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Anat Ashkenazi, Senior Vice President and Chief Financial Officer of Alphabet and Google, at the Morgan Stanley Technology, Media and Telecom Conference on March 4, 2025

Brian Nowak (Morgan Stanley): All right. Good morning, everyone. Welcome to day two of the Morgan Stanley 2025 TMT Conference. We are thrilled to have the CFO of Alphabet, Anat Ashkenazi, with us. Thanks for joining us.

Anat Ashkenazi, CFO Alphabet and Google: Thank you for inviting us.

Brian Nowak (Morgan Stanley): Happy Tuesday. Happy first Morgan Stanley TMT Conference. Let me do the disclosures. Please note that all important disclosures including personal holdings disclosures and Morgan Stanley disclosures appear on the Morgan Stanley public website at www.morganstanley.com/researchdisclosures. They are also available at the registration desk.

Some of the statements made today by Alphabet may be considered forward-looking. These statements involve a number of risks and uncertainties that can cause actual results to differ materially. Please refer to Alphabet's Forms 10-K and 10-Q, including the risk factors discussed in its Form 10-K filing. Any forward-looking statements made today by Alphabet are based on assumptions as of today, and Alphabet undertakes no obligation to update them.

So, you've been in the role now for half a year.

Anat Ashkenazi, CFO Alphabet and Google: Yeah.

Brian Nowak (Morgan Stanley): It's a very complicated business. There's a lot of moving pieces that you and I were talking about. Maybe just sort of from an external perspective, you're coming from the healthcare industry over to the tech industry. What factors of Alphabet sort of excited you most when you thought about kind of – coming to be the CFO?

Anat Ashkenazi, CFO Alphabet and Google: Yeah. So it's interesting. I get the question often of, “Why did you move from a very iconic healthcare company to another company?” And I think about it as really an opportunity to serve as CFO of probably two of the most impressive American companies.

And I looked at the Alphabet business and what got me intrigued is the opportunity to be part of what I view will be likely one of the major, most significant transformations in our lifetime with the prevalent use of AI, both today and where I think it's heading. And as I was studying the Alphabet business and was talking to the management team, I saw a few things that I found incredibly impressive and I thought were really exciting for someone to come in and join as the CFO.

First, I believe Alphabet is probably one of the best positioned companies to drive significant success at scale in AI over a long period of time, and I saw an incredible team of innovators within the company. And that's something that always attracted me, is the opportunity to work with people that always think a few steps ahead of where they can bring innovation. Whether it's the consumers or enterprises, creators with YouTube, et cetera. And I thought, we have, this company has what it takes to be successful, so what a great opportunity to come in now and be able to shepherd that change in momentum.

Brian Nowak (Morgan Stanley): I know you've had a lot of investor meetings. We've spoken a few times. As you sort of encounter these investor questions, what in your mind are sort of some of the most recurring misperceptions or underestimations about Alphabet that you're being asked about that you think are off-base?

Anat Ashkenazi, CFO Alphabet and Google: I don't know misperceptions, but I think, I'm not sure, I know many of our long investors see the fact that we have a really impressive and strong stack. Sundar talks about this stack that we have. Really across the infrastructure that you've heard me talk about the investments we're making, the robust infrastructure of data centers, TPUs, GPUs, incredible research teams.

And when you're sitting on the outside, what you see is the innovation that we're bringing to the marketplace. We on the inside can actually see the level of innovation and the capabilities we have with the team and people. And then obviously everyone understands the global reach that we have to billions of users.

But the Alphabet business is very comprehensive and very large. And obviously we talk about Search, that's very prominent. And you're now starting to see, well not starting, but you're seeing the growth in some of the other businesses or platforms such as Cloud and YouTube. And both of these combined, we shared on the last call, are now annualized over $110 billion a year. That's a massive-sized business.

But also behind it, the early innovation that we have with what's in the Other Bets. You now are seeing Waymo, which we've just launched this morning in Austin, expanding, Isomorphic and other opportunities that we have for growth. It's that whole set of opportunities we have across the business.

