disclosures about an entity's expenses. Upon adoption, we will be required to disclose in the notes to the financial statements a disaggregation of certain expense categories included within the relevant expense captions on the consolidated statements of income. The standard is effective for our 2027 annual period, and our interim periods beginning in 2028, with early adoption permitted. The standard can be applied either prospectively or retrospectively. We are currently assessing adoption timing, the method of adoption, and the effect that the updated standard will have on our financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06 "Intangibles: Goodwill and Other–Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" to modernize the accounting for software costs under Subtopic 350-40, Intangibles–Goodwill and Other–Internal-Use Software (referred to as "internal-use software"). Upon adoption, we will be required to account for internal-use software under the updated capitalization criteria. The standard is effective for our interim and annual 2028 periods, with early adoption permitted. The standard can be applied either prospectively, retrospectively, or under a modified transition approach. We are currently assessing adoption timing, the method of adoption, and the effect that the updated standard will have on our consolidated financial statements.

In May 2026, the FASB issued ASU 2026-02 "Environmental Credits and Environmental Credit Obligations (Topic 818)" to provide recognition, measurement, presentation, and disclosure guidance for environmental credits and environmental credit obligations. Upon adoption, we will be required to account for environmental credits and environmental credit obligations under the new guidance. The standard is effective for our interim and annual 2028 periods, with early adoption permitted. The standard should be adopted on a retrospective basis. We are currently assessing adoption timing and the effect that the updated standard will have on our consolidated financial statements.

Prior Period Reclassifications

Certain amounts in prior periods have been reclassified to conform with current period presentation.

Note 2. Revenues

Disaggregated Revenue

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Google Search & other	$ 56,567	$ 63,350	$ 161,459	$ 187,020
YouTube ads	10,261	11,207	28,984	32,145
Google Network	7,354	7,455	21,964	21,729
Google advertising	74,182	82,012	212,407	240,894
Google subscriptions, platforms, and devices	12,870	14,290	34,452	39,585
Google Services total	87,052	96,302	246,859	280,479
Google Cloud	15,157	30,709	41,041	75,505
Other Bets	344	372	1,167	1,165
Hedging gains (losses)	(207)	194	(60)	120
Total revenues	$ 102,346	$ 127,577	$ 289,007	$ 357,269

The following table presents revenues disaggregated by geography, based on the addresses of our customers (in millions):

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2025			2026			2025			2026		
United States	$ 48,758	48	%	$ 67,681	53	%	$ 138,785	48	%	$ 182,502	51	%
EMEA[1]	29,911	29		32,695	26		84,096	29		96,664	27	
APAC[1]	17,819	17		19,906	16		49,153	17		57,511	16	
Other Americas[1]	6,065	6		7,101	5		17,033	6		20,472	6	
Hedging gains (losses)	(207)	0		194	0		(60)	0		120	0	
Total revenues	$ 102,346	100	%	$ 127,577	100	%	$ 289,007	100	%	$ 357,269	100	%

[1] Regions represent Europe, the Middle East, and Africa (EMEA); Asia-Pacific (APAC); and Canada and Latin America ("Other Americas").

Revenue Backlog

As of September 30, 2026, we had $567.7 billion of remaining performance obligations (“revenue backlog”), of which $560.8 billion related to Google Cloud. Revenue backlog represents commitments in customer contracts that have not yet been recognized as revenue. We expect to recognize just over 55% of the revenue backlog as revenues over the next 24 months with the remainder to be recognized thereafter. The estimated revenue backlog and timing of revenue recognition for these commitments is largely driven by contract duration along with our ability to deliver in accordance with relevant contract terms and when our customers utilize services, both of which may fluctuate from period to period. Revenue backlog includes related deferred revenue currently recorded as well as amounts that will be invoiced in future periods and excludes cancelable contracts and payments we make to our customers not expected to be in exchange for distinct goods and services. In the first quarter of 2026, we elected to change our reporting of revenue backlog to also include contracts with an original expected term of one year or less. Our revenue backlog as of September 30, 2026 included $16.8 billion associated with a multi-year commercial agreement with Crux AI, an unconsolidated equity method joint venture and a related party. See Note 3 for further details on our investment in Crux AI.

Deferred Revenues

We record deferred revenues when cash payments are received or due in advance of our performance, including amounts which are refundable. Deferred revenues primarily relate to Google Cloud and Google subscriptions, platforms, and devices. Total deferred revenue as of December 31, 2025 was $8.6 billion, of which $5.5 billion was recognized as revenues for the nine months ended September 30, 2026. Total deferred revenue as of September 30, 2026 was $12.6 billion.

Note 3. Financial Instruments

Fair Value Measurements

Investments Measured at Fair Value on a Recurring Basis

Cash equivalents and marketable equity securities are measured at fair value and classified within Level 1 and Level 2 in the fair value hierarchy, because we use quoted prices for identical assets in active markets or inputs that are based upon quoted prices for similar instruments in active markets.

Debt securities are measured at fair value and classified within Level 2 in the fair value hierarchy, because we use quoted market prices to the extent available or alternative pricing sources and models utilizing market observable inputs to determine fair value. The following tables summarize our cash, cash equivalents, and marketable securities measured at fair value on a recurring basis (in millions):

	As of December 31, 2025		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
;h		$	15,305
;h equivalents:			
ɔney market funds	$ 11,349	$0	11,349
ɪe deposits	0	3,353	3,353
ɔvernment bonds	0	602	602
ɔrporate debt securities	0	99	99
Total cash and cash equivalents	11,349	4,054	30,708
ʻketable securities:			
ɜrketable equity securities	4,402	1,911	6,313
ɔvernment bonds	0	50,549	50,549
ɔrporate debt securities	0	21,565	21,565
ɔrtgage-backed and asset-backed securities	0	17,708	17,708
Total marketable securities	4,402	91,733	96,135
ɜl	$ 15,751	95,787	126,843

	As of September 30, 2026		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
;h		$	15,695
;h equivalents:			
ɔney market funds	$ 13,810	$0	13,810
ɪe deposits	0	5,080	5,080
ɔvernment bonds	0	21,718	21,718
ɔrporate debt securities	0	31	31
Total cash and cash equivalents	13,810	26,829	56,334
ʻketable securities:			
ɜrketable equity securities[1]	89,919	465	90,384
ɔvernment bonds	0	68,629	68,629
ɔrporate debt securities	0	27,054	27,054
ɔrtgage-backed and asset-backed securities	0	22,697	22,697
Total marketable securities	89,919	118,845	208,764
ɜl	$ 103,729	145,674	265,098

(1) Includes $75.2 billion of Space Exploration Technologies Corp. ("SpaceX") shares subject to short-term restrictions on the ability to sell.

Investments Measured at Fair Value on a Nonrecurring Basis

Non-marketable equity securities accounted for under the measurement alternative are investments in privately held companies without readily determinable market values. The carrying value of these non-marketable equity securities is adjusted upward or downward to fair value upon observable transactions for identical or similar investments of the same issuer or impairment. Non-marketable equity securities that have been remeasured during the period based on observable transactions are classified within Level 2 or Level 3 in the fair value hierarchy, and remeasurements due to impairment are classified within Level 3. Our valuation methods include option pricing models, market comparable approach, and common stock equivalent method, which may include a combination of the observable transaction price at the transaction date and other unobservable inputs including volatility, expected time to exit, risk-free rate, and the rights and obligations of the securities we hold. These inputs vary significantly based on investment type.

As of September 30, 2026, the carrying value of our non-marketable equity securities accounted for under the measurement alternative was $128.2 billion, of which $8.8 billion was remeasured at fair value during the three months ended September 30, 2026 and was primarily classified within Level 3 of the fair value hierarchy at the time of measurement.

Debt and Equity Securities

Debt Securities

The following table summarizes the estimated fair value of investments in available-for-sale marketable debt securities by effective contractual maturity dates (in millions):

	As of September 30, 2026
Due in 1 year or less	$ 16,997
Due in 1 year through 5 years	66,478
Due in 5 years through 10 years	17,508
Due after 10 years	17,397
Total	$ 118,380

The following tables present fair values and gross unrealized gains and losses recorded to accumulated other comprehensive income (AOCI), less any expected credit losses, aggregated by investment category (in millions):

	As of December 31, 2025			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Time deposits	$ 3,353	$ 0	$ 0	$ 3,353
Government bonds	49,087	443	(26)	49,504
Corporate debt securities	18,346	242	(32)	18,556
Mortgage-backed and asset-backed securities	14,337	174	(128)	14,383
Total investments with fair value change reflected in other comprehensive income	$ 85,123	$ 859	$ (186)	$ 85,796

	As of September 30, 2026			
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Time deposits	$ 5,080	$ 0	$ 0	$ 5,080
Government bonds	89,823	2	(1,371)	88,454
Corporate debt securities	24,308	15	(425)	23,898
Mortgage-backed and asset-backed securities	20,647	17	(780)	19,884
Total investments with fair value change reflected in other comprehensive income	$ 139,858	$ 34	$ (2,576)	$ 137,316

The following tables present fair values and gross unrealized losses recorded to AOCI, aggregated by investment category and the length of time that individual securities have been in a continuous loss position (in millions):

	As of December 31, 2025					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Government bonds	$ 4,230	$ (9)	$ 1,174	$ (17)	$ 5,404	$ (26)
Corporate debt securities	915	0	2,429	(24)	3,344	(24)
Mortgage-backed and asset-backed securities	1,377	(4)	3,035	(124)	4,412	(128)
Total	$ 6,522	$ (13)	$ 6,638	$ (165)	$ 13,160	$ (178)

	As of September 30, 2026					
	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Government bonds	$ 62,455	$ (1,336)	$ 720	$ (35)	$ 63,175	$ (1,371)
Corporate debt securities	20,095	(290)	778	(6)	20,873	(296)
Mortgage-backed and asset-backed securities	17,464	(625)	1,486	(155)	18,950	(780)
Total	$ 100,014	$ (2,251)	$ 2,984	$ (196)	$ 102,998	$ (2,447)

We determine realized gains or losses on the sale or extinguishment of debt securities on a specific identification method. For certain debt securities, we have elected the fair value option for which changes in fair value are recorded in other income (expense), net (OI&E). The fair value option was elected for these securities to align with the unrealized gains and losses from related derivative contracts.

The following table summarizes gains and losses for debt securities, reflected as a component of OI&E (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Unrealized gain (loss) on fair value option debt securities	$ 15	$ (243)	$ 242	$ (357)
Gross realized gain on debt securities	135	24	485	172
Gross realized loss on debt securities	(30)	(81)	(268)	(219)
(Increase) decrease in allowance for credit losses	2	(83)	30	(122)
Total gain (loss) on debt securities recognized in other income (expense), net	$ 122	$ (383)	$ 489	$ (526)

Non-Marketable Securities

Our non-marketable securities primarily consist of non-marketable equity securities accounted for under the measurement alternative. The carrying value is measured at the total initial cost plus the cumulative net upward and downward adjustments (including impairments). We also have non-marketable equity securities through which we exercise significant influence, but do not have control over the investee, accounted for under the equity method. Certain of our non-marketable securities include our investments in variable interest entities (VIEs) where we are not the primary beneficiary. See Note 5 for further details on VIEs.

Realized net gain (loss) on equity securities sold during the period reflects the difference between the sale proceeds and the carrying value of the equity securities at the beginning of the period or the purchase date, if later. All gains and losses, including impairments, are included as components of OI&E.

In May 2026, we entered into an agreement with Blackstone Inc. ("Blackstone") to form a US-based joint venture entity to provide data center capacity, operations, networking, hardware, and software as a single compute-as-a-service offering. Under the agreement, Blackstone is committed to provide future capital contributions of up to $5.0 billion, and we are committed to provide future data center and energy infrastructure backstops in support of agreements the venture may enter into of up to $10.0 billion, subject to certain conditions. In the third quarter of 2026, the venture was formally announced as Crux AI, and we entered into a multi-year commercial agreement with the venture which constitutes a related party transaction. We hold a minority interest in the joint venture which is considered a variable interest entity for which we are not the primary beneficiary, and we account for our investment in the venture under the equity method. As of September 30, 2026, the carrying value of our investment in the joint venture was not material. See Note 2 for further details on our revenue backlog associated with the commercial agreement with Crux AI.

The carrying values for non-marketable securities are summarized below (in millions):

		As of December 31, 2025	As of September 30, 2026
n-marketable securities:			
al initial cost of non-marketable equity securities accounted for under the measurement alternative	$	28,429	48,595
nulative upward adjustments		44,485	88,784
nulative downward adjustments (including impairments)		(8,820)	(9,210)
Carrying value of non-marketable equity securities accounted for under the measurement alternative[1]		64,094	128,169
ity method investments and other		4,593	7,061
Total non-marketable securities	$	68,687	135,230

(1) As of September 30, 2026, our investments in non-marketable securities accounted for under the measurement alternative primarily consist of our investment in one private company.

Gains and Losses on Equity Securities

Gains and losses (including impairments), net, for equity securities included in OI&E are summarized below (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
ss unrealized gain on non-marketable equity securities accounted for under the measurement alternative	$ 10,583	3,386	20,984	117,203
ss unrealized loss (including impairments) on non-marketable equity securities accounted for under the measurement alternative	(346)	(359)	(1,188)	(887)
Unrealized net gain (loss) on non-marketable equity securities accounted for under the measurement alternative	10,237	3,027	19,736	116,316
ealized net gain (loss) on marketable and other equity securities	447	(12,436)	1,447	9,377
ılized net gain (loss) on marketable and non-marketable equity securities sold during the period	50	745	595	1,589
Total gain (loss) on equity securities in other income (expense), net [1]	$ 10,734	(8,664)	21,778	127,282

[1] Excludes income (loss) and impairment from equity method investments. See Note 7 for further details.

Cumulative net gains (losses), calculated as the difference between the sales price and purchase price, represent the total net gains (losses) recognized after the initial purchase date. This represents the total economic impact of the investment, regardless of when the gains or losses were previously recognized. Cumulative net gains on equity securities sold were $102 million and $980 million during the three months ended September 30, 2025 and 2026, respectively, and $306 million and $2.0 billion during the nine months ended September 30, 2025 and 2026, respectively.

Derivative Financial Instruments

We utilize derivative instruments to manage risks relating to our ongoing business operations, including foreign currencies, interest rates, commodity prices, credit risk, and market prices of certain marketable equity securities. These derivatives are primarily classified within Level 2 of the fair value hierarchy.

We also enter into derivatives as a result of agreements with certain third parties to backstop specified payment obligations related to data centers, including data center lease payments and the associated energy costs for certain agreements. We account for these as credit derivatives. Additionally, a certain strategic investment includes forward funding commitments that are accounted for as equity derivatives, as they include rights to participate in future capital funding, the exercise of which is contingent upon the achievement of specified operational and financial milestones. These credit and equity derivatives are classified within Level 3 of the fair value hierarchy. Our valuation methods include probability-weighted expected return models, which may include a combination of observable and unobservable inputs, including counterparty risk, credit default rates, risk-free rates, and our contractual rights and obligations under the agreements.

We recognize derivative instruments in the Consolidated Balance Sheets at fair value. We present our foreign currency collars (an option strategy comprised of a combination of purchased and written options) at net fair values and present all other derivatives at gross fair values. The accounting treatment for derivatives is based on the intended use and hedge designation.

Cash Flow Hedges

We designate foreign currency forwards and options (including collars) as cash flow hedges to hedge certain forecasted revenue transactions denominated in currencies other than the US dollar. These contracts have maturities of 24 months or less.

Cash flow hedge amounts included in the assessment of hedge effectiveness are deferred in AOCI and reclassified to revenue when the hedged item is recognized in earnings. Hedge components excluded from our assessment of hedge effectiveness are amortized on a straight-line basis over the life of the hedging instrument in revenues. The difference between fair value changes of the excluded component and the amount amortized to revenues is recorded in AOCI.

Additionally, we designate interest rate derivatives as cash flow hedges to manage our exposure to certain interest rate risks. Changes in the fair value of these derivatives are deferred in AOCI and reclassified to OI&E when the hedged item is recognized in earnings.

As of September 30, 2026, the pre-tax net gain on our cash flow hedges that is expected to be reclassified from AOCI into earnings within the next 12 months was $369 million.

Fair Value Hedges

We enter into interest rate swaps to manage interest rate risk associated with certain fixed-rate debt, effectively converting a portion of our fixed-rate debt to floating-rate debt. We designate these swaps as fair value hedges to hedge against changes in the fair value of the fixed-rate debt attributable to changes in the benchmark interest rate. Fair value hedge amounts included in the assessment of hedge effectiveness are recognized in OI&E, along with the offsetting gains and losses of the related hedged items.

Net Investment Hedges

We designate foreign currency forwards, options (including collars), cross-currency swaps, and foreign currency-denominated debt as net investment hedges to hedge the foreign currency risks related to our investments in foreign subsidiaries. Net investment hedge amounts included in the assessment of hedge effectiveness are recognized in AOCI.

Changes in the fair value of hedge components of forward and option contracts that are excluded from the assessment of hedge effectiveness are recognized in OI&E. Hedge components of cross-currency swaps that are excluded from the assessment of hedge effectiveness are amortized over the life of the hedging instrument and recognized in OI&E. The difference between fair value changes of the excluded component and the amount amortized to OI&E is recorded in AOCI.

