

Google/Alphabet sees fresh growth amid antitrust woes

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Google parent Alphabet said profits tripled in the second quarter from a year earlier to \$9.9 billion

Google parent Alphabet's stock price leapt Thursday after reporting stronger-than-expected results in a quarterly update coming amid

growing scrutiny of technology firms by antitrust regulators.

The internet giant said profits tripled in the second quarter from a year earlier to \$9.9 billion while revenues increased 19 percent to \$38.9 billion.

Shares in Alphabet rallied some nine percent in after-hours trade on the report, which appeared to ease fears about slowing growth.

Also helping shares was an announcement that the company would spend an additional \$25 billion on stock buybacks.

Profits were sharply higher than the same period last year when Google was forced to pay a \$5 billion fine to settle antitrust actions in the European Union.

The strong results come with Google expected to face tough scrutiny in the United States where antitrust regulators have begun a review on online platforms over competition concerns.

Google chief executive Sundar Pichai told analysts that "we understand there will be scrutiny" and that "we will engage constructively."

He added: "It's not new to us. We have participated in these processes before. And to the extent there are concerns we'll address them as well."

Google has denied abusing its position and an executive told lawmakers at an antitrust hearing this month that the company has "helped reduce prices and expand choice for consumers and merchants in the US and around the world."



Google CEO Sundar Pichai said the online giant would "engage constructively" with regulators amid a likely US antitrust review of major tech platforms

Ads and more ads

Google accounted for the lion's share of revenue and profits for the company with "other bets"—including Alphabet's autonomous driving division Waymo and its life sciences and cybersecurity units—bringing in a modest \$162 million in revenue and posting an operating loss of \$989 million.

Alphabet chief financial officer Ruth Porat said the results showed "we're delivering strong growth."

Google's digital ad revenues rose 16 percent from a year ago and accounted for \$32 billion of the company's revenues.

Google is the dominant player in internet search and as a result holds an estimated 31 percent share of digital advertising, according to the research firm eMarketer.

Its power has attracted scrutiny from antitrust regulators in Europe and more recently in the United States, where some lawmakers and candidates have called for a breakup of major tech firms.

Google has been seeking to diversify its revenue base with more hardware offerings including smartphones and digital assistants and a new streaming game service called Stadia.

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