

## **MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

As of October 2, 2015, Alphabet Inc. became the successor issuer of Google Inc. pursuant to Rule 12g-3(a) under the Exchange Act. Our Class A common stock has been listed on the Nasdaq Global Select Market under the symbol "GOOG" since August 19, 2004 and under the symbol "GOOGL" since April 3, 2014. Prior to August 19, 2004, there was no public market for our stock. Our Class B common stock is neither listed nor traded. Our Class C capital stock has been listed on the Nasdaq Global Select Market under the symbol "GOOG" since April 3, 2014.

### **Holders of Record**

As of December 31, 2021, there were approximately 4,907 and 1,733 stockholders of record of our Class A common stock and Class C capital stock, respectively. Because many of our shares of Class A common stock and Class C capital stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. As of December 31, 2021, there were approximately 64 stockholders of record of our Class B common stock.

### **Dividend Policy**

We have never declared or paid any cash dividend on our common or capital stock. 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.

## Issuer Purchases of Equity Securities

The following table presents information with respect to Alphabet's repurchases of Class A common stock and Class C capital stock during the quarter ended December 31, 2021:

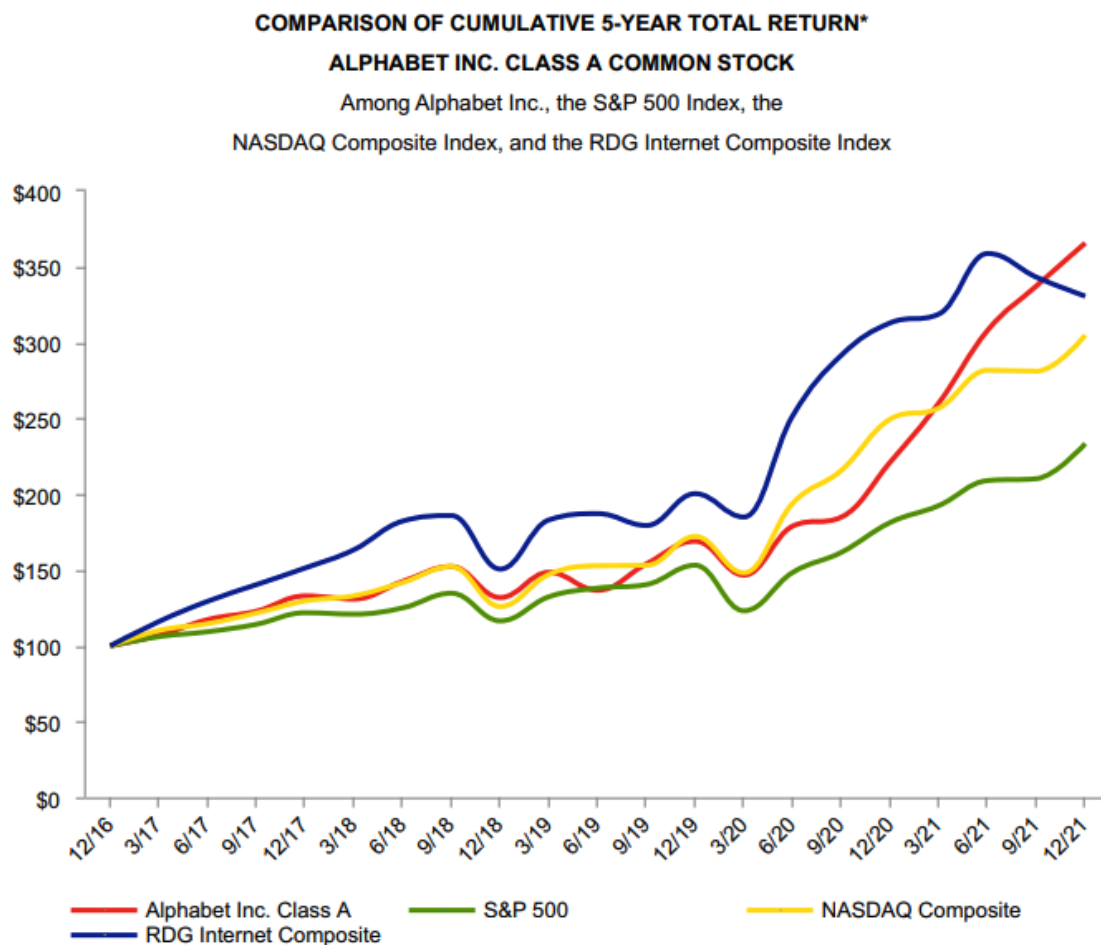
Period	Total Number of Class A Shares Purchased (in thousands) <sup>(1)</sup>	Total Number of Class C Shares Purchased (in thousands) <sup>(1)</sup>	Average Price Paid per Class A Share <sup>(2)</sup>	Average Price Paid per Class C Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Programs (in thousands) <sup>(1)</sup>	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in millions)
October 1 - 31	126	1,445	\$ 2,812.76	\$ 2,794.72	1,571	\$ 26,450
November 1 - 30	289	1,393	\$ 2,943.97	\$ 2,956.73	1,682	\$ 21,479
December 1 - 31	250	1,169	\$ 2,880.79	\$ 2,898.56	1,419	\$ 17,371
Total	665	4,007			4,672	

<sup>(1)</sup> The repurchases are being executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans. The repurchase program does not have an expiration date. See Note 11 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional information related to share repurchases.

<sup>(2)</sup> Average price paid per share includes costs associated with the repurchases.

