PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Alphabet Inc.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)

	As of December 31, 2025	As of June 30, 2026
		(unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 30,708	$ 55,911
Marketable securities	96,135	186,563
Total cash, cash equivalents, and marketable securities	126,843	242,474
Accounts receivable, net	62,886	69,175
Inventory	2,439	9,991
Other current assets	13,870	21,884
Total current assets	206,038	343,524
Non-marketable securities	68,687	131,461
Deferred income taxes	9,113	1,448
Property and equipment, net	246,597	321,212
Operating lease assets	15,221	17,694
Goodwill	33,380	57,828
Intangible assets, net	1,283	9,105
Other non-current assets	14,962	39,711
Total assets	$ 595,281	$ 921,983
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 12,200	$ 20,258
Accrued compensation and benefits	17,546	15,086
Accrued expenses and other current liabilities	55,557	73,014
Accrued revenue share	10,864	10,599
Deferred revenue	6,578	7,154
Total current liabilities	102,745	126,111
Long-term debt	46,547	98,165
Income taxes payable, non-current	9,531	11,306
Deferred income taxes	919	22,819
Operating lease liabilities	12,744	14,591
Other long-term liabilities	7,530	8,511
Total liabilities	180,016	281,503
Commitments and Contingencies (Note 10)		
Stockholders' equity:		
Series A and Series B preferred stock and additional paid-in capital, $0.001 par value per share, 100 shares authorized; 6.25% mandatory convertible preferred stock, 0 and 19 shares issued and outstanding allocated equally between each series with a liquidation preference of $1,000 per share	0	18,023
Class A, Class B, and Class C stock and additional paid-in capital, $0.001 par value per share: 300,000 shares authorized (Class A 180,000, Class B 60,000, Class C 60,000); 12,088 (Class A 5,822, Class B 837, Class C 5,429) and 12,230 (Class A 5,868, Class B 835, Class C 5,527) shares issued and outstanding	93,126	131,371
Accumulated other comprehensive income (loss)	(1,916)	(2,285)
Retained earnings	324,055	493,371
Total stockholders' equity	415,265	640,480
Total liabilities and stockholders' equity	$ 595,281	$ 921,983

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
Revenues	$ 96,428	$ 119,796	$ 186,662	$ 229,692
Costs and expenses:				
Cost of revenues	39,039	45,943	75,400	87,214
Research and development	13,808	18,219	27,364	35,251
Sales and marketing	7,101	8,403	13,273	16,009
General and administrative	5,209	6,461	8,748	10,752
Total costs and expenses	65,157	79,026	124,785	149,226
Income from operations	31,271	40,770	61,877	80,466
Other income (expense), net	2,662	97,983	13,845	135,699
Income before income taxes	33,933	138,753	75,722	216,165
Provision for income taxes	5,737	26,560	12,986	41,394
Net income	28,196	112,193	62,736	174,771
Preferred stock dividends	0	86	0	86
Net income available to common stockholders	$ 28,196	$ 112,107	$ 62,736	$ 174,685
Basic net income per common share (Note 12)	$ 2.33	$ 9.23	$ 5.16	$ 14.41
Diluted net income per common share (Note 12)	$ 2.31	$ 9.11	$ 5.12	$ 14.24

See accompanying notes.

Alphabet Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2026
Operating activities		
Net income	$ 62,736	$ 174,771
Adjustments:		
Depreciation of property and equipment	9,485	13,586
Stock-based compensation expense	11,514	14,708
Deferred income taxes	(1,596)	27,538
Loss (gain) on debt and equity securities, net	(11,411)	(135,803)
Other	1,041	3,161
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	(1,201)	(6,904)
Inventory	(628)	(7,739)
Income taxes, net	(2,434)	8,304
Other assets	(2,139)	(9,950)
Accounts payable	(327)	2,090
Accrued expenses and other liabilities	(1,779)	308
Deferred revenue	636	789
Net cash provided by operating activities	63,897	84,859
Investing activities		
Purchases of property and equipment	(39,643)	(80,598)
Purchases of marketable securities	(39,870)	(76,480)
Maturities and sales of marketable securities	40,930	66,696
Purchases of non-marketable securities	(2,312)	(22,051)
Maturities and sales of non-marketable securities	873	1,667
Acquisitions, net of cash acquired, and purchases of intangible assets	(353)	(33,697)
Other investing activities	(363)	(1,359)
Net cash used in investing activities	(40,738)	(145,822)
Financing activities		
Net payments related to stock-based award activities	(5,731)	(12,056)
Repurchases of stock	(28,306)	0
Dividend payments	(4,977)	(5,231)
Proceeds from issuance of common stock, net of costs	0	30,499
Proceeds from issuance of mandatory convertible preferred stock, net of costs	0	19,063
Proceeds from issuance of debt, net of costs	31,378	56,226
Repayments of debt	(18,397)	(5,253)
Proceeds from sale of interest in consolidated entities, net	400	3,758
Other financing activities	(400)	(686)
Net cash provided by (used in) financing activities	(26,033)	86,320
Effect of exchange rate changes on cash and cash equivalents	444	(154)
Net increase (decrease) in cash and cash equivalents	(2,430)	25,203
Cash and cash equivalents at beginning of period	23,466	30,708
Cash and cash equivalents at end of period	$ 21,036	$ 55,911
Supplemental disclosures of non-cash investing activities:		
Property and equipment included in accrued liabilities and accounts payable	$ 10,635	$ 29,113

