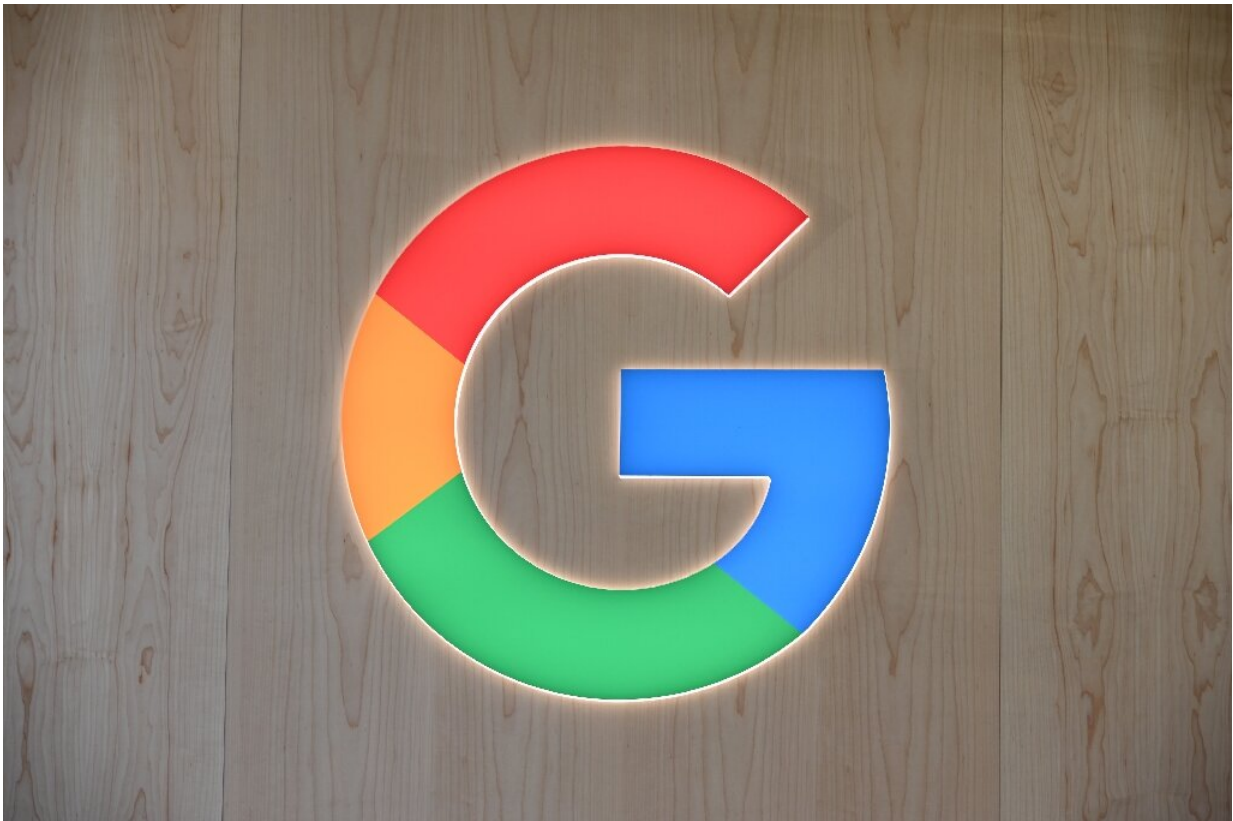


Pandemic lifestyle delivers earnings boon for Amazon, Google

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Alphabet's profits were fueled by Google online advertising

Pandemic-driven lifestyle changes that have put the internet at the center of seemingly everything proved a financial boon for Amazon and Google in the final three months of last year.

Google-parent Alphabet and the Seattle-based e-commerce colossus reported large earnings Tuesday on thriving [internet advertising](#) and the booming market for [online shopping](#).

"We are proud that people continue to choose Google's products to stay informed connected and comforted during uncertain times," chief executive Sundar Pichai said on an earnings call with analysts.

Alphabet said its quarterly profit rocketed some 50 percent to \$15.2 billion at the end of last year as its digital ad [business](#) thrived.

Alphabet revenue in the final three months of last year hit nearly \$57 billion, compared with \$46 billion in the same period in 2019, according to the internet titan.

The strong quarter "was driven by Search and YouTube, as consumer and [business activity](#) recovered from earlier in the year," Alphabet chief financial officer Ruth Porat said in the earnings release.

Businesses that cut back on digital advertising early last year due to the pandemic returned in force in the final quarter, following customers that flocked to the internet rather than risk exposure to Covid-19 in stores, according to Alphabet chief business officer Philipp Schindler.

"All three of Google's main lines of ad business outperformed our forecast, including YouTube," said eMarketer insider intelligence analyst Nicole Perrin.

Ad revenue related to online searches was up more than 17 percent at Google, Perrin noted.

Overall, Google took in slightly more than \$46 billion in revenue from digital ads, with \$6.9 billion of that money made from a growing

advertising business at global video-sharing platform YouTube, according to the [earnings report](#).

The cloud computing unit at Google brought in \$3.8 billion in the quarter, compared to revenue of \$2.6 billion in the same period a year earlier.

Bye bye Bezos

The pandemic is believed to have sped up a lasting shift by businesses, shops, and people in general to relying on services in the internet cloud.

"We see significant opportunities to forge meaningful partnerships as businesses increasingly look to a digital future," said Pichai.

While a financial boon, Google's dominance in online advertising has put it in the crosshairs of regulators concerned about the firm's clout. It is the target of a trio of antitrust lawsuits in the US accusing it of abusing its position.

Regulators are concerned that the Silicon Valley giant's search engine, ad platform, mapping service, Android mobile operating system and other offerings give it unfair advantages.

Amazon saw its revenue in the final quarter of last year climb to a record-setting \$125.6 billion, up 44 percent from \$87.4 billion in the same period in 2019, according to its earnings report.

Profit in the quarter more than double to \$7.2 billion in a similar comparison.

"Our data shows that Amazon was used more than ever before for holiday gifting, especially among those who were concerned about in-

person shopping for health reasons," GlobalData managing director Neil Saunders said in a note to investors.

"Looking ahead, we maintain our view that Amazon will emerge from the pandemic as a bigger and stronger business."

The blockbuster earnings report came with an announcement that founder Jeff Bezos will step down as chief executive later this year, turning control of the company over to Andy Jassy, head of lucrative Amazon Web Services cloud computing division

"When you look at our financial results, what you're actually seeing are the long-run cumulative results of invention," Bezos said in the earnings release.

"Right now I see Amazon at its most inventive ever, making it an optimal time for this transition."

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