Foreign currency-denominated debt designated as net investment hedges had a carrying value of $15.4 billion and $31.8 billion as of December 31, 2025 and September 30, 2026, respectively.

Derivatives Not Designated as Hedging Instruments

We enter into derivatives not designated as hedging instruments to manage risks related to our ongoing business operations. The primary risk managed is foreign exchange risk related to the remeasurement of monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these foreign exchange derivatives are recorded within the "foreign currency exchange gain (loss), net" component of OI&E. We also enter into derivatives to manage other risks, including interest rates, commodity prices, credit risk, and market prices of certain marketable equity securities, the gains and losses from which are recorded within the "other" component of OI&E.

We have entered into agreements with certain third parties to backstop specified payment obligations relating to data centers, including data center lease payments and the associated energy costs for certain agreements. We account for these as credit derivatives. The notional amounts for these credit derivatives represent the maximum potential exposure regarding future payments in the event of specified default scenarios by underlying parties. These agreements carry remaining terms of up to 15 years and the total potential exposure reduces over time as the underlying parties fulfill their payment obligations. Upon a default under these credit backstops, we retain the right to assume the underlying leases for internal use or to sublease to third parties. Under specific conditions or following a predetermined period, we may elect to extinguish the backstop obligation by making a termination payment. If we elect such payment, our obligations may be partially offset by equity or cash receipts from counterparties. These potential inflows are not reflected in the notional amounts for credit derivatives.

The notional amounts for equity derivatives primarily represent an agreement for future capital funding in the form of notes receivable or equity to be funded in multiple tranches contingent upon the achievement of specified operational and financial milestones through 2030.

Gains and losses arising from these credit and equity derivatives are recorded within the “other” component of OI&E. See Note 7 for further details.

The gross notional amounts of outstanding derivative instruments were as follows (in millions):

	As of December 31, 2025	As of September 30, 2026
Derivatives designated as hedging instruments:		
Foreign exchange derivatives		
Cash flow hedges	$ 23,852	$ 25,141
Net investment hedges	$ 14,203	$ 6,987
Interest rate derivatives		
Fair value hedges	$ 0	$ 7,000
Derivatives not designated as hedging instruments:		
Foreign exchange derivatives	$ 56,085	$ 54,084
Equity derivatives	$ 0	$ 21,091
Credit derivatives	$ 16,940	$ 48,012
Other derivatives	$ 15,900	$ 11,420

See Note 5 for further details on variable interest entity considerations relating to our equity and credit derivatives.

The fair values of outstanding derivative instruments were as follows (in millions):

	As of December 31, 2025		As of September 30, 2026	
	Assets[1]	Liabilities[2]	Assets[1]	Liabilities[2]
Derivatives designated as hedging instruments:				
Foreign exchange derivatives	$ 316	$ 197	$ 501	$ 64
Interest rate derivatives	0	0	1	257
Total derivatives designated as hedging instruments	$ 316	$ 197	$ 502	$ 321
Derivatives not designated as hedging instruments:				
Foreign exchange derivatives	92	15	117	240
Equity derivatives	0	0	579	445
Credit derivatives	0	69	0	606
Other derivatives	324	98	107	24
Total derivatives not designated as hedging instruments	416	182	803	1,315
Total	$ 732	$ 379	$ 1,305	$ 1,636

(1) Derivative assets are recorded as other current and non-current assets.
(2) Derivative liabilities are recorded as accrued expenses and other liabilities, current and non-current.

The amounts recorded on the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges were as follows (in millions):

	As of December 31, 2025	As of September 30, 2026
Balance Sheets Line Item of the Hedged Item		
Long-term debt		
Carrying amount of the hedged item assets/(liabilities)	$ 0	$ (6,688)
Cumulative amount of fair value hedging adjustment included in the carrying amount assets/(liabilities)	$ 0	$ 257

The gains (losses) on derivatives and non-derivative financial instruments in cash flow hedging and net investment hedging relationships recognized in other comprehensive income are summarized below (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Cash flow hedging relationship:				
Foreign exchange derivatives				
Amount included in the assessment of effectiveness	$ 278	$ (60)	$ (1,111)	$ 496
Amount excluded from the assessment of effectiveness	128	6	(41)	74
Interest rate derivatives				
Amount included in the assessment of effectiveness	0	105	$ 0	105
Net investment hedging relationship:				
Amount included in the assessment of effectiveness				
Foreign exchange derivatives	55	(103)	(794)	404
Foreign currency-denominated debt	11	4	(208)	808
Amounts excluded from the assessment of effectiveness				
Foreign exchange derivatives	0	0	0	(15)
Total	$ 472	$ (48)	$ (2,154)	$ 1,872

The table below presents the gains (losses) of derivatives included in the Consolidated Statements of Income: (in millions):

	Three Months Ended September 30,			
	2025		2026	
	Revenues	Other income (expense), net	Revenues	Other income (expense), net
Total amounts included in the Consolidated Statements of Income	$ 102,346	$ 12,759	$ 127,577	$ (8,221)
Effect of cash flow hedges:				
Foreign exchange derivatives				
Amount included in the assessment of effectiveness	$ (237)	$ 0	$ 196	$ 0
Amount excluded from the assessment of effectiveness	30	0	(2)	0
Effect of fair value hedges:				
Interest rate derivatives				
Hedged items	0	0	0	257
Derivatives designated as hedging instruments	0	0	0	(257)
Effect of net investment hedges:				
Foreign exchange derivatives				
Amount excluded from the assessment of effectiveness	0	87	0	31
Effect of non-designated hedges:				
Foreign exchange derivatives	0	76	0	(286)
Equity derivatives	0	0	0	83
Credit derivatives	0	0	0	277
Other derivatives	0	11	0	27
Total gains (losses)	$ (207)	$ 174	$ 194	$ 132

	Nine Months Ended September 30,			
	2025		2026	
	Revenues	Other income (expense), net	Revenues	Other income (expense), net
Total amounts included in the Consolidated Statements of Income	$ 289,007	$ 26,604	$ 357,269	$ 127,478
Effect of cash flow hedges:				
Foreign exchange derivatives				
Amount included in the assessment of effectiveness	$ (133)	$ 0	$ 82	$ 0
Amount excluded from the assessment of effectiveness (amortized)	73	0	38	0
Effect of fair value hedges:				
Foreign exchange derivatives				
Hedged items	0	(9)	0	0
Amount included in the assessment of effectiveness	0	9	0	0
Amount excluded from the assessment of effectiveness	0	1	0	0
Interest rate derivatives				
Hedged items	0	0	0	257
Derivatives designated as hedging instruments	0	0	0	(257)
Effect of net investment hedges:				
Foreign exchange derivatives				
Amount excluded from the assessment of effectiveness	0	146	0	156
Effect of non-designated hedges:				
Foreign exchange derivatives	0	321	0	(1,067)
Equity derivatives	0	0	0	(296)
Credit derivatives	0	0	0	200
Other derivatives	0	(84)	0	11
Total gains (losses)	(60)	384	120	(996)

Offsetting of Derivatives

We enter into master netting arrangements and collateral security arrangements to reduce credit risk. Cash collateral received related to derivative instruments under our collateral security arrangements is included in other current assets with a corresponding liability. Cash and non-cash collateral pledged related to derivative instruments under our collateral security arrangements are primarily included in other current assets.

The gross amounts of derivative instruments subject to master netting arrangements with various counterparties, and cash and non-cash collateral received and pledged under such agreements were as follows (in millions):

	As of December 31, 2025					
				Gross Amounts Not Offset in the Consolidated Balance Sheets, but Have Legal Rights to Offset		
	Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Financial Instruments[1]	Cash and Non-Cash Collateral Received or Pledged	Net Amounts
Derivatives assets	$ 842	$ (110)	$ 732	$ (140)	$ (231)	$ 361
Derivatives liabilities	$ 489	$ (110)	$ 379	$ (140)	$ (15)	$ 224

	As of September 30, 2026					
				Gross Amounts Not Offset in the Consolidated Balance Sheets, but Have Legal Rights to Offset		
	Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Financial Instruments[1]	Cash and Non-Cash Collateral Received or Pledged	Net Amounts
Derivatives assets[1]	$ 1,416	$ (111)	$ 1,305	$ (322)	$ (261)	$ 722
Derivatives liabilities	$ 1,747	$ (111)	$ 1,636	$ (322)	$ (14)	$ 1,300

(1) The balances as of December 31, 2025 and September 30, 2026 were related to derivatives allowed to be net settled in accordance with our master netting agreements.

Note 4. Leases

We have entered into operating and finance lease agreements primarily for data centers, land, and offices throughout the world with varying lease terms.

Components of lease costs were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Operating lease cost	$ 851	$ 998	$ 2,434	$ 2,797
Finance lease cost:				
Amortization of lease assets	152	422	360	907
Interest on lease liabilities	17	25	48	60
Finance lease cost	169	447	408	967
Short-term lease cost[1]	11	109	36	144
Variable lease cost	483	494	1,215	1,357
Total lease cost	$ 1,514	$ 2,048	$ 4,093	$ 5,265

(1) Includes a short-term lease agreement entered into in June 2026, and amended in September 2026, with a remaining non-cancelable commitment of approximately $6.0 billion as of September 30, 2026. We do not recognize right of use assets or lease liabilities on leases with a term of 12 months or less. Short term lease costs are recognized on a straight-line basis over the lease term.

Supplemental information related to leases was as follows (in millions):

	As of December 31, 2025	As of September 30, 2026
Weighted-average remaining lease term:		
Operating leases	7.6 years	8.5 years
Finance leases	8.3 years	7.9 years
Weighted-average discount rate:		
Operating leases	3.6 %	4.0 %
Finance leases	3.1 %	4.0 %

	As of December 31, 2025	As of September 30, 2026
Operating leases:		
Operating lease assets	$ 15,221	$ 20,273
Accrued expenses and other liabilities	$ 3,209	$ 3,693
Operating lease liabilities	12,744	16,815
Total operating lease liabilities	$ 15,954	$ 20,508
Finance leases:		
Property and equipment, at cost	$ 6,822	$ 10,619
Accumulated depreciation	(2,025)	(2,914)
Property and equipment, net	$ 4,797	$ 7,705
Accrued expenses and other liabilities	$ 441	$ 1,053
Other long-term liabilities	2,059	2,652
Total finance lease liabilities	$ 2,500	$ 3,705

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Cash payments for lease liabilities:				
Operating cash flows used for operating leases	$ 850	$ 998	$ 2,511	$ 2,815
Operating cash flows used for finance leases	$ 17	$ 25	$ 48	$ 60
Financing cash flows used for finance leases[1]	$ 92	$ 1,110	$ 394	$ 1,950
Assets obtained in exchange for lease liabilities:				
Operating leases	$ 1,061	$ 3,263	$ 2,589	$ 7,002
Finance leases	$ 383	$ 2,085	$ 989	$ 2,987

(1) Additionally, during the three and nine months ended September 30, 2026, we made $159 million and $994 million of lease prepayments for leases not yet commenced, respectively, which are expected to be accounted for as finance leases.

Future lease payments as of September 30, 2026 were as follows (in millions):

	Operating Leases	Finance Leases
Remainder of 2026	$ 901	$ 771
2027	3,947	499
2028	3,451	487
2029	3,082	466
2030	2,543	395
Thereafter	10,515	1,712
Total undiscounted lease payments	24,439	4,330
Less: imputed interest	(3,931)	(625)
Total lease liability balance	$ 20,508	$ 3,705

As of September 30, 2026, we have entered into leases, primarily related to data centers and energy infrastructure, that have not yet commenced with future lease payments of $130.5 billion that are not yet recorded. These leases will commence between 2026 and 2031 with non-cancelable lease terms between one and 26 years.

Note 5. Variable Interest Entities

Consolidated VIEs

We consolidate VIEs in which we hold a variable interest and are the primary beneficiary. The results of operations and financial position of these VIEs are included in our consolidated financial statements.

Unconsolidated VIEs

We hold various forms of interests in VIEs, including certain of our investments in private companies and renewable energy entities, certain leases and credit derivatives with data center entities, and financial guarantees with energy infrastructure entities. Because we have determined that we do not direct the activities that most significantly impact the economic performance of these entities, we are not the primary beneficiary. Therefore, these VIEs are not consolidated within our financial statements.

Our investments in private companies and renewable energy VIEs are primarily accounted for as non-marketable securities under the measurement alternative or the equity method. The carrying values of these investments are included within non-marketable securities on our Consolidated Balance Sheets. See Note 3 for further details on investments. The maximum exposure to these VIEs is generally limited to the current carrying value plus future funding and financial support commitments. As of December 31, 2025 and September 30, 2026, future funding and financial support commitments were $1.1 billion and $31.9 billion, respectively. As of September 30, 2026, this amount includes $20.0 billion of future capital funding commitments with a private company contingent upon the achievement of specified operational and financial milestones through 2030, which is accounted for as an equity derivative. Also, included in this amount is $10.0 billion of potential future data center and energy infrastructure backstops in support of our investment in the Crux AI joint venture. See Note 3 for further details on derivatives and equity method investments.

Leases with data center leasing VIEs are accounted for as finance leases and are included within total lease obligations disclosed in Note 4. The maximum exposure arising from leases with VIEs is limited to the net carrying value of commenced finance lease assets, plus the undiscounted future obligations for leases that have not yet commenced. See Note 4 for further details on leases.

Credit derivatives with data center VIEs carry a maximum exposure which is limited to the financial risk over the period of the arrangements, as reflected by the credit derivative notional value. See Note 3 for further details on credit derivatives.

Financial guarantees with energy infrastructure entities have maximum exposure limited to the potential amount of future payments under these arrangements. See Note 10 for further details on financial guarantees.

Note 6. Debt

Short-Term Debt

We have a commercial paper program of up to $25.0 billion, which is used for general corporate purposes. We had no commercial paper outstanding as of December 31, 2025 and September 30, 2026.

Our short-term debt balance also includes the current portion of certain long-term debt.

Long-Term Debt

During 2026, we issued $45.0 billion of US dollar-denominated senior unsecured notes and $35.8 billion of foreign currency-denominated senior unsecured notes for general corporate purposes.

In the third quarter of 2026, we issued senior unsecured notes consisting of: $23.8 billion US dollar-denominated fixed-rate notes and $1.3 billion US dollar-denominated floating-rate notes with a weighted-average coupon rate of 5.55% and a weighted-average maturity of 15 years; and A$3.3 billion Australian dollar-denominated fixed-rate notes and A$2.3 billion Australian dollar-denominated floating-rate notes with a weighted-average coupon rate of 5.82% and a weighted-average maturity of eight years.

Total outstanding long-term debt is summarized below (in millions, except percentages):

	Maturity	Coupon Rate	Effective Interest Rate	As of December 31, 2025	As of September 30, 2026
Debt					
2016 US dollar notes	2026	2.00%	2.23%	$ 2,000	$ 0
2020 US dollar notes	2027 - 2060	0.80% - 2.25%	0.93% - 2.33%	9,000	9,000
2025 US dollar notes[1]	2028 - 2075	3.88% - 5.70%	4.00% - 5.79%	22,500	22,500
2025 Euro notes[2]	2028 - 2064	2.38% - 4.38%	2.57% - 4.51%	15,585	15,057
2026 US dollar notes[1]	2028 - 2066	3.70% - 6.50%	3.93% - 6.57%	0	45,000
2026 Sterling notes[2]	2029 - 2126	4.13% - 6.13%	4.23% - 6.19%	0	7,287
2026 Swiss franc notes[2]	2029 - 2051	0.43% - 1.87%	0.52% - 1.90%	0	3,671
2026 Euro notes[2]	2030 - 2063	3.20% - 4.80%	3.29% - 4.88%	0	10,228
2026 Canadian dollar notes[2]	2031 - 2056	3.65% - 5.00%	3.83% - 5.10%	0	6,001
2026 Japanese yen notes[2]	2029 - 2066	1.97% - 4.60%	2.04% - 4.64%	0	3,659
2026 Australian dollar notes[1][2]	2029 - 2046	5.20% - 6.90%	5.32% - 7.03%	0	3,861
Other long-term debt				0	1,221
Total face value of long-term debt				49,085	127,485
Unamortized discount and debt issuance costs[2]				(542)	(1,110)
Hedge accounting fair value adjustments[3]				0	(257)
Less: current portion of long-term notes[4]				(1,996)	(1,016)
Total long-term debt				$ 46,547	$ 125,102

(1) Includes floating-rate notes consisting of $1.8 billion in US dollar notes with interest calculated using the compounded Secured Overnight Financing Rate (SOFR) plus 0.44% to 0.60%, and A$2.3 billion in Australian dollar notes calculated using the Bank Bill Swap Rate (BBSW) plus 0.65% to 0.90%. Interest on these notes is reset quarterly.
(2) Principal, unamortized discount, and debt issuance costs for the foreign currency-denominated notes include the effect of foreign exchange rates.
(3) Includes fair value adjustments for fixed-rate notes in fair value hedge relationships. See Note 3 for further details.
(4) Total current portion of long-term debt is included within accrued expenses and other current liabilities. See Note 7 for further details.

The notes in the table above are senior unsecured obligations and rank equally with each other. We may redeem the fixed-rate notes, other than the Japanese yen-denominated notes, at any time in whole or in part at specified redemption prices. The floating-rate notes are not redeemable prior to maturity. Interest is payable quarterly for the floating-rate notes, semi-annually for the US dollar, Canadian dollar, Japanese yen, and Australian dollar-denominated fixed-rate notes, and annually for the euro-, sterling-, and Swiss franc-denominated fixed-rate notes. The effective interest rates are based on proceeds received and contractual interest payments.

