This preliminary transcript is provided for the convenience of investors only, for a full recording please see the Morgan Stanley Technology, Media and Telecom Conference conference webcast

Brian Nowak (Morgan Stanley): All right. Good afternoon, everyone. We're thrilled for our next fireside chat to have Anat Ashkenazi with us from Alphabet. Thank you so much for joining us.

Anat Ashkenazi, CFO, Google: Thank you for having us here today. And for everyone who's joining today to listen to the Alphabet story.

Brian Nowak (Morgan Stanley): Always good to see you, to catch up on everything going on at Alphabet and around the world. A lot has changed in a year, which we will get to. In perception at least. But first, the disclosures. Please note that all important disclosures including personal holdings disclosures and Morgan Stanley disclosures appear on the Morgan Stanley public website at www.morganstanley.com/researchdisclosures. They are also available at the registration desk.

Some of the statements made today by Ms. Ashkenazi may be considered forward looking. These statements involve a number of risks and uncertainties that can cause actual results to differ materially. Please refer to Alphabet's forms 10-K or 10-Q including the risk factors discussed in any of these filings. Any forward-looking statements made today are based on assumptions as of today and Alphabet undertakes no obligation to update them.

With that, there is a lot going on with the company. So, let's sort of take a step back. One year ago we were sitting here. Alphabet was about a $2 trillion company. The discussions in the hallways and just in general on Wall Street were around search disruption, long-term positioning versus new search entrants, how to think about the business' growth. Now it's almost a $4 trillion company. So it seems investor sentiment has changed.

From your perspective, what has changed internally at Alphabet with how you think about pace of productization, the long-term vision? How do you think about what changed internally now versus one year ago?

Anat Ashkenazi, CFO, Google: Great question and a way to start. So if you think about

where we were a year ago versus where we are today or maybe where we were ten years ago, the core strategy hasn't really changed. And it's a company that is focused on user first, consumer first, innovation based. And then looking at being an AI-first company. And that has been the strategy for many, many years.

It started with the acquisition of GDM and Sundar making statements about being an AI-first company. That strategy has really led us to where we are today. If the strategy hasn't changed, then it is the execution or is it the pace of strategy and how we're thinking about the business?

So within that strategy, we have been talking about having the full stack approach. Within our full stack, we call it technical infrastructure sometimes in the company which is the chips that we have. And we have our own TPUs. We launched our first TPU just over a decade ago in 2015. Now we're on generation seven, access to GPUs from NVIDIA as well as a set of data centers, which we mostly build ourselves but we also lease data centers. Networking equipment that is, I believe, the largest most comprehensive one in the world.

That's our technical infrastructure. And then that combined with, when I said we're an innovation-based company, world-class research capabilities. Which you see through our Google DeepMind efforts, our frontier models, the research efforts that we have across the company. And then coupled with the ability to distribute and access consumers, enterprises, creators around the world with the set of products we have. So that kind of anchors our strategy.

And what we've done since deciding that we're an AI-first company, is invested very strategically in building that AI infrastructure across the organization. And now it's really the foundation across the Alphabet business. Whether it's in Search or in YouTube or Platforms & Subscription business or in Cloud. And certainly Gemini, Google DeepMind as well as the other bets whether it's Waymo or Isomorphic, etc. It's really the research foundation that sits across the company.

What you've seen in the past year is the strategy delivering. And delivering at a rapid pace of innovation. So we are now turning the flywheel, this innovation flywheel very fast and delivering innovation to consumers, enterprisers, creators much faster than we had in the past. But we had the privilege of working on this for years and creating these products.

And when we deliver those to consumers, then we're able to see how those are used and where we can drive continued improvements, so we can deliver the next wave of innovation. So that is what is the underlying of where we are today and what got us here and what will take us to the next decade and beyond.

Brian Nowak (Morgan Stanley): Going forward. The flywheels are spinning faster. But so is the investment. So I have to ask you about -- as a CFO and you're doing math around ROIC, so last year CapEx was around $90 billion. This year the guidance is around $180 billion of CapEx.

What types of analyses are you and the team doing to sort of evaluate ROIC on that CapEx just to ensure that you're getting enough revenue in a reasonable amount of time to generate return for your investors?

Anat Ashkenazi, CFO, Google: As you can imagine, I spend quite a lot of time on this question and on the CapEx investments in general in terms of how much we need to invest, how much are we investing, and what are we seeing as a result of that?

