

Alphabet Inc.

Quarterly Consolidated Statements of Income

(In millions, except per share amounts; unaudited)

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
Revenues	\$ 24,750	\$ 26,010	\$ 27,772	\$ 32,323	\$ 31,146	\$ 32,657	\$ 33,740	\$ 39,276	\$ 36,339	\$ 38,944	\$ 40,499	\$ 46,075
Costs and expenses:												
Cost of revenues	9,795	10,373	11,148	14,267	13,467	13,883	14,281	17,918	16,012	17,296	17,568	21,020
Research and development	3,942	4,172	4,205	4,306	5,039	5,114	5,232	6,034	6,029	6,213	6,554	7,222
Sales and marketing	2,644	2,897	3,042	4,310	3,604	3,780	3,849	5,100	3,905	4,212	4,609	5,738
General and administrative	1,792	1,697	1,584	1,767	1,403	1,764	1,753	2,003	2,088	2,043	2,591	2,829
European Commission fines	—	2,736	—	—	—	5,071	—	—	1,697	—	—	—
Total costs and expenses	18,173	21,875	19,979	24,650	23,513	29,612	25,115	31,055	29,731	29,764	31,322	36,809
Income from operations	6,577	4,135	7,793	7,673	7,633	3,045	8,625	8,221	6,608	9,180	9,177	9,266
Other income (expense), net	242	242	186	345	2,910	1,170	1,458	1,851	1,538	2,967	(549)	1,438
Income before income taxes	6,819	4,377	7,979	8,018	10,543	4,215	10,083	10,072	8,146	12,147	8,628	10,704
Provision for income taxes	1,393	853	1,247	11,038	1,142	1,020	891	1,124	1,489	2,200	1,560	33
Net income (loss)	\$ 5,426	\$ 3,524	\$ 6,732	\$ (3,020)	\$ 9,401	\$ 3,195	\$ 9,192	\$ 8,948	\$ 6,657	\$ 9,947	\$ 7,068	\$ 10,671
Basic net income (loss) per share of Class A and B common stock and Class C capital stock	\$ 7.85	\$ 5.09	\$ 9.71	\$ (4.35)	\$ 13.53	\$ 4.60	\$ 13.21	\$ 12.87	\$ 9.58	\$ 14.33	\$ 10.20	\$ 15.49
Diluted net income (loss) per share of Class A and B common stock and Class C capital stock	\$ 7.73	\$ 5.01	\$ 9.57	\$ (4.35)	\$ 13.33	\$ 4.54	\$ 13.06	\$ 12.77	\$ 9.50	\$ 14.21	\$ 10.12	\$ 15.35

Alphabet Inc.

Quarterly Consolidated Balance Sheets

(In millions, except share amounts which are reflected in thousands and par value; unaudited)

