文件帖 2026-10-29 08:49

来源：刨米机AI精选 | 先知股票数据源

--- GS-3Q26机器人自动化格局分析-市场份额正如何变动.pdf ---
Jacqueline Du
+852-2978-1783 |
jacqueline.du@gs.com
Goldman Sachs (Asia) L.L.C.
Mid-to-Large/Small PLCs, Inovance slipped one spot to No.4/No.3 in Mid-to-Large/Small PLCs, with shares down 3pp/4pp qoq to 4%/11%.
3Q26 total industrial robot (IR) unit sales reached n 91k, +13%/-10% yoy/qoq (vs. +17%/+15% yoy/qoq in 2Q26). Against this, NBS-reported IR production units grew +28% yoy/-4% qoq, with the discrepancy between production and domestic sales narrowing sequentially from 112k to 108k, likely supported by the sequential rebound in exports (+31% qoq).
By end-market, high-tech verticals continued to n drive growth, albeit with growth broadly moderating sequentially. Autos notably turned negative (-5% yoy) for the first time since 4Q24.
Semiconductor/Auto Electronics/Electronics/Lithium battery grew +45%/+33%/+26%/+21% yoy in 3Q26 (vs. +65%/+33%/+21%/+31% yoy in 2Q26).
Domestic IR share in aggregate decreased sequentially n while consolidation among top players continued, with ESTUN/KUKA (Midea)/Inovance retaining their No. 1/2/3 positions and each gaining 1pp yoy in
28 October 2026 | 10:26AM HKT
CHINA INDUSTRIAL TECH
3Q26 Robot/Automation Landscape Analyzer: How are market shares shifting?

3Q26 key observations on the China Industrial Robot & Automation competitive landscape

Post MIR's estimated sales data (vs. production data reported by the NBS) as well as our coverage companies' business segment disclosures, we compile our latest landscape analyzer within.
Industrial automation (IA) market growth was flat yoy n in 3Q26, with OEM (mainly discrete automation) at +7% yoy offsetting the 3% yoy contraction in the project market (vs. +8%/-4% yoy in 2Q26). Domestic brands saw sequential share declines across Servo/Low-voltage Inverter/Mid-to-Large PLC/Small PLC (-7pp/-1pp/-3pp/-7pp qoq), as high-tech verticals

(e.g semiconductors) could be benefiting foreign brands more. Inovance retained its No.1 position in Servo/Low-voltage Inverter/SCARA robot. In

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.
Equity Research

share to 11%/10%/9%, respectively.

The author would like to thank Zhou Li, Hao Chen, Zhihan Ye and Junfang Zhang for their contribution to this report.

Exhibit 1: Industrial Automation market growth was flat in 3Q26, with the project/OEM market at -3%/+7% yoy
Industrial automation market yoy growth and by project/OEM market
-3%
7%
0%
-15%
-10%
-5%
0%
5%
10%
15%
20%
25%
-60,000
-40,000
-20,000
0
20,000
40,000
60,000
80,000
100,000
Rmb mn
Project market OEM market Project market yoy (%)
OEM market yoy (%) Overall IA market yoy (%)
OEM market maintained strong growth (mainly discrete automation), above project & overall IA market

3Q22 4Q22 1Q23 2Q23 3Q23 4Q23 1Q24 2Q24 3Q24 4Q24 1Q25 2Q25 3Q25 4Q25 1Q26 2Q26 3Q26
Market yoy growth
Project market 8% 5% 4% 4% 2% 5% 2% 4% 1% 4% 3% -3% 0% -3% 0% -4% -3%
OEM market -3% -7% -7% -9% -7% 1% -3% -5% -1% -2% 5% 2% 4% 5% 7% 8% 7%
T o t a l 4 %1 %0 % - 1 % - 1 %3 %0 %0 %0 %2 %4 % - 1 %1 % - 1 %3 %0 %0 %

In 2Q26, MIR reverted to the previous market structure with Project and OEM categories only (discontinuing the Others category introduced in 1Q26).

Source: MIR
28 October 2026 <
Goldman Sachs China Industrial Tech

Exhibit 2: Overview of who's gaining and who's losing market share in 3Q26
China industrial automation competitive landscape by key segment, 3Q26 market share and trend by company
CNC
system
Mid-to-
Large PLC
Small PLC
Industrial
robot
Servo
Low
voltage
inverter
INOVANCE ↓, 31% Panasonic ↑, 8%
Mitsubishi
↑,
7%
Siemens ↑
7%
Yaskawa ↓
6%
Delta
6%
Leadshine,
5%
Xinje,
5%
HCFA,
3%
Estun ↓,
3% Others, 19%
INOVANCE, 22% ABB ↑, 22% Siemens ↑, 17%
Schneider
8%
Danfoss,

7%
INVT,
5%
Delta,
5% VEICHI ↑,
5%
Mitsubishi,
3%
Yaskawa,
3%
Others,
3%
Siemens, 51% Mitsubishi ↑, 8% Omron ↓,
8%
INOVANCE,
4%
Rockwell ↓
3% Others, 25%
Siemens, 29% Mitsubishi ↑, 11% INOVANCE
↓ 11%
Xinje ↓
10%
Delta,
7% Others, 33%
FANUC, 27% Syntec, 21% Mitsubishi, 19% Siemens ↑, 12% GSK ↓, 8% Others, 13%
ESTUN
11%
Kuka (Midea) ↑,
10%
Inovance ↑
9% FANUC ↑ … Epson
5%
EFORT ↓
5%
ABB ↑,
5%
Yaskawa
↑, 4%
ROKAE
↓,
3%
Jaka,
3% Others, 35%
Field layer
Upper control layer

1) Yellow highlights refer to yoy mkt share gainers; dark blue refers to yoy mkt share losers; those with red border lines refer to our covered companies; 2) Above data is from MIR estimates on sales and could be at variance

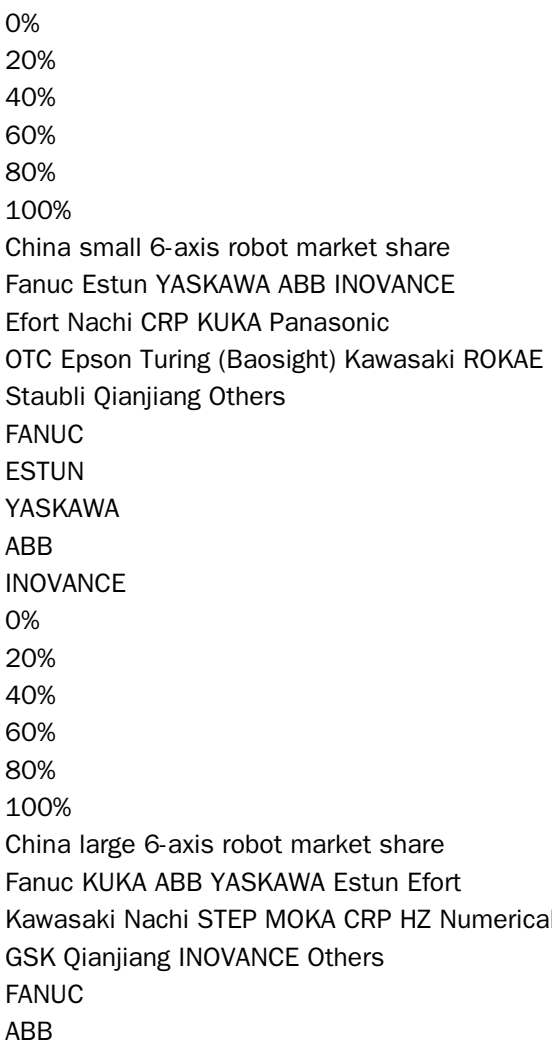
with companies' reported segment revenues.

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: In Small 6-axis robot, domestic players/Estun/Inovance 3Q26 market share -4pp/0pp/0pp yoy
Quarterly market share trend of major Small 6-axis robot players in China market

Exhibit 4: In Large 6-axis robot, domestic players/Estun/Inovance 3Q26 market share 0pp/-3pp/+2pp yoy
Quarterly market share trend of major Large 6-axis robot players in China market

Exhibit 5: In SCARA robot, domestic players/Inovance/Estun 3Q26 market share +3pp/+1pp/+6pp yoy
Quarterly market share trend of major SCARA players in China market



YASKAWA
ESTUN
INOVANCE
KUKA
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
China SCARA market share
INOVANCE Epson Yamaha STEP Estun
Delta Mitsubishi YASKAWA Linkhou Staubli
Fanuc ABB Efort KUKA Others
INOVANCE
ESTUN
EPSON
YAMAHA

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Exhibit 6: In Servo, domestic players/Inovance/Estun 3Q26 market share +4pp/+1pp/0pp yoy
Quarterly market share trend of major Servo players in China market

Exhibit 7: In PLC, Inovance 3Q26 market share +1pp yoy
Quarterly market share trend of major PLC players in China market

Exhibit 8: In Low Voltage Inverter, domestic players/Inovance 3Q26 market share +1pp/+1pp yoy
Quarterly market share trend of major low-voltage inverter players in China market
0%
20%

40%
60%
80%
100%
2021Q1
2021Q2
2021Q3
2021Q4
2022Q1
2022Q2
2022Q3
2022Q4
2023Q1
2023Q2
2023Q3
2023Q4
2024Q1
2024Q2
2024Q3
2024Q4
2025Q1
2025Q2
2025Q3
2025Q4
2026Q1
2026Q2
2026Q3
China servo market share
INOVANCE Siemens YASKAWA Mitsubishi Delta Panasonic
HCFA Xinje Leadshine Estun Omron Others
INOVANCE
SIEMENS
YASKAWA
ESTUN
0%
20%
40%
60%
80%
100%
2021Q1
2021Q2
2021Q3
2021Q4
2022Q1
2022Q2
2022Q3
2022Q4
2023Q1