We have a highly rigorous framework that we use to make these decisions. The first decision is how much do you need to invest? $91 (billion) or this year we said $175 to $185 (billion). And that question we don't take lightly. And we start with aggregation of understanding demand across the business whether it's internal demand or external from customers like Cloud customers.

And from there we build on what do we need from a compute perspective? How do we cost it, which yields the numbers we've shared for this year. And we drive significant efficiency even within that technical infrastructure. Because we have the benefit of owning that full stack for the most part, we have experts who focus just on that, making sure that we construct our data centers in the most efficient way that's tailored to our workload or to what the customers need. Our TPUs, consistently looking at efficiency of the TPUs in terms of delivering more and more compute.

So we do this across the board. And when we get that demand, we then ask: What is that going to yield? If I'm investing in compute for Search or for Cloud or Waymo, what do I

expect to get for that investment? And I look at this on a continuum. Some are more near term and it's more certain. And some are maybe long-term earlier innovation, if you think about some of the experiments, maybe Waymo five, ten years ago. Now it's delivering, obviously, but some of these experiments are early stages.

And then underneath that, the foundational layer of Gemini and the frontier models, they're supporting the entire company. So we look at, for example, if we're investing X in Cloud and I think I've shared on the call that approximately half or just over half of our ML compute this year is going to go to Cloud.

What are we expecting in terms of return? Is it external? What are the -- what's the profitability numbers? So there are financial metrics, there are operational metrics as well. We do this across the business to estimate what that looks like. And then we track it. And we track it on a very frequent basis. Just to understand, have we invested enough in an area or are we seeing more demand and we need to start reallocating or make different decisions?

And the team that looks at efficiency, can we get more and more out of every chip we have in our data center. A lot of thought and rigor goes into this which shouldn't surprise anyone given these amounts.

Brian Nowak (Morgan Stanley): Yeah. The continuous nature of it, I'm sure must play a role. Anything you could tell us about what surprised you over the course of last year? Just sort of adjusted CapEx or areas of more signal or less signal?

Anat Ashkenazi, CFO, Google: Yes, so last year we gave guidance that was lower than where we ended up. We ended up at $91 billion. We gave guidance around $75 billion. So we ended the year with higher CapEx. And there are a few drivers that can cause us to be higher or lower than the amount. One is, construction of the data center would be a great example.

So last year I shared that approximately 60% of our technical infrastructure investment went towards chips and about 40% to data centers and networking equipment. If we're able to accelerate construction, we may be able to pull in some investments. And that's a good thing. Because we have such high demand for our products, that the more we can bring in,

the more revenue we can generate.

I've now said multiple quarters in a row we exited the quarter with more demand for our Cloud services than we had supply. So we certainly want to invest to be able to support the customer demand. That would be one example of something coming in. Or chips. As we acquire chips, we can get that earlier.

Now, this can also be the exact opposite. You may see construction delays. Or something is delivered on a later schedule, so it comes in later. So those could just move the same amount over between years.

The other thing is we are seeing greater demand than we had anticipated at the beginning of the year and we're trying to invest more. It is obviously challenging. There's a limit to what you can do in a year for that same year just given the time frame. If you need to construct data centers, it's not an overnight type of thing. There is an order of components. Those are the things that can move it up and down and we'll monitor for this year.

We are actively managing it for this year as well and probably provide updates on the quarterly calls on where we are.

Brian Nowak (Morgan Stanley): Great. There's a lot of sources of that demand between Search and YouTube and Cloud I want to get into. The first is on the cost discipline side. If we think about the CapEx, the amount of D&A that's going to flow through, could you give examples of still existing work streams you have in place to sort of manage the other costs just to potentially put a higher floor on EPS given all the D&A coming through?

Anat Ashkenazi, CFO, Google: So let me start with the approach. There's a philosophy I have with regard to cost management. And while people may refer to a work stream or an intervention or project, I view this differently. You always have work stream and always have projects and efforts. It's a non-stop effort. It's not that we're getting to a place where we said now we're at the most efficient. I always say it's like an Olympic athlete. You never stop training. You always want to beat your own record.

And it's the same thing within a company. You always look to do a little more and drive more efficiency in the organization. And some of these things are the traditional things of

just running the business more efficiently. Some are more scientific and innovation -- technical innovation.

So the technical spec I just mentioned or the CapEx of $175 billion to $185 billion which the majority of that is technical infrastructure. There's some building and some Waymo, etc but the vast majority is technical infrastructure. When you have such a large amount, it's how can we ensure that every dollar we put behind a data center or component or we're putting a chip in is the most efficient?