The total estimated fair value of the outstanding notes was approximately $45.6 billion and $114.9 billion as of December 31, 2025 and September 30, 2026, respectively. The fair value was determined based on observable market prices of identical instruments in less active markets and is categorized accordingly as Level 2 in the fair value hierarchy.

In October 2026, Waymo entered into a Credit Agreement for a $5.0 billion senior secured term loan that matures in October 2032. The term loan bears interest at a rate equal to Term SOFR plus 5.25% and is secured by certain assets and subsidiaries of Waymo, subject to specified carve-outs. The obligations under the term loan are not guaranteed by Alphabet or any of its other subsidiaries.

Credit Facility

As of September 30, 2026, we had $10.0 billion of revolving credit facilities, of which $4.0 billion expires in April 2027 and $6.0 billion expires in April 2030. No amounts were outstanding under the credit facilities as of December 31, 2025 and September 30, 2026.

Note 7. Supplemental Financial Statement Information

Accounts Receivable

The allowance for credit losses on accounts receivable was $924 million and $1.2 billion as of December 31, 2025 and September 30, 2026, respectively.

Property and Equipment, Net

Property and equipment, net, consisted of the following (in millions):

	As of December 31, 2025	As of September 30, 2026
Technical infrastructure[1]	$ 203,679	$ 282,842
Office space	48,348	51,101
Corporate and other assets	14,463	7,157
Property and equipment, in service	266,490	341,100
Less: accumulated depreciation	(98,485)	(113,543)
Add: assets not yet in service	78,592	145,270
Property and equipment, net	$ 246,597	$ 372,827

(1) As of December 31, 2025 and September 30, 2026, approximately 60% of technical infrastructure assets were comprised of servers and network equipment. The remaining balance was comprised of data center land and buildings and related assets.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in millions):

	As of December 31, 2025	As of September 30, 2026
Accrued fines and settlements[1]	$ 15,594	$ 13,807
Accrued purchases of property and equipment	8,877	21,398
Accrued customer liabilities	5,029	5,328
Payables to brokers for unsettled investment trades	950	3,886
Income taxes payable, net	523	1,703
Other accrued expenses and current liabilities	24,584	28,195
Accrued expenses and other current liabilities	$ 55,557	$ 74,317

(1) See Legal Matters in Note 10 for further details.

Noncontrolling Interests

Total noncontrolling interests (NCI) in our consolidated subsidiaries were $3.4 billion and $6.9 billion as of December 31, 2025 and September 30, 2026, respectively, of which $841 million and $825 million were redeemable noncontrolling interests (RNCI) as of December 31, 2025 and September 30, 2026, respectively. NCI and RNCI are included within common stock and additional paid-in capital (APIC). Net loss attributable to noncontrolling interests was not material for any period presented and is included within the "other" component of OI&E.

Accumulated Other Comprehensive Income (Loss)

Components of AOCI, net of income tax, were as follows (in millions):

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2024	$ (5,080)	$ (299)	$ 579	$ (4,800)
Other comprehensive income (loss) before reclassifications	2,631	1,066	(854)	2,843
Amounts excluded from the assessment of hedge effectiveness recorded in AOCI	0	0	(41)	(41)
Amounts reclassified from AOCI	0	(149)	93	(56)
Other comprehensive income (loss)	2,631	917	(802)	2,746
Balance as of September 30, 2025	$ (2,449)	$ 618	$ (223)	$ (2,054)

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2025	$ (2,558)	$ 678	$ (36)	$ (1,916)
Other comprehensive income (loss) before reclassifications	(442)	(2,455)	465	(2,432)
Amounts excluded from the assessment of hedge effectiveness recorded in AOCI	(4)	0	74	70
Amounts reclassified from AOCI	0	42	(90)	(48)
Other comprehensive income (loss)	(446)	(2,413)	449	(2,410)
Balance as of September 30, 2026	$ (3,004)	$ (1,735)	$ 413	$ (4,326)

The effects on net income of amounts reclassified from AOCI were as follows (in millions):

AOCI Components	Location	Three Months Ended September 30, 2025	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Unrealized gains (losses) on available-for-sale investments					
	Other income (expense), net	$ 46	$ (35)	$ 187	$ (55)
	Benefit (provision) for income taxes	(10)	8	(38)	13
	Net of income tax	36	(27)	149	(42)
Unrealized gains (losses) on cash flow hedges					
Foreign exchange derivatives	Revenue	(237)	196	(133)	82
Interest rate derivatives	Other income (expense), net	0	1	0	3
	Benefit (provision) for income taxes	54	(34)	40	5
	Net of income tax	(183)	163	(93)	90
Total amount reclassified, net of income tax		$ (147)	$ 136	$ 56	$ 48

Other Income (Expense), Net

Components of OI&E were as follows (in millions):

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Interest income	$ 1,076	$ 1,768	$ 3,128	$ 4,579
Interest expense[(1)]	(143)	(967)	(438)	(2,778)
Foreign currency exchange gain (loss), net	(143)	22	(318)	7
Gain (loss) on debt securities, net	122	(383)	489	(526)
Gain (loss) on equity securities, net	10,734	(8,664)	21,778	127,282
Income (loss) and impairment from equity method investments, net	(30)	(143)	367	(118)
Other	1,143	146	1,598	(968)
Other income (expense), net	$ 12,759	$ (8,221)	$ 26,604	$ 127,478

(1) Interest expense is net of interest capitalized of $130 million and $405 million for the three months ended September 30, 2025 and 2026, respectively, and $301 million and $1.0 billion for the nine months ended September 30, 2025 and 2026, respectively.

Note 8. Acquisitions and Divestitures

Wiz Acquisition

On March 11, 2026, we completed our acquisition of Wiz for $29.5 billion, after purchase price adjustments and excluding post combination compensation arrangements. This acquisition represents an investment by Google Cloud to accelerate our capabilities in multicloud and AI-driven security. Following the close of the acquisition, the financial results are included in our consolidated financial statements within the Google Cloud segment.

The preliminary purchase price was allocated as follows (in millions):

Intangible assets	$	8,300
Goodwill[1]		22,705
Net liabilities assumed[2]		(1,538)
Total purchase price	$	29,467

(1) Goodwill has been recorded in the Google Cloud segment and primarily attributable to synergies expected to arise after the acquisition. Goodwill is not deductible for tax purposes.
(2) Includes $660 million of acquired cash.

Intangible assets acquired as of the acquisition date were as follows:

	Amount (in millions)	Weighted-Average Useful Life (in years)
Patents and developed technology	$ 3,600	7
Customer relationships	4,500	10
Trade names and other	200	7
Total intangible assets	$ 8,300	

Intersect Acquisition

On March 10, 2026, we completed our acquisition of Intersect, a developer of renewable energy, for $5.9 billion, after purchase price adjustments. This acquisition enables acceleration of data center capacity and energy development. Intersect is a VIE and we have determined we are the primary beneficiary. Following the close of the acquisition, the financial results are included in our consolidated financial statements and are allocated to our segments.

The final purchase price was allocated as follows (in millions):

Goodwill[1]	$	2,174
Property and equipment		5,129
Debt		(1,214)
Net liabilities assumed[2]		(221)
Total purchase price	$	5,868

(1) Goodwill has been allocated to Google Services and Google Cloud segments and primarily attributable to synergies expected to arise after the acquisition. Goodwill is not deductible for tax purposes.
(2) Includes $410 million of acquired cash.

Pending Divestiture

In March 2026, we entered into a definitive agreement to contribute our ownership interest in GFiber, a wholly owned subsidiary, into a newly formed entity. Upon closing, we expect to receive $1.5 billion in cash, a $2.0 billion note receivable, and a 49.99% equity interest. The remaining interest is expected to be accounted for as an unconsolidated VIE under the equity method of accounting, as we will no longer be the primary beneficiary. The transaction is expected to close in late 2026.

GFiber meets the criteria for held for sale classification. No impairment loss was recognized upon initial classification as held for sale and we ceased depreciation of the related long-lived assets. Held for sale assets primarily consist of property and equipment of $7.1 billion, which is included in other current assets in our Consolidated Balance Sheet as of September 30, 2026. The operating results of GFiber remain included within the Other Bets segment through the close of the transaction.

Note 9. Goodwill and Intangible Assets

Goodwill

Changes in the carrying amount of goodwill for the nine months ended September 30, 2026 were as follows (in millions):

	Google Services	Google Cloud	Other Bets	Total
Balance as of December 31, 2025	$ 24,870	$ 7,660	$ 850	$ 33,380
Additions	1,417	23,913	0	25,330
Foreign currency translation and other adjustments	(30)	(3)	(560)	(593)
Balance as of September 30, 2026	$ 26,257	$ 31,570	$ 290	$ 58,117

Intangible Assets

Information regarding intangible assets was as follows (in millions):

	As of December 31, 2025			As of September 30, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Patents and developed technology	$ 1,332	$ (754)	$ 578	$ 4,803	$ (1,110)	$ 3,693
Customer relationships	582	(318)	264	5,090	(630)	4,460
Trade names and other	553	(307)	246	686	(289)	397
Total definite-lived intangible assets	2,467	(1,379)	1,088	10,579	(2,029)	8,550
Indefinite-lived intangible assets	195	0	195	267	0	267
Total intangible assets	$ 2,662	$ (1,379)	$ 1,283	$ 10,846	$ (2,029)	$ 8,817

Amortization expense relating to intangible assets was $129 million and $375 million for the three months ended September 30, 2025 and 2026, respectively, and $375 million and $920 million for the nine months ended September 30, 2025 and 2026, respectively.

Expected amortization expense of definite-lived intangible assets held as of September 30, 2026 was as follows (in millions):

Remainder of 2026	$ 374
2027	1,310
2028	1,148
2029	1,100
2030	1,056
Thereafter	3,562
Total definite-lived intangible assets	$ 8,550

Note 10. Commitments and Contingencies

Commitments

We have significant contractual obligations from contracts with remaining terms greater than one year. As of September 30, 2026, total commitments under these obligations were $802.1 billion, which includes $4.5 billion of standby letters of credit issued and outstanding to secure performance obligations under our long-term supply agreements.

These contractual obligations consist mostly of long-term supply agreements to secure future production capacity for technical infrastructure and inventory components. Contract durations under these long-term supply agreements extend through 2032 and we expect to make the significant majority of the commitment payments through 2031. Certain of our long-term supply agreements contain fixed volume commitments with variable pricing between minimum and maximum rates and/or the ability to partially reduce committed volumes. The amounts disclosed above reflect pricing and volumes at the maximum contractual limits of the current contracts.

Other significant long-term contracts relate to certain energy service agreements to secure energy for data center usage, and certain content licensing agreements. The energy service agreements include terms ranging from three to 26 years, with obligations through 2054, and generally include take-or-pay provisions for minimum

quantities of energy supply and substantive termination fees. Our content licensing agreements have remaining terms extending through 2031.

Financial Guarantees

To support counterparty procurement of long-lead time equipment for our future power purchase and energy agreements, we provide financial guarantees to certain counterparties with varying terms through January 2049. As of September 30, 2026, our maximum potential future payments under these guarantees were $16.2 billion, upon which we may receive certain assets. The fair value of these obligations was not material.

In addition, certain contracts require us to repurchase previously sold TPU hardware and embedded software under specified conditions and subject to the assets being returned in working order. As of September 30, 2026, our maximum potential future payments under these guarantees were $6.6 billion, and the fair value of these obligations was not material. Based on the extent of the discount on repurchase and other factors, we do not believe counterparties have an economic incentive to exercise their option to require us to repurchase.

Indemnifications

In the normal course of business, including to facilitate transactions in our services and products and corporate activities, we indemnify certain parties, including advertisers, Google Network partners, distribution partners, customers of Google Cloud offerings, lessors, and service providers with respect to certain matters. We have agreed to defend and/or indemnify certain parties against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made against certain parties. Several of these agreements limit the time within which an indemnification claim can be made and the amount of the claim. In addition, we have entered into indemnification agreements with our officers and directors, and our bylaws contain similar indemnification obligations to our agents.

It is not possible to make a reasonable estimate of the maximum potential amount under these indemnification agreements due to the unique facts and circumstances involved in each particular agreement. Additionally, the payments we have made under such agreements have not had a material adverse effect on our results of operations, cash flows, or financial position. However, to the extent that valid indemnification claims arise in the future, future payments by us could be significant and could have a material adverse effect on our results of operations or cash flows in a particular period.

As of September 30, 2026, we did not have any material indemnification claims that were probable or reasonably possible.

Legal Matters

We record a liability when we believe that it is probable that a loss has been incurred, and the amount can be reasonably estimated. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, we disclose the reasonably possible loss. We evaluate developments in our legal matters that could affect the amount of liability that has been previously accrued, and the matters and related reasonably possible losses disclosed, and make adjustments as appropriate.

Certain outstanding matters seek speculative, substantial, or indeterminate monetary amounts, substantial changes to our business practices and products, or structural remedies. Significant judgment is required to determine both the likelihood of there being a loss and the estimated amount of a loss related to such matters, and we may be unable to estimate the reasonably possible loss or range of losses. The outcomes of outstanding legal matters are inherently unpredictable and subject to significant uncertainties, and could, either individually or in aggregate, have a material adverse effect.

We expense legal fees in the period in which they are incurred.

Antitrust Matters

We are subject to formal and informal inquiries and investigations as well as litigation on various competition matters by regulatory authorities and private parties in the US, Europe, and other jurisdictions globally, including the following:

- *Android:* In July 2018, the European Commission (EC) announced its decision that certain provisions in Google's Android-related distribution agreements infringed European antitrust laws, imposed a €4.3 billion fine, and directed the termination of the conduct at issue. We appealed the EC decision and implemented changes to certain of our Android distribution practices. In September 2022, the General Court affirmed the EC decision but reduced the fine from €4.3 billion to €4.1 billion. We subsequently appealed the General Court's affirmation of the EC decision, which was denied by the European Court of Justice in July 2026. The

EC decision is now final. In July 2026, we made a cash payment of $5.2 billion for the fine plus accrued interest.

- *AdSense for Search:* In March 2019, the EC announced its decision that certain provisions in Google's agreements with AdSense for Search partners infringed European antitrust laws, imposed a €1.5 billion fine, and directed actions related to AdSense for Search partners' agreements, which we implemented prior to the decision. In 2019, we recognized a charge of $1.7 billion for the fine and appealed the EC decision. In September 2024, the General Court overturned the EC decision and annulled the €1.5 billion fine. The EC has appealed the General Court's decision with the European Court of Justice, which remains pending.
- *Search:* In October 2020, the US Department of Justice (DOJ) and a number of state Attorneys General filed a lawsuit in the US District Court for the District of Columbia concerning Google's Search and Search advertising practices and its compliance with US antitrust laws. In August 2024, the US District Court for the District of Columbia ruled against Google. A final judgment was entered in December 2025, which, among other things, imposes restrictions on how Google distributes its services and requires Google to share certain search data with and offer syndication services to certain competitors. In January 2026, we appealed the final judgment and moved to pause implementation of certain remedies. The court denied the motion to stay as premature, allowing Google to seek a stay until the scope of certain remedies is more defined. In February 2026, the DOJ and state Attorneys General also appealed. The appeals remain pending.
- *Advertising Technology:* In December 2020, a number of state Attorneys General filed a lawsuit in the US District Court for the Eastern District of Texas concerning Google's advertising technology and its compliance with US antitrust laws and state deceptive trade laws. In January 2023, the DOJ, along with a number of state Attorneys General, filed a lawsuit in the US District Court for the Eastern District of Virginia concerning Google's advertising technology and its compliance with US antitrust laws, and a number of additional state Attorneys General subsequently joined the lawsuit. In April 2025, the US District Court for the Eastern District of Virginia issued a mixed decision in the DOJ case against Google, ruling that neither Google's advertiser tools nor the DoubleClick and AdMeld acquisitions were anticompetitive, but that Google's publisher tools unfairly excluded rivals. A separate proceeding to determine remedies, the range of which varies widely, took place in September 2025, with the parties presenting differing remedy proposals. In September 2026, the Court issued its remedies decision, denying the DOJ's request for structural divestitures of Google's advertising technology assets, instead ordering certain behavioral remedies concerning interoperability, data access, and auction conduct. After the Court enters its final judgment, we plan to appeal the adverse portion of the April 2025 decision and, upon full review of the remedies decision, we may also appeal aspects of the September 2026 decision. A trial in the state Attorneys General case in the Eastern District of Texas will take place after the conclusion of the remedies proceedings in the DOJ case. Given the nature of these matters, we cannot estimate a possible loss.

  Further, in September 2025, the EC announced its decision that Google had infringed European competition laws through "self-preferencing" practices on the buy-side and the sell-side relating to Google's advertising technology business. The EC decision imposed a €3.0 billion fine and directed Google to cease and desist the alleged "self-preferencing" practices. We appealed the ruling in November 2025, which remains pending. We recognized a charge of $3.5 billion in the third quarter of 2025, and we placed bank guarantees in the fourth quarter of 2025 in lieu of cash payment.