Brian Nowak (Morgan Stanley): All right, a lot of growth opportunities. So I've asked you about areas that you think are sort of misperceptions. Now I'm going to throw a few perceptions that I get asked about and sort of your response.

On your first conference call at 3Q'24 you talked about efforts to reengineer the cost structure, driving more operating efficiency, et cetera. That was 3Q'24. Coming out of the most recent conference call, there was a perception among a lot of investors that there was somewhat of a backing away from how much further efficiency you can drive. Your reaction to sort of that idea of there being less OpEx efficiency to come?

Anat Ashkenazi, CFO Alphabet and Google: Let me start with the end and then I'll give you the longer answer. So first, there is no change. I think people may have interpreted that change in tone, which was not a change in tone. On my first earnings call, which was the Q3 call, I set out, I laid out the priorities which I thought was important for me to describe what the priorities are, things that I'll be focusing on. One of the things I mentioned was cost efficiencies > it is by no means the only thing. Obviously, you want to drive growth, and innovation, and adoption of products, appropriate allocation, as well as cost efficiency. We're doing all of that.

And once I stated that, my view is now I'm executing, and the entire organization is moving and executing at speed based on the priorities we've laid out. So I didn't mention it again on the second call. And I did mention the fact that we're going to be faced with headwinds associated with the depreciation that's coming off the significant CapEx investments we're making. So if you think about last year, we had $15 billion in depreciation, which was an increase from the year before, and this year we'll have more.

So with every efficiency you're driving through our operating expenses, you have to offset that depreciation. The efforts are not stopping and the efforts are continuing. And I think of it as, even for a company that feels that they're incredibly efficient and super disciplined on investments and productivity, there's always an opportunity to push a little further. And it's almost like, it's like innovation. You never stop. And I like to move away from sometimes people think about productivity or efficiency as an intervention, and it's episodic. You come in and you fix something. And while you certainly want to do that, that's not how I operate. I think of it more as continuous. You never stop. And you do something now and then the next day you ask; "Okay, now we're doing 20% better, let's get to 30% better. Right?" And then push even further and even further.

And certainly the more efficient you become, the more difficult it is, but it doesn't mean you stop. I say it's like a world-class athlete. You don't stop training. You always look for how you can do a little better. And we're looking across the board; whether it's, you know, I talked about headcount growth. We will be increasing or investing in headcount in certain areas, primarily in AI and certain areas within Cloud because they're driving growth. But it doesn't mean that across the rest of the business we're not prioritizing.

Prioritization is critical. In other words, it was already in the media that we've taken some actions in certain parts of the business with voluntary exit programs. And that's just one of these examples of, we said this is a priority, now we're executing. Doesn't mean we're broadcasting it. But that doesn't stop. People is one thing and we need to make sure we invest and retain the best. As I said, having the best researchers, the best minds in the industry is critical.

You know, you look at simple things such as our physical footprint, where we are located, the office structure, et cetera. All that needs to be looked at. How we contract with third parties? How much do we pay for everything? Just making sure everything is evaluated very closely and then that we push it forward.

And then those efficiencies are what's going to be able to -- we can then bring that back into, reinvest that into, the business to drive that continuous investment and innovation. So not stopping one of the priorities along with a few others, which I'm happy to talk about. But certainly one of them, I think probably the bigger focus area, is how do we drive growth and how do we get to market even faster.

Brian Nowak (Morgan Stanley): Let's go there. That's another perception. You're entering the company at a fascinating time of rapid innovation across generative AI, GPU-enabled machine learning, and just changes across the tech ecosystem. There is a perception by some investors who say, “Alphabet is still moving too slowly. They've built great technologies. They're similar to maybe Bell Labs, or a great research lab, but their go to market is too slow.” What is your reaction to that and how do you think about sort of ensuring that you're pushing out next-generation, consumer-facing products fast enough to stay at your position at the top of the funnel?