2023Q2
2023Q3
2023Q4
2024Q1
2024Q2
2024Q3
2024Q4
2025Q1
2025Q2
2025Q3
2025Q4
2026Q1
2026Q2
2026Q3
China PLC market share
Siemens Omron Mitsubishi INOVANCE Rockwell
Schneider Xinje Delta Panasonic Others
SIEMENS
INOVANCE
OMRON
MITSUBISHI
0%
20%
40%
60%
80%
100%
2021Q1
2021Q2
2021Q3
2021Q4
2022Q1
2022Q2
2022Q3
2022Q4
2023Q1
2023Q2
2023Q3
2023Q4
2024Q1
2024Q2
2024Q3
2024Q4
2025Q1
2025Q2
2025Q3
2025Q4
2026Q1
2026Q2

2026Q3
China LV inverter market share
INOVANCE ABB Siemens Danfoss INVT
Schneider Delta Mitsubishi YASKAWA Others
INOVANCE
ABB
SIEMENS

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Source: MIR, Data compiled by Goldman Sachs Global Investment Research

Industrial automation (IA) market growth was flat yoy in 3Q26, with OEM (mainly discrete automation) at +7% yoy n
offsetting the 3% yoy contraction in the project market (vs. +8%/-4% yoy in 2Q26). Domestic brands saw sequential
share declines across Servo/Low-voltage Inverter/Mid-to-Large PLC/Small PLC (-7pp/-1pp/-3pp/-7pp qoq), as
high-tech verticals (e.g semiconductors) could be benefiting foreign brands more. Inovance retained its No.1 position in
Servo/Low-voltage Inverter/SCARA robot. In Mid-to-Large/Small PLCs, Inovance slipped one spot to No.4/No.3 in
Mid-to-Large/Small PLCs, with shares down 3pp/4pp qoq to 4%/11%.
3Q26 total industrial robot (IR) unit sales reached 91k, +13%/-10% yoy/qoq (vs. +17%/+15% yoy/qoq in 2Q26). n
Against this, NBS-reported IR production units grew +28% yoy/-4% qoq, with the discrepancy between production and
domestic sales narrowing sequentially from 112k to 108k, likely supported by the sequential rebound in exports (+31%
qoq).
By end-market, high-tech verticals continued to drive growth, albeit with growth broadly moderating sequentially. n
Autos notably turned negative (-5% yoy) for the first time since 4Q24. Semiconductor/Auto Electronics/Electronics/Lithium battery grew +45%/+33%/+26%/+21% yoy in 3Q26 (vs. +65%/+33%/+21%/+31% yoy
in 2Q26).
Domestic IR share in aggregate decreased sequentially, with total domestic share at 56% in 3Q26 (vs. 60% in 2Q26) that n
mainly concentrated in Small/Large 6-axis robots, where domestic shares declined 5pp/3pp qoq to 54%/33%, while

SCARA/Cobot shares remained broadly stable at 63%/94%. Consolidation among top players continued, with
ESTUN/KUKA (Midea)/Inovance retaining their No. 1/2/3 positions and each gaining 1pp yoy in share to
11%/10%/9%, respectively.
For small 6-axis robots, ESTUN remained No.2 with 10% share (-1pp qoq/flat yoy), while Inovance slipped to No.4 o
from No.3 in 2Q26 with 6% share (-1pp qoq/flat yoy). ESTUN/Inovance sales volumes were -24%/-27% qoq,
although both remained higher yoy at +8%/+14%.
For large 6-axis robots, ESTUN retained its No.3 position with 13% share (-1pp qoq/-3pp yoy), alongside -5% o
qoq/-14% yoy sales volume growth. Inovance improved to No.7 from No.8 in 2Q26, with 4% share (flat qoq/+2pp
yoy), supported by +5% qoq/+163% yoy sales volume growth.
In SCARA robots, Inovance retained the No.1 spot for a fifth consecutive quarter, with share recovering to 27% o
(+4pp qoq/+1pp yoy). ESTUN remained No.3, with share rising to 14% (+2pp qoq/+6pp yoy), supported by +1%
qoq/+91% yoy sales volume growth. Domestic brands' total share was broadly stable qoq and up 3pp yoy at 63%.
Cobots remained the fastest-growing category at +38% yoy (vs. +43% yoy in 2Q26). o

Exhibit 9: Industrial Automation market growth was flat in 3Q26, with the OEM/project market at +7%/-3% yoy
Industrial automation market yoy growth and by project/OEM market
-3%
7%
0%
-15%
-10%
-5%
0%
5%
10%
15%
20%
25%
-60,000
-40,000
-20,000
0
20,000
40,000
60,000
80,000
100,000

Rmb mn
Project market OEM market Project market yoy (%)
OEM market yoy (%) Overall IA market yoy (%)
OEM market maintained strong growth
(mainly discrete automation), above
project & overall IA market
3Q22 4Q22 1Q23 2Q23 3Q23 4Q23 1Q24 2Q24 3Q24 4Q24 1Q25 2Q25 3Q25 4Q25 1Q26 2Q26 3Q26
Market yoy growth
Project market 8% 5% 4% 4% 2% 5% 2% 4% 1% 4% 3% -3% 0% -3% 0% -4% -3%
OEM market -3% -7% -7% -9% -7% 1% -3% -5% -1% -2% 5% 2% 4% 5% 7% 8% 7%
T o t a l 4 %1 %0 % - 1 % - 1 %3 %0 %0 %0 %2 %4 % - 1 %1 % - 1 %3 %0 %0 %

Source: MIR
28 October 2026 <#>
Goldman Sachs China Industrial Tech

Exhibit 10: 3Q26 total industrial robot unit sales reached 91k as Small 6-axis/Large 6-axis/SCARA/Delta/Cobot unit sales were 27k/27k/21k/2k/14k units. Cobots continued being the category with strongest growth at +38% yoy
Quarterly unit sales by robot type, and quarterly total production units in China
Total production (units)
0
50
100
150
200
250
300
2024Q3 2024Q4 2025Q1 2025Q2 2025Q3 2025Q4 2026Q1 2026Q2 2026Q3
k units
Large 6-axis Small 6-axis SCARA Delta Cobot
Sales growth (%) 2024Q3 2024Q4 2025Q1 2 025Q2 2025Q3 2025Q4 2026Q1 2026Q2 2026Q3
Sales yoy growth (%)
Small 6-axis -3% -9% 4% 18% 5% 9% 13% 15% 10%
Large 6-axis -2% 1% 12% 21% 6% 10% 3% 11% 5%
SCARA 13% 12% 11% 10% 2% 34% 23% 13% 15%
Delta 8% 1% 1% 4% 6% 18% 8% 3% 10%
Cobot 27% 27% 41% 52% 31% 31% 29% 43% 38%
Total 4% 2% 12% 20% 7% 18% 14% 17% 13%
Sales qoq growth (%)
Small 6-axis 3% -1% 4% 12% -9% 4% 7% 14% -13%
Large 6-axis 20% 11% -8% -2% 5% 15% -14% 6% 0%
SCARA -7% -9% 9% 19% -13% 19% 1% 8% -11%
Delta 1% -4% -4% 12% 3% 7% -11% 6% 9%
Cobot -1% 29% -14% 38% -14% 29% -16% 53% -17%
Total 5% 4% -1% 12% -6% 14% -5% 15% -10%
Production growth (%)
yoy % 37% 41% 49% 62% 37% 17% 28% 24% 28%

qoq % 9% 12% 0% 33% -7% -5% 9% 28% -4%
-20
0
20
40
60
80
100
120
2024Q3 2024Q4 2025Q1 2025Q2 2025Q3 2025Q4 2026Q1 2026Q2 2026Q3
k units
Restocking or net export increasing / Destocking or net import increasing trend
destocking/net
import increase
restocking/net
export increase

1) Large/Small 6-axis robots refer to those with payload above/below 20kg respectively. 2) Under the hypothesis of China's robots import and export volumes stay stable, restocking/destocking trend is tracked by whether
quarterly discrepancy between production and sales is above/below historical avg. (from 2021Q1 to current quarter).

Source: MIR, NBS

Exhibit 11: By end-market, sales to Semiconductor grew 45% yoy in 3Q26 (vs. +65% yoy in 2Q26). Auto Electronics/Electronics maintained strong growth at
+33%/+26% yoy in 3Q26, while Auto declined 5% yoy and Solar's decline widened to 19% yoy
Industrial robot sales mix and yoy growth by end-market
3Q26 end market mix
Electronics, 22%
Metal products, 13%
Auto parts, 18%Lithium battery, 8%
F&B;, 7%
Auto, 7%
Home appliance, 3%
Solar, 3%
Auto electronics, 5%
Medical products, 2%
Chemical products, 1%
Logistics, 2%
Semiconductor, 1% Others, 8%
End market: yoy growth (%) 2024Q3 2024Q4 202 5Q1 2025Q2 2025Q3 2025Q4 2026Q1 2026Q2 2026Q3
Electronics 27% 15% 9% 26% 8% 13% 22% 21% 26%
Auto parts 11% 12% 24% 28% 13% 26% 19% 15% 7%
Metal products 18% 7% 7% 12% 4% 12% 6% 12% 17%
Lithium battery -28% -11% 10% 34% 17% 29% 19% 31% 21%

Solar -51% -40% -15% -24% -22% -18% 4% -9% -19%
Auto -9% -20% 45% 33% 6% 22% 4% 7% -5%
F&B; 12% 5% 6% 8% 4% 7% 13% 13% 14%
Auto electronics 18% 15% 22% 26% 16% 27% 24% 33% 33%
Home appliance 29% 22% 12% 6% 4% 7% 6% 6% 8%
Medical products 12% 6% 8% 8% 5% 8% 5% 5% 9%
L o g i s t i c s 4 %2 %4 %7 %2 %9 %7 % 1 0 %8 %
Chemical products 9% 5% 7% 10% 3% 9% 8% 10% 10%
Semiconductor 23% 12% 25% 34% 30% 21% 25% 65% 45%
Others 26% 15% 8% 35% 10% 42% 3% 20% 7%
-30%
-20%
-10%
0%
10%
20%
30%
40%
50%
60%
70%
3Q26 end market yoy growth (%) 2Q26 end market yoy growth (%)

Source: MIR

Exhibit 12: The implied RV/Harmonic reduction gears industry sales units, on our estimates, may have delivered +8%/+19% yoy growth respectively in 3Q26
Quarterly unit sales & yoy growth of reduction gears by GSe
# of reduction gears per robot RV Harmonic
Small 6-axis 2.0 4.0
Large 6-axis 6.0 0.0
SCARA 0.0 2.5
Delta 0.0 0.0
Cobot 1.0 6.0
Implied RV/Harmonic reduction gears sales and growth 2024Q3 20 24Q4 2025Q1 20 25Q2 2025Q3 20 25Q4 2026Q1 20 26Q2 2026Q3
Sales (k units)
RV reduction gears 202 219 207 214 215 243 221 243 232
Harmonic reduction gears 184 193 192 230 204 233 229 283 243
yoy growth (%)
RV reduction gears -1% 0% 11% 22% 7% 11% 6% 14% 8%
Harmonic reduction gears 7% 4% 14% 24% 11% 21% 20% 23% 19%
qoq growth (%)
RV reduction gears 15% 9% -5% 3% 1% 13% -9% 10% -5%
Harmonic reduction gears -1% 5% -1% 20% -11% 15% -2% 23% -14%

Note: Reduction gears unit sales are our estimations based on robot unit sales by type as reported by MIR in Exhibit 3 and # of reduction gears per robot we assumed above.

