

Alphabet Announces Fourth Quarter and Fiscal Year 2020 Results

MOUNTAIN VIEW, Calif. – February 2, 2021 – Alphabet Inc. (NASDAQ: GOOG, GOOGL) today announced financial results for the quarter and fiscal year ended December 31, 2020.

Sundar Pichai, CEO of Google and Alphabet, said: “Our strong results this quarter reflect the helpfulness of our products and services to people and businesses, as well as the accelerating transition to online services and the cloud. Google succeeds when we help our customers and partners succeed, and we see significant opportunities to forge meaningful partnerships as businesses increasingly look to a digital future.”

Ruth Porat, CFO of Google and Alphabet, said: “Our strong fourth quarter performance, with revenues of \$56.9 billion, was driven by Search and YouTube, as consumer and business activity recovered from earlier in the year. Google Cloud revenues were \$13.1 billion for 2020, with significant ongoing momentum, and we remain focused on delivering value across the growth opportunities we see.”

New reporting segment structure and operating results

We are now reporting results for three segments: Google Services, Google Cloud, and Other Bets. The following table presents segment revenues and operating income (loss) under our new reporting segment structure for the quarters ended December 31, 2019 and 2020 and the years ended December 31, 2018, 2019 and 2020 (in millions; unaudited).

| | Quarter | | Fiscal Year | | |
|---|-----------|-----------|-------------|------------|------------|
| | Q4 2019 | Q4 2020 | 2018 | 2019 | 2020 |
| Revenues: | | | | | |
| Google Services | \$ 43,198 | \$ 52,873 | \$ 130,524 | \$ 151,825 | \$ 168,635 |
| Google Cloud | 2,614 | 3,831 | 5,838 | 8,918 | 13,059 |
| Other Bets | 172 | 196 | 595 | 659 | 657 |
| Hedging gains (losses) | 91 | (2) | (138) | 455 | 176 |
| Total revenues | \$ 46,075 | \$ 56,898 | \$ 136,819 | \$ 161,857 | \$ 182,527 |
| | | | | | |
| | Quarter | | Fiscal Year | | |
| | Q4 2019 | Q4 2020 | 2018 | 2019 | 2020 |
| Operating income (loss): | | | | | |
| Google Services | \$ 13,488 | \$ 19,066 | \$ 43,137 | \$ 48,999 | \$ 54,606 |
| Google Cloud | (1,194) | (1,243) | (4,348) | (4,645) | (5,607) |
| Other Bets | (2,026) | (1,136) | (3,358) | (4,824) | (4,476) |
| Corporate costs, unallocated ⁽¹⁾ | (1,002) | (1,036) | (7,907) | (5,299) | (3,299) |
| Total income from operations | \$ 9,266 | \$ 15,651 | \$ 27,524 | \$ 34,231 | \$ 41,224 |

⁽¹⁾ Corporate costs, unallocated for fiscal year 2018 includes a fine of \$5.1 billion and fiscal year 2019 includes a fine and a legal settlement totaling \$2.3 billion.

For a description of our segments and unallocated corporate costs, refer to “Segment results” in this earnings release.

Q4 2020 financial highlights

The following table summarizes our consolidated financial results for the quarters ended December 31, 2019 and 2020 (in millions, except for per share information and percentages; unaudited).

| | Quarter Ended December 31, | |
|--|----------------------------|-----------|
| | 2019 | 2020 |
| Revenues | \$ 46,075 | \$ 56,898 |
| Increase in revenues year over year | 17 % | 23 % |
| Increase in constant currency revenues year over year ⁽¹⁾ | 19 % | 23 % |
| Operating income | \$ 9,266 | \$ 15,651 |
| Operating margin | 20 % | 28 % |
| Other income (expense), net | \$ 1,438 | \$ 3,038 |
| Net income | \$ 10,671 | \$ 15,227 |
| Diluted EPS | \$ 15.35 | \$ 22.30 |

⁽¹⁾ Non-GAAP measure. See the table captioned "Reconciliation from GAAP revenues to non-GAAP constant currency revenues" for more details.