See accompanying notes.

Total outstanding long-term debt is summarized below (in millions, except percentages):

	Maturity	Coupon Rate	Effective Interest Rate	As of December 31, 2025	As of June 30, 2026
Debt					
2016 US dollar notes	2026	2.00%	2.23%	$ 2,000	$ 2,000
2020 US dollar notes	2027 - 2060	0.80% - 2.25%	0.93% - 2.33%	9,000	9,000
2025 US dollar notes[1]	2028 - 2075	3.88% - 5.70%	4.00% - 5.79%	22,500	22,500
2025 Euro notes[2]	2028 - 2064	2.38% - 4.38%	2.57% - 4.51%	15,585	15,074
2026 US dollar notes	2029 - 2066	3.70% - 5.75%	3.93% - 5.84%	0	20,000
2026 Sterling notes[2]	2029 - 2126	4.13% - 6.13%	4.23% - 6.19%	0	7,263
2026 Swiss franc notes[2]	2029 - 2051	0.43% - 1.87%	0.52% - 1.90%	0	3,772
2026 Euro notes[2]	2030 - 2063	3.20% - 4.80%	3.29% - 4.88%	0	10,239
2026 Canadian dollar notes[2]	2031 - 2056	3.65% - 5.00%	3.83% - 5.10%	0	5,985
2026 Japanese yen notes[2]	2029 - 2066	1.97% - 4.60%	2.04% - 4.64%	0	3,566
Other long-term debt				0	1,686
Total face value of long-term debt				49,085	101,085
Unamortized discount and debt issuance costs[2]				(542)	(921)
Less: current portion of long-term notes[3]				(1,996)	(1,999)
Total long-term debt				$ 46,547	$ 98,165

(1) Includes $500 million of floating-rate notes due in 2028. Interest is calculated using the compounded Secured Overnight Financing Rate (SOFR) plus 0.52%, reset quarterly.

(2) Principal, unamortized discount, and debt issuance costs for the foreign currency-denominated notes include the effect of foreign exchange rates.

(3) Total current portion of long-term debt is included within accrued expenses and other current liabilities. See Note 7 for further details.

The notes in the table above are senior unsecured obligations and rank equally with each other. We may redeem the fixed-rate notes, other than the Japanese yen-denominated notes, at any time in whole or in part at specified redemption prices. The floating-rate notes and Japanese yen-denominated notes are not redeemable prior to maturity. Interest is payable quarterly for the floating-rate notes, semi-annually for the US dollar, Canadian dollar, and Japanese yen-denominated fixed-rate notes, and annually for the Euro, Sterling, and Swiss franc-denominated fixed-rate notes. The effective interest rates are based on proceeds received and contractual interest payments.

The total estimated fair value of the outstanding notes was approximately $45.6 billion and $94.9 billion as of December 31, 2025 and June 30, 2026, respectively. The fair value was determined based on observable market prices of identical instruments in less active markets and is categorized accordingly as Level 2 in the fair value hierarchy.

Credit Facility

As of June 30, 2026, we had $11.7 billion of credit facilities, expiring at various dates through April 2030, of which $1.3 billion was outstanding. The outstanding debt under the credit facilities bears an interest rate of SOFR plus 1.5% to 2.25% that is paid quarterly.