Source: MIR, Goldman Sachs Global Investment Research
28 October 2026 <#>
Goldman Sachs China Industrial Tech

Exhibit 13: China's domestic industrial robot players' total market share was -3pp qoq/+1pp yoy to 56% in 3Q26. ESTUN/Inovance now ranked No.1/No.3 respectively
Total industrial robot unit sales breakdown by brand
Total

Rank	Brands	Origin	3Q26 QoQ	3Q26 YoY	3Q25	4Q25	1Q26	2Q26	3Q26	2025	3Q26 QoQ	3Q26 YoY
1	ESTUN	Domestic	-8%	19%	10%	10%	10%	11%	11%	10%	0pp	1pp
2	Kuka (Midea)	Overseas	-3%	31%	9%	10%	10%	10%	10%	10%	1pp	1pp
3	Inovance	Domestic	-3%	30%	8%	9%	10%	9%	9%	8%	1pp	1pp
4	FANUC	Overseas	-4%	1%	9%	11%	9%	8%	9%	10%	1pp	-1pp
5	Epson	Overseas	-11%	47%	4%	5%	5%	6%	5%	5%	0pp	1pp
6	EFORT	Domestic	-26%	12%	5%	4%	5%	6%	5%	5%	-1pp	0pp
7	A B B	O v e r s e a s	1 3 %	- 1 %	6 %6	%6 %4	%	5%	6%	1pp	-1pp	
8	Yaskawa	Overseas	13%	6%	5%	4%	5%	4%	4%	5%	1pp	0pp
9	ROKAE	Domestic	-47%	58%	2%	3%	4%	6%	3%	3%	-2pp	1pp
10	Jaka	Domestic	-6%	37%	2%	3%	2%	2%	3%	2%	0pp	0pp
11	Yamaha	Overseas	-13%	5%	2%	3%	2%	2%	2%	3%	0pp	0pp
12	Aubo	Domestic	-9%	31%	2%	2%	2%	2%	2%	2%	0pp	0pp
13	STEP	Domestic	-19%	0%	2%	2%	3%	2%	2%	2%	0pp	0pp
14	CRP	Domestic	-5%	40%	2%	1%	2%	2%	2%	2%	0pp	0pp
15	Warsonco	Domestic	-14%	75%	1%	1%	1%	2%	2%	1%	0pp	1pp
16	Siasun	Domestic	-21%	15%	2%	2%	1%	2%	2%	1%	0pp	0pp
17	MOKA	Domestic	-19%	-7%	2%	1%	1%	2%	1%	1%	0pp	0pp
18	Dobot	Domestic	-13%	86%	1%	1%	1%	1%	1%	1%	0pp	1pp
19	Kawasaki	Overseas	-12%	14%	1%	2%	2%	1%	1%	2%	0pp	0pp
20	Qianjiang	Domestic	-15%	12%	1%	1%	1%	1%	1%	1%	0pp	0pp
Domestic Total			-15%	15%	55%	54%	55%	60%	56%	54%	-3pp	1pp
Overseas Total			-2%	11%	45%	46%	45%	40%	44%	46%	3pp	-1pp

Sales volume trend Mkt share

Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies.

Source: MIR
28 October 2026 <#>
Goldman Sachs China Industrial Tech

Exhibit 14: For Small 6-axis robots in 3Q26, ESTUN remained No.2, while Inovance moved back to No.4 (vs. No.3 in 2Q26), with their market shares stable yoy at 10%/6%
Small 6-axis robot (<20kg payload) unit sales breakdown by brand
Small 6-axis

Rank	Brands	Origin	3Q26 QoQ	3Q26 YoY	3Q25	4Q25	1Q26	2Q26	3Q26	2025	3Q26 QoQ	3Q26 YoY
1	FANUC	Overseas	-18%	22%	9%	13%	10%	11%	10%	11%	-1pp	1pp

2 ESTUN Domestic -24% 8% 10% 11% 10% 11% 10% 11% -1pp 0pp
3 ABB Overseas 44% 26% 6% 7% 6% 4% 7% 7% 3pp 1pp
4 Inovance Domestic -27% 14% 6% 5% 7% 7% 6% 6% -1pp 0pp
5 EFORT Domestic -20% -33% 10% 6% 5% 6% 6% 7% -1pp -4pp
6 CRP Domestic -7% 44% 4% 4% 4% 5% 6% 4% 0pp 1pp
7 Yaskawa Overseas -2% 18% 5% 5% 8% 5% 5% 6% 1pp 0pp
8 Kuka (Midea) Overseas 1% 38% 4% 5% 4% 4% 5% 4% 1pp 1pp
9 Epson Overseas -20% 120% 2% 3% 3% 5% 4% 3% 0pp 2pp
10 Qianjiang Domestic -15% 22% 4% 3% 4% 5% 4% 3% 0pp 0pp
11 Panasonic Overseas -2% 12% 4% 4% 5% 4% 4% 4% 0pp 0pp
12 ROKAE Domestic -43% 26% 3% 4% 6% 6% 4% 4% -2pp 0pp
13 OTC Overseas 23% 5% 4% 3% 4% 2% 3% 3% 1pp 0pp
14 MOKA Domestic -18% 7% 3% 1% 2% 3% 3% 2% 0pp 0pp
15 Turin (Baosight) Domestic -19% 14% 3% 3% 1% 3% 3% 2% 0pp 0pp
16 Peitian Domestic -12% 1% 3% 3% 3% 3% 3% 3% 0pp 0pp
17 Siasun Domestic 5% 5% 2% 2% 1% 2% 2% 2% 0pp 0pp
18 STEP Domestic 2% -7% 3% 3% 3% 2% 2% 2% 0pp 0pp
19 Nachi Overseas 8% -27% 3% 1% 2% 2% 2% 2% 0pp -1pp
20 Kawasaki Overseas -29% 11% 2% 2% 2% 2% 2% 2% 0pp 0pp
Domestic Total -21% 2% 58% 55% 55% 59% 54% 55% -5pp -4pp
Overseas Total -3% 20% 42% 45% 45% 41% 46% 45% 5pp 4pp
Sales volume trend Mkt share

Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies.

Source: MIR
28 October 2026 <<
Goldman Sachs China Industrial Tech

Exhibit 15: For Large 6-axis robots in 3Q26, ESTUN remained No.3, while Inovance rose to No.7 (vs. No.8 in 2Q26), with market shares of 13%/4% (-1pp/0pp qoq)
Large 6-axis robot (>20kg payload) unit sales breakdown by brand
Large 6-axis Mkt share
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 4Q25 1Q26 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 Kuka (Midea) Overseas -1% 33% 21% 23% 24% 27% 27% 23% 0pp 5pp
2 FANUC Overseas 9% -8% 20% 21% 20% 16% 18% 20% 1pp -3pp
3 ESTUN Domestic -5% -14% 15% 15% 13% 13% 13% 14% -1pp -3pp
4 Yaskawa Overseas 25% 3% 9% 9% 7% 7% 9% 8% 2pp 0pp
5 ABB Overseas -6% -13% 10% 10% 13% 9% 8% 10% -1pp -2pp
6 EFORT Domestic -14% 31% 6% 3% 5% 8% 7% 5% -1pp 1pp
7 Inovance Domestic 5% 163% 2% 3% 2% 4% 4% 2% 0pp 2pp
8 Kawasaki Overseas 3% 17% 3% 5% 4% 3% 3% 4% 0pp 0pp
9 ROKAE Domestic -46% 117% 1% 1% 3% 4% 2% 2% -2pp 1pp
10 Nachi Overseas 58% -23% 2% 1% 1% 1% 2% 2% 1pp -1pp
11 MOKA Domestic -19% -35% 2% 1% 2% 2% 1% 1% 0pp -1pp
12 Siasun Domestic -18% 12% 1% 1% 1% 1% 1% 1% 0pp 0pp
13 CRP Domestic -10% -18% 1% 1% 1% 1% 1% 1% 0pp 0pp
14 STEP Domestic 13% -18% 1% 1% 1% 1% 1% 1% 0pp 0pp
15 Peitian Domestic -11% 45% 0% 0% 1% 1% 1% 0% 0pp 0pp

16 Hyundai Overseas 11% -17% 0% 1% 0% 0% 0% 1% 0pp 0pp
17 Gree Domestic -10% 29% 0% 0% 0% 0% 0% 0% 0pp 0pp
18 Qianjiang Domestic -13% -53% 1% 0% 0% 0% 0% 0% 0pp 0pp
19 Comau Overseas -10% 50% 0% 0% 0% 0% 0% 0% 0pp 0pp
20 Turin (Baosight) Domestic 14% -73% 1% 1% 0% 0% 0% 1% 0pp 0pp
Domestic Total -9% 5% 33% 30% 30% 36% 33% 31% -3pp 0pp
Overseas Total 5% 6% 67% 70% 70% 64% 67% 69% 3pp 0pp
Sales volume trend

Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies.