## Stock Performance Graphs

The graph below matches Alphabet Inc. Class A's cumulative 5-year total stockholder return on common stock with the cumulative total returns of the S&P 500 index, the NASDAQ Composite index, and the RDG Internet Composite index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2016 to December 31, 2021. The returns shown are based on historical results and are not intended to suggest future performance.



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

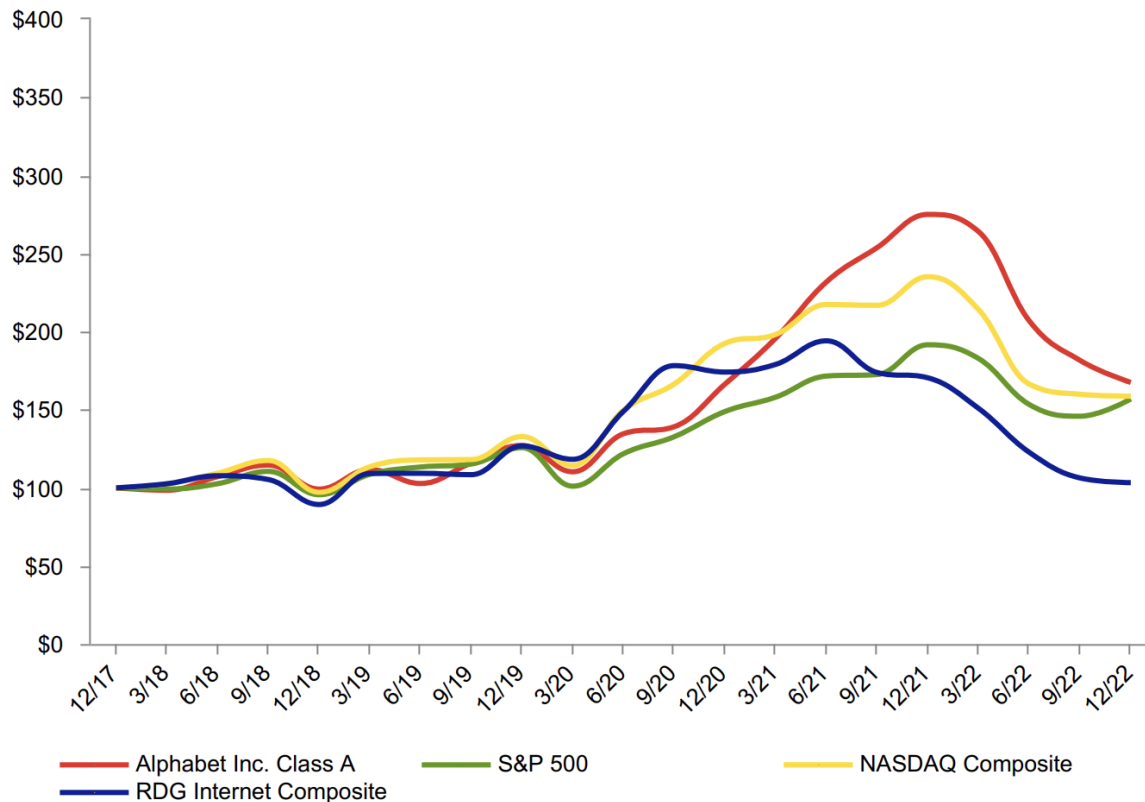
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**COMPARISON OF CUMULATIVE 5-YEAR TOTAL RETURN\***

**ALPHABET INC. CLASS A COMMON STOCK**

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



\*\$100 invested on December 31, 2017 in stock or index, including reinvestment of dividends.

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## 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,		\$ Change	% Change
	2020	2021		
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.
- In January 2021, we updated the useful lives of certain of our servers and network equipment, resulting in a reduction in depreciation expense of \$2.6 billion recorded primarily in cost of revenues and R&D. See Note 1 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further information.
- Our acquisition of Fitbit closed in early January 2021, and the related revenues are included in Google other. See Note 8 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further information.
- On February 1, 2022, the Company announced that the Board of Directors had approved and declared a 20- for-one stock split in the form of a one-time special stock dividend on each share of the Company's Class A, Class B, and Class C stock. See Note 11 of the Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional information.

## **The Effect of COVID-19 on our Financial Results**

We began to observe the effect of COVID-19 on our financial results in March 2020 when, despite an increase in users' search activity, our advertising revenues declined compared to the prior year. This was due to a shift of user search activity to less commercial topics and reduced spending by our advertisers. For the quarter ended June 30, 2020 our advertising revenues declined due to the continued effects of COVID-19 and the related reductions in global economic activity, but we observed a gradual return in user search activity to more commercial topics. This was followed by increased spending by our advertisers, which continued throughout the second half of 2020. Additionally, over the course of 2020, we experienced variability in our margins as many of

our expenses are less variable in nature and/or may not correlate to changes in revenues. Market volatility contributed to fluctuations in the valuation of our equity investments. Further, our assessment of the credit deterioration of our customers due to changes in the macroeconomic environment during the period was reflected in our allowance for credit losses for accounts receivable.

Throughout 2021 we remained focused on innovating and investing in the services we offer to consumers and businesses to support our long-term growth. The impact of COVID-19 on 2020 financial results affected year-over-year growth trends. The COVID-19 pandemic continues to evolve, be unpredictable and affect our business and financial results. Our past results may not be indicative of our future performance, and historical trends in our financial results may differ materially.