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
Assets												
Current assets:												
Cash and cash equivalents	\$ 18,132	\$ 15,711	\$ 10,581	\$ 10,715	\$ 12,658	\$ 14,148	\$ 13,443	\$ 16,701	\$ 19,148	\$ 16,587	\$ 16,032	\$ 18,498
Marketable securities	74,307	79,002	89,562	91,156	90,227	88,106	92,973	92,439	94,340	104,469	105,145	101,177
Total cash, cash equivalents, and marketable securities	92,439	94,713	100,143	101,871	102,885	102,254	106,416	109,140	113,488	121,056	121,177	119,675
Accounts receivable, net of allowance	12,913	14,003	15,295	18,336	16,777	17,043	17,897	20,838	19,149	20,965	20,889	25,326
Income taxes receivable, net	56	874	282	369	37	201	170	355	111	352	192	2,166
Inventory	280	398	765	749	636	698	1,212	1,107	1,053	964	1,401	999
Other current assets	3,106	2,398	2,860	2,983	3,426	3,961	4,007	4,236	4,406	4,100	4,699	4,412
Total current assets	108,794	112,386	119,345	124,308	123,761	124,157	129,702	135,676	138,207	147,437	148,358	152,578
Non-marketable investments	6,131	6,642	7,269	7,813	10,976	11,487	12,673	13,859	14,474	12,112	12,488	13,078
Deferred income taxes	365	376	505	680	678	685	682	737	750	585	564	721
Property and equipment, net	35,936	37,676	40,120	42,383	48,845	51,672	55,300	59,719	60,528	64,891	69,252	73,646
Operating lease assets	—	—	—	—	—	—	—	—	8,837	9,713	10,341	10,941
Intangible assets, net	3,137	2,933	2,883	2,692	2,809	2,662	2,448	2,220	2,063	1,902	1,747	1,979
Goodwill	16,547	16,604	16,731	16,747	17,862	17,895	17,895	17,888	17,943	18,000	18,069	20,624
Other non-current assets	1,846	2,004	2,683	2,672	2,004	3,052	2,838	2,693	2,547	2,461	2,225	2,342
Total assets	\$ 172,756	\$ 178,621	\$ 189,536	\$ 197,295	\$ 206,935	\$ 211,610	\$ 221,538	\$ 232,792	\$ 245,349	\$ 257,101	\$ 263,044	\$ 275,909
Liabilities and Stockholders' Equity												
Current liabilities:												
Accounts payable	\$ 2,306	\$ 2,488	\$ 2,674	\$ 3,137	\$ 3,526	\$ 3,369	\$ 3,789	\$ 4,378	\$ 3,710	\$ 3,925	\$ 4,142	\$ 5,561
Short-term debt	—	—	—	—	1,329	—	—	—	—	—	—	—
Accrued compensation and benefits	2,673	3,271	4,022	4,581	3,812	4,642	5,946	6,839	5,072	6,432	7,399	8,495
Accrued expenses and other current liabilities	5,438	8,560	9,307	10,177	10,065	15,261	15,936	16,958	19,382	19,823	21,038	23,067
Accrued revenue share	2,888	3,007	3,200	3,975	3,723	3,728	3,878	4,592	4,318	4,567	4,835	5,916
Deferred revenue	1,148	1,226	1,269	1,432	1,596	1,714	1,752	1,784	1,667	1,717	1,679	1,908
Income taxes payable, net	803	133	221	881	1,343	1,189	—	69	761	536	131	274
Total current liabilities	15,256	18,685	20,693	24,183	25,394	29,903	31,301	34,620	34,910	37,000	39,224	45,221
Long-term debt	3,937	3,955	3,964	3,969	3,973	3,981	3,986	4,012	4,066	4,074	4,082	4,554
Deferred revenue, non-current	323	345	346	340	315	358	317	396	391	387	364	358
Income taxes payable, non-current	4,924	4,128	4,358	12,812	12,885	11,652	11,562	11,327	11,605	10,969	11,355	9,885
Deferred income taxes	604	369	151	430	394	479	1,318	1,264	1,282	1,892	1,747	1,701
Operating lease liabilities	—	—	—	—	—	—	—	—	8,206	9,088	9,666	10,214
Other long-term liabilities	2,763	2,853	2,924	3,059	3,149	3,237	3,214	3,545	1,417	1,499	1,637	2,534
Total liabilities	27,807	30,335	32,436	44,793	46,110	49,610	51,698	55,164	61,877	64,909	68,075	74,467
Stockholders' equity:												
Convertible preferred stock, \$0.001 par value per share, 100,000 shares authorized; no shares issued and outstanding	—	—	—	—	—	—	—	—	—	—	—	—
Class A and Class B common stock, and Class C capital stock and additional paid-in capital, \$0.001 par value per share	37,698	38,509	39,609	40,247	41,487	42,243	43,111	45,049	46,532	47,937	49,040	50,552
Accumulated other comprehensive income (loss)	(2,169)	(1,728)	(746)	(992)	(670)	(1,525)	(1,676)	(2,306)	(1,780)	(1,091)	(1,196)	(1,232)
Retained earnings	109,420	111,505	118,237	113,247	120,008	121,282	128,405	134,885	138,720	145,346	147,125	152,122
Total stockholders' equity	144,949	148,286	157,100	152,502	160,825	162,000	169,840	177,628	183,472	192,192	194,969	201,442
Total liabilities and stockholders' equity	\$ 172,756	\$ 178,621	\$ 189,536	\$ 197,295	\$ 206,935	\$ 211,610	\$ 221,538	\$ 232,792	\$ 245,349	\$ 257,101	\$ 263,044	\$ 275,909

Alphabet Inc.

Quarterly Consolidated Statements of Cash Flows

(In millions; unaudited)