Source: MIR
28 October 2026 <<
Goldman Sachs China Industrial Tech

Exhibit 16: For SCARA robots, Inovance defends No.1 spot for a fifth consecutive quarter (+4pp qoq /+1pp yoy). ESTUN remains No. 3 with its market share rising to
14% (+2pp qoq/+6pp yoy)
SCARA robot unit sales breakdown by brand and market share trends
SCARA Mkt share
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 4Q25 1Q26 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 Inovance Domestic 6% 21% 25% 28% 27% 22% 27% 24% 4pp 1pp
2 Epson Overseas -7% 33% 15% 19% 16% 17% 18% 18% 1pp 2pp
3 ESTUN Domestic 1% 91% 9% 8% 11% 12% 14% 9% 2pp 6pp
4 Yamaha Overseas -13% 5% 11% 11% 9% 10% 10% 11% 0pp -1pp
5 STEP Domestic -29% 9% 6% 5% 6% 7% 6% 6% -1pp 0pp
6 EFORT Domestic -43% 243% 2% 3% 6% 9% 6% 4% -3pp 4pp
7 Kuka (Midea) Overseas -22% 11% 4% 5% 6% 4% 4% 4% 0pp 0pp
8 Delta Overseas -33% -31% 4% 2% 2% 3% 2% 3% -1pp -2pp
9 L i n k h o u D o m e s t i c - 5 % - 4 2 % 3 %3 %1 %2 % 2% 2% 0pp -2pp
10 Mitsubishi Overseas -7% -30% 2% 1% 1% 1% 1% 2% 0pp -1pp
11 Turin (Baosight) Domestic -20% 18% 1% 1% 1% 1% 1% 1% 0pp 0pp
12 MOKA Domestic -20% 25% 1% 0% 1% 1% 1% 1% 0pp 0pp
13 Robotphoenix Domestic -25% 13% 1% 0% 1% 1% 1% 1% 0pp 0pp
14 Peitian Domestic -35% -25% 1% 1% 2% 1% 1% 1% 0pp 0pp
15 Staubli Overseas 20% -25% 1% 1% 1% 0% 1% 1% 0pp 0pp
16 Yaskawa Overseas 0% -39% 1% 1% 1% 0% 1% 1% 0pp 0pp
17 FANUC Overseas -50% -8% 1% 0% 0% 1% 1% 0% 0pp 0pp
18 ABB Overseas na -60% 1% 1% 0% 0% 0% 1% 0pp -1pp
19 QKM Domestic -20% -20% 1% 0% 0% 0% 0% 1% 0pp 0pp
20 Siasun Domestic -60% na 0% 0% 0% 1% 0% 0% 0pp 0pp
Domestic Total -11% 21% 59% 59% 63% 62% 63% 58% 0pp 3pp
Overseas Total -12% 6% 41% 41% 37% 38% 37% 42% 0pp -3pp
Sales volume trend

Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies.

Source: MIR
28 October 2026 <<#>

Exhibit 17: For cobots, ESTUN jumped to No.7 (vs. No.10 in 2Q26), with its market share rising to 5% (+1pp qoq/+3pp yoy). Sales volume grew +8% qoq/+225% yoy.
Cobot unit sales breakdown by brand
Cobot
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 4Q25 1Q26 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 Jaka Domestic -6% 37% 17% 20% 19% 15% 17% 18% 2pp 0pp
2 Aubo Domestic -9% 31% 16% 17% 19% 14% 16% 17% 1pp -1pp
3 Warsonco Domestic -14% 88% 8% 9% 9% 11% 11% 7% 0pp 3pp
4 ROKAE Domestic -50% 69% 8% 14% 9% 17% 10% 11% -7pp 2pp
5 Dobot Domestic -13% 86% 7% 7% 8% 9% 10% 6% 0pp 2pp
6 Elito Domestic -38% 8% 6% 6% 7% 6% 5% 6% -2pp -1pp
7 ESTUN Domestic 8% 225% 2% 2% 4% 4% 5% 3% 1pp 3pp
8 Huayan Robotics Domestic -28% 2% 6% 3% 6% 5% 5% 6% -1pp -2pp
9 TM Domestic -18% 13% 4% 3% 3% 3% 3% 4% 0pp -1pp
10 Siasun Domestic -36% 18% 4% 3% 2% 4% 3% 4% -1pp -1pp
Domestic Total -17% 36% 96% 97% 94% 94% 94% 96% 0pp -2pp
Overseas Total -17% 89% 4% 3% 6% 6% 6% 4% 0pp 2pp
Sales volume trend Mkt share

Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies. Note: In March 2025, Han's Robot (previously a majority-owned subsidiary of Han's Laser under
our coverage) formally rebranded as Huayan Robotics following a corporate restructuring. Huayuan now operates as a fully independent entity and is no longer consolidated within the Han's Laser listed group.

Source: MIR

Exhibit 18: Inovance maintained No.1 positions in Servo and Low Voltage Inverter in 3Q26, although its Servo market share fell 7pp qoq to 31% as overseas peers
gained share. In Mid-to-Large/Small PLCs, Inovance slipped one spot to No.4/No.3, with market shares declining 3pp/4pp qoq to 4%/11%, respectively.
Key industrial automation product sales breakdown by brand
Servo
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 INOVANCE Domestic -26% 21% 30% 38% 31% 30% -7pp 1pp
2 Panasonic Overseas 42% 29% 8% 5% 8% 7% 3pp 1pp
3 Mitsubishi Overseas 98% 21% 7% 3% 7% 6% 4pp 0pp
4 Siemens Overseas -45% 12% 7% 11% 7% 9% -4pp 0pp
5 Yaskawa Overseas -7% 10% 6% 6% 6% 7% 0pp 0pp
6 Delta Domestic -3% 12% 6% 5% 6% 6% 0pp 0pp
7 Leadshine Domestic -12% 63% 4% 5% 5% 4% 0pp 1pp
8 Xinje Domestic -6% 43% 4% 5% 5% 4% 0pp 1pp
9 HCFA Domestic -21% 51% 3% 4% 3% 3% -1pp 1pp
10 Estun Domestic 1% 28% 3% 3% 3% 3% 0pp 0pp
Major Domestic Brands Total -19% 27% 49% 60% 53% 51% -7pp 4pp

Major Overseas Brands Total 1% 17% 36% 33% 36% 36% 3pp 0pp
Others 47% -13% 14% 7% 11% 13% 4pp -4pp
Low voltage inverter
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 INOVANCE Domestic -2% 10% 21% 23% 22% 22% 0pp 1pp
2 ABB Overseas 19% 9% 21% 18% 22% 19% 3pp 1pp
3 Siemens Overseas 26% 4% 17% 14% 17% 16% 4pp 0pp
4 Schneider Overseas 24% 11% 7% 6% 8% 5% 1pp 0pp
5 Danfoss Overseas 14% 10% 7% 6% 7% 6% 1pp 0pp
6 INVT Domestic -4% 1% 6% 6% 5% 5% 0pp 0pp
7 Delta Domestic -11% 6% 5% 6% 5% 5% -1pp 0pp
8 VEICHI Domestic 12% 15% 4% 4% 5% 4% 0pp 0pp
9 Mitsubishi Overseas 38% 2% 3% 2% 3% 3% 1pp 0pp
10 Yaskawa Overseas 48% -1% 3% 2% 3% 2% 1pp 0pp
Major Domestic Brands Total -4% 8% 32% 34% 33% 33% -1pp 1pp
Major Overseas Brands Total 24% 7% 61% 50% 62% 53% 12pp 1pp
Others -67% -21% 7% 15% 5% 14% -10pp -2pp
Mid to Large PLC
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 Siemens Overseas 6% 73% 44% 51% 51% 45% 0pp 8pp
2 Mitsubishi Overseas 78% 27% 9% 5% 8% 8% 3pp -1pp
3 Omron Overseas -16% 18% 10% 10% 8% 10% -2pp -2pp
4 INOVANCE Domestic -36% 32% 5% 7% 4% 5% -3pp 0pp
5 Rockwell Overseas -13% 3% 5% 4% 3% 5% -1pp -1pp
Major Domestic Brands Total -29% 28% 6% 8% 5% 6% -3pp -1pp
Major Overseas Brands Total 6% 50% 75% 76% 76% 76% 0pp 1pp
Others 20% 42% 19% 16% 19% 18% 2pp -1pp
Small PLC
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 Siemens Overseas 8% -39% 39% 30% 29% 41% 0pp -10pp
2 Mitsubishi Overseas 66% 26% 7% 7% 11% 8% 4pp 4pp
3 INOVANCE Domestic -21% 38% 6% 15% 11% 7% -4pp 4pp
4 Xinje Domestic -8% 14% 7% 12% 10% 8% -2pp 3pp
5 Delta Domestic 2% 6% 5% 7% 7% 5% 0pp 2pp
Major Domestic Brands Total -11% 17% 21% 36% 29% 21% -7pp 9pp
Major Overseas Brands Total 21% -21% 58% 50% 56% 59% 6pp -2pp
Others 17% -42% 21% 14% 15% 20% 1pp -6pp
CNC system
Rank Brands Origin 3Q26 QoQ 3Q26 YoY 3Q25 2Q26 3Q26 2025 3Q26 QoQ 3Q26 YoY
1 FANUC Overseas -3% 13% 31% 27% 27% 31% 1pp -4pp
2 Syntec Domestic 1% 168% 10% 20% 21% 11% 1pp 11pp
3 Mitsubishi Overseas -7% 18% 21% 19% 19% 19% 0pp -2pp
4 Siemens Overseas -2% 12% 14% 12% 12% 14% 0pp -2pp
5 GSK Domestic -1% 17% 9% 8% 8% 9% 0pp -1pp
Major Domestic Brands Total 0% 95% 20% 28% 29% 20% 1pp 10pp
Major Overseas Brands Total -4% 14% 66% 57% 58% 65% 1pp -8pp
Others -18% 18% 14% 15% 13% 15% -2pp -1pp
Sales trend
Sales trend

Sales trend
Sales trend
Sales trend
Mkt share
Mkt share
Mkt share
Mkt share
Mkt share

1) Above data is from MIR's estimates on sales and could vary with segment revenues as reported by the respective companies. 2) Inovance low-voltage inverter data has included elevator inverter and servo has excluded
PIMM servo.