  In September 2024, the United Kingdom (UK) also issued a Statement of Objections concerning Google's advertising technology and its compliance with UK antitrust laws, to which we responded. The matter remains pending.
- *Google Play:* In July 2021, a number of state Attorneys General filed a lawsuit in the US District Court for the Northern District of California concerning Google's operation of Android and Google Play and its compliance with US antitrust laws and state antitrust and consumer protection laws. In September 2023, we reached a settlement in principle with 50 state Attorneys General and three territories and recognized a charge. In May 2024, we funded the settlement amount to an escrow agent. The Court approved the settlement in August 2026.

  In December 2023, a California jury delivered a verdict against Google in *Epic Games v. Google* related to Google Play's business. Epic did not seek monetary damages. The presiding judge issued a remedies decision in October 2024, ordering a variety of alterations to our business models and operations and contractual agreements for Android and Google Play. We appealed the judgment, including the jury verdict and aspects of the remedies ordered. In July 2025, the Court of Appeals denied our appeal, and we subsequently petitioned the US Supreme Court for review. While that appeal was pending, we implemented the effective ordered remedies in October 2025. In March 2026, we reached a settlement with Epic to seek

modification of the remedies, implement certain changes regarding the operation of Google Play, and resolve certain other lawsuits Epic has filed regarding Google Play's business. Following the settlement, we withdrew our petition to the US Supreme Court in March 2026, and Epic and Google filed a joint motion to modify the injunction in April 2026. In July 2026, Epic and Google jointly withdrew the motion to modify the injunction, and Google is complying with the October 2024 remedies decision.

- *European Digital Markets Act:* In March 2024, the EC opened two investigations regarding Google's compliance with certain provisions of the European Union's (EU) Digital Markets Act relating to Google Play and Search. In March 2025, the EC issued preliminary findings of non-compliance in both investigations, to which we responded. In July 2026, the EC issued non-compliance decisions imposing fines of €430 million relating to Google Play and €460 million relating to Search. We appealed both decisions in October 2026; both appeals remain pending. We recognized a charge totaling $1.0 billion in the third quarter of 2026 for the fines.

In addition to these antitrust proceedings, private individual and collective actions that overlap with claims pursued by regulatory authorities are pending in the US and in several other jurisdictions, including across Europe. This includes private claims stemming from regulatory proceedings in which Google's liability has been fully determined and the remaining dispute concerns potential damages.

For example, in July 2026, the Stockholm Patent and Market Court issued a decision against Google in a private action brought by PriceRunner (a subsidiary of Klarna) relating to Google's display and ranking of shopping search results. The Court awarded the plaintiff approximately $2.1 billion (awarded in multiple currencies) in principal damages plus accrued interest and costs, which we recognized in the second quarter of 2026. We appealed the decision, which remains pending.

For other such matters, given their nature, we cannot estimate a possible loss.

We believe we have strong arguments against open claims and will defend ourselves vigorously. We continue to cooperate with federal and state regulators in the US, the EC, and other regulators around the world.

Privacy Matters

We are subject to a number of privacy-related laws and regulations, and we currently are party to a number of privacy investigations and lawsuits ongoing in multiple jurisdictions. For example, there are ongoing investigations and litigation in the US and the EU, including those relating to our collection and use of location information, the processing controls we offer users, and advertising practices, which could result in significant fines, judgments, and product changes.

Patent and Intellectual Property Claims

We have had patent, copyright, trade secret, and trademark infringement lawsuits filed against us claiming that certain of our products, services, and technologies infringe others' intellectual property rights. Adverse results in these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or orders preventing us from offering certain features, functionalities, products, or services. As a result, we may have to change our business practices and develop non-infringing products or technologies, which could result in a loss of revenues for us and otherwise harm our business. In addition, the US International Trade Commission (ITC) has increasingly become an important forum to litigate intellectual property disputes because an ultimate loss in an ITC action can result in a prohibition on importing infringing products into the US. Because the US is an important market, a prohibition on importation could have an adverse effect on us, including preventing us from importing many important products into the US or necessitating workarounds that may limit certain features of our products.

Further, our customers and partners may discontinue the use of our products, services, and technologies, as a result of injunctions or otherwise, which could result in loss of revenues and adversely affect our business.

Other

We are subject to claims, lawsuits, regulatory and government inquiries and investigations, other proceedings, and consent orders involving competition, intellectual property, data privacy and security, tax and related compliance, labor and employment, commercial disputes, content generated by our users, goods and services offered by advertisers or publishers using our platforms, design of our products and services, personal injury and other tort and nuisance theories, consumer protection, including how we moderate content on our platforms, AI, and other matters. For example, we periodically have data incidents that we report to relevant regulators as required by law. Such claims, consent orders, lawsuits, regulatory and government investigations, and other proceedings could result in substantial fines and penalties, injunctive relief, ongoing monitoring and auditing obligations, changes to our products and services, alterations to our business models and operations, and collateral-related civil litigation or

other adverse consequences, all of which could harm our business, reputation, financial condition, and operating results.

We have ongoing legal matters relating to Russia. For example, some matters concern civil judgments that include compounding penalties imposed upon us in connection with disputes regarding the termination of accounts, including those of sanctioned parties. We do not expect these ongoing legal matters will have a material adverse effect.

Non-Income Taxes

We are under audit by various domestic and foreign tax authorities with regard to non-income tax matters. The subject matter of non-income tax audits primarily arises from disputes on the tax treatment and tax rate applied to the sale of our products and services in these jurisdictions and the tax treatment of certain employee benefits. We accrue non-income taxes that may result from examinations by, or any negotiated agreements with, these tax authorities when a loss is probable and reasonably estimable. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, we disclose the reasonably possible loss. Due to the inherent complexity and uncertainty of these matters and judicial process in certain jurisdictions, the final outcome may be materially different from our expectations.

See Note 14 for further details regarding income tax contingencies.

Note 11. Stockholders' Equity

Common Stock Issuance

On June 4, 2026, the company completed an underwritten public offering of 29 million Class A shares at a price of $355.1982 per share and 29 million Class C shares at a price of $351.8018 per share. All shares have a par value of $0.001 per share.

Concurrently with the public offering, on June 4, 2026, the company completed a private placement of 14 million Class A and 14 million Class C shares to an affiliate of Berkshire Hathaway Inc. (the “private placement”). The shares were issued in a private placement pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

The net proceeds received by the company were $20.5 billion from the public offering and $10.0 billion from the private placement, after deducting underwriting discounts, commissions, and direct offering expenses which were recorded as a reduction to common stock and APIC. These proceeds will be used for general corporate purposes, including capital expenditures to scale AI infrastructure and global compute.

Mandatory Convertible Preferred Stock

On June 5, 2026, the company issued an aggregate amount of 385 million Series A and Series B depositary shares, representing 19 million shares of 6.25% Mandatory Convertible Preferred Stock, split evenly into Series A (indexed to Class A stock) and Series B (indexed to Class C stock). Each depositary share represents a 1/20th fractional interest in a share of preferred stock.

The mandatory convertible preferred stock has a par value of $0.001 per share and liquidation preference of $1,000 per share ($50 per depositary share). Aggregate net proceeds were $19.0 billion which will be used for general corporate purposes, including capital expenditures to scale AI infrastructure and global compute. Gross proceeds were reduced by underwriting discounts and offering expenses, which were recorded as a reduction to preferred stock and APIC.

Dividends are cumulative at an annual rate of 6.25% on the liquidation preference of $1,000 per share of mandatory convertible preferred stock and may be paid in cash, shares of common stock, or a combination of cash and shares of common stock, at the company’s election. Dividends that are declared will be payable quarterly on February 15, May 15, August 15, and November 15 of each year, commencing on August 15, 2026 and ending on, and including May 15, 2029 with the record date being the first of the respective month.

Unless earlier converted, each outstanding share will automatically convert on the mandatory conversion date, which is on or about May 15, 2029. The conversion rate for each share of our Series A mandatory convertible preferred stock will be between 2.2520 and 2.8160 shares of Class A stock, and Series B mandatory convertible preferred stock will convert into between 2.2740 and 2.8420 shares of Class C stock, depending on the applicable market value of our Class A and Class C stock upon conversion and subject to certain anti-dilution adjustments. The applicable market value will be determined based on the average volume-weighted average price per share over the 20 consecutive trading day final averaging period ending immediately prior to the mandatory conversion date.

If a fundamental change occurs on or prior to May 15, 2029, holders of mandatory convertible preferred stock will automatically convert into Class A or Class C shares, as applicable, at a special fundamental change conversion rate and, under certain circumstances, receive a fundamental change dividend make-whole amount. Other than during a fundamental change conversion period, at any time prior to May 15, 2029, holders may elect to convert at the minimum conversion rate, subject to certain anti-dilution and other adjustments.

The mandatory convertible preferred stock is not redeemable at the company's election before the mandatory conversion date. Holders of the mandatory convertible preferred stock will not have any voting rights, with limited exceptions.

Capped Call Transactions

In connection with the issuance of the 385 million Series A and Series B depositary shares, representing 19 million shares of mandatory convertible preferred stock, the company entered into privately negotiated capped call transactions with certain financial institutions.

The company paid an aggregate premium of $1.0 billion for these capped call transactions, which was recorded as a reduction to preferred stock and APIC. The capped call transactions provide the company with the option to receive shares of Class A and Class C stock upon conversion of the mandatory convertible preferred stock. The transactions have an initial cap price of $532.6704 per share for the Class A and $527.7974 per share for Class C, each representing a premium of 50.0% over their respective public offering prices.

These transactions are intended to reduce the potential dilution to the company's common stock upon conversion of the mandatory convertible preferred stock. As the transactions are indexed to the company's own stock and meet certain accounting criteria, the capped call options are recorded as a reduction of stockholders' equity and are not accounted for as derivatives.

At-the-Market Program

On June 1, 2026, the company entered into an equity distribution agreement with certain sales agents party thereto, pursuant to which we may sell both our Class A and Class C stock having aggregate sales proceeds of up to $40.0 billion from time to time through an at-the-market offering program (the "ATM Program"). The proceeds from offerings under the ATM Program are primarily intended to be used to meet tax obligations associated with employee equity grants.

During the three and nine months ended September 30, 2026, we issued 12 million shares of Class A stock for net proceeds of $4.3 billion and 24 million shares of Class C stock for net proceeds of $8.1 billion. As of September 30, 2026, $27.6 billion remained available for future issuance under the ATM Program.

Subject to the terms and conditions of the agreement, the company may sell shares of Class A and Class C stock through the sales agents listed in the agreement in amounts and at times to be determined by the company. In addition, we may elect to sell, through the sales agents or through others (whether acting as agent or principal), shares of our stock for forward settlement. We are not obligated to sell any of our shares under the ATM Program.

Preferred and Common Dividends

In the three and nine months ended September 30, 2026, total cash dividends on preferred stock were $234 million, representing $117 million each on the Series A and Series B mandatory convertible preferred stock.

In the three and nine months ended September 30, 2026, total cash dividends on common stock were $2.7 billion and $7.9 billion, representing $1.3 billion and $3.8 billion for Class A, $182 million and $541 million for Class B, and $1.2 billion and $3.6 billion for Class C shares, respectively.

In October 2026, the company's Board of Directors declared a quarterly cash dividend of $15.63 per share on each of our Series A and Series B mandatory convertible preferred stock (equivalent to approximately $0.78 per share on each of our Series A and Series B Depositary Shares). The mandatory convertible preferred stock dividend is payable on November 15, 2026 to stockholders of record for each of the company's Series A and Series B shares as of November 1, 2026.

In October 2026, the company's Board of Directors declared a quarterly cash dividend of $0.22 per share on our Class A, Class B, and Class C stock. The common stock dividend is payable on December 14, 2026 to stockholders of record for each of the company's Class A, Class B, and Class C shares as of December 7, 2026.

The company intends to pay quarterly cash dividends in the future, subject to review and approval by the company's Board of Directors in its sole discretion.

Share Repurchases

In the three and nine months ended September 30, 2026, there were no repurchases of the company's Class A or Class C shares.

In April 2025, the company's Board of Directors authorized a $70.0 billion share repurchase program for its Class A and Class C shares. As of September 30, 2026, $69.5 billion remained available for Class A and Class C share repurchases.

Repurchases may be executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans. The repurchase programs do not have an expiration date.

Note 12. Net Income Per Common Share

We compute net income per common share of Class A, Class B, and Class C stock using the two-class method. Basic net income per common share is computed using the weighted-average number of shares outstanding during the period. Diluted net income per common share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities consist of restricted stock units (RSUs), other contingently issuable shares, and mandatory convertible preferred stock. The dilutive effect of outstanding RSUs and other contingently issuable shares is reflected in diluted earnings per common share pursuant to the treasury stock method. The dilutive effect of mandatory convertible preferred shares is reflected in diluted earnings per common share pursuant to the if-converted method. The computation of the diluted net income per common share of Class A stock assumes the conversion of Class B stock, while the diluted net income per common share of Class B stock does not assume the conversion of those shares.

Net income available to common stockholders is calculated by adjusting net income to deduct declared and accrued dividends on the mandatory convertible preferred stock.

In accordance with our certificate of incorporation, the rights, including the liquidation and dividend rights, of the holders of our Class A, Class B, and Class C stock are identical, except with respect to voting. Furthermore, there are a number of safeguards built into our certificate of incorporation, as well as Delaware law, which preclude our Board of Directors from declaring or paying unequal per share dividends on our Class A, Class B, and Class C stock. Specifically, Delaware law provides that amendments to our certificate of incorporation which would have the effect of adversely altering the rights, powers, or preferences of a given class of stock must be approved by the class of stock adversely affected by the proposed amendment. In addition, our certificate of incorporation provides that before any such amendment may be put to a stockholder vote, it must be approved by the unanimous consent of our Board of Directors.

Immaterial differences in net income per common share across our Class A, Class B, and Class C shares may arise due to the allocation of distributed earnings, which is based on the holders as of the record date, compared with the allocation of undistributed earnings and number of shares, which is based on the weighted-average shares outstanding over the periods.

The following tables set forth the computation of basic and diluted net income per common share of Class A, Class B, and Class C stock (in millions, except per share amounts):

	Three Months Ended September 30,							
	2025				2026			
	Class A	Class B	Class C	Consolidated	Class A	Class B	Class C	Consolidated
Basic net income per common share:								
Numerator								
Allocation of distributed earnings (cash dividends paid to common stockholders)	$ 1,222	$ 177	$ 1,138	$ 2,537	$ 1,295	$ 182	$ 1,225	$ 2,702
Allocation of undistributed earnings	15,617	2,268	14,557	32,442	11,256	1,589	10,623	23,468
Net income available to common stockholders	$ 16,839	$ 2,445	$ 15,695	$ 34,979	$ 12,551	$ 1,771	$ 11,848	$ 26,170
Denominator								
Number of shares used in per share computation	5,818	845	5,423	12,086	5,878	830	5,548	12,256
Basic net income per common share	$ 2.89	$ 2.89	$ 2.89	$ 2.89	$ 2.14	$ 2.13	$ 2.14	$ 2.14
Diluted net income per common share:								
Numerator								
Allocation of total earnings for basic computation	$ 16,839	$ 2,445	$ 15,695	$ 34,979	$ 12,551	$ 1,771	$ 11,848	$ 26,170
Reallocation of total earnings as a result of conversion of Class B to Class A shares	2,445	0	0	—(1)	1,771	0	0	—(1)
Preferred stock dividends declared and accrued(2)	0	0	0	0	0	0	0	0
Reallocation of undistributed earnings	(171)	(22)	171	—(1)	(117)	(14)	117	—(1)
Net income	$ 19,113	$ 2,423	$ 15,866	$ 34,979	$ 14,205	$ 1,757	$ 11,965	$ 26,170
Denominator								
Number of shares used in basic computation	5,818	845	5,423	12,086	5,878	830	5,548	12,256
Weighted-average effect of dilutive securities								
Add:								
Conversion of Class B to Class A shares outstanding	845	0	0	—(1)	830	0	0	—(1)
Restricted stock units and other contingently issuable shares	0	0	117	117	0	0	112	112
Conversion of preferred stock(2)	0	0	0	0	0	0	0	0
Number of shares used in per share computation	6,663	845	5,540	12,203	6,708	830	5,660	12,368
Diluted net income per common share	$ 2.87	$ 2.87	$ 2.86	$ 2.87	$ 2.12	$ 2.12	$ 2.11	$ 2.12

(1) Not applicable for consolidated net income per common share.

(2) Pursuant to the if-converted method, preferred dividends are added back and preferred shares are assumed to have been converted to common shares only if they have a dilutive effect on net income per common share.

