

- Revenue by geography (P.14)
- Equity Investments (P.17)
- During the nine months ended September 30, 2021, we repurchased and subsequently retired 77 million shares of our Class A common stock for an aggregate amount of \$25.63 billion. As of September 30, 2021, \$7.97 billion remained available and authorized for repurchases. In October 2021, an additional \$50.0 billion of repurchases was authorized under this program.
- During the third quarter of 2021, worldwide ARPP was \$8.18, an increase of 21% from the third quarter of 2020.

## RESULTS OF OPERATIONS

FACTOR	VARIATION YOY	DRIVER
Revenue	+ 35%	<ul style="list-style-type: none"> <li>• Advertising +33%   Other revenue +195%</li> <li>• The increases were mostly driven by an increase in advertising revenue as a result of increases in both the average price per ad and the number of ads delivered.</li> <li>• Avg price of ad +22% <ul style="list-style-type: none"> <li>• The increase in average price per ad during the three and nine months ended September 30, 2021 was mainly caused by a recovery from declines in advertising demand due to the onset of the COVID-19 pandemic in 2020</li> </ul> </li> <li>• # of ads delivered +9% <ul style="list-style-type: none"> <li>• The increase in the ads delivered was driven by an increase in users and the number and frequency of ads displayed across our products.</li> </ul> </li> <li>• We anticipate that future advertising revenue growth will be driven by a combination of price and the number of ads delivered.</li> <li>• Other revenue +195% <ul style="list-style-type: none"> <li>• These increases in other revenue were almost entirely driven by sales in our consumer hardware products.</li> </ul> </li> <li>• Weakening of US dollar had favorable impact on revenue.</li> </ul>
Cost of Revenue	+38%	The increases were mostly due to an increase in cost of consumer hardware products sold and an increase in operational expenses related to our data centers and technical infrastructure, partially offset by a decrease in the depreciation growth rate primarily due to increases in the useful lives of servers and other equipment. To a lesser extent, costs associated with partner arrangements, including traffic acquisition and payment processing costs also increased.
R&D	+33%	Payroll   +28% headcount
Marketing & Sales	+32%	Payroll   +7% headcount
General & Admin	+65%	The increases were primarily due to increases in legal-related costs and payroll and benefits expenses. Payroll   +18% headcount
Taxes	+378%	<ul style="list-style-type: none"> <li>• In the third quarter of 2020, as part of finalizing our U.S. income tax return, we elected to capitalize and amortize certain research and development expenses for U.S. income tax purposes. As a result, we recorded a one-time income tax benefit of \$913 million.</li> <li>• Effective tax rate was 13% vs 4% last year.</li> </ul>

## LIQUIDITY & CAPITAL RESOURCES

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  - net operating loss carryforward was \$10.63 billion
  - \$534 million of federal tax credit carryforward
    - We anticipate the utilization of a significant portion of these net operating losses and credits within the next three years.
  - As of September 30, 2021, \$9.92 billion of the \$58.08 billion in cash and cash equivalents and marketable securities was held by our foreign subsidiaries.