Q4 2020 supplemental information (in millions, except for number of employees; unaudited)

Revenues, Traffic Acquisition Costs (TAC) and number of employees

The following table summarizes our revenues, total TAC and number of employees.

| | Quarter Ended December 31, | |
|------------------------------------|----------------------------|------------------|
| | 2019 | 2020 |
| Google Search & other | \$ 27,185 | \$ 31,903 |
| YouTube ads | 4,717 | 6,885 |
| Google Network Members' properties | 6,032 | 7,411 |
| Google advertising | 37,934 | 46,199 |
| Google other | 5,264 | 6,674 |
| Google Services total | 43,198 | 52,873 |
| Google Cloud | 2,614 | 3,831 |
| Other Bets | 172 | 196 |
| Hedging gains (losses) | 91 | (2) |
| Total revenues | <u>\$ 46,075</u> | <u>\$ 56,898</u> |
| Total TAC | \$ 8,501 | \$ 10,466 |
| Number of employees | 118,899 | 135,301 |

Change in the useful lives of our server and network equipment (unaudited)

In January 2021, we completed an assessment of the useful lives of our servers and network equipment and determined we should adjust the estimated useful life of our servers from three years to four years and the estimated useful life of certain network equipment from three years to five years. This change in accounting estimate will be effective beginning fiscal year 2021. For assets that are in-service as of December 31, 2020, we expect operating results to be favorably impacted by approximately \$2.1 billion for the full fiscal year 2021. The effect of the change may be different due to our capital investments during the fiscal year 2021.

Webcast and conference call information

A live audio webcast of our fourth quarter 2020 earnings release call will be available on YouTube at <https://youtu.be/O45kGgcbR8s>. The call begins today at 2:00 PM (PT) / 5:00 PM (ET). This press release, including the reconciliations of certain non-GAAP measures to their nearest comparable GAAP measures, is also available at <http://abc.xyz/investor>.

We also provide announcements regarding our financial performance, including SEC filings, investor events, press and earnings releases, and blogs, on our investor relations website (<http://abc.xyz/investor>).

We also share Google news and product updates on Google's Keyword blog at <https://www.blog.google/>, which may be of interest or material to our investors.

Forward-looking statements

This press release may contain forward-looking statements that involve risks and uncertainties. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2019, and our most recent Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 which are on file with the SEC and are available on our investor relations website at <http://abc.xyz/investor> and on the SEC website at www.sec.gov. Additional information will also be set forth in our Annual Report on Form 10-K for the year ended December 31, 2020. All information provided in this release and in the attachments is as of February 2, 2021. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to us on the date hereof. We undertake no duty to update this information unless required by law.

About non-GAAP financial measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: free cash flow; constant currency revenues; and percentage change in constant currency revenues. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results, such as our revenues excluding the effect of foreign exchange rate movements and hedging activities. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business.

There are a number of limitations related to the use of non-GAAP financial measures. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures and evaluating these non-GAAP financial measures together with their relevant financial measures in accordance with GAAP.

For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliation from net cash provided by operating activities to free cash flow" and "Reconciliation from GAAP revenues to non-GAAP constant currency revenues" included at the end of this release.

Contact

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Alphabet Inc.
CONSOLIDATED BALANCE SHEETS