Anat Ashkenazi, CFO Alphabet and Google: So certainly having a tremendous innovation engine is insufficient if you're not getting it to users quickly and you're not driving adoption. So that whole continuum and that flywheel needs to be - to work well. And I think you've seen, if you just looked at the announcements we've made over the past three months, literally every month, sometimes every week in certain months, we've announced something. Whether it's Gemini 2.0, or some of our video models or agentic or, you know, in other parts of the business – Waymo, Willow, keep announcing new innovations.

And that's the other piece of my focus, is how do we make sure we get that to consumers, enterprises, and creators faster, and then drive rapid adoption. We are already in billions of people's homes, TVs, mobile devices, computers, et cetera. How do we make sure we bring that innovation to them?

Now, we do this in a way that is responsible, because that's who we are and we want to make sure we do that well. But it doesn't mean we shouldn't be testing things earlier. So that's another area of focus that I have is to make sure that we move that rapidly and get that to the market quickly. It is a competitive marketplace, but beyond the fact that it's a competitive marketplace, we have tremendous innovation. I see it. Some of the things that I – I like to get my hands into things. And some of the innovation that I'm seeing, they're showing me in the labs, et cetera, it's just phenomenal. You've never thought things could be possible. And I want to make sure that our consumers, all of us, have access to it because it is transformational. Again, this is one of the reasons I came here, because I do think it is transformational for really across the globe.

Brian Nowak (Morgan Stanley): Yep. Brings up that - it's a great segue to the question about pushing from the lab into broader based products to all the consumers in this room and sort of the gating factors are what you consider internally for how quickly you're going to push big change to Search. There is this discussion about the Innovator's Dilemma, that Alphabet won't change Search fast enough because they don't want to disrupt themselves. How do you think about that internally when you see these great things in the lab and you say, "Wow. This would be great for consumers." When is it ready to go to consumers?

Anat Ashkenazi, CFO Alphabet and Google: So I have – I always talk about self-disruption. This is just my - I like to talk about this. And I think you should always look to disrupt your own innovation and not wait for someone else to do it. And that's the thinking that we have.

And certainly for Search, this is probably one of the places where you've seen AI implemented in a really meaningful way. Think about how we all used Search five years ago even, you're not searching the same way today. First, you're not asking the same questions. If in the past you'd ask a very simple question, very focused. Now you know that you can get a lot more from Google Search, and you're asking a very complex, set of complex, much longer questions.

We brought in a different way of searching. So now you can search with Google Lens or Circle to Search. We have AI Overviews. We're seeing when we bring that innovation to consumers, we see increased level of engagement. So we are seeing increased level of engagement with AI Overviews, we're seeing an increase in commercial queries.

So that's - the Search metrics are very healthy, but we're continuing to innovate behind it. Sundar mentioned that 2025 is a big change for Search. Which means more innovation is coming, and more innovation is coming. So we're not going to wait, we're going to bring it to consumers so that they can benefit from it.

But I do think we have been changing and will be changing Search and how people search and what they search for. And now they're all, for example, the AI Overviews are powered by Gemini. So we have the power of our AI models behind Search as well.

Brian Nowak (Morgan Stanley): Yeah. Sundar has talked about a lot of change to come to Search throughout 2025, to your point. I know you shared some new stats in a blog post last night around overall Search behaviors. So, maybe just a couple questions on it. Can you give us an update on any numbers of what you're seeing in changes from Search from some of these new generative AI capabilities? And where are you in sort of the monetization of Overviews and some of these new use cases versus core Search?

Anat Ashkenazi, CFO Alphabet and Google: So we shared yesterday that we have over 5 trillion, more than 5 trillion queries a year. Which is a really impressive number. I immediately divided by number of people et cetera per day. And it's not surprising. I think for all of us, that's how we look for information now.

And certainly, the introduction of different methods of searching and AI Overviews have helped with that. And what we're seeing with AI Overviews, is when someone is served with an AI Overview, and I'll mention in a second, not every search ends up with an AI Overview, they do get more information. And they tend to then come back for more complex and longer queries. And we're now -- I think we've shared this before, we're monetizing Search with AI Overviews at the same rate as non-AI Overviews Search. Which is great from a monetization perspective.