Note 7. Supplemental Financial Statement Information

Accounts Receivable

The allowance for credit losses on accounts receivable was $924 million and $995 million as of December 31, 2025 and June 30, 2026, respectively

Property and Equipment, Net

Property and equipment, net, consisted of the following (in millions):

	As of December 31, 2025	As of June 30, 2026
Technical infrastructure[(1)]	$ 203,679	$ 247,177
Office space	48,348	50,635
Corporate and other assets	14,463	6,498
Property and equipment, in service	266,490	304,310
Less: accumulated depreciation	(98,485)	(105,912)
Add: assets not yet in service	78,592	122,814
Property and equipment, net	$ 246,597	$ 321,212

(1) As of December 31, 2025 and June 30, 2026, approximately 60% of technical infrastructure assets were comprised of servers and network equipment. The remaining balance was comprised of data center land and buildings and related assets.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in millions):

	As of December 31, 2025	As of June 30, 2026
Accrued fines and settlements[(1)]	$ 15,594	$ 17,356
Accrued purchases of property and equipment	8,877	16,196
Accrued customer liabilities	5,029	5,238
Payables to brokers for unsettled investment trades	950	822
Income taxes payable, net	523	5,233
Other accrued expenses and current liabilities	24,584	28,169
Accrued expenses and other current liabilities	$ 55,557	$ 73,014

(1) See Legal Matters in Note 10 for further details.

Noncontrolling Interests

Total noncontrolling interests (NCI) in our consolidated subsidiaries were $3.4 billion and $7.1 billion as of December 31, 2025 and June 30, 2026, respectively, of which $841 million and $824 million were redeemable noncontrolling interests (RNCI) as of December 31, 2025 and June 30, 2026, respectively. NCI and RNCI are included within common stock and additional paid-in capital (APIC). Net loss attributable to noncontrolling interests was not material for any period presented and is included within the "other" component of OI&E.

Accumulated Other Comprehensive Income (Loss)

Components of AOCI, net of income tax, were as follows (in millions):

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2024	$ (5,080)	$ (299)	$ 579	$ (4,800)
Other comprehensive income (loss) before reclassifications	3,273	836	(1,064)	3,045
Amounts excluded from the assessment of hedge effectiveness recorded in AOCI	0	0	(169)	(169)
Amounts reclassified from AOCI	0	(113)	(90)	(203)
Other comprehensive income (loss)	3,273	723	(1,323)	2,673
Balance as of June 30, 2025	$ (1,807)	$ 424	$ (744)	$ (2,127)

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Investments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2025	$ (2,558)	$ 678	$ (36)	$ (1,916)
Other comprehensive income (loss) before reclassifications	(331)	(629)	439	(521)
Amounts excluded from the assessment of hedge effectiveness recorded in AOCI	(4)	0	68	64
Amounts reclassified from AOCI	0	15	73	88
Other comprehensive income (loss)	(335)	(614)	580	(369)
Balance as of June 30, 2026	$ (2,893)	$ 64	$ 544	$ (2,285)

The effects on net income of amounts reclassified from AOCI were as follows (in millions):

		Three Months Ended June 30,		Six Months Ended June 30,	
AOCI Components	Location	2025	2026	2025	2026
Unrealized gains (losses) on available-for-sale investments					
	Other income (expense), net	$ 37	$ (44)	$ 141	$ (20)
	Benefit (provision) for income taxes	(8)	10	(28)	5
	Net of income tax	29	(34)	113	(15)
Unrealized gains (losses) on cash flow hedges					
Foreign exchange derivatives	Revenue	(138)	97	104	(114)
Interest rate derivatives	Other income (expense), net	0	1	0	2
	Benefit (provision) for income taxes	31	(13)	(14)	39
	Net of income tax	(107)	85	90	(73)
Total amount reclassified, net of income tax		$ (78)	$ 51	$ 203	$ (88)

Other Income (Expense), Net

Components of OI&E were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
Interest income	$ 1,050	$ 1,430	$ 2,051	$ 2,811
Interest expense[1]	(261)	(1,278)	(295)	(1,811)
Foreign currency exchange gain (loss), net	(69)	(160)	(175)	(14)
Gain (loss) on debt securities, net	165	(32)	367	(143)
Gain (loss) on equity securities, net	1,286	99,031	11,044	135,946
Income (loss) and impairment from equity method investments, net	419	(35)	397	25
Other	72	(973)	456	(1,115)
Other income (expense), net	$ 2,662	$ 97,983	$ 13,845	$ 135,699

(1) Interest expense is net of interest capitalized of $92 million and $363 million for the three months ended June 30, 2025 and 2026, respectively, and $171 million and $628 million for the six months ended June 30, 2025 and 2026, respectively.