And it's not just the acquisition cost. But it's the utilization of the data centers and our technical infrastructure costs across the enterprise. It's an asset. When we have a data center with chips installed, it's an asset. We want to make sure we use that as much as we can. Whether it's using something 24/7 or because we have within Alphabet, we use predominantly TPUs internally, moving that capacity to where it's needed. That fungibility is incredibly important.

So we look at that as how do we drive efficiency running a really good supply chain so that when you have the data center built out, you have the chips installed. So we don't have inventory sitting in a warehouse waiting for months for a data center to be complete. And vice versa. You want to try to match them as closely as possible. So that's on the technical infrastructure side. And certainly model efficiencies help as well.

Then across the organization, you've seen some things we've done over the past 18, 24 months. Reduction in management layers driving efficiency in how we run the business. We introduced for the first time a volunteer exit program last year. Across the organization we have -- we believe we have a tremendous opportunity ahead of us and we want those excited about it staying and those that maybe want to do something else, they can make some choices. We're also looking at using AI internally. So while everyone I'm sure here is using some AI tools during your day, we encourage our own employees to leverage the AI tools we have. And in some cases, design AI tools for certain functional activities. So we've shared on the call the percent of code that's generated by AI. And then our engineers validate or test it. But we have it across the organization.

I'll just give an example from my small team of Finance where there are tremendous opportunities. We now have a Treasury Agent. And the Treasury Agent goes across our

balances of the cash we have on hand, to maximize the return on that investment. And it's yielding real financial results. And we have the benefit of having a Cloud business that allows us to co-develop these tools with Cloud or leverage the tools that our Cloud business has. Having an AI-first organization as well, is one of the areas that's going to drive continued efficiency.

But you're right. With investments of $91 billion last year and just over $50 billion the year before, there's going to be significant depreciation that's going to run through the income statement. Coupled with additional costs of energy. Last year we had about $21 billion in depreciation, the year before it was about $15 billion. That's not a small number to offset. We were able to hold and (see) some extension in our operating margins. That's hard to do. And that number is only going to grow next year just given what we've done historically. So we need to have these efforts in place on a regular basis so that we can have more money to reinvest in the business, to turn this flywheel faster. Some of it may flow to the bottom line. Some may be reinvested in highest priority areas.

Brian Nowak (Morgan Stanley): Well, the best way to trump the ramping D&A is faster revenue growth. Let's talk about revenue a little bit. Scale does help. And so does accelerating growth. So let's talk about Search. You've made a lot of changes to Search over the last 12 to 24 months. My team and I, we track all these: AI Mode, Overviews, Multimodal Search, Search Lens, Agentic capabilities have now started to emerge throughout it.

Is there any way you can help us if you think about maybe one or two of the changes you've made, that really drove larger than expected benefits to engagement and monetization than maybe what you would have had a year and a half ago.

Anat Ashkenazi, CFO, Google: We always start with an estimate of what this would look like. You hope to beat those expectations. One fun example would be Nano Banana that we launched within the Gemini App. If you're not familiar with this, our image generating tool went viral. Within, I want to say two weeks, we had 20 million new Gemini [users]. I mean, it's quite impressive if you think about just one tool and what it does so quickly.

So this can happen with different launches. We were incredibly pleased with AI Overview and AI Mode as you said, has changed how people searched. And it's not just you get an

AI Overview answer which is great. Obviously the summary's at the top. But the people learned they can ask questions differently or ask questions they've never been able to ask before, or never thought they'd be able to ask before. And what we're seeing is longer queries now in AI Mode and AI Overview. People are digging in, they're interacting more. It is driving growth in a number of queries. As well as commercial queries. Then as you've said, different ways of searching. So while we were used to typing something in, now you can actually point your phone or your camera at something and use Google Lens.

And it's a high-growth kind of feature for us. And you see the younger users are using that more. It's a brilliant tool for when you look to shop for something. You immediately point -- I want this flower and you point to it, you immediately get the different websites that can offer it. So we have invested in innovating what was core to Google's growth for several decades now.

And that's the -- as I said, our strategy is focus on the consumer innovation-based organization. You have to out-innovate yourself. Disrupt your own business model in the sense of, we had a great Search product which everyone loved and broadly used. Billions of people around the world. And we brought new innovation into that, with AI Overviews, AI Mode, Lens - different ways of searching. And we're always thinking about what is the next frontier, what's the next way of -- what's the next thing we're going to be introducing.