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
Operating activities												
Net income (loss)	\$ 5,426	\$ 3,524	\$ 6,732	\$ (3,020)	\$ 9,401	\$ 3,195	\$ 9,192	\$ 8,948	\$ 6,657	\$ 9,947	\$ 7,068	\$ 10,671
Adjustments:												
Depreciation and impairment of property and equipment	1,287	1,424	1,561	1,831	1,791	1,862	2,138	2,373	2,416	2,626	2,732	3,082
Amortization and impairment of intangible assets	216	201	200	195	195	252	217	207	197	209	188	331
Stock-based compensation expense	2,009	2,003	1,820	1,847	2,457	2,413	2,230	2,253	2,769	2,756	2,624	2,645
Deferred income taxes	613	(75)	(296)	16	(18)	(139)	880	55	(73)	693	(239)	(208)
(Gain) loss on debt and equity securities, net	19	3	45	(30)	(2,992)	(1,068)	(1,353)	(1,237)	(1,081)	(2,797)	1,479	(399)
Other	57	39	96	102	(257)	137	38	(107)	22	(70)	(71)	(473)
Changes in assets and liabilities, net of effects of acquisitions:												
Accounts receivable	1,267	(836)	(1,150)	(3,049)	1,700	(312)	(670)	(2,887)	1,172	(1,146)	(1)	(4,365)
Income taxes, net	510	(2,289)	914	9,076	782	(1,438)	(1,235)	(360)	1,068	(1,043)	185	(3,338)
Other assets	(128)	(326)	(1,632)	(78)	(241)	(515)	(484)	33	(265)	89	(611)	166
Accounts payable	103	16	(61)	673	122	(145)	316	774	(425)	(18)	57	814
Accrued expenses and other liabilities	(1,868)	3,555	1,434	1,770	(1,142)	5,742	1,857	2,157	(229)	1,303	1,853	4,243
Accrued revenue share	(74)	80	176	773	(286)	(17)	107	679	(147)	87	261	1,072
Deferred revenue	111	84	33	162	130	165	(23)	99	(81)	(9)	(59)	186
Net cash provided by operating activities	9,548	7,403	9,872	10,268	11,642	10,132	13,210	12,987	12,000	12,627	15,466	14,427
Investing activities												
Purchases of property and equipment	(2,508)	(2,831)	(3,538)	(4,307)	(7,299)	(5,477)	(5,282)	(7,081)	(4,638)	(6,126)	(6,732)	(6,052)
Purchases of marketable securities	(20,119)	(19,557)	(39,033)	(13,486)	(8,849)	(14,192)	(14,299)	(12,818)	(20,883)	(23,841)	(36,244)	(19,347)
Maturities and sales of marketable securities	19,362	14,876	28,350	11,371	9,351	16,172	9,403	13,581	21,006	19,686	34,091	23,042
Purchases of non-marketable investments	(354)	(340)	(177)	(874)	(327)	(405)	(386)	(955)	(907)	(188)	(404)	(433)
Maturities and sales of non-marketable investments	78	40	97	318	498	693	154	407	99	107	91	108
Acquisitions, net of cash acquired, and purchases of intangible assets	(101)	(42)	(130)	(14)	(1,250)	(184)	(18)	(39)	(99)	(148)	(126)	(2,142)
Proceeds from collection of notes receivable	750	669	—	—	—	—	—	—	—	—	—	—
Other investing activities	41	13	27	18	30	19	20	29	34	55	379	121
Net cash used in investing activities	(2,851)	(7,172)	(14,404)	(6,974)	(7,846)	(3,374)	(10,408)	(6,876)	(5,388)	(10,455)	(8,945)	(4,703)
Financing activities												
Net payments related to stock-based award activities	(1,009)	(1,084)	(1,018)	(1,055)	(1,158)	(1,541)	(1,253)	(1,041)	(1,175)	(1,260)	(1,131)	(1,199)
Repurchases of capital stock	(1,127)	(1,618)	—	(2,101)	(2,173)	(2,052)	(2,200)	(2,650)	(3,025)	(3,577)	(5,696)	(6,098)
Proceeds from issuance of debt, net of costs	—	—	2,698	1,593	4,691	1,545	530	—	315	2	—	—
Repayments of debt	(18)	(38)	(2,706)	(1,615)	(3,378)	(2,889)	(555)	(5)	(345)	(48)	(145)	(47)
Proceeds from sale of interest in consolidated entities	480	—	320	—	—	—	—	950	47	137	18	18
Net cash used in financing activities	(1,674)	(2,740)	(706)	(3,178)	(2,018)	(4,937)	(3,478)	(2,746)	(4,183)	(4,746)	(6,954)	(7,326)
Effect of exchange rate changes on cash and cash equivalents	191	88	108	18	165	(331)	(29)	(107)	18	13	(122)	68
Net increase (decrease) in cash and cash equivalents	5,214	(2,421)	(5,130)	134	1,943	1,490	(705)	3,258	2,447	(2,561)	(555)	2,466
Cash and cash equivalents at beginning of period	12,918	18,132	15,711	10,581	10,715	12,658	14,148	13,443	16,701	19,148	16,587	16,032
Cash and cash equivalents at end of period	\$ 18,132	\$ 15,711	\$ 10,581	\$ 10,715	\$ 12,658	\$ 14,148	\$ 13,443	\$ 16,701	\$ 19,148	\$ 16,587	\$ 16,032	\$ 18,498