

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, 2018	As of December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,701	\$ 18,498
Marketable securities	92,439	101,177
Total cash, cash equivalents, and marketable securities	109,140	119,675
Accounts receivable, net of allowance of \$729 and \$753	20,838	25,326
Income taxes receivable, net	355	2,166
Inventory	1,107	999
Other current assets	4,236	4,412
Total current assets	135,676	152,578
Non-marketable investments	13,859	13,078
Deferred income taxes	737	721
Property and equipment, net	59,719	73,646
Operating lease assets	0	10,941
Intangible assets, net	2,220	1,979
Goodwill	17,888	20,624
Other non-current assets	2,693	2,342
Total assets	<u>\$ 232,792</u>	<u>\$ 275,909</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 4,378	\$ 5,561
Accrued compensation and benefits	6,839	8,495
Accrued expenses and other current liabilities	16,958	23,067
Accrued revenue share	4,592	5,916
Deferred revenue	1,784	1,908
Income taxes payable, net	69	274
Total current liabilities	34,620	45,221
Long-term debt	4,012	4,554
Deferred revenue, non-current	396	358
Income taxes payable, non-current	11,327	9,885
Deferred income taxes	1,264	1,701
Operating lease liabilities	0	10,214
Other long-term liabilities	3,545	2,534
Total liabilities	55,164	74,467
Commitments and Contingencies (Note 10)		
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); 695,556 (Class A 299,242, Class B 46,636, Class C 349,678) and 688,335 (Class A 299,828, Class B 46,441, Class C 342,066) shares issued and outstanding	45,049	50,552
Accumulated other comprehensive loss	(2,306)	(1,232)
Retained earnings	134,885	152,122
Total stockholders' equity	177,628	201,442
Total liabilities and stockholders' equity	<u>\$ 232,792</u>	<u>\$ 275,909</u>

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Year Ended December 31,		
	2017	2018	2019
Revenues	\$ 110,855	\$ 136,819	\$ 161,857
Costs and expenses:			
Cost of revenues	45,583	59,549	71,896
Research and development	16,625	21,419	26,018
Sales and marketing	12,893	16,333	18,464
General and administrative	6,840	6,923	9,551
European Commission fines	2,736	5,071	1,697
Total costs and expenses	84,677	109,295	127,626
Income from operations	26,178	27,524	34,231
Other income (expense), net	1,015	7,389	5,394
Income before income taxes	27,193	34,913	39,625
Provision for income taxes	14,531	4,177	5,282
Net income	\$ 12,662	\$ 30,736	\$ 34,343
Basic net income per share of Class A and B common stock and Class C capital stock	\$ 18.27	\$ 44.22	\$ 49.59
Diluted net income per share of Class A and B common stock and Class C capital stock	\$ 18.00	\$ 43.70	\$ 49.16

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2017	2018	2019
Net income	\$ 12,662	\$ 30,736	\$ 34,343
Other comprehensive income (loss):			
Change in foreign currency translation adjustment	1,543	(781)	(119)
Available-for-sale investments:			
Change in net unrealized gains (losses)	307	88	1,611
Less: reclassification adjustment for net (gains) losses included in net income	105	(911)	(111)
Net change (net of tax effect of \$0, \$156, and \$221)	412	(823)	1,500
Cash flow hedges:			
Change in net unrealized gains (losses)	(638)	290	22
Less: reclassification adjustment for net (gains) losses included in net income	93	98	(299)
Net change (net of tax effect of \$247, \$103, and \$42)	(545)	388	(277)
Other comprehensive income (loss)	1,410	(1,216)	1,104
Comprehensive income	\$ 14,072	\$ 29,520	\$ 35,447

See accompanying notes.

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

	Year Ended December 31,		
	2017	2018	2019
Operating activities			
Net income	\$ 12,662	\$ 30,736	\$ 34,343
Adjustments:			
Depreciation and impairment of property and equipment	6,103	8,164	10,856
Amortization and impairment of intangible assets	812	871	925
Stock-based compensation expense	7,679	9,353	10,794
Deferred income taxes	258	778	173
(Gain) loss on debt and equity securities, net	37	(6,650)	(2,798)
Other	294	(189)	(592)
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(3,768)	(2,169)	(4,340)
Income taxes, net	8,211	(2,251)	(3,128)
Other assets	(2,164)	(1,207)	(621)
Accounts payable	731	1,067	428
Accrued expenses and other liabilities	4,891	8,614	7,170
Accrued revenue share	955	483	1,273
Deferred revenue	390	371	37
Net cash provided by operating activities	37,091	47,971	54,520
Investing activities			
Purchases of property and equipment	(13,184)	(25,139)	(23,548)
Purchases of marketable securities	(92,195)	(50,158)	(100,315)
Maturities and sales of marketable securities	73,959	48,507	97,825
Purchases of non-marketable investments	(1,745)	(2,073)	(1,932)
Maturities and sales of non-marketable investments	533	1,752	405
Acquisitions, net of cash acquired, and purchases of intangible assets	(287)	(1,491)	(2,515)
Proceeds from collection of notes receivable	1,419	0	0
Other investing activities	99	98	589
Net cash used in investing activities	(31,401)	(28,504)	(29,491)
Financing activities			
Net payments related to stock-based award activities	(4,166)	(4,993)	(4,765)
Repurchases of capital stock	(4,846)	(9,075)	(18,396)
Proceeds from issuance of debt, net of costs	4,291	6,766	317
Repayments of debt	(4,377)	(6,827)	(585)
Proceeds from sale of interest in consolidated entities	800	950	220
Net cash used in financing activities	(8,298)	(13,179)	(23,209)
Effect of exchange rate changes on cash and cash equivalents	405	(302)	(23)
Net increase (decrease) in cash and cash equivalents	(2,203)	5,986	1,797
Cash and cash equivalents at beginning of period	12,918	10,715	16,701
Cash and cash equivalents at end of period	\$ 10,715	\$ 16,701	\$ 18,498
Supplemental disclosures of cash flow information			
Cash paid for taxes, net of refunds	\$ 6,191	\$ 5,671	\$ 8,203

See accompanying notes.