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

| | As of December 31, 2019 | As of December 31, 2020 (unaudited) |
|--|-------------------------------|--|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 18,498 | \$ 26,465 |
| Marketable securities | 101,177 | 110,229 |
| Total cash, cash equivalents, and marketable securities | 119,675 | 136,694 |
| Accounts receivable, net | 25,326 | 30,930 |
| Income taxes receivable, net | 2,166 | 454 |
| Inventory | 999 | 728 |
| Other current assets | 4,412 | 5,490 |
| Total current assets | 152,578 | 174,296 |
| Non-marketable investments | 13,078 | 20,703 |
| Deferred income taxes | 721 | 1,084 |
| Property and equipment, net | 73,646 | 84,749 |
| Operating lease assets | 10,941 | 12,211 |
| Intangible assets, net | 1,979 | 1,445 |
| Goodwill | 20,624 | 21,175 |
| Other non-current assets | 2,342 | 3,953 |
| Total assets | <u>\$ 275,909</u> | <u>\$ 319,616</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,561 | \$ 5,589 |
| Accrued compensation and benefits | 8,495 | 11,086 |
| Accrued expenses and other current liabilities | 23,067 | 28,631 |
| Accrued revenue share | 5,916 | 7,500 |
| Deferred revenue | 1,908 | 2,543 |
| Income taxes payable, net | 274 | 1,485 |
| Total current liabilities | 45,221 | 56,834 |
| Long-term debt | 4,554 | 13,932 |
| Deferred revenue, non-current | 358 | 481 |
| Income taxes payable, non-current | 9,885 | 8,849 |
| Deferred income taxes | 1,701 | 3,561 |
| Operating lease liabilities | 10,214 | 11,146 |
| Other long-term liabilities | 2,534 | 2,269 |
| Total liabilities | 74,467 | 97,072 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Convertible preferred stock, \$0.001 par value per share, 100,000 shares authorized; no shares issued and outstanding | 0 | 0 |
| Class A and Class B common stock, and Class C capital stock and additional paid-in capital, \$0.001 par value per share: 15,000,000 shares authorized (Class A 9,000,000, Class B 3,000,000, Class C 3,000,000); 688,335 (Class A 299,828, Class B 46,441, Class C 342,066) and 675,222 (Class A 300,730, Class B 45,843, Class C 328,649) shares issued and outstanding | 50,552 | 58,510 |
| Accumulated other comprehensive income (loss) | (1,232) | 633 |
| Retained earnings | 152,122 | 163,401 |
| Total stockholders' equity | 201,442 | 222,544 |
| Total liabilities and stockholders' equity | <u>\$ 275,909</u> | <u>\$ 319,616</u> |

Alphabet Inc.
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except share amounts which are reflected in thousands and per share amounts)

| | Quarter Ended December 31, | | Year Ended December 31, | |
|--|----------------------------|------------------|-------------------------|------------------|
| | 2019 | 2020 | 2019 | 2020 |
| | (unaudited) | | (unaudited) | |
| Revenues | \$ 46,075 | \$ 56,898 | \$ 161,857 | \$ 182,527 |
| Costs and expenses: | | | | |
| Cost of revenues | 21,020 | 26,080 | 71,896 | 84,732 |
| Research and development | 7,222 | 7,022 | 26,018 | 27,573 |
| Sales and marketing | 5,738 | 5,314 | 18,464 | 17,946 |
| General and administrative | 2,829 | 2,831 | 9,551 | 11,052 |
| European Commission fine | 0 | 0 | 1,697 | 0 |
| Total costs and expenses | <u>36,809</u> | <u>41,247</u> | <u>127,626</u> | <u>141,303</u> |
| Income from operations | 9,266 | 15,651 | 34,231 | 41,224 |
| Other income (expense), net | 1,438 | 3,038 | 5,394 | 6,858 |
| Income before income taxes | 10,704 | 18,689 | 39,625 | 48,082 |
| Provision for income taxes | 33 | 3,462 | 5,282 | 7,813 |
| Net income | <u>\$ 10,671</u> | <u>\$ 15,227</u> | <u>\$ 34,343</u> | <u>\$ 40,269</u> |
| Basic earnings per share of Class A and B common stock and Class C capital stock | \$ 15.49 | \$ 22.54 | \$ 49.59 | \$ 59.15 |
| Diluted earnings per share of Class A and B common stock and Class C capital stock | \$ 15.35 | \$ 22.30 | \$ 49.16 | \$ 58.61 |
| Number of shares used in basic earnings per share calculation | 688,806 | 675,582 | 692,596 | 680,816 |
| Number of shares used in diluted earnings per share calculation | 695,194 | 682,969 | 698,556 | 687,028 |