Note 8. Acquisitions and Divestitures

Wiz Acquisition

	Three Months Ended June 30,							
	2025				2026			
	Class A	Class B	Class C	Consolidated	Class A	Class B	Class C	Consolidated
Basic net income per common share:								
Numerator								
Allocation of distributed earnings (cash dividends paid to common stockholders)	$ 1,222	$ 178	$ 1,143	$ 2,543	$ 1,291	$ 184	$ 1,214	$ 2,689
Allocation of undistributed earnings	12,314	1,803	11,536	25,653	52,552	7,519	49,347	109,418
Net income available to common stockholders	$ 13,536	$ 1,981	$ 12,679	$ 28,196	$ 53,843	$ 7,703	$ 50,561	$ 112,107
Denominator								
Number of shares used in per share computation	5,819	852	5,451	12,122	5,836	835	5,480	12,151
Basic net income per common share	$ 2.33	$ 2.33	$ 2.33	$ 2.33	$ 9.23	$ 9.23	$ 9.23	$ 9.23
Diluted net income per common share:								
Numerator								
Allocation of total earnings for basic computation	$ 13,536	$ 1,981	$ 12,679	$ 28,196	$ 53,843	$ 7,703	$ 50,561	$ 112,107
Reallocation of total earnings as a result of conversion of Class B to Class A shares	1,981	0	0	_[(1)]	7,703	0	0	_[(1)]
Preferred stock dividends declared and accumulated[(2)]	0	0	0	0	47	0	39	86
Reallocation of undistributed earnings	(88)	(11)	88	_[(1)]	(700)	(91)	700	_[(1)]
Net income	$ 15,429	$ 1,970	$ 12,767	$ 28,196	$ 60,893	$ 7,612	$ 51,300	112,193
Denominator								
Number of shares used in basic computation	5,819	852	5,451	12,122	5,836	835	5,480	12,151
Weighted-average effect of dilutive securities								
Add:								
Conversion of Class B to Class A shares outstanding	852	0	0	_[(1)]	835	0	0	_[(1)]
Restricted stock units and other contingently issuable shares	0	0	76	76	0	0	142	142
Conversion of preferred stock[(2)]	0	0	0	0	8	0	8	16
Number of shares used in per share computation	6,671	852	5,527	12,198	6,679	835	5,630	12,309
Diluted net income per common share	$ 2.31	$ 2.31	$ 2.31	$ 2.31	$ 9.12	$ 9.12	$ 9.11	$ 9.11

(1) Not applicable for consolidated net income per common share.
(2) Preferred dividends are added back and preferred shares are assumed to have converted to common pursuant to the if-converted method.

Note 13. Compensation Plans

Stock-Based Compensation

For the three months ended June 30, 2025 and 2026, total stock-based compensation (SBC) expense was $6.0 billion and $8.0 billion, including amounts associated with awards we expect to settle in Alphabet stock of $5.8 billion and $7.6 billion, respectively. For the six months ended June 30, 2025 and 2026, total SBC expense was $11.5 billion and $15.2 billion, including amounts associated with awards we expect to settle in Alphabet stock of $11.1 billion and $14.1 billion, respectively.

Stock-Based Award Activities

The following table summarizes the activities for unvested Alphabet RSUs and performance stock units (PSUs), both of which include dividend equivalents awarded to holders of unvested stock, for the six months ended June 30, 2026 (in millions, except per share amounts):

	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2025	282	$ 159.75
Granted	114	$ 292.21
Vested	(86)	$ 165.35
Forfeited/canceled	(16)	$ 180.00
Unvested as of June 30, 2026	294	$ 208.46

As of June 30, 2026, there was $59.1 billion of unrecognized compensation cost related to unvested RSUs and PSUs. This amount is expected to be recognized over a weighted-average period of 2.7 years.