Brian Nowak (Morgan Stanley): Well, maybe that next frontier could be agentic. We've written quite a bit about agentic and how to think about new types of Search could change e-commerce, travel, a lot of these categories. Sundar's talked about agentic. How do you think about the incremental utility for your Search users, or user base, as you roll out new types of agentic capabilities? What are the biggest technological hurdles you have to clear to really scale, quote unquote, agentic?

Anat Ashkenazi, CFO, Google: So agentic commerce I would say, still early days. But no doubt holds an interesting promise. If you think about how we interact with shopping today online, there are digital interactions but they're fairly simple. What we're looking at is taking this to a level where you can conduct much more complex processes all the way from searching through recommendations and then an actual purchase.

One of the complexities is the fact that there are so many sellers and so many brands out

there and you need a unified way to connect them to the agent. So we've developed what we call UCP, this universal protocol that allows them to connect in a consistent way with this agent. And we're now -- we have a few customers on this. So if you go into your web browser and you type in: I want a silk pillow, whatever it is. It will show up the results and you can actually -- there are a couple of them where you can immediately click on a "buy" button, you put your credit card, and can immediately purchase through that. Early days, but there's certainly interesting opportunities when you think about truly making this seamless for a consumer that goes online and wants to shop for something and you get everything in one place.

I had my own things that I really, really want to see there. Already told our team this would be great for me personally. I'm not going to share just yet. Maybe in the future. But there's some cool opportunities there for users.

Brian Nowak (Morgan Stanley): I've used Gemini Agent to search for items for me on repeat. Trying to find golf pants of a certain size I can't find. It emails me alerts. Is that the type of thing you're thinking about? Sort of real-time Search, real-time price comparison? An actual interactive personalized shopper?

Anat Ashkenazi, CFO, Google: You can think about this as we talk about personalization, linking to what you're looking for. And it may be a preference. Or it may be criteria that you've provided ahead of time so that you have that personal shopper shop for you. But again, early days. Let's see what we share here.

Brian Nowak (Morgan Stanley): Socks for TMT next year through an agent. You have all these products, you have multiple different monetization nodes. And I feel like the discussion around subscription is more pronounced now than a couple years ago. But it's also observable that you are shipping more Gemini-based products to the free users faster than you were.

So philosophically, how are you making the decision on what stays behind the subscription paywall to drive that revenue stream as opposed to driving broader scaled option to the free user base?

Anat Ashkenazi, CFO, Google: So we have multiple tiers. We have a free tier and then

we have several paid tiers. Each tier has slightly different offerings. As you get to the higher tiers you just have access to more tools. And different users have different needs of what they need to do.

If you go back to the strategy just mentioned, and the user is at the heart of our strategy, that means that we want to make sure we have the best user experience out there. And when you launch something that's free first, you get a lot of feedback and you see how the consumer is using that product.

But then also offering different tiers to users who may want to engage more and maybe they want something for a business activity as opposed to just a personal use. We make sure we have a variety of options. It's something we've always done and continue to always evaluate what's free versus paid and at what level.

We also want to make sure our tools are accessible. To consumers not just sitting here in this room but across the globe. So we have different pricing in different countries to ensure that consumers in those countries can access our product as well.

Brian Nowak (Morgan Stanley): Understood. One of the other big sources of demand for your compute has been Google Cloud. What a difference a year makes in this business. So this is now a business growing almost 50%, a backlog of over $240 billion. Our model has Google Cloud getting to be almost 40% of EBIT in a few years. This is a much larger business than it was. Can you unpack some of the drivers over the last 12 months that have really driven this revenue acceleration and this strong backlog that we were all wrong about in missing one year ago?

Anat Ashkenazi, CFO, Google: So Google Cloud has had really record results throughout the last year. And as you said, exited Q4 at $17 billion in revenue. Annualizing a very large business already. And growing at 48% with a significant backlog. So what are the drivers of that growth? When I talked about AI -- we're an AI-first company across the organization, that's true for Cloud as well.

And if you think about Cloud, we have the GCP product whether it's the AI infrastructure where we have TPUs or GPUs or AI services we provide to customers. As well as our GCP core product such as security or data analytics where Google Cloud is known for and

people come for. And then we have Workspace and some other smaller areas. And just our GCP area which I think I've shared on the call, that growth rate was actually higher than 48%.