Alphabet Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

| | Quarter Ended December 31, | | Year Ended December 31, | |
|--|----------------------------|------------------|-------------------------|------------------|
| | 2019 | 2020 | 2019 | 2020 |
| | (unaudited) | | (unaudited) | |
| Operating activities | | | | |
| Net income | \$ 10,671 | \$ 15,227 | \$ 34,343 | \$ 40,269 |
| Adjustments: | | | | |
| Depreciation and impairment of property and equipment | 3,082 | 3,539 | 10,856 | 12,905 |
| Amortization and impairment of intangible assets | 331 | 186 | 925 | 792 |
| Stock-based compensation expense | 2,645 | 3,223 | 10,794 | 12,991 |
| Deferred income taxes | (208) | 1,670 | 173 | 1,390 |
| Gain on debt and equity securities, net | (399) | (3,262) | (2,798) | (6,317) |
| Other | (473) | 392 | (592) | 1,267 |
| Changes in assets and liabilities, net of effects of acquisitions: | | | | |
| Accounts receivable | (4,365) | (5,445) | (4,340) | (6,524) |
| Income taxes, net | (3,338) | 740 | (3,128) | 1,209 |
| Other assets | 166 | (738) | (621) | (1,330) |
| Accounts payable | 814 | 963 | 428 | 694 |
| Accrued expenses and other liabilities | 4,243 | 4,613 | 7,170 | 5,504 |
| Accrued revenue share | 1,072 | 1,362 | 1,273 | 1,639 |
| Deferred revenue | 186 | 207 | 37 | 635 |
| Net cash provided by operating activities | <u>14,427</u> | <u>22,677</u> | <u>54,520</u> | <u>65,124</u> |
| Investing activities | | | | |
| Purchases of property and equipment | (6,052) | (5,479) | (23,548) | (22,281) |
| Purchases of marketable securities | (19,347) | (31,644) | (100,315) | (136,576) |
| Maturities and sales of marketable securities | 23,042 | 35,155 | 97,825 | 132,906 |
| Purchases of non-marketable investments | (433) | (5,311) | (1,932) | (7,175) |
| Maturities and sales of non-marketable investments | 108 | 425 | 405 | 1,023 |
| Acquisitions, net of cash acquired, and purchases of intangible assets | (2,142) | (370) | (2,515) | (738) |
| Other investing activities | 121 | (57) | 589 | 68 |
| Net cash used in investing activities | <u>(4,703)</u> | <u>(7,281)</u> | <u>(29,491)</u> | <u>(32,773)</u> |
| Financing activities | | | | |
| Net payments related to stock-based award activities | (1,199) | (1,647) | (4,765) | (5,720) |
| Repurchases of capital stock | (6,098) | (7,904) | (18,396) | (31,149) |
| Proceeds from issuance of debt, net of costs | 0 | 0 | 317 | 11,761 |
| Repayments of debt | (47) | (57) | (585) | (2,100) |
| Proceeds from sale of interest in consolidated entities, net | 18 | 338 | 220 | 2,800 |
| Net cash used in financing activities | <u>(7,326)</u> | <u>(9,270)</u> | <u>(23,209)</u> | <u>(24,408)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 68 | 210 | (23) | 24 |
| Net increase in cash and cash equivalents | <u>2,466</u> | <u>6,336</u> | <u>1,797</u> | <u>7,967</u> |
| Cash and cash equivalents at beginning of period | 16,032 | 20,129 | 16,701 | 18,498 |
| Cash and cash equivalents at end of period | <u>\$ 18,498</u> | <u>\$ 26,465</u> | <u>\$ 18,498</u> | <u>\$ 26,465</u> |

Reconciliation from net cash provided by operating activities to free cash flow (in millions; unaudited):

We provide free cash flow because it is a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that can be used for strategic opportunities, including investing in our business and acquisitions, and to strengthen our balance sheet.

| | Quarter Ended December 31, 2020 |
|--|--|
| Net cash provided by operating activities | \$ 22,677 |
| Less: purchases of property and equipment | (5,479) |
| Free cash flow | <u>\$ 17,198</u> |

Free cash flow: We define free cash flow as net cash provided by operating activities less capital expenditures.