Source: MIR

Valuation and key risks for relevant coverage companies

Exhibit 19: Valuation and key risks for relevant covered companies

Company	Ticker	Pricing Currency (PCY)	Target price	TP methodology	P/E multiple	Cost of Equity	Risks
Buy							
Inovance	300124.SZ	CNY	75.9	2027E P/E	30x	9.5%	Downside risks: (1) slower-than-expected industrial automation market share gains; (2) weaker-than-expected margin trends; (3) EV component segment ramp-up coming slower than expected; (4) general manufacturing capex/automation demand slowing down.
Shuanghuan	002472.SZ	CNY	45.7	2027E P/E	25x	9.5%	Downside risks: (1) Lower-than-expected market share in NEV segment; (2) Lower-than-expected GPM improvement; (3) Lower-than-expected industrial robot gears revenue.
Neutral							
LeaderDrive	688017.SS	CNY	285.1	2035E P/E discounted back to 2027E	35x	12.0%	Upside/downside risks: (1) faster/lower-than-expected volume production and/or technology advancement of humanoid robots; (2) better/worse-than-expected domestic industrial/collaborative robot demand; (3) faster/lower-than-expected penetration into key robot customers (especially foreign brands); (4) more/less competition pressure from overseas and local brands.
Estun-H	2715.HK	HKD	11.6	2030E P/E discounted back to 2027E	25x	11.5%	Up/downside risks for Estun-H: (1) Faster/Slower-than-expected robotics market share gains;(2) Better/Worse-than-expected margin trend; (3) Faster/Slower-than-expected humanoid robot development progress
Sell							

Supcon 688777.SS CNY 42.3 2030E P/E discounted back
to 2027E 28x 10.5%
Upside risks: (1) Higher contribution from new initiatives; (2) Stronger-than-expected chemicals investment cycle; (3) Faster overseas expansion progress; (4) Faster domestic DCS market share gain.
Baosight 600845.SS CNY 15.2 2027E P/E 25x 10.5% Upside risks: (1) faster expansion into ex-steel markets; (2) faster industry consolidation
progress of Baowu Group; (3) faster n of new products.
Estun-A 002747.SZ CNY 14.7 2030E P/E discounted back
to 2027E 35x 11.5%
Upside risks for Estun-A: (1) Faster than expected robotics market share gains; (2) Better-than-expected margin trend; (3) Faster-than-expected humanoid robot development progress.

TPs are based on a 12-month period.

Source: Goldman Sachs Global Investment Research
28 October 2026 <<#>
Goldman Sachs China Industrial Tech

Appendix

Exhibit 20: Overview of what we are tracking within the China Industrial Automation market: PLC, CNC, DCS, Servo, inverter and robot
China industrial automation market value chain and TAM distribution
Factory/
Discrete
Automation
Process
Automation
Robot
controller
PLC/IPC
(+8% 2025)
Servos
(+8% 2025)
Hydraulic/Pneumatic systems,
inverters/
servos; ballscrew, etc.
Linear guide, Servos,
ballscrew
Planetary reducer
Position detection
etc.
HMI, cutting
tools, etc.
NC Machine tools
Various
specialized

equipment
HMI, valves, etc.
Temperature,
pressure etc.
Planetary reducer
DCS
(-13% 2025) SIS
Temperature, pressure, fluid, etc.
HMI, valves, etc.
Robot reducer
(+14% 2025)
Visual, Force,
Ultrasonic etc.
HMI, Welding unit,
Painting unit etc.
Industrial Robots
(+14% 2025)
Two main automation segments
Control
Actuator
Reducer
Sensor
HMI and others
Physical processes/
equipment
2025 TAM: Rmb660bn
(US$94bn)
MES MESSoftware
CNC
(+11% 2025)
PLMERP ERP
PLC/IPC
(+8% 2025)
57%
1%
1%
2% 5%
5%
5%
7%
17%
Industrial software
Motion control
Actuators & drives
Feedback devices
HMI
Electronics
Others
Comunication & power supply

Key equipment

Key equipment TAM data is GSe (including general equipment such as industrial robots, machine tools and laser equipment, as well as specialized equipment such as battery equipment and solar equipment); other TAM data
is from MIR.

Source: MIR, NBS, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC
I, Jacqueline Du, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part
of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.
Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.
Contributing Authors: Jacqueline Du Goldman Sachs (Asia) L.L.C..
Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.
GS Factor Profile
The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our universe of rated stocks) and its sector peers. The four key attributes depicted
are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized
ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:
Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company.
Financial Returns is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. Multiple is based
on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a
stock trading at a higher multiple. The Integrated percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).
Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future
compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A; Rank

Across our global coverage, we examine stocks using an M&A; framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A; rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A; component into our target price. M&A; rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Estun Automation Co.(A), Estun Automation Co.(H) and Shenzhen Inovance Technology Co. is/are relative to the other companies in its/their coverage universe: Best, Bochu, CRRC Corp. (A), CRRC Corp. (H), Centre Testing Intl Group, Estun Automation Co.(A), Estun Automation Co.(H), Faratronic, Haitian International Holdings, Han's Laser Technology, Hongfa Technology, Huaming, Kehua Data Co., Lead Intelligent (A), Lead Intelligent (H), Leader Harmonious Drive Systems Co., Luster LightTech Co., Megmeet, Moons' Electric, NARI Technology, Nantong Jianghai Capacitor Co., OPT Machine Vision Tech Co., Sanhua Intelligent Controls (A), Sanhua Intelligent Controls (H), Shanghai Baosight Software, Shenzhen Envicool Technology, Shenzhen Inovance Technology Co., Shenzhen Kstar Science & Tech, Shuanghuan Driveline, Sieyuan Electric, Sungrow Power Supply Co., Techtronic Industries, Wuhan Raycus Fiber Laser Tech, Yiheda Automation, Yingliu, Zhejiang Supcon Technology Co., Zhuzhou CRRC Times Electric Co. (A), Zhuzhou CRRC Times Electric Co. (H)

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Estun Automation Co.(A) (Rmb28.45) and Estun Automation Co.(H) (HK$12.75)

There are no company-specific disclosures for: Shenzhen Inovance Technology Co. (Rmb53.31)

Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

As of October 1, 2026, Goldman Sachs Global Investment Research had investment ratings on 3,094 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists;
stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related
definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services
within the previous twelve months.
Price target and rating history chart(s)

Target price history table(s)
Rating Distribution Investment Banking Relationships
Buy Hold Sell Buy Hold Sell
Global 50% 34% 16% 65% 58% 43%
Estun Automation Co.(A) (002747.SZ) Shenzhen Inovance Technology Co. (300124.SZ)
Date of report Target price (Rmb) Closing price (Rmb) Date of report Target price (Rmb) Closing price (Rmb)
25-Aug-26 14.70 31.68 09-Oct-26 75.90 50.59
05-May-26 14.90 21.87 31-Aug-26 89.20 61.87
07-Apr-26 16.60 19.41 01-Jun-26 92.90 74.50
24-Feb-26 9.90 24.28 28-Apr-26 86.00 61.36
02-Oct-25 10.30 25.60 24-Feb-26 75.40 74.35
02-Sep-25 9.50 24.43 26-Oct-25 82.10 78.38
06-Aug-25 9.90 24.21 02-Oct-25 82.50 83.82
13-May-25 14.90 21.17 06-Aug-25 75.50 65.86
07-May-25 13.40 20.85 13-May-25 80.50 69.28
12-Mar-25 15.60 24.19 30-Apr-25 74.80 71.59
04-Nov-24 11.30 16.13 11-Mar-25 87.10 78.05
18-Oct-24 12.80 14.60 26-Dec-24 61.20 60.08
05-Sep-24 9.80 12.21 18-Oct-24 61.10 58.50
12-Jul-24 12.40 12.62 05-Sep-24 54.20 42.58

Estun Automation Co.(H) (2715.HK)

Price targets shown in table(s) are unadjusted for corporate actions.
Regulatory disclosures
Disclosures required by United States laws and regulations
See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; registered market maker. Goldman Sachs trades or may
trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report. The following are additional required disclosures: Ownership and material conflicts of interest: Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their

households from owning securities of any company in the analyst's area of coverage. Analyst compensation: Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. Analyst as officer or director: Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer,
director or advisor of any company in the analyst's area of coverage. Non-U.S. Analysts: Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to
FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.
Additional disclosures required under the laws and regulations of jurisdictions other than the United States
The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. Australia: Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in
Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research
reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to
the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research
Independence Policy Statement are available at:
https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. Brazil: Disclosure information in relation to CVM Resolution n. 20 is
available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20
of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. Canada: This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any
Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities
and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman

Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. Hong Kong: Further information on the securities of covered companies referred to in this research
may be obtained on request from Goldman Sachs (Asia) L.L.C. India: Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India)
Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number 60634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may bene ficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Registration granted by SEBI and certification from NISM in no way guarantee performance of the
intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details, a copy of the annual compliance
audit report and other relevant information and disclosures can be found at this link: https://www.goldmansachs.com/worldwide/india/research-analyst. Japan: See below. Korea: This research, and any
access to it, is intended only for “professional investors” within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject
Estun Automation Co.(A) (002747.SZ) Shenzhen Inovance Technology Co. (300124.SZ)
Date of report Target price (Rmb) Closing price (Rmb) Date of report Target price (Rmb) Closing price (Rmb)
09-May-24 14.40 16.31 27-Aug-24 65.00 41.70
08-Jan-24 16.10 16.30 01-Jul-24 70.60 49.90
01-Nov-23 22.10 18.36 09-May-24 74.30 63.68
23-Apr-24 67.90 59.95
08-Jan-24 69.00 58.80
30-Oct-23 88.80 61.08
Date of report Target price (HK$) Closing price (HK$)
25-Aug-26 11.60 17.22
05-May-26 11.80 13.29
07-Apr-26 13.10 11.86

company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. New Zealand: Goldman Sachs New Zealand Limited and its affiliates are neither
“registered banks” nor “deposit takers” (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for “wholesale clients” (as defined in the
Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. Russia: Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but

are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances,
investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report.
Singapore: Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. Taiwan: This material is for reference only and must not be reprinted without permission. Investors should carefully
consider their own investment risk. Investment results are the responsibility of the individual investor. United Kingdom: Persons who would be categorized as retail clients in the United Kingdom, as such
term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to
the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs
International on request.
European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of
the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at
https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.
Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers
Association or the Japanese Securities Finance Company.
Ratings, coverage universe and related definitions
Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total
return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Early-Stage

Biotech, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction Lists, which are selected from Buy rated stocks on the respective region's Investment Lists and
represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction Lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.
Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.
Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.
Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a
merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, and in certain other circumstances.
Early-Stage Biotech (ES). An investment rating and a target price are not assigned pursuant to Goldman Sachs policy when this company has neither a drug, treatment or medical device that has passed a
Phase II clinical trial nor a license to distribute a post-Phase II drug, treatment or medical device.
Rating Suspended (RS). Goldman Sachs Research has suspended the investment rating and price target for
this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock
and should not be relied upon. Coverage Suspended (CS). Goldman Sachs has suspended coverage of this company. Not Covered (NC). Goldman Sachs does not cover this company.
Global product; distributing entities
Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce
research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN
21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or asil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou asil@gs.com.
Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs
(India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in

Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom. Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA ") and regulated by the Financial Conduct Authority ("FCA ") and the PRA, has approved this research in connection with its distribution in the United Kingdom.
European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by

the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für tungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.
General disclosures
This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or
complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek
to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at
irregular intervals as appropriate in the analyst's judgment.
Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a
substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).
Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the
opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views
expressed in this research.
The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference
catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target
expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to
its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, make a market or act as liquidity provider in, and buy or sell, any securities,
derivatives, or other financial instruments referred to in this research (including any financial instruments issued by the companies referred to herein), unless otherwise prohibited by regulation or Goldman
Sachs policy.
The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.
Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the
views expressed by analysts named in this report.
This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for
their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or
price of, or income derived from, certain investments.
Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures
disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and
https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting
documentation will be supplied upon request.
Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and
investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis
available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material
changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication

to our
internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.
All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities,
markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.
Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.
© 2026 Goldman Sachs.
You are permitted to store, display, analyze, modify, reformat, and print the information made available to you via this service only for your own use. You may not resell or reverse engineer this information
to calculate or develop any index for disclosure and/or marketing or create any other derivative works or commercial product(s), data or offering(s) without the express written consent of Goldman Sachs. You are not permitted to publish, transmit, or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of Goldman Sachs. You may not
use, extract, download or retrieve this information, in whole or in part, to train, finetune, adjust, influence the weights or behavior of, or otherwise develop or improve a machine learning or artificial intelligence model or system, or provide or reproduce this information, in whole or in part, as a prompt or input to any such system without the express written consent of Goldman Sachs. Furthermore, you
28 October 2026 <<
Goldman Sachs

may not bulk download this information, or employ any robot, spider, crawler, scraper, automated agent, or other electronic means to scrape, harvest, extract, or retrieve this information, without the express written consent of Goldman Sachs. A breach of the above terms may result in termination of your right to access this service.
28 October 2026 <<#>
Goldman Sachs

--- Alphabet Inc Earnings Call 20261028 RT0000000031246423309.pdf.pdf ---
, S e n i o r V i c e P r e s i d e n t a n d C h i e f F i n a n c i a l O f f i c e r
, H e a d o f I n v e s t o r R e l a t i o n s
, S e n i o r V i c e P r e s i d e n t & C h i e f B u s i n e s s O f f i c e r , G o o g l e
, C h i e f E x e c u t i v e O f f i c e r
, C h i e f E x e c u t i v e O f f i c e r , G o o g l e C l o u d
, M o r g a n S t a n l e y
, J . P . M o r g a n
, G o l d m a n S a c h s
, B a n k o f A m e r i c a
, A l l i a n c e B e r n s t e i n
, M o f f e t t N a t h a n s o n
, B a r c l a y s

Q32026EarningsCall
CompanyParticipants
AnatAshkenazi
JimFriedland
PhilippSchindler
SundarPichai
ThomasKurian
OtherParticipants
BrianNowak
DougAnmuth
EricSheridan
JustinPost
MarkShmulik
MichaelNathanson
RossSandler
Presentation
Operator
Welcome,everyone.ThankyouforstandingbyfortheAlphabetThirdQuarter2026
EarningsConferenceCall.Atthistime,allparticipantsareinalisten-onlymode.Afterthe
speakerpresentation,therewillbeaquestion-and-answersession.(Operator
Instructions)
Iwouldnowliketohandtheconferenceovertoyourspeakertoday,Jim Friedland,Head
ofInvestorRelations.Pleasegoahead.
JimFriedland{BIO22252778<GO>}
Thankyou.Goodafternoon,everyone,andwelcometoAlphabet'sthirdquarter2026
earningsconferencecall.WithustodayareSundarPichai,PhilippSchindler,Thomas
Kurian,andAnatAshkenazi.
Now,I'llquicklycoverthesafeharbor.Someofthestatementsthatwemaketoday
regardingourbusiness,operations,andfinancialperformancemay beconsidered
forward-looking.Suchstatementsarebasedoncurrentexpectations andassumptions
thataresubjecttoanumberofrisksanduncertainties.Actualresults coulddiffer
materially.PleaserefertoourForms10-Kand10-Q,includingtherisk factors.We
undertakenoobligationtoupdateanyforward-lookingstatement.
Duringthiscall,wewillpresentbothGAAPandnon-GAAPfinancialmeasures.A
reconciliationofnon-GAAPtoGAAPmeasuresisincludedintoday'searningspress

release,whichisdistributedandavailabletothepublicthroughourInvestorRelations
website,locatedatabc.xyz/investor.Ourcommentswillbeonyear-over-year
comparisons,unlesswestateotherwise.
Andnow,I'llturnthecallovertoSundar.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

SundarPichai{BIO15004624<GO>}
Thanks,Jim,andhello,everyone.Q3wasastrongquarterforAlphabet.Ourdeep,full-
stackapproachisdrivingmomentumacrossthebusinesswithmanyopportunities
ahead.
Letmegiveyouaquicksnapshotofthequarter.Alphabetrevenuesgrew25%year-over-
year.Wearenowata$0.5trillionannualrunrate.That'sremarkablegrowth.Searchhas
strongmomentum.OurAIinvestmentsaredrivingincreasedusageandoverallquery
growth,includingcommercialqueries.Infact,ouryear-over-yearquerygrowthrateis
thehighestit'sbeeninthelastfiveyears.GoogleCloudrevenuesgrew103%.OurAI
infrastructureandsolutionsarethemajordriversforcloudgrowthandourcustomers
seeusastheleadingproviderhere,sothere'shugedemand.Wareworkinghardto
bringmorecapacityonlinetomeetthislong-termdemand.
Atthesametime,weareseeingstrongdemandforourTPUsystemsacrossawiderange
ofcustomersandweexpectthattocontinueaswescale.I'mexcitedtowelcome
Thomastothecallandhe'llsharemoreaboutCloud'smomentum.OnourAImodels,
customersareusingourmodelsmorethanever.Ourfirst-partymodelAPIsarenow
processingnearly32billiontokensperminute,40%morethanlastquarter,andmore
than4xwhatweprocessedayearago.AndwithGemini4ArgonandnowCarbon,which
weannouncedtoday,weareexcitedtobeleadingatthefrontier.TheGeminiappisnow
at1billionusersandisthefastest-growingproductinGoogle'shistory.Lastly,wehave

surpassed150millionYouTubeMusicandPremiumsubscribersglobally,includingtrials.
Today,I'lltalkmoreaboutourAIprogress,ourglobalconsumerplatformsledbySearch
andYouTube,thenourlong-termbets.StartingwithAI,highlightedbyourGemini4series
offrontiermodels,weareseeingstrongdemandandusageforArgon,whichwe
launchedtwoweeksago.Infact,onourdeveloperplatforms,usageinthefirstweek
rampedup3.5xfasterthanGemini3,evenwithcapacityconstraints.Argonisprovingto
doreallywellinareaslikefinance,legal,cybersecurity,andscience.Developersand
cloudcustomersarealreadyusingitforthingslikeuntanglinglegacycodebases,
acceleratingscientificresearch,robotics,discoveringproductimprovements,and
domain-specifictasksrequiringin-depthreasoning.
AndatGoogle,justinthelastfewweeks,teamsacrossChrome,Ads,andSearchhave
usedArgontowriteandoptimizecodemuchfaster,shipping35%morecodewith30%
fewererrors.ArgonisjustthestartoftheGemini4series.Today,weannouncedCarbon.
It'sourstrongestfrontiermodelwithstate-of-the-artcybersecurityandlong-horizon
capabilities.Itranksnumberoneontherecentlyupdated ArtificialAnalysisIntelligence
Indexat59.CarbonoutperformsArgonacrossalmosteverydomain,likefull-stackweb
development,multimodalunderstanding,complexknowledgework,andscientific
reasoning.WearerollingCarbonout,firsttoasubsetoftrustedcyberdefenders,before
weexpandaccessandit'sbeingtestedbytheU.S.,government.
BeyondourGemini4series,yesterdayweannouncedGenie4,ourmostadvancedworld
modelyet,thatsimulatessafe,realistic,interactiveworldswithnativeaudioinrealtime.
Thisisanimportantbuildingblockfortrainingrobotsandagents.Thisrapidprogress
underscoresourincrediblemodelmomentum.Weareatthepointwhere AIishelpingus
increaseourtrainingandlaunchvelocity.Iwouldexpectthenext12monthstosee
continuedaccelerationbecauseofRSI.Wehavemoremodelscomingsoon,including