So we're seeing all that progress and bringing opportunities for us to monetize even further as we think about where consumers are, and certainly advertisers as well, as they have more targeted, specific searches. And if you use Search and you get an AI Overview, it's more targeted now in what you're going to be served with, in terms of advertisements. It's beneficial for advertisers, beneficial to our users, beneficial for us as well.

Brian Nowak (Morgan Stanley): Great. Now, let me ask you more about the Gemini app. Now, you mentioned you have a big funnel of users who are searching every day on Google, billions of people who are searching. Seems like there's been a change where there's going to be the separate Gemini app now. So walk us through sort of, why move Gemini into a separate app? How do you think about monetizing the separate app versus the core Search app or Chrome or your other multi-billion user surfaces?

Anat Ashkenazi, CFO Alphabet and Google: So Gemini now has both a free tier, for anyone who wants to use it, as well as a paid tier for someone who wants something more advanced. So there's certainly a monetization option there as well. And we're learning as we're getting more users to use the platform, and it's now even more advanced and people can interact with Gemini in a different way. It can look through your calendar or Google Maps where you are. If you have an Android or Pixel, it even interacts in a more advanced way. It can see your screen. So it literally is an assistant now for you. If you're like me, you have Gemini planning your vacations, detailed itinerary. so I do think there are opportunities there.

And the interesting thing is also the dynamic between Gemini and Search, because oftentimes, or sometimes, you go into Gemini and you look for -- you create something and you look for information that is not a traditional search. But then you'll use that to go back to Google Search and look for something else.

So I think we have multiple options there. You know, our approach has always been, Google for two-plus decades, is to make sure we build the best products for consumers. And when users use them more, we see a greater level of engagement, we learn more. We then bring forward opportunities for monetization, which AI Overviews is a great example of that.

Brian Nowak (Morgan Stanley): The free versus paid subscription offerings, there's a…you're not new to this. Sometimes Wall Street can be impatient with seeing a return. They want to see a return from all the investment. I think there's an argument that as long as this next generation of agentic capabilities are behind paywalls, they might not be large. How do you think about internally pushing out some of these next-generation agentic capabilities for the free tier, the travel product you mentioned, as opposed to keeping it behind the paywall? What are the gating factors there?

Anat Ashkenazi, CFO Alphabet and Google: Well, different variables. Again, we've done it before when we look at: What's the user engagement? What are we learning from users? What else are we bringing to consumers? And then we need to make a decision, we make a decision. Obviously we don't announce it before we make it. Then we can make a decision of shifting this to someplace else.

Brian Nowak (Morgan Stanley): Okay. Let's talk about CapEx. Sort of a support for all the AI investments and the ROIC. We're talking about $75 billion-ish of CapEx this year. How internally are you, new to the company, spending $75 billion. What types of ROIC metrics are you running internally? How do you determine the right amount of CapEx given where we are in this generative AI build-out phase?

Anat Ashkenazi, CFO Alphabet and Google: As you can imagine, this is an area I spend quite a lot of time on. And it starts with a very robust kind of governance process by which we look at the demands or the needs across the business. Whether it's Google DeepMind or Cloud or Search or YouTube. And we aggregate those needs and look at those needs over the long-term, because these investments are made in such a way that we want to make sure that they're used for years. I'll talk about that here in a second.

And we take those inputs in and we then look at what the needs would be. And we do have the benefit of having TPUs and GPUs when we make those capital investments. TPUs really power our internal efforts, and for Cloud customers, they have options of TPUs and GPUs.

The $75 billion is not by the way not all technical infrastructure, because we have facilities, et cetera. But mostly you can imagine data centers, servers, networking equipment with servers being the largest component of that. We look at the needs. We then look at what options we have. There are long lead times for this, it's not a light switch, where you buy something and you install it and it immediately connects. It takes time to do these things, certainly if you build data centers.

