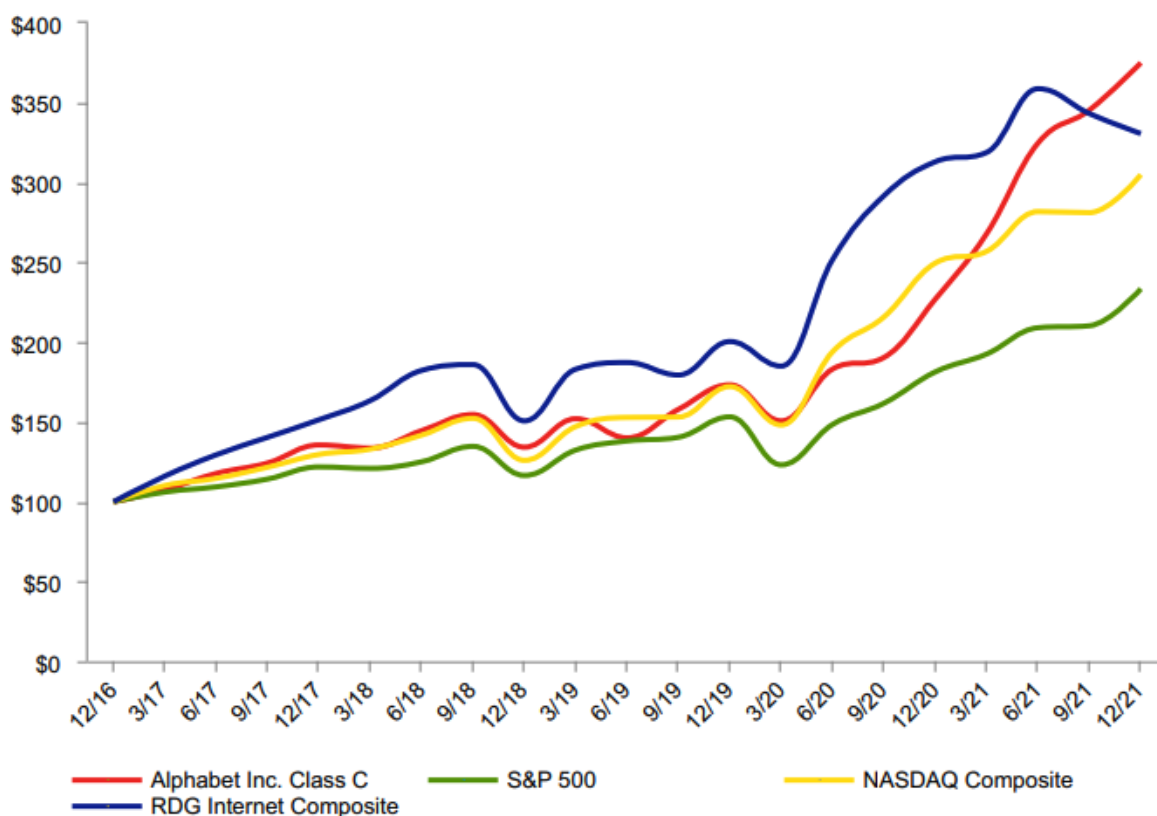


### COMPARISON OF CUMULATIVE 5-YEAR TOTAL RETURN\*

#### ALPHABET INC. CLASS C CAPITAL STOCK

Among Alphabet Inc., the S&P 500 Index, the  
NASDAQ Composite Index, and the RDG Internet Composite Index



\*\$100 invested on December 31, 2016 in stock or in index, including reinvestment of dividends. Fiscal year ending December 31.

Copyright © 2022 S&P, a division of The McGraw-Hill Companies Inc. All rights reserved.

## Executive Overview

The following table summarizes consolidated financial results for the years ended December 31, 2020 and 2021 unless otherwise specified (in millions, except for per share information and percentages):

	Year Ended December 31,			
	2020	2021	\$ Change	% Change
Consolidated revenues	\$ 182,527	\$ 257,637	\$ 75,110	41 %
Change in consolidated constant currency revenues				39 %
Cost of revenues	\$ 84,732	\$ 110,939	\$ 26,207	31 %
Operating expenses	\$ 56,571	\$ 67,984	\$ 11,413	20 %
Operating income	\$ 41,224	\$ 78,714	\$ 37,490	91 %
Operating margin	23 %	31 %		8 %
Other income (expense), net	\$ 6,858	\$ 12,020	\$ 5,162	75 %
Net Income	\$ 40,269	\$ 76,033	\$ 35,764	89 %
Diluted EPS	\$ 58.61	\$ 112.20	\$ 53.59	91 %
Number of Employees	135,301	156,500	21,199	16 %

- Revenues were \$257.6 billion, an increase of 41%. The increase in revenues was primarily driven by Google Services and Google Cloud. The adverse effect of COVID-19 on 2020 advertising revenues also contributed to the year-over-year growth.
- Cost of revenues was \$110.9 billion, an increase of 31%, primarily driven by increases in TAC and content acquisition costs.
- An overall increase in data centers and other operations costs was partially offset by a reduction in depreciation expense due to the change in the estimated useful life of our servers and certain network equipment. • Operating expenses were \$68.0 billion, an increase of 20%, primarily driven by headcount growth, increases in advertising and promotional expenses and charges related to legal matters.

#### Other information:

- Operating cash flow was \$91.7 billion, primarily driven by revenues generated from our advertising products.
- Share repurchases were \$50.3 billion, an increase of 62%. See Note 11 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further information.
- Capital expenditures, which primarily reflected investments in technical infrastructure, were \$24.6 billion.