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

moreefficientversionstohelpdevelopersoptimizeforspeedandcostandtodeploy
acrossourbillionsofusers.
Let'sturntosearch,whichisbringingthebenefitsofAItomorepeoplethananyother
productintheworld.Justlikeourshifttomobileoveradecadeago,wearefocusedon
buildingthebestsearchuserexperience,followedbymonetization.Wearebuildingone
seamlessexperienceacrossAIOverviews,AIMode,andtraditionalsearch.Andpeople
areusingourAIfeaturesmore,searchinginentirelynewways.Theirqueriesarelonger,
personalized,andmultimodal.QueriesinAIModeareonaveragethreetimeslongerthan
traditionalsearches.AndoneinfiveAIModesearchesgloballyusevoice,images,or
documents.Wehavenowcrossedover50billionvisualsearchespermonth.Oneareal'm
excitedaboutishelpingpeoplegetthingsdone.Beitbookingreservations,fillingin
forms,schedulingappointments,ormakingpurchases.AsAIbecomesmorepersonal
andstartstakingactionforpeopleandbusinesses,trustandsecuritymattermorethan
ever.PeoplealreadyputtheirtrustinGoogletogetthingsdoneintheirdailylives,and
ourleadershipherereremainsanimportantdifferentiator.
WefocusfirstongettingtheseagenticexperiencesrightwiththeGeminiagentfor
Enterprise,becausethebarforsecurity,safety,andgovernanceisextremelyhigh.Asa
nextstep,wearebringingthesefeaturestoSearch,andalso,ofcourse,toour1billion
usersontheGeminiapp.PeoplearealreadyusingtheGeminiapptodomorethanask
questions.They'reusingittodothings,includingcomplexmulti-stepagenticqueries.
OurGemini4serieshasbeenareallybigstepforwardhereandhasalreadybeen
handlingthesecomplextasksreallywell.Agentswilloperateasaunifyinglayeracross
ourproducts,soyouwillseeusextendtheseagenticexperiencesbeyondSearchandthe

GeminiapptoChrome,Android,andourWorkspaceproductsaswell.
OntoYouTube,whichcontinuestoleadinthelivingroomasthenumber
onestreaming
platformintheU.S.,intermsofwatchtime.It'salsoseeinggoodsubs
cribergrowth,asI
mentioned.AtMadeonYouTubelastmonth,weannouncedmorethan3
Oproductsand
featuresforcreatorsandviewers.Onegreatexampleiscustomfeeds
,whereyoucan
simplypickatopicyouloveandgetatailoredvideohomefeedbasedon
thattopic.
PhilippwillsaymoreonYouTube.Ontoourlong-termbets.Waymoison
agreat
trajectory.Wehavenowdrivenmorethan300millionfullyautonomou
smiles.Waymo
nowoperatesin15majorU.S.,citiesandjustrecentlyopenedupservi
cetothepublicin
SanAntonio,SanDiego,andTampawithplannedexpansionsintoCan
ada,Germany,
Singapore,andSpain.We'realsoseeingstrongprogressacrossouro
therlong-term
initiatives.IsomorphicisusingArgontosupportdrugdesignresearc
h.Wedemonstrated
magicstatecultivationforthefirsttimeinquantumcomputing,andla
unchedourTPUs
intospacewithProjectSuncatcher.Soit'sbeenabusyquarterandthe
re'smuchmoreto
come.
Iwanttothankouremployeesfortheirworkthisquarter,andovertoyo
u,Philipp.
PhilippSchindler{BIO21014597<GO>}
Thanks,Sundar,andhello,everyone.I'llhighlightourmomentumacr
ossSearch,YouTube,
andPartnerships.Wecontinuetoacceleratethedeploymentof Gemi
nimodelsacross
ourentireadsinfrastructuretoboostperformanceinthethreeareasI
'vehighlighted
before:adsquality,advertisertools,andAIuserexperiences.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

First,adsquality.TheintegrationofGeminimodelsintoouradsinfra
structureis
improvinghowwedecodeuserintentanddriveadsrelevance.Forexa
mple,inQ3,we

madethebiggestupdatetoproductlistingadsinadecade,addingnew AIcapabilitiesto
helpusersmakemoreconfidentpurchasedecisions.Already,we'veseensatisfaction
increaseby19%anddissatisfactiondropmorethanhalf.We'realsoseeingAImodels
enablebetterpredictionofclicksandconversions,strongeroverall performanceand
deeperpersonalizationofads.Forinstance,throughseveralinnovations in
personalizationmodeling,wedelivered18%incrementaladvertiser valueandan8%
increaseinusersentimentonDiscoverAdsin2026.
Overall,AIisacceleratingouradsdevelopmentanddrivesthemajority ofourproduct
launches.Second,advertisertools.We'reensuringeveryadvertiserfromglobalbrands
tosmallbusinessescanseamlesslyparticipateinourAIsurfaces.AI Maxand
PerformanceMaxcontinuetoseestrongadoption.Togivemarketers evenmorecontrol,
we'renowintroducingawaytotestdifferentbudgetsandROItargetsacross multiple
searchcampaignsinasingleAIMaxA/Btest.
Todrivebetterperformance,weintegratedourAIcreativetoolsdirectlyintoAIMax.In
Q3alone,Geminimodelshelpedadvertisersgenerateover$1.5billioncampaignassets,
upover7xyear-over-year.Forexample,byusingAIMaxtocapturelong-formand
multilingualqueries,Telstrasawa52%increaseinconversionsanda 36%reductionin
costperorder,showingupinkeymomentshoweverthecustomerssearch.
Third,AIuserexperiences.Sundarmentionedthedistinctbehavioral changeswe're
seeingasusersaskentirelynewcategoriesofquestions.Wethinkof searchholistically,
aunifiedproductspanningtraditionalresultsandAI-poweredsearch.OnAIMode,many
ofthesequeriesareupper-funnelqueries,allowingustocapturenew highervalue
commercialintent.Inaddition,themajorityofAIModequeriesareincremental,creating
moremonetizationopportunitiesovertime.
Additionally,ouruserresearchshowsthatpeoplearecomfortablewithadsonthese
surfacesandfindthemhighlyrelevant.Click-throughratesarealreadysimilarbetween

sponsoredandorganicproductlistitemswithinAIMode.
Basedontheselcollectiveresults,we'renowscalinghigh-qualityads
withinAIoverviews
inAIModetomoreusersandqueries.Thisincludestakingourmonetiz
ationfootprint
globalforthefirsttime.Today,we'reannouncingtheexpansionofad
sinAIModeinto
internationalmarketsalongsidemulti-turnadsinAIModeintheU.S.
Asalways,our
approachisdeliberate,prioritizingtheuserexperienceandengage
mentfirst,andthen
scalingtheformatsthatdriveprovenROIforadvertisers.Thatdiscipl
ineiswhatgivesus
astrong,durablefoundationforthefuture.
AsSundarmentioned,we'reintheearlystagesofagenticexperience
sacrossour
servicesandexcitedaboutthecommercialopportunitiesahead.The
Universal
CommerceProtocol,UCP,isbeingrapidlyadoptedbyretailers.Today
,UCPenablesdirect
checkoutforhundredsofthousandsofbrandsacrossGoogle,includi
ngChewy,Nike,
Tapestry,andmanymore.We'recombiningthiswiththeAgentPaymen
tsProtocolaswe
buildforthefutureofcommerce.Ourfocusspanstwofronts,unlockin
gagentic
capabilitiesthatactonbehalfoftheconsumeranddesigningpractic
altoolsthatgive
shopperconfidenceandcontrol.WelaunchedUniversalCartthisqu
artertosupport
thatsecondtrack,mirroringhowpeopleactuallyshoptodayacrossG
oogle.Thisallows

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

retailerstomaintaintheirrelationshipswithcustomerswhilehelpin
gtocapturesales
andavoidabandonedcarts.
MovingtoYouTube.WeviewYouTubeasaflywheelofcreators,viewer
s,andadvertisers.
First,creators.Everyday,morethan20millionvideosarebeinguploa
ded.Wearemaking
creationeasierwithnewgenerativeAItoolsinYouTubeStudioplusac
onversational
editingassistantinShortsandYouTubeCreate.

Lookingatviewership.AtMadeonYouTube,weintroducedShortSeries wherecreators
canstructuretheirshortsintoseasonsandepisodes.Sequentialplayback makesit
seamlessforviewerstodiscovernewshortsandkeepwatching.Thethirdpartis
monetization,startingwithads.Ourfocusremainsondeliveringvalue acrossthe entire
funnel.
InQ3,LivingRoomaccountedforoverone-thirdoftotalYouTubeadsrevenues.Small and
mediumadvertiserscontinuetoadoptDemandGendrivingdirectresponse.OnYouTube,
Wayfair'sDemandGencampaignsdrovea2.3xhigherreturnonadspendcompared with
traditionalvideoreachcampaigns.OurYouTubeCreatorPartnershipsprogram connects
brandswithover3millioncreatorstodrivehighlyeffectivecampaigns.Brands like
LexuscontinuetopartnerwithcreatorslikeColinandSamir,drivinga n11%liftin brand
consideration.Morethan1.3millionchannelsareenrolledinYouTube Shoppingglobally.
Buildingonthismomentum,werecentlyannouncedthatAmazonisjoining YouTube
Shopping.U.S.,creatorscannowtagAmazonproductsdirectlyintheirvideos,shorts,and
livestreams,drivingdirectconversions.
Importantly,oursubscriptionecosystemcontinuestocomplementour advertising
business.Subscriptionscontinuetogrowfasterthanads,ledbyYouTube MusicPremium.
YouTubePremiumhasmorethan150millionsubscribers.WithPremium andPremium
Lite,viewershavechoice.AsmorepeopleoptintoPremiumexperiences,it'sawin for
viewers,creators,andourbusiness.Subscriptionshelpfundthecreatore cosystemand
drivetheplatformforward.
Finally,strategicpartnerships.BusinessesarechoosingGooglebecausewebring
togethercloud,AI,ads,andconsumerplatformstoacceleratetheirtransformation.We
expandedourpartnershipwithAmericanExpresstosupportheongoing modernization
oftheircontactcentersandcollaborateonagenticcommerceacross Searchand
Wallet.AndUnityhassignedanexpandedmulti-yearclouddealtouseourfullAIstackto