Reconciliation from GAAP revenues to non-GAAP constant currency revenues (in millions, except percentages; unaudited):

We provide non-GAAP constant currency revenues and the non-GAAP percentage change in constant currency revenues because they facilitate the comparison of current results to historic performance by excluding the effect of foreign exchange rate movements and hedging activities, which are not indicative of our core operating results.

| | Quarter Ended December 31, 2020 | |
|---|--|---------------------------------|
| | YoY (using Q4'19's FX rates) | QoQ (using Q3'20's FX rates) |
| EMEA revenues (GAAP) | \$ 17,238 | \$ 17,238 |
| Exclude foreign exchange effect on Q4'20 revenues using Q4'19 rates | (457) | N/A |
| Exclude foreign exchange effect on Q4'20 revenues using Q3'20 rates | N/A | (91) |
| EMEA constant currency revenues (non-GAAP) | \$ 16,781 | \$ 17,147 |
| Prior period EMEA revenues (GAAP) | \$ 14,099 | \$ 13,924 |
| EMEA revenue percentage change (GAAP) | 22 % | 24 % |
| EMEA constant currency revenue percentage change (non-GAAP) | 19 % | 23 % |
| APAC revenues (GAAP) | \$ 9,909 | \$ 9,909 |
| Exclude foreign exchange effect on Q4'20 revenues using Q4'19 rates | (156) | N/A |
| Exclude foreign exchange effect on Q4'20 revenues using Q3'20 rates | N/A | (109) |
| APAC constant currency revenues (non-GAAP) | \$ 9,753 | \$ 9,800 |
| Prior period APAC revenues (GAAP) | \$ 7,482 | \$ 8,458 |
| APAC revenue percentage change (GAAP) | 32 % | 17 % |
| APAC constant currency revenue percentage change (non-GAAP) | 30 % | 16 % |
| Other Americas revenues (GAAP) | \$ 3,050 | \$ 3,050 |
| Exclude foreign exchange effect on Q4'20 revenues using Q4'19 rates | 324 | N/A |
| Exclude foreign exchange effect on Q4'20 revenues using Q3'20 rates | N/A | 11 |
| Other Americas constant currency revenues (non-GAAP) | \$ 3,374 | \$ 3,061 |
| Prior period Other Americas revenues (GAAP) | \$ 2,666 | \$ 2,371 |
| Other Americas revenue percentage change (GAAP) | 14 % | 29 % |
| Other Americas constant currency revenue percentage change (non-GAAP) | 27 % | 29 % |
| United States revenues (GAAP) | \$ 26,703 | \$ 26,703 |
| United States revenue percentage change (GAAP) | 23 % | 25 % |
| Hedging gains (losses) | \$ (2) | \$ (2) |
| Revenues (GAAP) | \$ 56,898 | \$ 56,898 |
| Constant currency revenues (non-GAAP) | \$ 56,611 | \$ 56,711 |
| Prior period revenues, excluding hedging effect (non-GAAP) ⁽¹⁾ | \$ 45,984 | \$ 46,195 |
| Revenue percentage change (GAAP) | 23 % | 23 % |
| Constant currency revenue percentage change (non-GAAP) | 23 % | 23 % |

⁽¹⁾ Total revenues and hedging gains (losses) for the quarter ended December 31, 2019 were \$46,075 million and \$91 million, respectively. Total revenues and hedging gains (losses) for the quarter ended September 30, 2020 were \$46,173 million and \$(22) million, respectively.

Non-GAAP constant currency revenues and percentage change: We define non-GAAP constant currency revenues as total revenues excluding the effect of foreign exchange rate movements and hedging activities, and we use it to determine the constant currency revenue percentage change on year-on-year and quarter-on-quarter basis. Non-GAAP constant currency revenues are calculated by translating current quarter revenues using prior period exchange rates and excluding any hedging effect recognized in the current quarter. Constant currency revenue percentage change is calculated by determining the increase in current quarter non-GAAP constant currency revenues over prior period revenues, excluding any hedging effect recognized in the prior period.

Other income (expense), net

The following table presents our other income (expense), net (in millions; unaudited):

| | Quarter Ended | |
|--|-----------------|-----------------|
| | 2019 | 2020 |
| Interest income | \$ 621 | \$ 386 |
| Interest expense | (17) | (53) |
| Foreign currency exchange gain (loss), net | 40 | (87) |
| Gain (loss) on debt securities, net | 4 | 210 |
| Gain (loss) on equity securities, net ⁽¹⁾⁽²⁾ | 395 | 3,052 |
| Performance fees | 7 | (405) |
| Income (loss) and impairment from equity method investments, net | 460 | 355 |
| Other ⁽³⁾ | (72) | (420) |
| Other income (expense), net | \$ 1,438 | \$ 3,038 |

⁽¹⁾ Includes unrealized gains and losses on equity investments that we hold. Fluctuations in the value of our investments could significantly contribute to the volatility of OI&E in future periods.