So when I look at the ROI, I do see a continuum of things that will have a return on investment in the very, very near future, that's fairly certain, such as Cloud customers, versus things where you're still building as you said kind of the future of AI, and everything in between such as Search and YouTube.

So as we look at our $75 billion, and most of it as I said goes towards servers and data centers, and I look at where do we allocate that compute. So in 2025, we expect about half that compute, AI compute, to go towards the Cloud business. So when you think about it from a return perspective, it's a different profile of return on investment and certainly a different risk profile. Because you – I think I've mentioned on the call, we exited 2024 with more customers than we had capacity in Cloud. So it's not that we're building something where we don't have demand, we already have the demand. It will take some time to get this up and running and operational, but we look at this.

And the other question is fungibility over time. And we have the benefit of having a broad business, across different surfaces and different business lines. So I look at if we use this here today, would I be able, over time, to use it somewhere else? So that I can – these are expensive servers, obviously, that we're putting in large data centers and I want to make sure that: One, they're highly utilized. And two, that they'll be utilized over a long period of time.

And then going back to your original, initial question on efficiency and productivity. Certainly, in $75 billion, I want to make sure we are investing in the most efficient and productive way. How we – what we bring things in, how we build the data center. Our strategy is to lean mostly on our own built data centers, which means they are more customized to our needs. Our TPUs are customized for our workloads and our needs. So it does allow us to be more efficient and productive with that investment and spend.

And that's incredibly important when you're talking about these sums of money. It's a lot of money. So I look at the efficiency. How do we make sure that even when we build and plan for data centers and we have servers that are going to come in, you want to make sure those are aligned, so that when you have a data center ready, you can put the servers in there, that nothing is waiting, there's no kind of wasted time, and that it very quickly becomes operational, live, and that we can use that capacity.

So it's all the way from scrutinizing the demand, ensuring we invest in the most efficient, productive way, and then allocating in a way that both contributes to growth in the near-term and long-term.

Brian Nowak (Morgan Stanley): That's good color. Maybe let me ask one about the GCP and the Cloud growth then, because it did decelerate most recently. Was that deceleration driven by capacity constraints, is the first question. And then as you sort of– as you think about getting the infrastructure and the capacity in the right place, what are the key execution areas to reaccelerate and do you have to build the products out? Are the products built? You just need the chips to ship them out? Where are you in sort of driving the acceleration fundamentally?

Anat Ashkenazi, CFO Alphabet and Google: Cloud growth in the fourth quarter was 30%. Which is lower than 35%. But 30% is really, really impressive growth, and certainly on the Cloud base. So it's very exciting to see that growth.

Two dynamics that impacted that growth rate in the fourth quarter. One, is lapping a very strong AI deployment in the base period in Q4 of 2023, so just impacts that year-over-year comparison. But the second is what you've highlighted, which is we had a very strong demand from customers and we didn't have the capacity to match that demand.

In fact, I looked at our list of customers because I wanted to make sure it's real and who are we going to serve, when. Long list of customers we're going to be able to get to, but we ended the year with more demand than supply. And it's really evidence of the great work that the Cloud team is doing of providing outstanding products and services for our customers. Because we're seeing, and this is an important thing, growth both within our existing customer base and by adding new customers. And I think that's always an important kind of metric to look at internally, because it provides insight into the resilient growth profile for the business.

And when you see growth within the existing customer base, you know that they're getting what they need and it's exciting when we hear from customers that they on their side are able to serve their customers in a better way. Whether they're able to drive more productivity or efficiency for their customers, or offer new services and products that they've never been able to do before.

You know, the partnership with Salesforce is a great example of that, where they're now using Agentforce for their enterprise customers, a great partnership. So the more our customers can do that, the more growth we have in the business.

So the entire industry's capacity constrained at this point. We are investing appropriately, and we're working hard to make sure we're bringing more capacity online and we're increasing, obviously this year, the CapEx. Again, it's not an overnight thing. You still need to build data centers and you need to make sure you put the servers in them and then you can use them. But it does take time. But I'm pleased where the Cloud business is going.