	Nine Months Ended September 30,							
	2025				2026			
	Class A	Class B	Class C	Consolidated	Class A	Class B	Class C	Consolidated
c net income per common share:								
umerator								
Allocation of distributed earnings (cash dividends paid to common stockholders)	$ 3,689	527	3,357	7,513	3,859	581	3,583	7,933
Allocation of undistributed earnings	43,294	6,336	40,572	90,202	92,680	13,222	87,020	192,922
Net income available to common stockholders	$ 46,983	6,863	43,929	97,715	96,489	13,763	90,603	200,855
enominator								
Number of shares used in per share computation	5,822	852	5,456	12,130	5,846	834	5,489	12,169
c net income per common share	$ 8.06	8.06	8.06	8.06	16.51	16.50	16.51	16.51
ed net income per common share:								
umerator								
Allocation of total earnings for basic computation	$ 46,983	6,863	43,929	97,715	96,489	13,763	90,603	200,855
Reallocation of total earnings as a result of conversion of Class B to Class A shares	6,863	0	0	—(1)	13,763	0	0	—(1)
Preferred stock dividends declared and accrued(2)	0	0	0	0	209	0	175	384
Reallocation of undistributed earnings	(406)	(52)	406	—(1)	(1,144)	(140)	1,144	—(1)
Net income	$ 53,360	6,811	44,355	97,715	109,317	13,623	91,922	201,239
enominator								
Number of shares used in basic computation	5,822	852	5,456	12,130	5,846	834	5,489	12,169
Weighted-average effect of dilutive securities								
Add:								
Conversion of Class B to Class A shares outstanding	852	0	0	—(1)	834	0	0	—(1)
Restricted stock units and other contingently issuable shares	0	0	100	100	0	0	131	131
Conversion of preferred stock(2)	0	0	0	0	12	0	12	24
Number of shares used in per share computation	6,674	852	5,556	12,230	6,692	834	5,632	12,324
ed net income per common share	$ 8.00	7.99	7.98	7.99	16.34	16.33	16.32	16.33

(1) Not applicable for consolidated net income per common share.

(2) Pursuant to the if-converted method, preferred dividends are added back and preferred shares are assumed to have been converted to common shares only if they have a dilutive effect on net income per common share.

Note 13. Compensation Plans

Stock-Based Compensation

For the three months ended September 30, 2025 and 2026, total stock-based compensation (SBC) expense was $6.4 billion and $8.7 billion, including amounts associated with awards we expect to settle in Alphabet stock of $6.1 billion and $8.3 billion, respectively. For the nine months ended September 30, 2025 and 2026, total SBC expense was $17.9 billion and $23.9 billion, including amounts associated with awards we expect to settle in Alphabet stock of $17.2 billion and $22.4 billion, respectively.

Stock-Based Award Activities

The following table summarizes the activities for unvested Alphabet RSUs and performance stock units (PSUs), both of which include dividend equivalents awarded to holders of unvested stock, for the nine months ended September 30, 2026 (in millions, except per share amounts):

	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2025	282	$ 159.75
Granted	155	$ 300.12
Vested	(128)	$ 171.99
Forfeited/canceled	(25)	$ 198.43
Unvested as of September 30, 2026	284	$ 227.39

As of September 30, 2026, there was $61.8 billion of unrecognized compensation cost related to unvested RSUs and PSUs. This amount is expected to be recognized over a weighted-average period of 2.8 years.

Note 14. Income Taxes

The following table presents provision for income taxes (in millions, except for effective tax rate):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Income before provision for income taxes	$ 43,987	$ 32,355	$ 119,709	$ 248,520
Provision for income taxes	$ 9,008	$ 5,887	$ 21,994	$ 47,281
Effective tax rate	20.5 %	18.2 %	18.4 %	19.0 %

We are subject to income taxes in the US and foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The total amount of gross unrecognized tax benefits was $11.5 billion and $12.5 billion, of which $9.7 billion and $10.6 billion, if recognized, would affect our effective tax rate, as of December 31, 2025 and September 30, 2026, respectively.

Note 15. Information about Segments and Geographic Areas

We report our segment results as Google Services, Google Cloud, and Other Bets:

- Google Services includes products and services such as ads, Android, Chrome, consumer devices, Google Maps, Google Play, Search, and YouTube. Google Services generates revenues primarily from advertising; fees received for consumer subscription-based products such as YouTube TV, YouTube Music and Premium, and NFL Sunday Ticket, as well as Google One; the sale of apps and in-app purchases; and consumer devices.
- Google Cloud includes infrastructure and platform services, applications, and other products and services for enterprise customers. Google Cloud generates services revenues primarily from consumption-based fees and subscriptions received for Google Cloud Platform services, Google Workspace communication and collaboration tools, and other enterprise services. Google Cloud generates product revenues primarily from the sale of TPU systems.
- Other Bets is a combination of multiple operating segments that are not individually material. Revenues from Other Bets are generated primarily from the sale of autonomous transportation services and internet services.

Revenues, certain costs, such as costs associated with content and traffic acquisition, certain engineering activities, and inventory, as well as certain operating expenses are directly attributable to our segments. Due to the integrated nature of Alphabet, other costs and expenses, such as technical infrastructure and office facilities, are managed centrally at a consolidated level. These costs, including the associated depreciation, are allocated to operating segments as a service cost generally based on usage, headcount, or revenue.

Certain costs are not allocated to our segments because they represent Alphabet-level activities. These costs primarily include:

- certain AI-focused shared research and development activities, including employee compensation expenses and technical infrastructure usage costs associated with the development of our general AI models;
- corporate initiatives such as our philanthropic activities; and
- corporate shared costs such as certain finance, human resource, and legal costs, including certain fines and settlements.

Charges associated with employee severance and office space reductions are also not allocated to our segments. Additionally, hedging gains (losses) related to revenue are not allocated to our segments.

Our Chief Operating Decision Maker (CODM) is our Chief Executive Officer, Sundar Pichai. Our CODM uses segment operating income (loss) to allocate resources to our segments in our annual planning process and to assess the performance of our segments, primarily by monitoring actual results versus the annual plan. Our operating segments are not evaluated using asset information.

The following table presents revenue, profitability, and expense information about our segments (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Revenues:				
Google Services	$ 87,052	$ 96,302	$ 246,859	$ 280,479
Google Cloud	15,157	30,709	41,041	75,505
Other Bets	344	372	1,167	1,165
Hedging gains (losses)	(207)	194	(60)	120
Total revenues	$ 102,346	$ 127,577	$ 289,007	$ 357,269
Operating income (loss):				
Google Services	$ 33,527	$ 39,157	$ 99,272	$ 119,290
Google Cloud	3,594	11,121	8,597	26,533
Other Bets	(1,426)	(2,047)	(3,898)	(5,946)
Alphabet-level activities	(4,467)	(7,655)	(10,866)	(18,835)
Total income from operations	$ 31,228	$ 40,576	$ 93,105	$ 121,042
Supplemental information about segment expenses:				
Google Services:				
Employee compensation expenses	$ 11,070	$ 12,280	$ 33,713	$ 36,761
Other costs and expenses	42,455	44,865	113,874	124,428
Total Google Services costs and expenses	$ 53,525	$ 57,145	$ 147,587	$ 161,189
Google Cloud:				
Employee compensation expenses	$ 5,586	$ 7,081	$ 16,515	$ 20,457
Other costs and expenses	5,977	12,507	15,929	28,515
Total Google Cloud costs and expenses	$ 11,563	$ 19,588	$ 32,444	$ 48,972

Google Services and Google Cloud employee compensation expenses include the costs associated with direct and allocated employees. Google Services and Google Cloud other costs and expenses primarily include direct costs, such as advertising and promotional activities, inventory and related costs, legal and other matters, and third-party services fees as well as allocated costs, such as technical infrastructure and office facilities usage costs. Additionally, Google Services other costs and expenses include content acquisition costs and TAC.

See Note 2 for further details relating to revenues by geography.

The following table presents long-lived assets by geographic area, which includes property and equipment, net and operating lease assets (in millions):

	As of December 31, 2025	As of September 30, 2026
Long-lived assets:		
United States	$ 195,337	$ 302,224
International	66,481	90,876
Total long-lived assets	$ 261,818	$ 393,100

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Please read the following discussion and analysis of our financial condition and results of operations together with "Note about Forward-Looking Statements" and our consolidated financial statements and related notes included under Item 1 of this Quarterly Report on Form 10-Q as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, including Part I, Item 1A "Risk Factors," as updated in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, and in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Understanding Alphabet's Financial Results

Alphabet is a collection of businesses — the largest of which is Google. We report Google in two segments, Google Services and Google Cloud, and all non-Google businesses collectively as Other Bets. Supporting these businesses, we have centralized certain AI-related research and development focused on advanced research in AI and developing the frontier models that serve our businesses, which is reported in Alphabet-level activities. For further details on our segments, see Note 15 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Revenues and Monetization Metrics

We generate revenues by delivering relevant, cost-effective online advertising; cloud-based solutions that provide enterprise customers of all sizes with infrastructure, platform services, and applications; and sales of products and services, such as fees received for subscription-based products, apps and in-app purchases, consumer devices, and TPU systems. For additional information on how we recognize revenue, see Note 1 of the Notes to Consolidated Financial Statements included in Part II, Item 8 in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

In addition to the long-term trends and their financial effect on our business discussed in "Trends in Our Business and Financial Effect" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, fluctuations in our revenues have been and may continue to be affected by a combination of factors, including:

- changes in foreign currency exchange rates;
- changes in pricing, such as those resulting from changes in fee structures, discounts, and customer incentives;
- general economic conditions and various external dynamics, including geopolitical events, regulations, and other measures and their effect on advertiser, consumer, and enterprise spending;
- new product, service, and market launches; and
- seasonality.

Additionally, fluctuations in our revenues generated from advertising ("Google advertising"), other sources ("Google subscriptions, platforms, and devices"), Google Cloud, and Other Bets have been, and may continue to be, affected by other factors unique to each set of revenues, as described below.

Google Services

Google Services revenues consist of Google advertising as well as Google subscriptions, platforms, and devices revenues.

Google Advertising

Google advertising revenues are comprised of the following:

- Google Search & other, which includes revenues generated on Google search properties (including revenues from traffic generated by search distribution partners who use Google.com as their default search in browsers, toolbars, etc.), and other Google owned and operated properties like Gmail, Google Maps, and Google Play;
- YouTube ads, which includes revenues generated on YouTube properties; and
- Google Network, which includes revenues generated on Google Network properties participating in AdMob, AdSense, and Google Ad Manager.

We use certain metrics to track how well traffic across various properties is monetized as it relates to our advertising revenues: paid clicks and cost-per-click pertain to traffic on Google Search & other properties, while impressions and cost-per-impression pertain to traffic on our Google Network properties.

Paid clicks represent engagement by users and include clicks on advertisements by end-users on Google search properties and other Google owned and operated properties including Gmail, Google Maps, and Google Play. Cost-per-click is defined as click-driven revenues divided by our total number of paid clicks and represents the average amount we charge advertisers for each engagement by users.

Impressions include impressions displayed to users on Google Network properties participating primarily in AdMob, AdSense, and Google Ad Manager. Cost-per-impression is defined as impression-based and click-based revenues divided by our total number of impressions, and represents the average amount we charge advertisers for each impression displayed to users.

As our business evolves, we periodically review, refine, and update our methodologies for monitoring, gathering, and counting the number of paid clicks and the number of impressions, and for identifying the revenues generated by the corresponding click and impression activity.

Fluctuations in our advertising revenues, as well as the change in paid clicks and cost-per-click on Google Search & other properties and the change in impressions and cost-per-impression on Google Network properties and the correlation between these items have been, and may continue to be, affected by factors in addition to the general factors described above, such as:

- advertiser competition for keywords;
- changes in advertising quality, formats, delivery, or policy;
- changes in device mix;
- seasonal fluctuations in internet usage, advertising expenditures, and underlying business trends, such as traditional retail seasonality; and
- traffic growth in emerging markets compared to more mature markets and across various verticals and channels.

Google Subscriptions, Platforms, and Devices

Google subscriptions, platforms, and devices revenues are comprised of the following:

- consumer subscriptions, which primarily include revenues from YouTube services, such as YouTube TV, YouTube Music and Premium, and NFL Sunday Ticket, as well as Google One, which offers access to our most capable Gemini models;
- platforms, which primarily include revenues from Google Play sales of apps and in-app purchases;
- consumer devices, which primarily include sales of the Pixel family of devices; and
- other products and services.

Fluctuations in our Google subscriptions, platforms, and devices revenues have been, and may continue to be, affected by factors in addition to the general factors described above, such as changes in customer usage and demand, number of subscribers, and the timing of product launches.

Google Cloud

Google Cloud revenues are comprised of the following:

- Google Cloud Platform primarily generates consumption-based fees and subscriptions for infrastructure, platform, and other services. These services provide access to solutions such as AI offerings including our enterprise AI infrastructure, Vertex AI platform, and Gemini Enterprise; cybersecurity offerings; and data and analytics solutions.
- Google Workspace includes subscriptions for cloud-based communication and collaboration tools for enterprises, such as Gmail, Docs, Calendar, Drive, and Meet, with integrated features like Gemini for Google Workspace.
- Product sales, primarily the sale of TPU systems.
- Other enterprise services.

Fluctuations in our Google Cloud revenues have been, and may continue to be, affected by factors in addition to the general factors described above, such as changes in customer usage, demand, and supply availability. We have signed a limited number of agreements to supply TPU systems to customers who require or provide on-premises infrastructure for specialized, high-scale workloads. In the second quarter of 2026, we began recognizing revenues from these agreements, with the significant majority to be recognized in 2027.

Other Bets

Revenues from Other Bets are generated primarily from the sale of autonomous transportation services and internet services.

Costs and Expenses

Our cost structure has two components: cost of revenues and operating expenses. Our operating expenses include costs related to research and development, sales and marketing, and general and administrative functions. Certain of our costs and expenses, including those associated with the operation of our technical infrastructure as well as components of our operating expenses, are generally less variable in nature and may not correlate to changes in revenue. Additionally, fluctuations in employee compensation expenses may not directly correlate with changes in headcount, due to factors such as annual SBC awards that vest over time.

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 other ad-supported 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, primarily 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 related costs associated with the consumer devices and TPU systems hardware we sell; and
  - other technical infrastructure operations costs, including energy, equipment, and network capacity 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.

Operating Expenses

Operating expenses are generally incurred during our normal course of business, which we categorize as either research and development, sales and marketing, or general and administrative.

The main components of our research and development expenses are:

- depreciation expense, primarily related to our technical infrastructure;
- employee compensation expenses for engineering and technical employees responsible for research and development related to our existing and new products and services;
- other technical infrastructure operations costs, including energy, equipment, and network capacity costs; and

- third-party services fees primarily relating to consulting and outsourced services in support of our engineering and product development efforts.

The main components of our sales and marketing expenses are:

- employee compensation expenses for employees engaged in sales and marketing, sales support, and certain customer service functions; and
- spend relating to our advertising and promotional activities in support of our products and services.

The main components of our general and administrative expenses are:

- employee compensation expenses for employees in finance, human resources, information technology, legal, and other administrative support functions;
- expenses relating to legal and other matters, including certain fines and settlements; and
- third-party services fees, including audit, consulting, outside legal, and other outsourced administrative services.

Other Income (Expense), Net

OI&E, net primarily consists of interest income (expense), the effect of foreign currency exchange gains (losses), net gains (losses) and impairment on our marketable and non-marketable securities, and income (loss) and impairment from our equity method investments.

For additional information, including how we account for our investments and factors that can drive fluctuations in the value of our investments, see Note 1 of the Notes to Consolidated Financial Statements included in Part II, Item 8 as well as Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 as well as Note 3 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Provision for Income Taxes

Provision for income taxes represents the estimated amount of federal, state, and foreign income taxes incurred in the US and the many jurisdictions in which we operate. The provision includes the effect of reserve provisions and changes to reserves that are considered appropriate as well as the related net interest and penalties.

For additional information, see Note 1 of the Notes to Consolidated Financial Statements included in Part II, Item 8 in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 as well as Note 14 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Executive Overview

The following table summarizes consolidated financial results (in millions, except for per share information and percentages):

	Three Months Ended September 30,			
	2025	2026	$ Change	% Change
Consolidated revenues	$ 102,346	$ 127,577	$ 25,231	25 %
Cost of revenues	$ 41,369	$ 51,419	$ 10,050	24 %
Operating expenses	$ 29,749	$ 35,582	$ 5,833	20 %
Operating income	$ 31,228	$ 40,576	$ 9,348	30 %
Operating margin	31 %	32 %		1 %
Other income (expense), net	$ 12,759	$ (8,221)	$ (20,980)	NM
Net income available to common stockholders	$ 34,979	$ 26,170	$ (8,809)	(25) %
Diluted net income per common share[1]	$ 2.87	$ 2.12	$ (0.75)	(26) %

NM = Not Meaningful

(1) For additional information on the calculation of diluted net income per common share, see Note 12 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

- Revenues were $127.6 billion, an increase of 25% year over year, primarily driven by an increase in Google Cloud revenues of $15.6 billion, or 103%, and an increase in Google Services revenues of $9.3 billion, or 11%.
- Cost of revenues was $51.4 billion, an increase of 24% year over year, primarily driven by increases in inventory and related costs, primarily associated with the sale of TPU systems, depreciation expense, TAC, and content acquisition costs, largely for YouTube.
- Operating expenses were $35.6 billion, an increase of 20% year over year, primarily driven by increases in employee compensation expenses and depreciation expense. These increases were partially offset by a decrease in expenses related to legal and other matters.

Other Information:

- On July 2, 2026, the EC upheld its 2018 decision that certain provisions in Google's Android-related distribution agreements infringed European antitrust laws. The court-imposed fine and interest of $5.2 billion, which was previously accrued, was paid in July 2026.
- During the three months ended September 30, 2026, we issued 12 million shares of Class A stock for net proceeds of $4.3 billion and 24 million shares of Class C stock for net proceeds of $8.1 billion. As of September 30, 2026, $27.6 billion remained available for future issuance under the ATM Program.
- In the third quarter of 2026, we issued senior unsecured notes for net proceeds of $28.7 billion, to be used for general corporate purposes.
- In October 2026, Waymo entered into a Credit Agreement for a $5.0 billion senior secured term loan that matures in October 2032. The term loan bears interest at a rate equal to Term SOFR plus 5.25% and is secured by certain assets and subsidiaries of Waymo, subject to specified carve-outs. The obligations under the term loan are not guaranteed by Alphabet or any of its other subsidiaries.
- Operating cash flow was $42.3 billion for the three months ended September 30, 2026.
- Capital expenditures, which primarily reflected investments in technical infrastructure, were $51.4 billion for the three months ended September 30, 2026.
- As of September 30, 2026, we had 204,757 employees.