So we're seeing AI drive the growth within Cloud. So that's if you think about the vertical in terms of what drives that. Now, who are the customers? Because I always get that question. Is it one customer? Two customers within the backlog? Should we be worried? And I always look at are these new customers or existing customers? The scale and size of these customers.

And what we're seeing which I believe is very positive is, existing customers expand their work with us. So they're pleased with the results they're seeing. They're getting the same benefits we're talking about with an AI-first company, they're getting the benefits of being an AI-first company for that organization. So they're expanding the work with us.

And the new customers coming in and wanting to get on Google Cloud or get access to our product, services or infrastructure. So that's very encouraging to see that. And we see it across small AI Labs, small companies to some of the largest enterprises. Having that diversity within our customer base is encouraging. But it's AI that's driving that growth. And Google Cloud as you've seen in the margins as you've just mentioned has executed incredibly well in delivering margin extension exiting at 30% operating margin with this 48% top-line growth. It's very impressive.

And they've been laser focused. Thomas does an excellent job making sure, we talked about efficiency not being a one time or episodic thing, but rather continuously how you think about the business. That's how he runs the business. He’s making sure every dollar that's invested is the most efficient one. And win more customers -- we're seeing the new customer win rate going up as well. It's exciting across the Cloud organization.

Brian Nowak (Morgan Stanley): Yeah, the type of growth and then the 55% incremental EBIT margins is impressive. Is there anything other than scale or anything you'd call out that you'd call out on that profitability that we should be mindful of that would question the durability of that?

Anat Ashkenazi, CFO, Google: Scale does help a lot. Obviously the top line has

significantly expanded. And they are also faced with what you mentioned earlier which is the headwind associated with the depreciation, right? Because a lot of the depreciation would fit in the Cloud segment. And they've worked really hard on every line item that you see and think about within the P&L, middle of the income statement to make sure it's done in the most efficient way. The same thing we do about the organization, they're doing that in Cloud. Certainly the top-line expansion scale does help.

Brian Nowak (Morgan Stanley): Let's talk about TPUs a little bit. There's a lot written including by us about the go-to-market strategy on TPUs, how to think about where it is and where it could go. Even I think there's something in the media last week about potentially setting up essentially TPU neoclouds to sort of sell those TPUs to third parties. Maybe just philosophically, could you talk to us about Alphabet's strategy on how it prefers to sell TPUs whether it's tethered to GCP workloads or on a standalone basis.

Anat Ashkenazi, CFO, Google: Our TPUs, which we launched the first one just over a decade ago, now in our seventh generation, we use it across the organization. So think about Gemini. Gemini was trained on TPUs. And that's a benefit that we have, because they're customized to our workload. As we think about the external customer base, we offer them both GPUs and TPUs so they have the choice based on the specific needs or preferences. They can access those, the TPUs and GPUs.

And the customers lead from that perspective. So based on what the customer demand is, whether it's TPUs and how we engage on that transaction is what will decide how we're thinking about this, as well as going back to our second or third question about ROIC, how do we allocate that compute, does it go to Cloud or internal purposes? Does it go to an external customer? All those are part of that equation of making that decision.

Brian Nowak (Morgan Stanley): Okay. Let's talk about YouTube a little bit. YouTube... About 2 billion daily active users. Our numbers show 80 minutes per user per day. You have a very big corpus of users with a lot of engagement. And yet this is an ad business for whatever reason we continue to get wrong. It continues to grow slower than we expect. It doesn't seem we're seeing as much GenAI uptick at YouTube as we are at other big scale social media platforms.

Is there anything different with the way YouTube's ad business is sort of being run than

maybe other scaled engagement-based platforms?

Anat Ashkenazi, CFO, Google: YouTube is different. It's not a social media platform, right? It has much more than that. And as you think about YouTube, has an ad component to it and a subscription component to it. And we shared on the last call the combined revenue profile and the fact it has grown from the last time we've shared it. And that combined revenue profile is just over $60 billion.

When a consumer is on our platform, they can be an ad-supported consumer or they can be a subscription consumer. A subscription consumer, more profitable than an ad-supported one. So we look holistically at that across Ads and across Subscription, and across Ads what you've seen in the last quarter specifically, the year-over-year growth rate was impacted by the lapping of the U.S. election which impacts obviously YouTube, not surprising. We had this a little bit in Q3 but mostly in Q4 of the previous year.