⁽²⁾ All gains and losses, unrealized and realized, on equity security investments are recognized in OI&E. For Q4 2020, the net effect of the gain on equity securities of \$3,052 million and the performance fees of \$405 million increased the provision for income tax, net income, and diluted EPS by \$556 million, \$2,091 million, and \$3.06, respectively.

⁽³⁾ In 2020, we entered into derivatives that hedged the changes in fair value of certain marketable equity securities, which resulted in a \$497 million net loss for the quarter ended December 31, 2020. The offsetting recognized gains on the marketable equity securities are reflected in Gain (loss) on equity securities, net.

Segment results

The following table presents our revenues and operating income (loss) (in millions; unaudited):

| | Quarter | | | | | Fiscal Year | | |
|------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | 2018 | 2019 | 2020 |
| Revenues: | | | | | | | | |
| Google Services | \$ 43,198 | \$ 38,198 | \$ 34,991 | \$ 42,573 | \$ 52,873 | \$ 130,524 | \$ 151,825 | \$ 168,635 |
| Google Cloud | 2,614 | 2,777 | 3,007 | 3,444 | 3,831 | 5,838 | 8,918 | 13,059 |
| Other Bets | 172 | 135 | 148 | 178 | 196 | 595 | 659 | 657 |
| Hedging gains (losses) | 91 | 49 | 151 | (22) | (2) | (138) | 455 | 176 |
| Total revenues | \$ 46,075 | \$ 41,159 | \$ 38,297 | \$ 46,173 | \$ 56,898 | \$ 136,819 | \$ 161,857 | \$ 182,527 |

| | Quarter | | | | | Fiscal Year | | |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | 2018 | 2019 | 2020 |
| Operating income (loss): | | | | | | | | |
| Google Services | \$ 13,488 | \$ 11,548 | \$ 9,539 | \$ 14,453 | \$ 19,066 | \$ 43,137 | \$ 48,999 | \$ 54,606 |
| Google Cloud | (1,194) | (1,730) | (1,426) | (1,208) | (1,243) | (4,348) | (4,645) | (5,607) |
| Other Bets | (2,026) | (1,121) | (1,116) | (1,103) | (1,136) | (3,358) | (4,824) | (4,476) |
| Corporate costs, unallocated ⁽¹⁾ | (1,002) | (720) | (614) | (929) | (1,036) | (7,907) | (5,299) | (3,299) |
| Total income from operations | \$ 9,266 | \$ 7,977 | \$ 6,383 | \$ 11,213 | \$ 15,651 | \$ 27,524 | \$ 34,231 | \$ 41,224 |

⁽¹⁾ Corporate costs, unallocated for fiscal year 2018 includes a fine of \$5.1 billion and fiscal year 2019 includes a fine and a legal settlement totaling \$2.3 billion

Beginning in the fourth quarter of 2020, we report our segment results as Google Services, Google Cloud, and Other Bets:

- Google Services includes products and services such as ads, Android, Chrome, hardware, Google Maps, Google Play, Search, and YouTube. Google Services generates revenues primarily from advertising; sales of apps, in-app purchases, digital content products, and hardware; and fees received for subscription-based products such as YouTube Premium and YouTube TV.

- Google Cloud includes Google's infrastructure and data analytics platforms, collaboration tools, and other services for enterprise customers. Google Cloud generates revenues primarily from fees received for Google Cloud Platform services and Google Workspace (formerly known as G Suite) collaboration tools.
- Other Bets is a combination of multiple operating segments that are not individually material. Revenues from the Other Bets are derived primarily through the sale of internet services as well as licensing and R&D services.

Unallocated corporate costs primarily include corporate initiatives, corporate shared costs, such as finance and legal, including fines and settlements, as well as costs associated with certain shared research and development activities. Additionally, hedging gains (losses) related to revenue are included in corporate costs.