We are monitoring ongoing developments surrounding geopolitical tension, international trade, and the macroeconomic environment. As a result, we may experience direct and indirect effects on our business, operations, and financial results. Our past results may not be indicative of our future performance, and our financial results may differ materially from historical trends.

Financial Results

Revenues

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Google Search & other	$ 56,567	$ 63,350	$ 161,459	$ 187,020
YouTube ads	10,261	11,207	28,984	32,145
Google Network	7,354	7,455	21,964	21,729
Google advertising	74,182	82,012	212,407	240,894
Google subscriptions, platforms, and devices	12,870	14,290	34,452	39,585
Google Services total	87,052	96,302	246,859	280,479
Google Cloud	15,157	30,709	41,041	75,505
Other Bets	344	372	1,167	1,165
Hedging gains (losses)	(207)	194	(60)	120
Total revenues	$ 102,346	$ 127,577	$ 289,007	$ 357,269

Google Services

Google Advertising

Google Search & other

Google Search & other revenues increased $6.8 billion and $25.6 billion from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026. The overall growth was driven by interrelated factors including increases in search queries resulting from growth in user adoption and usage on mobile devices; growth in advertiser spending; and improvements we have made in ad formats and delivery.

YouTube ads

YouTube ads revenues increased $946 million and $3.2 billion from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026. The growth was driven by our brand advertising products followed by our direct response advertising products, both of which benefited from increased spending by our advertisers.

Google Network

Google Network revenues increased $101 million from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily due to an increase in AdMob revenues. The overall increase was partially offset by a decrease in AdSense revenues.

Google Network revenues decreased $235 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to a decrease in AdSense revenues, partially offset by an increase in AdMob revenues.

Monetization Metrics

The following table presents changes in monetization metrics for Google Search & other revenues (paid clicks and cost-per-click) and Google Network revenues (impressions and cost-per-impression), expressed as a percentage, from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026:

	Three Months Ended September 30, 2026		Nine Months Ended September 30, 2026	
Google Search & other				
Paid clicks change	8	%	11	%
Cost-per-click change	4	%	4	%
Google Network				
Impressions change	(14)	%	(11)	%
Cost-per-impression change	14	%	11	%

Changes in paid clicks and impressions are driven by a number of interrelated factors, including changes in advertiser spending; ongoing product and policy changes; and, as it relates to paid clicks, fluctuations in search queries resulting from changes in user adoption and usage, primarily on mobile devices.

Changes in cost-per-click and cost-per-impression are driven by a number of interrelated factors including changes in device mix, geographic mix, advertiser spending, ongoing product and policy changes, product mix, property mix, and changes in foreign currency exchange rates.

Google Subscriptions, Platforms, and Devices

Google subscriptions, platforms, and devices revenues increased $1.4 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026. The growth was primarily driven by increases in subscriptions and devices revenues. The increase in subscriptions revenues was primarily due to the contribution from growth in paid subscriptions across both YouTube services and Google One. The increase in devices revenues was primarily driven by increased sales of Pixel devices.

Google subscriptions, platforms, and devices revenues increased $5.1 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. The growth was primarily driven by an increase in subscriptions revenues. This increase was primarily due to the contribution from growth in paid subscriptions across both YouTube services and Google One.

Google Cloud

Google Cloud revenues increased $15.6 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily driven by growth in Google Cloud Platform, largely from infrastructure and platform services, and TPU system sales.

Google Cloud revenues increased $34.5 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily driven by growth in Google Cloud Platform largely from infrastructure and platform services.

Revenues by Geography

The following table presents revenues by geography as a percentage of revenues, determined based on the addresses of our customers:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2026		2025		2026	
United States	48	%	53	%	48	%	51	%
EMEA	29	%	26	%	29	%	27	%
APAC	17	%	16	%	17	%	16	%
Other Americas	6	%	5	%	6	%	6	%
Hedging gains (losses)	0	%	0	%	0	%	0	%

For additional information, see Note 2 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Costs and Expenses

Cost of Revenues

The following table presents cost of revenues, including TAC (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
TAC	$ 14,876	$ 16,366	$ 43,329	$ 47,773
Other cost of revenues	26,493	35,053	73,439	90,860
Total cost of revenues	$ 41,369	$ 51,419	$ 116,768	$ 138,633
Total cost of revenues as a percentage of revenues	40 %	40 %	40 %	39 %

Cost of revenues increased $10.1 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026 due to an increase in other cost of revenues and TAC of $8.6 billion and $1.5 billion, respectively. Cost of revenues increased $21.9 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026 due to an increase in other cost of revenues and TAC of $17.4 billion and $4.4 billion, respectively.

The increase in TAC from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026 was largely due to an increase in TAC paid to distribution partners, primarily driven by growth in revenues subject to TAC. The TAC rate decreased from 20.1% to 20.0% from the three months ended September 30, 2025 to the three months ended September 30, 2026 and decreased from 20.4% to 19.8% from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily due to a revenue mix shift from Google Network properties to Google Search & other properties, partially offset by an increase in the Google Network TAC rate. The TAC rate on Google Search & other revenues was substantially consistent from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026. The TAC rates on Google Network revenues reflected an increase from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026 due to a combination of factors, none of which were individually significant.

The increase in other cost of revenues from the three months ended September 30, 2025 to the three months ended September 30, 2026 was primarily due to increases in inventory and related costs, primarily associated with the sale of TPU systems, depreciation expense, content acquisition costs, largely for YouTube, and other technical infrastructure operations costs.

The increase in other cost of revenues from the nine months ended September 30, 2025 to the nine months ended September 30, 2026 was primarily due to increases in depreciation expense, inventory and related costs, primarily associated with the sale of TPU systems, content acquisition costs, largely for YouTube, and employee compensation expenses.

Research and Development

The following table presents research and development expenses (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Research and development expenses	$ 15,151	$ 20,640	$ 42,515	$ 55,891
Research and development expenses as a percentage of revenues	15 %	16 %	15 %	16 %

Research and development expenses increased $5.5 billion and $13.4 billion from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026, primarily driven by increases in employee compensation expenses of $3.5 billion and $8.8 billion, as well as depreciation expense of $802 million and $1.9 billion, respectively.

Sales and Marketing

The following table presents sales and marketing expenses (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Sales and marketing expenses	$ 7,205	$ 8,804	$ 20,478	$ 24,813
Sales and marketing expenses as a percentage of revenues	7 %	7 %	7 %	7 %

Sales and marketing expenses increased $1.6 billion and $4.3 billion from the three and nine months ended September 30, 2025 to the three and nine months ended September 30, 2026, primarily driven by increases in advertising and promotional activities of $722 million and $2.1 billion, as well as employee compensation expenses of $715 million and $1.5 billion, respectively.

General and Administrative

The following table presents general and administrative expenses (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
General and administrative expenses	$ 7,393	$ 6,138	$ 16,141	$ 16,890
General and administrative expenses as a percentage of revenues	7 %	5 %	6 %	5 %

General and administrative expenses decreased $1.3 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily driven by a decrease in expenses related to legal and other matters of $2.1 billion, largely reflecting the effect of a $3.5 billion EC fine accrued in the third quarter of 2025.

General and administrative expenses increased $749 million from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily driven by increases in employee compensation expenses of $773 million and non-income tax expenses of $462 million. The overall increase was partially offset by a decrease in expenses related to legal and other matters of $1.6 billion, largely reflecting the effect of a $3.5 billion EC fine accrued in the third quarter of 2025.

Segment Profitability

We report our segment results as Google Services, Google Cloud, and Other Bets. Additionally, certain costs are not allocated to our segments because they represent Alphabet-level activities. For further details on our segments, see Note 15 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

The following table presents segment operating income (loss) (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Operating income (loss):				
Google Services	$ 33,527	$ 39,157	$ 99,272	$ 119,290
Google Cloud	3,594	11,121	8,597	26,533
Other Bets	(1,426)	(2,047)	(3,898)	(5,946)
Alphabet-level activities[1]	(4,467)	(7,655)	(10,866)	(18,835)
Total income from operations	$ 31,228	$ 40,576	$ 93,105	$ 121,042

(1) Alphabet-level activities primarily reflect expenses related to our shared AI research and development.

Google Services

Google Services operating income increased $5.6 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026. The increase in operating income was primarily driven by an increase in revenues and a decrease in expenses related to legal and other matters, partially offset by an increase in TAC.

Google Services operating income increased $20.0 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. The increase in operating income was primarily driven by an increase in revenues, partially offset by an increase in TAC.

Google Cloud

Google Cloud operating income increased $7.5 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026. The increase in operating income was primarily driven by an increase in revenues, partially offset by increases in inventory and related costs associated with the sale of TPU systems and usage costs for technical infrastructure.

Google Cloud operating income increased $17.9 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. The increase in operating income was primarily driven by an increase in revenues, partially offset by an increase in usage costs for technical infrastructure.

Other Bets

Other Bets operating loss increased $621 million from the three months ended September 30, 2025 to the three months ended September 30, 2026. The increase in operating loss was primarily driven by an increase in employee compensation expenses and a combination of other factors, none of which were individually significant.

Other Bets operating loss increased $2.0 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. The increase in operating loss was primarily driven by increases in employee compensation expenses and third-party services fees.

Other Income (Expense), Net

The following table presents OI&E (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Interest income	$ 1,076	$ 1,768	$ 3,128	$ 4,579
Interest expense	(143)	(967)	(438)	(2,778)
Foreign currency exchange gain (loss), net	(143)	22	(318)	7
Gain (loss) on debt securities, net	122	(383)	489	(526)
Gain (loss) on equity securities, net	10,734	(8,664)	21,778	127,282
Income (loss) and impairment from equity method investments, net	(30)	(143)	367	(118)
Other	1,143	146	1,598	(968)
Other income (expense), net	$ 12,759	$ (8,221)	$ 26,604	$ 127,478

OI&E, net decreased $21.0 billion from the three months ended September 30, 2025 to the three months ended September 30, 2026, primarily related to net unrealized losses in our marketable equity securities largely from SpaceX, and decreased net unrealized gains on our nonmarketable equity securities largely from a private company.

OI&E, net increased $100.9 billion from the nine months ended September 30, 2025 to the nine months ended September 30, 2026, primarily related to net unrealized gains on our nonmarketable equity securities largely from a private company, and SpaceX prior to its initial public offering.

For additional information, see Note 3 and Note 7 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Provision for Income Taxes

The following table presents provision for income taxes (in millions, except effective tax rate):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Income before provision for income taxes	$ 43,987	$ 32,355	$ 119,709	$ 248,520
Provision for income taxes	$ 9,008	$ 5,887	$ 21,994	$ 47,281
Effective tax rate	20.5 %	18.2 %	18.4 %	19.0 %

The effective tax rate decreased from the three months ended September 30, 2025 to the three months ended September 30, 2026. The decrease is primarily attributed to lower pre-tax earnings from unrealized losses on equity securities that are deferred tax assets at statutory tax rates, an increase in the foreign-derived deduction eligible income tax deduction, and less non-deductible fines, partially offset by changes in prior period tax positions.

The effective tax rate increased from the nine months ended September 30, 2025 to the nine months ended September 30, 2026. The increase is primarily attributed to higher pre-tax earnings from unrealized gains on equity securities that are deferred tax liabilities at the statutory tax rate, and an increase in acquisition-related tax integration costs, partially offset by an increase in SBC-related tax benefits and foreign-derived deduction eligible income tax deduction.

The Organization for Economic Cooperation and Development (OECD) published model rules for the implementation of a minimum global effective tax rate of 15%. Many countries have implemented or are in the process of implementing the rules. In January 2026, the OECD introduced new guidance including a "Side-by-Side Safe Harbor" which, if elected, exempts US domestic operations from being taxed by global minimum tax rules. However, it does not exempt foreign subsidiaries from local minimum tax requirements. These rules did not have a material effect on our income tax provision for the nine months ended September 30, 2026. As more countries enact these global minimum tax rules, our effective tax rate and cash tax payments could be affected.

Financial Condition

Cash, Cash Equivalents, and Marketable Securities

As of September 30, 2026, we had $265.1 billion in cash, cash equivalents, and short-term marketable securities. Cash equivalents and marketable securities are comprised of time deposits, money market funds, highly liquid government bonds, corporate debt securities, mortgage-backed and asset-backed securities, and marketable equity securities.

Sources, Uses of Cash and Related Trends

Our principal sources of liquidity are cash, cash equivalents, and marketable securities, as well as the cash flow that we generate from operations. The primary use of capital continues to be to invest for the long-term growth of the business. We regularly evaluate our cash and capital structure, including the size, pace, and form of capital return to stockholders.

The following table presents cash flows (in millions):

	Nine Months Ended September 30,	
	2025	2026
Net cash provided by operating activities	$ 112,311	$ 127,149
Net cash used in investing activities	$ (68,515)	$ (217,171)
Net cash provided by (used in) financing activities	$ (44,416)	$ 115,757

Cash Provided by Operating Activities

Our largest source of cash provided by operations are advertising revenues generated by Google Search & other properties, YouTube properties, and Google Network properties. In Google Services, we also generate cash through consumer subscriptions, the sale of apps and in-app purchases, and consumer devices. In Google Cloud, we generate cash through consumption-based fees and subscriptions for infrastructure, platform, applications, and other cloud services, as well as from product sales.

Our primary uses of cash from operating activities include payments to distribution and Google Network partners, to employees for compensation, and to content providers. Other uses of cash from operating activities include payments to suppliers for inventory, to tax authorities for income taxes, and other general corporate expenditures.

Net cash provided by operating activities increased from the nine months ended September 30, 2025 to the nine months ended September 30, 2026 due to an increase in cash received from customers, partially offset by an increase in cash payments for cost of revenues and operating expenses.

Cash Used in Investing Activities

Cash provided by investing activities consists primarily of maturities and sales of investments in marketable and non-marketable securities. Cash used in investing activities consists primarily of purchases of marketable and non-marketable securities, purchases of property and equipment, and payments for acquisitions.

Net cash used in investing activities increased from the nine months ended September 30, 2025 to the nine months ended September 30, 2026 primarily due to an increase in purchases of property and equipment, driven by investments in technical infrastructure, an increase in purchases of marketable securities, and an increase in payments for acquisitions.

Cash Provided by Financing Activities

Cash provided by financing activities consists primarily of proceeds from issuance of debt, proceeds from issuance of equity, and proceeds from the sale of interests in consolidated entities. Cash used in financing activities consists primarily of repayments of debt, net payments related to stock-based award activities, and dividend payments.

Net cash provided by financing activities for the nine months ended September 30, 2026 compared to net cash used in financing activities for the nine months ended September 30, 2025 was primarily due to an increase in the issuance of debt, the issuance of common stock, and a decrease in repurchases of stock.

Liquidity and Material Cash Requirements

We expect existing cash, cash equivalents, short-term marketable securities, and cash flows from operations and financing activities to continue to be sufficient to fund our operating activities and cash commitments for investing and financing activities for at least the next 12 months, and thereafter for the foreseeable future.

Capital Expenditures and Leases

We make investments in land, buildings, and servers and network equipment through purchases of property and equipment and lease arrangements to provide capacity for the growth of our services and products.

Capital Expenditures

Our capital investments in property and equipment consist primarily of the following major categories:

- technical infrastructure, which consists of our investments in servers and network equipment, data center land, and building construction and improvements; and
- office facilities, ground-up development projects, and building improvements.

Assets not yet in service are those that are not ready for their intended use, including assets in the process of construction or assembly, and consist primarily of technical infrastructure. The time frame from date of purchase to placement in service of these assets may extend from months to years. For example, our data center construction projects are generally multi-year projects with multiple phases, where we acquire land and buildings, construct buildings, and secure and install servers and network equipment.

During the nine months ended September 30, 2025 and 2026, we spent $63.6 billion and $132.0 billion on capital expenditures, respectively. In 2026, we expect to significantly increase, relative to 2025, our investment in our technical infrastructure, including servers and network equipment and data centers. Depreciation of our property and equipment commences when such assets are ready for their intended use. For the nine months ended September 30, 2025 and 2026, our depreciation on property and equipment was $15.1 billion and $22.0 billion, respectively.

Leases

As of September 30, 2026, the amount of total undiscounted future lease payments under operating and finance leases was $24.4 billion and $4.3 billion, respectively.

As of September 30, 2026, we have entered into leases, primarily related to data centers and energy infrastructure, that have not yet commenced with future lease payments of $130.5 billion. These leases will commence between 2026 and 2031 with non-cancelable lease terms between one and 26 years.

For additional information on leases, see Note 4 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Financing

As of September 30, 2026, we had long-term debt outstanding with a total carrying value of $125.1 billion.

During the nine months ended September 30, 2026, we issued $45.0 billion of US dollar-denominated senior unsecured notes and $35.8 billion of foreign currency-denominated senior unsecured notes for general corporate purposes, across Sterling, Swiss Franc, Euro, Canadian dollar, Japanese yen, and Australian dollar.