Note 14. Income Taxes

The following table presents provision for income taxes (in millions, except for effective tax rate):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
Income before provision for income taxes	$ 33,933	$ 138,753	$ 75,722	$ 216,165
Provision for income taxes	$ 5,737	$ 26,560	$ 12,986	$ 41,394
Effective tax rate	16.9 %	19.1 %	17.1 %	19.1 %

We are subject to income taxes in the US and foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The total amount of gross unrecognized tax benefits was $11.5 billion and $12.1 billion, of which $9.7 billion and $10.3 billion, if recognized, would affect our effective tax rate, as of December 31, 2025 and June 30, 2026, respectively.

Note 15. Information about Segments and Geographic Areas

We report our segment results as Google Services, Google Cloud, and Other Bets:

- Google Services includes products and services such as ads, Android, Chrome, devices, Google Maps, Google Play, Search, and YouTube. Google Services generates revenues primarily from advertising; fees received for consumer subscription-based products such as YouTube TV, YouTube Music and Premium, and NFL Sunday Ticket, as well as Google One; the sale of apps and in-app purchases; and devices.
- Google Cloud includes infrastructure and platform services, applications, and other products and services for enterprise customers. Google Cloud generates services revenues primarily from consumption-based fees and subscriptions received for Google Cloud Platform services, Google Workspace communication and collaboration tools, and other enterprise services. Google Cloud generates product revenues primarily from the sale of TPU systems.
- Other Bets is a combination of multiple operating segments that are not individually material. Revenues from Other Bets are generated primarily from the sale of autonomous transportation services and internet services.

OI&E, net increased $95.3 billion and $121.9 billion from the three and six months ended June 30, 2025 to the three and six months ended June 30, 2026, respectively, primarily related to unrealized gains in our equity securities portfolio from SpaceX and a private company.

For additional information, see Note 3 and Note 7 of the Notes to Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Provision for Income Taxes

The following table presents provision for income taxes (in millions, except effective tax rate):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2026	2025	2026
Income before provision for income taxes	$ 33,933	$ 138,753	$ 75,722	$ 216,165
Provision for income taxes	$ 5,737	$ 26,560	$ 12,986	$ 41,394
Effective tax rate	16.9 %	19.1 %	17.1 %	19.1 %

The effective tax rate increased from the three and six months ended June 30, 2025 to the three and six months ended June 30, 2026. The increase is primarily attributed to higher pre-tax earnings from unrealized gains on equity securities that are deferred tax liabilities at the statutory tax rate.

The Organization for Economic Cooperation and Development (OECD) published model rules for the implementation of a minimum global effective tax rate of 15%. Many countries have implemented or are in the process of implementing the rules. In January 2026, the OECD introduced new guidance including a "Side-by-Side Safe Harbor" which, if elected, exempts US domestic operations from being taxed by global minimum tax rules. However, it does not exempt foreign subsidiaries from local minimum tax requirements. These rules did not have a material effect on our income tax provision for the six months ended June 30, 2026. As more countries enact these global minimum tax rules, our effective tax rate and cash tax payments could be affected.

Financial Condition

Cash, Cash Equivalents, and Marketable Securities

As of June 30, 2026, we had $242.5 billion in cash, cash equivalents, and short-term marketable securities. Cash equivalents and marketable securities are comprised of time deposits, money market funds, highly liquid government bonds, corporate debt securities, mortgage-backed and asset-backed securities, and marketable equity securities.

Sources, Uses of Cash and Related Trends

Our principal sources of liquidity are cash, cash equivalents, and marketable securities, as well as the cash flow that we generate from operations. The primary use of capital continues to be to invest for the long-term growth of the business. We regularly evaluate our cash and capital structure, including the size, pace, and form of capital return to stockholders.

The following table presents cash flows (in millions):

	Six Months Ended June 30,	
	2025	2026
Net cash provided by operating activities	$ 63,897	$ 84,859
Net cash used in investing activities	$ (40,738)	$ (145,822)
Net cash provided by (used in) financing activities	$ (26,033)	$ 86,320

Cash Provided by Operating Activities

Our largest source of cash provided by operations are advertising revenues generated by Google Search & other properties, YouTube properties, and Google Network properties. In Google Services, we also generate cash through consumer subscriptions, the sale of apps and in-app purchases, and devices. In Google Cloud, we generate cash through consumption-based fees and subscriptions for infrastructure, platform, applications, and other cloud services, as well as from product sales.

Our primary uses of cash from operating activities include payments to distribution and Google Network partners, to employees for compensation, and to content providers. Other uses of cash from operating activities