You asked about products and services. Certainly you see the incorporation of AI and Gemini into our products and services that Cloud is offering. Whether it's– whether we're offering even the TPU and GPU options for customers we have both. Or the models that we have, which we believe are the most advanced models for developers to use.

They have options as well as security. Which is really important for, as you think about, enterprises. I think we're leading in the space of security and offering to our enterprise users. And we've recently announced that now every one of our Workspace users have now access to Gemini as well. So they're now able to use that additionally.

So a lot of great work is done within our Cloud business.

Brian Nowak (Morgan Stanley): Got to get to the capacity constraints to get those data centers built. Let's talk about Cloud profitability then with all of that. There's so many moving pieces of your Cloud margins, we think, are still below your peers. And so there is a, there's a scale opportunity there. But then you do have all the D&A coming in. There's a discussion about sort of the incremental margins on some of these gen AI products.

How should we think about the Cloud segment profitability over the course of '25 and into '26 as AI grows in the mix?

Anat Ashkenazi, CFO Alphabet and Google: So certainly we saw in 2024 an expansion of the Cloud margins. I will say two things. One is scale, as you mentioned.

Scale helped drive more profitability. But the second is, and I'll give credit to Thomas Kurian, the Cloud leader, CEO, of really driving efficiency and productivity across the business. Whether it's where are we hiring, how we run the business. Just looking across the business to make sure we do it in the most efficient, really focused way.

That is not stopping. We have to continue to scale as well. But as I mentioned earlier, as we're investing more, obviously there's more depreciation. So we're working to manage that as well. Same as we're doing for the entire organization. Working on productivity and efficiency.

Brian Nowak (Morgan Stanley): Okay. One of the other core platforms, again another billion-plus user platform is YouTube. You've talked about some of the benefits from generative AI and YouTube. Gen AI powered video campaigns had 17% higher return on ad spend than the manual campaigns. You have other creative tools and diffusion models you've rolled out. So, as you bring a fresh lens to YouTube, what are sort of in your mind one or two of the biggest opportunities for gen AI to drive faster structural YouTube growth going forward?

Anat Ashkenazi, CFO Alphabet and Google: YouTube is one of the – is an excellent example, actually, of the use of AI within Alphabet. And we're already seeing that. So the integration, whether it's for creators, which that's where we start at YouTube, our viewers, or advertisers.

So for creators, they now have new tools. If you look at a YouTube Short or a YouTube long-form video, today it might look very different than what it looked like a year ago. Because they have a completely new set of tools, whether it's music in the background that they can use for their creation production, or Veo, our new video model. So they can really bring new ways of creating content.

And the content is just incredibly impressive. And we're seeing that on TV. So it's interesting that YouTube is now becoming the new TV. It's the number one streamer in the U.S. It's been such for, in terms of watchtime, for two years now. And you're seeing that increase in TV. People now are sitting in front, in their living room and watching YouTube.

And part of it is the fact creators are able to create much higher-quality content and deliver it to viewers. When viewers are getting that, obviously they're watching more relevant content. So that it gets to the viewers now in AI. We're able to then serve you, as the viewer, more targeted, relevant content that you're interested in based on different preferences.

And when viewers watch and creators create, advertisers come as well. And they have tools as well. Whether it's more dynamic ad creation or even getting more targeted, better, ads. They're monetizing well as well. So you do see that across kind of the three pillars within YouTube, across creators, viewers, and advertisers being leveraged very appropriately. YouTube is doing incredibly well.

We're seeing the growth and the watchtime, Shorts, YouTube TV, and Shorts monetization, I think we shared before, we're closing that gap on monetization. And I expect -- we increased that 30% last year. I expect we'll continue to progress in 2025 as we're bringing more offerings to creators, and then viewers are benefitting from that as well.

Brian Nowak (Morgan Stanley): The multi-screen YouTube TV is an amazing innovation. Underappreciated product innovation. Four screens at once.