In October 2026, Waymo entered into a Credit Agreement for a $5.0 billion senior secured term loan that matures in October 2032. The term loan bears interest at a rate equal to Term SOFR plus 5.25% and is secured by certain assets and subsidiaries of Waymo, subject to specified carve-outs. The obligations under the term loan are not guaranteed by Alphabet or any of its other subsidiaries.

As of September 30, 2026, we had $10.0 billion of revolving credit facilities, of which $4.0 billion expires in April 2027 and $6.0 billion expires in April 2030. No amounts were outstanding under the credit facilities as of September 30, 2026. We also have a commercial paper program of up to $25.0 billion, which is used for general corporate purposes. As of September 30, 2026, we had no commercial paper outstanding.

For additional information, see Note 6 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Common Stock

On June 4, 2026, the company completed an underwritten public offering of 29 million Class A shares at a price of $355.1982 per share and 29 million Class C shares at a price of $351.8018 per share. The net proceeds received by the company were $20.5 billion which will be used for general corporate purposes, including capital expenditures to scale AI infrastructure and global compute.

Concurrently on June 4, 2026, the company completed a $10.0 billion private placement of 14 million Class A and 14 million Class C shares to an affiliate of Berkshire Hathaway Inc.

Mandatory Convertible Preferred Stock

On June 5, 2026, the company issued an aggregate amount of 385 million Series A and Series B depositary shares, representing 19 million shares of 6.25% mandatory convertible preferred stock, split evenly into Series A (indexed to Class A stock) and Series B (indexed to Class C stock). Aggregate net proceeds were $19.0 billion which will be used for general corporate purposes, including capital expenditures to scale AI infrastructure and global compute.

At-the-Market Program

On June 1, 2026, the company entered into an equity distribution agreement with certain sales agents party thereto, pursuant to which we may sell both our Class A and Class C stock having aggregate sales proceeds of up to $40.0 billion from time to time through the ATM Program. The proceeds from offerings under the ATM Program are primarily intended to be used to meet tax obligations associated with employee equity grants.

During the three and nine months ended September 30, 2026, we issued 12 million shares of Class A stock for net proceeds of $4.3 billion and 24 million shares of Class C stock for net proceeds of $8.1 billion. As of September 30, 2026, $27.6 billion remained available for future issuance under the ATM Program.

For additional information, see Note 11 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Preferred and Common Dividends

In the three and nine months ended September 30, 2026, total cash dividends on preferred stock were $234 million, representing $117 million each on the Series A and Series B mandatory convertible preferred stock.

In the three and nine months ended September 30, 2026, total cash dividends on common stock were $2.7 billion and $7.9 billion, representing $1.3 billion and $3.8 billion for Class A, $182 million and $541 million for Class B, and $1.2 billion and $3.6 billion for Class C shares, respectively.

The company intends to pay quarterly cash dividends in the future, subject to review and approval by the company's Board of Directors in its sole discretion.

For additional information, see Note 11 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Share Repurchase Program

In the three and nine months ended September 30, 2026, there were no repurchases of the company's Class A or Class C shares.

In April 2025, the company's Board of Directors authorized a $70.0 billion share repurchase program for its Class A and Class C shares. As of September 30, 2026, $69.5 billion remained available for Class A and Class C share repurchases.

For additional information, see Note 11 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Accrued Legal and Regulatory

As of September 30, 2026, we had short-term accrued legal and regulatory fines and settlements of $13.8 billion. For additional information, see Note 10 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Taxes

As of September 30, 2026, we had long-term income taxes payable of $12.2 billion primarily related to unrecognized tax benefits. The timing and amount of any payment related to these unrecognized tax benefits are uncertain and cannot be estimated.

Purchase Commitments and Other Contractual Obligations

Future Cash Commitments

As of September 30, 2026, we have entered into future cash commitments that are not reflected on our balance sheet, subject to counterparties performing on their obligations. These future commitments comprise:

- $924.4 billion material purchase commitments, of which $802.1 billion relates to multi-year commitments for technical infrastructure and inventory, energy take-or-pay contracts, and content licenses. The significant majority of these commitments will be fulfilled through 2031. For additional information, see Note 10 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q. The remainder primarily consists of open purchase orders. Of the total material purchase commitments of $924.4 billion, $213.4 billion is due within 12 months.
- $130.5 billion future payments for leases not yet commenced, primarily related to data centers and energy infrastructure. These leases will commence between 2026 and 2031 with non-cancelable lease terms between one and 26 years. For additional information, see Note 4 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.
- $21.9 billion of future funding commitments related to our investments in equity securities. For additional information, see Note 5 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

In certain instances, the amount of our contractual obligations may change based on the expected timing of order fulfillment from our suppliers. Power purchase and energy agreements without a fixed or minimum commitment are not included.

For details on risks related to our manufacturing and supply chain and other risks, refer to Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Contingent Commitments

As of September 30, 2026, we have entered into contingent commitments consisting of:

- $75.7 billion of financial support in the form of backstop obligations relating to data centers, including data center lease payments and the associated energy costs for certain agreements. Of these obligations, $48.0 billion is executed with third-party data center providers, which are accounted for as credit derivatives. $27.7 billion represents our obligation to put in place future backstops to support data center and energy supply infrastructure, of which $10.0 billion is with Crux AI, a related party.

- $22.8 billion of financial guarantees, primarily to support counterparty procurement of long-lead time equipment for our future power purchase and energy agreements.

For additional information, see Note 3 and Note 10 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Acquisitions and Divestitures

On March 11, 2026, we completed our acquisition of Wiz for $29.5 billion, after purchase price adjustments and excluding post combination compensation arrangements. Following the close of the acquisition, the financial results are included in our consolidated financial statements within the Google Cloud segment. For additional information on the purchase price allocation, see Note 8 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

On March 10, 2026, we completed our acquisition of Intersect for $5.9 billion, after purchase price adjustments. Following the close of the acquisition, the financial results are included in our consolidated financial statements and are allocated to our segments. For additional information on the purchase price allocation, see Note 8 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

In March 2026, we entered into a definitive agreement to contribute our ownership interest in GFiber, a wholly owned subsidiary, into a newly formed entity. Upon closing, we expect to receive $1.5 billion in cash, a $2.0 billion note receivable, and a 49.99% equity interest. The remaining interest is expected to be accounted for as an unconsolidated VIE under the equity method of accounting, as we will no longer be the primary beneficiary. The transaction is expected to close in late 2026.

For additional information, see Note 8 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Estimates

See Part II, Item 7, "Critical Accounting Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our critical accounting estimates from our Annual Report on Form 10-K for the year ended December 31, 2025, except for as described below.

Business Combinations

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions.

We recognize intangible assets acquired in business combinations at fair value as of the acquisition date. Critical estimates in valuing the acquired intangible assets require judgment and the use of unobservable inputs, including future expected cash flows, discount rates, estimated customer attrition rates and anticipated growth, and royalty rate, among others.

Other estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed.

Available Information

Our website is located at www.abc.xyz, and our investor relations website is located at www.abc.xyz/investor. Access to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our Proxy Statements, and any amendments to these reports, is available on our investor relations website, free of charge, after we file or furnish them with the SEC and they are available on the SEC's website at www.sec.gov.

We webcast our earnings calls, as well as certain events we participate in or host with members of the investment community, via our investor relations YouTube channel and website. Our investor relations website also provides notifications of news or announcements regarding our financial performance and other items that may be material or of interest to our investors, including SEC filings, investor events, press and earnings releases, and blogs. We also share Google news and product updates on Google's Keyword blog at https://www.blog.google/ and News From Google page on X at x.com/NewsFromGoogle, and our executive officers may also use certain social media channels, such as X and LinkedIn, to communicate information about earnings results and company updates, which may be of interest or material to our investors. Further, corporate governance information, including our certificate of incorporation, bylaws, corporate governance guidelines, board committee charters, and code of

conduct, is also available on our investor relations website under the heading "Governance." The information contained on, or that may be accessed through our websites or our executive officers' social media channels, is not incorporated by reference into this Quarterly Report on Form 10-Q or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2026, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, see Note 10 “Commitments and Contingencies - Legal Matters” of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including but not limited to those described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which could harm our business, reputation, financial condition, and operating results, and may affect the trading price and price volatility of our Class A and Class C stock.

Below are material changes to our risk factors since our Annual Report on Form 10-K for the year ended December 31, 2025.

Risks Specific to our Company

Our increasing investment in new businesses, products, services, and technologies is inherently risky, and could divert management attention and harm our business, financial condition, and operating results.

We have invested and expect to expand our investment in new businesses, products, services, and technologies in a wide range of industries beyond online advertising. The investments that we are making across our businesses — such as building AI-optimized infrastructure, including our custom TPUs, and integrating AI capabilities into new and existing products and services — reflect our ongoing efforts to innovate and provide products and services that are helpful to users, advertisers, publishers, customers, content providers, and distribution partners. Our investments ultimately may not be commercially viable or may not result in an adequate return of capital and, in pursuing new strategies, we may incur unanticipated liabilities, including those arising from the implementation of new regulatory requirements.

We have invested and expect to significantly expand our investment in property and equipment, including our technical infrastructure, and we expect these assets to benefit our business over their estimated useful lives. Changes in facts and circumstances such as changes to historical asset performance, expected technology advancements, and future network deployment plans could change the period over which we expect to benefit from the asset and impact our financial condition and operating results.

Innovations in our products and services could also result in changes to user and customer behavior and affect our revenue trends. These endeavors involve significant risks and uncertainties, including diversion of resources and management attention from current operations, different monetization models, and the use of alternative investment, governance, or compensation structures that may fail to adequately align incentives across the company or otherwise accomplish their objectives.

Within Google Services, we continue to invest in consumer devices, including our smartphones, home devices, and wearables, which is a highly competitive market with frequent introduction of new products and services, rapid adoption of technological advancements by competitors, increased market saturation in developed countries, short product life cycles, evolving industry standards, continual improvement in performance characteristics, and price and feature sensitivity on the part of consumers and businesses. There can be no assurance we will be able to provide devices that compete effectively.

Within Google Cloud, we devote significant resources to develop and deploy our enterprise-ready cloud services, including Google Cloud Platform and Google Workspace, and we are advancing our AI platforms and models to support these tools and technologies, including the development of our custom TPUs and how we deliver them to our customers. We are incurring significant and increasing costs and liabilities to build and maintain infrastructure to support cloud computing services, invest in cybersecurity, and hire talent. Meanwhile, our competitors are rapidly developing and deploying cloud-based services and capacity. Pricing and delivery models, which are subject to increasing regulatory scrutiny and requirements, are competitive and constantly evolving, and we may therefore not achieve our business objectives. Further, our business with financial services, healthcare, and public sector customers may present additional risks, including regulatory compliance risks. For instance, we may be subject to government audits and cost reviews, and any failure to comply or any deficiencies found may expose us to legal, financial, and reputational risks. Evolving laws and regulations may require us to make new capital investments, build new products, and seek partners to deliver localized services in other countries, and we may not be able to meet sovereign operating requirements.

To meet both internal and customer AI compute capacity demands, we have entered into significant long-term supply agreements, energy service agreements, and leasing arrangements with third parties, which involve substantial obligations and increased operational complexity. We also have a number of large, long-duration commercial agreements, which could increase our liabilities and obligations. These include certain contingent commitments, such as backstops and financial guarantees to support the build-out of third-party data centers and power infrastructure, and contingent repurchase obligations for certain hardware and embedded software at prices below original cost. In the event of nonperformance by us, our counterparties, or vendors, the exercise of repurchase rights, or industry challenges, we may incur additional liabilities, have excess capacity or inventory that we cannot easily redeploy, and not receive payments from our counterparties or customers. Depending upon market conditions, these additional costs or exposures could be significant.

Within Other Bets, we are investing significantly in areas such as transportation and life sciences, among others. These investment areas face intense competition from large, experienced, and well-funded competitors, and our offerings, many of which involve the development of new and emerging technologies, may not be successful, or be able to compete effectively or operate at sufficient levels of profitability.

In addition, new and evolving products and services, including those that use AI, raise ethical, technological, legal, regulatory, and other challenges, which could harm our brands and demand for our products and services. Because all of these investment areas are inherently risky, no assurance can be given that such strategies and offerings will be successful or will not harm our reputation, financial condition, and operating results.

Disruptions in our ability to access the capital markets, obtain future financing, or manage our indebtedness could adversely affect our ability to execute our strategy and harm our financial condition.

We may from time to time access capital markets for debt or equity, including through our ATM Program, or any derivative securities thereof, or seek to enter into other forms of financing, such as leases. Any difficulty in accessing capital markets, entering into other forms of financing on favorable terms, or managing our existing indebtedness could increase our costs of financing and restrict our ability to invest in our business. Furthermore, our current and any future indebtedness, including obligations arising under leases, backstops, guarantees, and potential liabilities from large commercial agreements, combined with the dilutive impact of current or future equity issuances, could harm our financial condition, depress our stock price or reduce our financial and business flexibility.

Risks Related to our Industry

Issues in the development and use of AI may result in reputational harm and increased liability exposure.

Our evolving AI-enabled products and services, including our development and deployment of AI agents, expose us to risks involving harmful content, inaccuracies, discrimination, product liability, intellectual property infringement or misappropriation, rights of publicity claims, defamation, data privacy, cybersecurity, minor protection, and other issues. As a result, deploying AI systems and agents could subject us to competitive harm, regulatory action, legal liability (including under new and proposed regulations), new applications of existing data protection, privacy, intellectual property, and other laws, and brand or reputational harm.

Some uses of AI will present ethical issues and may have broad effects on society. Although we have already devoted and will continue to invest significant resources to develop and deploy AI responsibly, the probabilistic nature of AI models means we may not be able to anticipate, identify, or resolve all AI-related issues, deficiencies, and failures before they arise. During model testing, we have sometimes observed unexpected behavior, including autonomous agents taking actions outside of their intended scope. Furthermore, as our AI systems increasingly orchestrate multi-step tasks and interact autonomously with third-party tools, applications, and APIs, errors or misalignments in one component may compound across the workflow, potentially leading to operational, technical, or transactional failures, unauthorized actions, or unforeseen liabilities for us or third parties. In the event of an incident, we may be unable to isolate root causes or detect and respond in a timely manner, and we may face difficulties identifying similar incidents in the future, any of which could subject us to heightened regulatory scrutiny, enforcement actions, or litigation. Unintended consequences, misalignment, misuse, abuse, or customization of our AI tools and systems, which we may not be able to prevent or control, could lead to severe or catastrophic security and societal incidents, or negatively affect human rights, privacy, cybersecurity, employment, public health, or other safety, ethical, and societal interests. Any such occurrences may result in litigation, brand or reputational damage, adverse legislation, increased regulatory scrutiny, orders or requirements to withdraw, retrain, or modify deployed models, and operational shutdowns or injunctions, any of which could harm our business, financial condition, and operating results.

Data privacy and security concerns relating to our technology and our practices could harm our reputation, cause us to incur significant liability, and deter current and potential users or customers from using our products and services. Computer viruses, software bugs or defects, security breaches, and attacks on our systems could result in the improper disclosure and use of user data and interference with our users' and customers' ability to use our products and services, harming our business and reputation.

Our products and services involve the storage, handling, and transmission of proprietary and other sensitive information. Malicious software such as viruses, software bugs, theft, misuse, defects, vulnerabilities in our products and services, as well as cyber attacks, phishing schemes, and other types of security attacks, which increasingly use AI and AI agents, expose us to a risk of loss or improper use and disclosure of such information, which could result in litigation and other potential liabilities, including regulatory fines and penalties, as well as reputational harm. Our technologies have contained, and are likely in the future to contain, undetected errors, bugs, or vulnerabilities, some of which we may discover only after the code is released. The use of AI to find and exploit vulnerabilities is accelerating timelines on which such vulnerabilities may be discovered and exploited by threat actors. Systems and control failures, security breaches, failure to comply with our data protection policies, and inadvertent disclosure of user data could result in regulatory and legal exposure, harm our reputation and business, and impair our ability to attract and retain users or customers. Such incidents have occurred in the past and may continue to occur, and we expect to continue to expend significant resources to maintain security protections that limit the effect of bugs, theft, misuse, and security vulnerabilities or breaches. Concerns regarding our handling of personal data or other data-privacy-related matters, even if unfounded, could harm our business, reputation, financial condition, and operating results.

We continue to incorporate AI-based features, including AI agents, into our offerings and internal systems. These technologies may introduce novel and unanticipated security threats as our and the market's understanding of AI-centric risks evolves. In particular, the deployment of and interaction with AI agents presents heightened cybersecurity risks where AI agents may be exploited by malicious actors to facilitate hacking, data exfiltration, privilege escalation, or lateral movement within our systems or the systems of our partners and customers. AI agents may also be vulnerable to prompt injection, adversarial manipulation, or other novel attack vectors that could cause them to bypass access controls, disclose sensitive data, or take unauthorized actions. Furthermore, agentic AI systems that can take actions autonomously may experience model misalignment, fail to work as intended, malfunction, make unintended decisions, or execute multi-step actions without adequate human review, which could lead to accessing systems or executing actions outside their intended scope, data leakage or loss, operational disruption, erroneous transactions, harm to individuals and businesses, cybersecurity incidents, or noncompliance with laws such as the Computer Fraud and Abuse Act or other legal frameworks. In addition, our increasing internal reliance on AI-driven tools and autonomous agents to assist in writing, testing, and deploying software across our production environments and core infrastructure may introduce undetected vulnerabilities, coding errors, or architectural defects that could degrade system reliability or expose us to heightened cybersecurity risks. Because these risks are inherent in emerging and rapidly evolving technology, our existing security frameworks and controls may not fully anticipate, detect, or address them.