But we've seen growth across different verticals within YouTube. But I would think about this in that context. And AI is driving growth there for creators. So we talked about Search and how we as consumers use the Search tool. Think about the tools we're now providing for creators. The video compared to the video on YouTube five years ago versus where we are today. The AI tools they have for creation are far beyond where they were just a couple years ago.

I'm sure you've seen the music creation tool within the Gemini App. So we are giving them more tools that are allowing them to create differently. And when they engage more, that means the user engages more with their content. We also look at recommendations within the YouTube -- just within YouTube and then what we can do there. So there are several areas where you're seeing AI impact YouTube growth.

Brian Nowak (Morgan Stanley): Speaking to the breadth of Alphabet, so we've covered Search. We've covered Cloud. We've covered YouTube. Now we're talking about autonomous driving. With Waymo you've made a lot of progress over the last 12 to 24 months. We have you launching in another 25 potential cities over the next 2 years. It seems there's an impressive ramp coming.

What are some of the key hurdles for the investment areas that you really need to execute

on Waymo just to sort of hit a lot of these city launches that the company has been posting about?

Anat Ashkenazi, CFO, Google: So we have the Waymo Driver. We call the vehicles the Waymo Driver. It's not an actual driver. Launched in five cities last year. Already launched in five more this year. And as you said, more to come including potential for international cities.

When we make a decision to launch in a market, we look at safety first. So the Waymo team has invested quite significantly ensuring the Waymo Drivers are incredibly safe and the safety track records are very impressive. If you look at the number of accidents versus a human driver. Orders of magnitude different.

So we look at safety. Then we look at the specific markets. Each market -- for example, take the U.S. Every state has its own laws and regulations on what it would take to operate in that market. So we need to make sure it's a market we can operate in from a set of policies. And then be able to launch in that market.

So we do it with a safety-first mindset to make sure we can do this well and scale up rapidly. But you're seeing the demand is so high for these Waymo Drivers that we're trying to launch in as many markets as possible getting to these consumers across the U.S. and outside the U.S. It's one of our areas of investment.

If you look at the Other Bets, there are multiple things in there. And you'll see it as one category, if you look below the water line we are making choices. And the strategy is about making choices of where do we direct investments within the Other Bets category. More to Waymo to be able to scale and get to as many consumers as possible.

Brian Nowak (Morgan Stanley): Interesting question, because on Waymo, I guess, what is the philosophy about sort of if you need to be more asset heavy to fund more cars, to fund more stations in these last miles. Is that an area where you're interested in investing more dollars or are you trying to stay more asset light in balance on the Waymo investment?

Anat Ashkenazi, CFO, Google: You've seen us do both, and you're referring to

partnerships. Local partnerships with other providers. We'll do both. It will depend on the market and a specific opportunity. It's not that one has to dominate the other. It depends on where we are.

Brian Nowak (Morgan Stanley): Okay. Maybe one to wrap on a big picture. We've covered a lot about how you're using GPUs and TPUs and GenAI. You have a lot of these discussions and questions with investors. What do you think is still the most underappreciated opportunity from all these AI-based investments for Alphabet? And what's the most overhyped opportunity?

Anat Ashkenazi, CFO, Google: I wouldn't say there's an underappreciated or overhyped, but rather -- so we talked about so many areas just in the last 30 minutes or so. And think of all the things we haven't talked about. Alphabet is now such a comprehensive business with AI driving multiple other areas. So we've not talked about, for example, Isomorphic, and what AI can do for drug discovery and what we can bring in terms of curing diseases that are currently not curable.

I come from this field, so I know this well. But being able to accelerate drug discovery is transformational, right, for human health across the globe. We haven't talked about quantum which by the way has potential -- I mean, not today but will have potential implications in a diverse set of areas. We hope to have good use cases within five years or so and we're progressing very well there.

We didn't talk about Robotics and Intrinsic. There's so many areas within the Alphabet business where AI is propelling the potential growth. Now, that's where also comes the discipline of what do you invest in, because you can't invest in everything. You have to make choices. But there are some tremendous opportunities we have across the organization. And you're seeing the results; right? We talked about ROIC. I think a year-and-a-half ago, two years ago it was a promise. Now you see it in the numbers. It's already delivering revenue growth across multiple parts of the business and will propel the future growth as well. Exciting times.

Brian Nowak (Morgan Stanley): Can't wait to see the growth in the ROIC. Thank you so much, Anat.

Anat Ashkenazi, CFO, Google: Thank you.