

# Google's ad tech money-machine sparks EU antitrust charges

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Google is set to be hit with a formal antitrust complaint from the European Union that could pave the way for massive fines and strike at the heart of the advertising technology that drives most of the U.S. firm's

revenue.

The charge sheet, to be announced as soon as Wednesday, will target the core of the Alphabet Inc. unit's ad tech business model, according to people familiar with the matter who spoke on condition of anonymity. Google's advertising business is by far its most successful, accounting for about 80% of its annual revenue. In 2022, its ad sales amounted to about \$225 billion.

The new complaint is the most significant in the current five-year mandate of the European Commission, the EU's antitrust watchdog, one of the people said. It will mark another escalation in a long-running saga that's already led to a trio of EU penalties totaling more than €8 billion (\$8.6 billion.)

While fines for EU antitrust violations can reach as much as 10% of a firms' global sales, they seldom approach that level, meaning the impact on earnings of Silicon Valley giants is often muted. Instead, regulators usually also insist on changes to the structure of companies that can be even more onerous.

Alphabet shares closed up 1.15% in New York as the Russell 3000 Index Computer Services Subsector advanced.

Google didn't immediately respond to a request for comment on the EU's complaint. The commission in Brussels declined to comment.

Google has long held a key position in which it's able to collect data allowing advertisers to target ads, as well as sell ad space and provide the technology that allows for advertisers to find publishers to sell their space.

The EU first opened a probe into Google's ad tech practices in 2021.

The commission's investigation has been examining how the company may have obstructed rivals' access to user-data for [online advertising](#) as well as how it may have ring-fenced data for its own use.

Google's agreement with Meta Platforms Inc. as part of the Open Bidding program had originally been part of the probe, but was ditched in late 2022. In September 2022, the investigation was broadened after the Portuguese competition authority submitted new evidence.

The UK's competition authority has also been probing Google's ad-tech practices and litigation against the firm's behavior is ongoing in the U.S.

Companies have the right to defend themselves after regulators send out a statement of objections and after any antitrust penalties are levied.

Google is continuing to fight its EU fines in the courts, including a landmark €4.34 billion penalty for how it runs its Android mobile operating system.

EU judges trimmed that penalty to €4.125 billion last year, but Google is challenging the case at the bloc's highest court.

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