We experience cyber attacks and other attempts to gain unauthorized access to our systems on a regular basis. These attacks, which increasingly leverage AI to breach systems, target employees, or impersonate senior management, continue to evolve in sophistication and volume and may be difficult to detect. We have also seen, and will continue to see, industry-wide software supply chain vulnerabilities and attacks on telecommunications and other critical infrastructure, as well as by nation-states and state-sponsored actors. These attacks may target us or our customers, particularly our public sector customers (including federal, state, and local governments). Geopolitical tensions or armed conflicts, such as the ongoing conflicts in the Middle East and Ukraine, may increase these risks. Our efforts to prevent security incidents may require significant additional resources and could increase the risk of retaliatory attacks.

Security and privacy incidents may also arise from employee or insider error or malfeasance, system errors, or vulnerabilities in our or other parties' systems. If partners, service providers, or other third parties with whom we share information fail to implement adequate data-security practices or suffer a security breach, our users' data may be improperly accessed, used, or disclosed.

While we may not determine certain issues to be material at the time they occur, there is no guarantee that these issues will not ultimately result in significant legal, financial, and reputational harm, including government inquiries, enforcement actions, litigation, and negative publicity. A series of related issues may be determined to be material in the aggregate at a later date, even if not material individually at the time of their occurrence. Because the techniques used to obtain unauthorized access to, disable, or degrade service provided by or otherwise sabotage systems change frequently and often are not recognized until deployed, we may be unable to anticipate certain

attacks or implement adequate preventative measures. Any actual or perceived breach, whether of our systems or those of our business partners or service providers, could undermine market confidence in our security measures, result in the loss of users and customers, compromise trade secrets, and expose us to significant legal claims, regulatory actions, fines, and penalties.

While we have dedicated significant resources to incident response capabilities, including worldwide incident response teams, our response process may not be adequate or fast enough to limit or prevent harm or may fail to accurately assess the severity of or sufficiently remediate an incident. As a result, we may suffer significant legal, reputational, or financial exposure, which could harm our business, financial condition, and operating results.

For additional information, see also our risk factor on privacy and data protection regulations under 'Risks Related to Laws, Regulations, and Policies' below.

Risks Related to Laws, Regulations, and Policies

We are and may continue to be subject to claims, lawsuits, regulatory and government inquiries and investigations, enforcement actions, consent orders, and other forms of regulatory scrutiny and legal liability, including competition matters, that could harm our business, reputation, financial condition, and operating results.

We are subject to claims, lawsuits, regulatory and government inquiries and investigations, other proceedings, and orders involving competition, intellectual property, AI, data privacy and security, tax and related compliance, labor and employment, commercial disputes, content generated by our users, goods and services offered by advertisers or publishers using our platforms, design of our products and services, personal injury and other tort and nuisance theories, consumer protection claims, including how we moderate content on our platforms, AI, and other matters.

The US Department of Justice (DOJ), various states, and other plaintiffs have filed, and may continue to file in the future, several antitrust lawsuits about aspects of our business, including our advertising technologies and practices, the operation and distribution of Google Search, and the operation and distribution of Android operating system and Play Store. Adverse rulings in these or related competition proceedings have resulted, and may in the future result, in court-ordered remedies that mandate substantial alterations to our commercial agreements, product integrations and functionality, and business models. These remedies could include prohibitions or restrictions on default distribution arrangements and revenue-sharing agreements, requirements to share or license search data and provide syndication services to rivals, changes to app store billing and distribution practices, or structural relief such as the required divestiture of certain advertising technology assets or other business units. Implementing any such operational changes, product modifications, or structural separations could significantly impair our distribution reach, reduce user engagement and advertising revenues, increase compliance and operating costs, and harm our business, reputation, financial condition, and operating results. For additional information about such lawsuits, see Legal Matters in Note 10 of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

In addition to these regulatory proceedings, private individual and collective actions that overlap with claims pursued by regulators are pending in the US and in several other jurisdictions. Adverse results in these or similar future lawsuits may include awards of monetary damages and remedies that could harm our business, reputation, financial condition, and operating results. Other regulatory agencies in the US and around the world, including competition enforcers, consumer protection agencies, and data protection authorities, have challenged and may continue to challenge our business practices and compliance with laws and regulations. We are cooperating with these investigations and defending litigation or appealing decisions where appropriate.

We are, and will continue to be, subject to a variety of claims including product warranty, product liability, and consumer protection claims related to alleged inaccuracies or omissions in product, service, or marketing disclosures and product defects, among other litigation. We are also, and will continue to be, subject to claims involving health and safety, hazardous materials usage, other environmental effects, AI training, development, and commercialization, or service disruptions or failures. Claims have been brought, and we expect will continue to be brought, against us for defamation, negligence, breaches of contract, patent, copyright, and trademark infringement, trade secret misappropriation, unfair competition, violation of the Computer Fraud and Abuse Act and similar laws, unlawful activity, torts, product liability, privacy rights violations, fraud, misrepresentations, or other legal theories based on the nature and content of information available on or via our services, the design and effect of our products and services, or due to our involvement in hosting, transmitting, marketing, branding, or providing access to content created by third parties. We are also defending claims and responding to inquiries and suits relating to our platforms and services, including allegations and trials involving youth-related issues, which could result in substantial fines, settlements, or operational restrictions.

Various laws, regulations, investigations, enforcement lawsuits, and regulatory actions have involved in the past, and may in the future result in substantial fines and penalties, injunctive relief, ongoing monitoring and auditing obligations, changes to our products and services, alterations to our business models and operations, including divestiture, and collateral-related civil litigation or other adverse consequences. Any of these legal proceedings could also result in legal costs, diversion of management resources, and negative publicity, all of which could harm our business, reputation, financial condition, and operating results.

Estimating liabilities for our pending proceedings is a complex, fact-specific, and speculative process that requires significant judgment, and the amounts we are ultimately liable for may differ from our estimates. The resolution of one or more such proceedings has resulted in, and may in the future result in, additional substantial fines, penalties, injunctions, and other sanctions that could harm our business, reputation, financial condition, and operating results.

Privacy, data protection, data usage, and portability regulations are complex and rapidly evolving areas. Any failure or alleged failure to comply with these laws could harm our business, reputation, financial condition, and operating results.

Authorities around the world have adopted and are considering a number of legislative and regulatory proposals concerning data protection, data usage and portability, and encryption of user data. Additionally, the increasing adoption of AI technologies, which rely on the collection of large amounts of data and use of such data for training purposes, has led data protection authorities around the world to consider and adopt new and evolving interpretations of data protection laws, imposing specific obligations with respect to the processing of personal data, including required notices, consents, and opt-outs. Further, the increased risk of inadvertent disclosure of confidential information or personal data in connection with the utilization of AI technologies may result in stronger regulatory scrutiny, leading to legal and regulatory investigations and enforcement actions that could harm our business, even if unfounded. Adverse legal rulings, legislation, or regulation have resulted in, and may continue to result in, fines and orders requiring that we change our practices, which have had and could continue to have an adverse effect on how we provide services, harming our business, reputation, financial condition, and operating results. These laws and regulations are evolving and subject to interpretation, and compliance obligations could cause us to incur substantial costs or harm the quality and operations of our products and services in ways that harm our business. Examples of these laws include:

- The EU General Data Protection Regulation and the UK General Data Protection Regulations, which apply to all of our activities conducted from an establishment in the EU or the UK, respectively, or related to products and services that we offer to EU or the UK users or customers, respectively, or the monitoring of their behavior in the EU or the UK, respectively.
- Various US federal, US state, and foreign privacy laws related to the processing and security of personal data, including (1) comprehensive privacy laws that provide data privacy rights (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices) and impose significant obligations on controllers and processors of consumer data; (2) laws imposing obligations on businesses that collect or disclose biometric information (including, in Colorado, Illinois, Texas, and Washington); (3) laws governing the collection and processing of children and minor's data and how companies provide age-appropriate online experiences (including, in the US, the Children's Online Privacy Protection Act of 1998; the pending Children and Teens' Online Privacy Protection Act (COPPA 2.0); similar US state laws related to children's privacy, such as the New York Child Data Protection Act; and the UK's Age-Appropriate Design Code); and (4) laws regulating internet-connected devices (such as, in California, the Internet of Things Security Law).
- The EU's Digital Markets Act, which requires in-scope companies to obtain user consent for combining data across certain products, mandate the sharing of search data with third-party search engines, and require interoperable access to the Android operating system by third-party AI companies, among other changes; and the EU Data Act, which introduces new data portability requirements with respect to connected products (i.e., 'internet of things' products) and related services, as well as interoperability obligations on data processing services.

Further, we are subject to evolving laws and regulations that dictate whether, how, and under what circumstances we can transfer, process, or receive personal data, as well as ongoing enforcement actions from supervisory authorities related to cross-border transfers of personal data. The validity of various data transfer mechanisms we currently rely upon remains subject to legal, regulatory, and political developments globally, which may require us to adapt our existing arrangements.

Risks Related to Ownership of Our Stock

Additional issuances of our Class A stock or Class C stock under our ATM Program, any conversions of our Mandatory Convertible Preferred Stock to Class A stock or Class C stock and any other future sales or other issuances of our Class A stock or Class C stock could dilute our existing stockholders or otherwise depress the market prices of our Class A stock and Class C stock.

In June 2026, we established an ATM Program, pursuant to which we may offer and sell up to $40 billion of shares of our Class A stock and Class C stock to or through sales agents under established limits. Any sales under our ATM Program could have dilutive effects for our existing stockholders over time. In addition, the conversion of some or all of our shares of Mandatory Convertible Preferred Stock and our depositary shares, or any election to settle our contractually required dividend payments on our Mandatory Convertible Preferred Stock in the form of Class A stock or Class C stock, could also have dilutive effects for our existing stockholders over time.

The market prices of our Class A stock or Class C stock are likely to be influenced by any sales under our ATM Program, the issuance of additional Class A stock or Class C stock in connection with the conversion of or dividend payments on our Mandatory Convertible Preferred Stock and our depositary shares, or any other future sales or other issuances of our Class A stock or Class C stock. Market prices could be depressed as a result of: (1) investors' anticipation of the potential sale or resale, as applicable, under the ATM Program or received upon conversion of our Mandatory Convertible Preferred Stock or our depositary shares; (2) possible sales of our Class A stock or Class C stock by investors who view the Mandatory Convertible Preferred Stock or our depositary shares as a more attractive means of equity participation in us than owning shares of Class A stock or Class C stock; and (3) any hedging or arbitrage trading activity involving the Mandatory Convertible Preferred Stocks or our depositary shares and our Class A stock or Class C stock. There is no assurance that any depression in the market price from such dilution will only be in the short-term or temporary.

We cannot guarantee that we will make repurchases under any share repurchase program, that our common stock dividend program will be continuously active or fully consummated, or that the required dividend payments on our Mandatory Convertible Preferred Stock together with any repurchases or dividends on our common stock will enhance long-term stockholder value. Further, share repurchases or dividends could increase the volatility of our stock prices and could diminish our cash reserves.

We have historically engaged in share repurchases of our Class A stock and Class C stock from time to time in accordance with authorizations from the Board of Directors of Alphabet. Our repurchase program does not have an expiration date and does not obligate Alphabet to repurchase any specific dollar amount or to acquire any specific number of shares and we retain discretion as to whether and when to utilize this program. Although we have an authorized share repurchase program, there can be no assurances that we will make repurchases in the near term or at all. Furthermore, if we are utilizing the repurchase program at the time of any future offerings of our equity securities, including offerings of our Class A stock or Class C stock under our ATM Program, we may be required to suspend share repurchases, which could further exacerbate any decrease in the trading prices of our stock from dilution or otherwise.

Our cash dividend program pays regular cash dividends to our Class A, Class B, and Class C stockholders. Any and all future cash dividends on our common stock are subject to declaration by our Board of Directors in its sole discretion, and in accordance with the requirements of any applicable laws, rules and regulations, including the Delaware General Corporation Law. Our common stock cash dividend program does not require, and our Board of Directors may decide not to declare, a cash dividend each quarter, and does not obligate our Board of Directors to declare a dividend at any specific dollar amount per share. Any such decision by our Board of Directors may depend on a variety of factors that it may deem relevant, including but not limited to our earnings, liquidity, financial condition, other capital deployment opportunities, level of indebtedness and general market conditions. Separately, we are contractually required to make regular dividend payments on our Mandatory Convertible Preferred Stock, which will diminish our cash reserves or cause dilution if we elect to settle in shares.

Our share repurchases and dividends could affect our share trading prices, increase their volatility, reduce our cash reserves and may be suspended or terminated at any time, which may result in a decrease in the trading prices of our stock.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

None.

ITEM 5. OTHER INFORMATION

10b5-1 Trading Plans

During the quarter ended September 30, 2026, the following Section 16 director and officers adopted or modified a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act):

- Ruth M. Porat, President and Chief Investment Officer, adopted a new trading plan on August 11, 2026 (with the first trade under the new plan scheduled for December 1, 2026). The trading plan will be effective until December 1, 2027 to sell 100,149 target shares of Class C Capital Stock (gross, plus any dividend equivalent units) upon the vesting of Ruth's Alphabet Google Stock Units and PSUs during the plan period, as adjusted based on performance, including the potential maximum payout of up to 200% of gross PSUs (shares sold are net of tax withholding).
- Kent Walker, President, Global Affairs, Chief Legal Officer and Secretary, effected a trading plan modification by terminating a trading plan on August 31, 2026 that was originally adopted on May 5, 2025, and adopting a new trading plan on August 31, 2026 (with the first trade under the new plan scheduled for November 30, 2026). The new trading plan will be effective until February 23, 2029 to sell an aggregate of (i) 9,767 shares of Class C Capital Stock plus (ii) 100% of the (net) shares resulting from the vesting of an additional 230,315 target shares of Class C Capital Stock (gross, plus any dividend equivalent units) upon the vesting of Kent's Alphabet Google Stock Units and PSUs during the plan period, as adjusted based on performance, including the potential maximum payout of up to 200% of gross PSUs (net shares are net of tax withholding).
- John Hennessy, Chair of the Board of Directors, through the John L. Hennessy & Andrea J. Hennessy Revocable Trust, adopted a new trading plan on July 24, 2026 (with the first trade under the new plan scheduled for November 3, 2026). The trading plan will be effective until October 4, 2027 to sell up to 5,200 shares of Class A Common Stock and 2,600 shares of Class C Capital Stock.

There were no "non-Rule 10b5-1 trading arrangements" (as defined in Item 408 of Regulation S-K of the Exchange Act) adopted, modified, or terminated during the quarter ended September 30, 2026 by our directors and Section 16 officers. Each of the Rule 10b5-1 trading arrangements are in accordance with our Policy Against Insider Trading and actual sale transactions made pursuant to such trading arrangements will be disclosed publicly in Section 16 filings with the SEC in accordance with applicable securities laws, rules, and regulations.

ITEM 6. EXHIBITS

Pursuant to Regulation S-K, Item 601(b)(4)(iii)(A), certain instruments which define the rights of holders of long-term debt of Alphabet Inc. and its consolidated subsidiaries are not filed herewith, and the company hereby agrees to furnish a copy of any such instrument to the SEC upon request.

Exhibit Number		Description	Incorporated by reference herein	
			Form	Date
4.1		Indenture, dated February 12, 2016, between Alphabet Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	Registration Statement on Form S-3 (File No. 333-209510)	February 12, 2016
4.2		Form of Global Note representing the Registrant's floating notes due 2028	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.3		Form of Global Note representing the Registrant's 4.500% notes due 2028	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.4		Form of Global Note representing the Registrant's floating rate notes due 2029	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.5		Form of Global Note representing the Registrant's 4.625% notes due 2029	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.6		Form of Global Note representing the Registrant's 4.875% notes due 2031	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.7		Form of Global Note representing the Registrant's 5.200% notes due 2033	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.8		Form of Global Note representing the Registrant's 5.450% notes due 2036	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.9		Form of Global Note representing the Registrant's 6.250% notes due 2046	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.10		Form of Global Note representing the Registrant's 6.375% notes due 2056	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
4.11		Form of Global Note representing the Registrant's 6.500% notes due 2066	Current Report on Form 8-K (File No. 001-37580)	August 10, 2026
31.01	*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		
31.02	*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		
32.01	‡	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		
101.INS	*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH	*	Inline XBRL Taxonomy Extension Schema Document		
101.CAL	*	Inline XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	*	Inline XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB	*	Inline XBRL Taxonomy Extension Label Linkbase Document		
101.PRE	*	Inline XBRL Taxonomy Extension Presentation Linkbase Document		
104	*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)		

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* Filed herewith.

‡ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALPHABET INC.

October 28, 2026 By: /s/ ANAT ASHKENAZI

Anat Ashkenazi
Senior Vice President, Chief Financial Officer

ALPHABET INC.

October 28, 2026 By: /s/ MARSIDA SARACI

Marsida Saraci
Vice President, Corporate Controller and Principal Accounting Officer