Anat Ashkenazi, CFO Alphabet and Google: And the interesting thing is -- if you're like me -- you're watching multiple screens at the same time. And if you're like my kids, you're screening YouTube on the TV and you're sitting with your device and you have your laptop on the side.

Brian Nowak (Morgan Stanley): Eight things at once and writing a note. Let's talk about capital allocation, it's interesting you come into a company that has a healthy balance sheet and throws off a pretty healthy amount of free cash flow. What is your perspective on capital returns, the quote, unquote "appropriate amount of share count shrink"? How are you sort of balancing that philosophically?

Anat Ashkenazi, CFO Alphabet and Google: So I look at capital allocation priorities, and I start with "How do I make sure that we fund the business appropriately?" Whether it's the capital expenditures we've shared for technical infrastructure or anything else across the business. That has to be the first place where we invest our cash and cash flow, because that is what's going to create a resilient growth profile. That's something I'm focused on, is how do you have a resilient growth profile that's not just for the next quarter, for the next year, but that can actually sustain for multiple years.

And then couple that with M&A. If there are interesting opportunities in areas that we are focused on, certainly we would look at those opportunities and then the remaining would be returning cash to shareholders. Whether it's through share repurchases or the dividends. We did $70 billion last year in return to shareholders, that's a really impressive amount. But that's how I think about priorities of capital allocation.

Brian Nowak (Morgan Stanley): Okay. Let me ask you a couple on Other Bets. You talked about Waymo and sort of the launch today in Austin. We think Atlanta is coming later this summer. So how do you think about -- first on Waymo, how do you sort of think about the appropriate amount of investment levels at Waymo over the next couple years, to make sure you stay at the knife's edge of autonomous driving?

Anat Ashkenazi, CFO Alphabet and Google: So if you look at the investments we've made at the Other Bets the last couple years, it may seem like we're fairly flat. We haven't invested more or less, but below the waterline, what's actually happening is an increase in investments that goes towards Waymo.

I've mentioned on the first call, my first call, I mentioned the notion of pivoting. And it's pivoting away from and towards something. That comes to capital investments. So making choices, and I think growth is about making choices and strategies about making choices. So we're making choices within the Other Bets as well. And we see an opportunity that goes back to, by the way, the comment on “How do you get to scale quickly?” Waymo was one of my areas where, that's where we need to invest.

We have a tremendous opportunity here. Phenomenal autonomous vehicles that can be used in a variety of ways. So scaling that up rapidly, getting to more markets, getting more vehicles is critical. So it looks like we're investing at the same level every year, but we're investing more in Waymo and then we're pivoting from some other things. We made an announcement about Verily.

So we're making choices even within the Other Bets. I do think Waymo is a really, really interesting opportunity. Hopefully you've all had a chance, you're all in San Francisco, to take a ride in a Waymo. It could be the future of transportation.

But beyond that, there are other interesting opportunities within the Bets. You asked earlier what are the things people don't see. There's such great focus on Search, and YouTube, and Cloud rightfully so. But there's Waymo. There's Isomorphic, we didn't talk about that.

Brian Nowak (Morgan Stanley): Talk to us about some of the non-Waymo Other Bets particularly interested from your perspective and your background.

Anat Ashkenazi, CFO Alphabet and Google: Isomorphic is an interesting one. Isomorphic has two large partnerships, one with Lilly, one with Novartis. Just expanded one of them as well. Multiple targets. Could be interesting. I always want a little bit of caution when we do things early stage, you want to see them progress. If it works, it can be really meaningful.

We have the Wing opportunity where we're expanding as well. So there are several interesting things. We invest appropriately, but you want to make sure that with these investments, you have certain milestones. And when you see the milestones, that you can advance further with investments. But a lot of interesting opportunities there.

Brian Nowak (Morgan Stanley): Great. Well, Anat, thank you so much for joining us. We're excited for all the Search changes in '25 and everything else to come. Thank you much.