powerthenext-generationgameengine.Ourcommercialprioritiesar
eclear.Expanding
AdvertiserROI,systematicallyadvancingourAImonetizationeffici
ency,andscalingour
ecosystempartnershipstosupportthenexteraofdiscovery.
Inclosing,IwanttothankGooglerseverywherefortheincredibleexec
ution,andour
customersandpartnersfortheircontinuedtrust.Thomas,overtoyou
.
ThomasKurian{BIO38110076<GO>}
OurstrongmomentumisdrivenbyourintegratedAIportfolioofchips,
models,data,
security,andagentplatforms,alldesignedtoworktogether.Wehave
strong
diversificationacrossourproductlines,industries,andcustomers
.GoogleCloudnow
has18productlines,withmorethan$1billioneachinannualrevenue
andourgrowth
thisquarterwasdrivenbystronggrowthinGoogleCloudPlatform,wit
hstrengthinboth
AIandcoreGCP.TPUsystemsaleswerealsoameaningfulcontributor.
Overthepast12

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or
retransmission is expressly prohibited.

months,morethan2,600customershaveusedatleast100billiontok
ensandnearly75,
atleast10trilliontokensonGeminiEnterprise.
Nearly90%oftheFortune100useGeminiEnterpriseandcustomersw
housedGemini
EnterpriseinQ32025,morethanquadrupledtheirspendwithusyear-
over-year.Oneof
theimportantwaysinwhichcustomersareusingGeminiisforknowled
gework.Across
allourAIservices,wehavesoldmorethan100millionseatsforknowl
edgework.Gemini
EnterprisenowincludestheGeminiagentthatisdeeplyintegratedac
rossourentire
cloudportfolio.Itcanresearchandanswerquestions,writeandrunc
ode,andautomate
processflowswithoneagent,oneAPI,andasinglepromptwindow.Itg
ivescompanies
strongsecurityandcostcontrolsandthewidestchoiceoffrontiermo
dels.
CustomersincludeBNPParibas,whoisdeployingGeminiEnterpriset
omorethan65,000

employeestostreamlineworkflowswhilemaintainingstrictenterprise-gradesecurity
anddatagovernance.TataSteel,whodeployedmorethan300specializedAIagentsin
justninemonthstoenhancemanufacturingsafety,optimizesupplychains,andcut
servicetimesforcustomersby50%.UltaBeauty,whobuilttheUltaAIshoppingassistant,
resultingina3xhigherconversionratethantraditionalbrowsingontheirsite.
Geminiisalsodrivingaccelerationforourdatabase,analytics,andcybersecurity
products.Geminicannowhelpusersfind,analyze,andvisualizeinformationfrom
structuredandunstructureddata.GeminiusesourKnowledgeCatalogtofindtheright
sourcesanddefinitionsofinformation,improvingaccuracy,loweringtokencost,and
makingresponsesmorereliable.Geminiusesourlakehousetoaccessinformationfrom
multiplesystemswithzero-copy.
Torespondtoagenticanalysis,BigQueryimprovedqueryspeedover40%year-over-year
whilereducingqueryprocessingcostbyover50%year-over-year.Customersinclude
DeutscheTelekom,whichusesBigQuery,CloudStorage,andKnowledgeCatalogtobuild
aunifieddatalakehouseacross40-pluslegacyon-premisesystems.Etsy,which
migrated3petabytesofdatatoaunifiedlakehouse.ByusingBigQueryandIceberg,they
nowperformcriticaldatajoinsupto60%faster.Thegrowingriskofcybersecurity
threatsisalsodrivingstrongdemandforourAI-poweredsecurityplatform.OurGemini
Flashcybermodelsarefrontiermodelsthatautomatevulnerabilitydiscoveryacross20
programminglanguagesandpatch2.6xmorereliablythanothermodels.Andthere's
evenbetterperformancetocomeaswerolloutArgonandCarbon.
Oursecurityplatformintegratesthreatintelligence,cyberresponseprioritization,
automatedscanning,coderemediation,andmonitoring.GeminiandGoogleThreat
Intelligenceautonomouslyanalyzesmillionsofexternaleventseverydaywith98%
accuracy.Andmorethan95%ofU.S.,customersareadoptingAI-poweredfeaturesand

growthcontinues.Thesesecuritytoolsprotectcriticalinfrastructure,includingfinancial
institutionslikeBanorteandJackHenryandtelecommunicationproviderssuchasAT&T.
AllofthisispoweredbyourleadingAIinfrastructure,spanningourTPUsystems,Axion
CPUs,thelatestNVIDIAGPUs,andourAgentComputeEngine,whichisspecifically
designedforAIagents.TPUsystemsarespecializedsystemsbuiltforAI,combining
hardware,compute,storage,andnetworkingwithsystemcomponentsandoptimized
softwarefortrainingandinference.TPU8tand8iofferupto2.7xbettertraining
performanceand80%betterinferenceprice-performance,respectively,versusour
previousgenerationofTPUs.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Tomakeiteasyfordeveloperstoportworkloadsto TPUs,werecentlyworkedclosely
withMetatodeliverTorchTPU,whichallowsuserstotrain,serveanddeployPyTorch
modelsonTPUsusingthetoolsthey'realreadyfamiliarwithandrelyon.Nearly100
customersuseTPUstoday,andwe'reseeingstrongandgrowingdemandfrommany
others.Inadditiontoourworkwith Anthropic,bothdirectlyandviaBroadcom,andpublic
referencecustomerslikeApple,whoarescalingpre-trainingoftheirfoundationmodels
onthelatestgenerationofTPUs,we'realsoworkingwithnewfrontiermodelcompanies,
includingMirendilandPhysicalIntelligence,capitalmarketsfirms,includingCitadel
SecuritiesandJumpTrading,universitieslikeCaltech,andpublicsectorservice
providers,includingCassavaandCerescale.
Givencontinuedstrongandacceleratingdemand,we'verecentlyenteredinto
partnershipstodeliverTPUsystemswithbothCruxAIandOraclewithmoreintheworks.
Overtoyou,Anat.
AnatAshkenazi{BIO19888043<GO>}

Thankyou,Thomas.Mycommentswillfocusonyear-over-yearcomparisonsforthe
thirdquarterunlessIstateotherwise.Iwillstartwiththeresultsattheal phabetlevel
andwillthencoveroursegmentresults.I'llendwithsomecommentaryonouroutlook
forthefourthquarterandfullyear2026.Wehadastrongthirdquarterdeliveringour
13thconsecutivequarterofdouble-digitrevenuegrowth.
Consolidatedrevenueswere$127.6billion,up25%inbothreportedandconstant
currency.Totalcostofrevenuewas$51.4billion,up24%.TACwas$16.4billion,up10%.
Othercostofrevenueswas$35.1billion,up32%drivenbyhardwarecostsprimarily
relatedtothesalesofTPUsystems,increasingdepreciation,contentacquisitioncosts,
andtechnicalinfrastructureoperationscosts.Totaloperatingexpenseswereup20%to
$35.6billion.R&Dexpensesincreasedby36%,drivenbycompensation,primarilyfor
investmentinAItalent,aswellasdepreciation.Salesandmarketingexpenseswereup
22%duetoinvestmentsinGeminiandcompensation.AndG&Aexpensesdecreased17%,
primarilyduetolappingofhigherlegalexpensesthatoccurredinQ3lastyear,partially
offsetbycurrentyearlegalcharges.
Operatingincomeincreased30%to$40.6billion,andoperatingmarginwas31.8%.Other
incomeandexpenseswasnegative$8.2billiondueprimarilytoanunrealizedlossfrom
ourinvestmentinSpaceXfromadeclineinitsstockpriceinthethirdquarter.Net
incomeandearningspersharedecreaseddduetothedeclineinOI&E.Wegenerated
strongoperatingcashflowof$42.3billioninthethirdquarteranda$179billionforthe
trailing12months.Operatingcashflowwasnegativelyimpactedbythebuild-upof
inventoryforTPUsystemsales,aswellasa$5.2billioncashpayment fora2018ECfine
followingtheconclusionoftheappealprocess.
CapExwas$51.4billioninthethirdquarter,withthevastmajorityofthisspendin
technicalinfrastructuretosupportourinvestmentsinAI.Approximately65%ofour
investmentsintechnicalinfrastructureinQ3wasrelatedtoserversandnetworking

equipment,whichgenerallyhaveusefullivesofsixyears.Theremaining35%wasfor
datacenters,whichhaveusefullivesofsevenyearsto40years.
Wehadnegativefreecashflowof$9.1billioninthethirdquarterdrivenbyour
investmentsinCapEx.Freecashflowinthethirdquarterwasalsoaffectedbythe
aforementionedinventorybuildtosupportTPUsystemsalesandpaymentoftheECfine.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Freecashflowwas$19.7billionforthetrailing12months.Weendedthequarterwith
$265.1billionincashandmarketablesecurities,whichincludes$90.4billionof
marketableequitysecurities.
Long-termdebtwas$125.1billion.Wehavealsoenteredintomulti-yearagreementsto
securecapacityfortechnicalinfrastructureandinventoryaswellasleasesandenergy.
Attheendofthethirdquarter,wehadfuturepurchasecommitmentsof$924billionand
pre-commencementleasesandotherobligationsof$152billion.Thesedollaramounts
reflectthemaximumcontractualobligations,however,anumberofthese agreements
havevariablepricingandvolumeflexibility,whichcouldresultinlowerspend.Andas
mentionedinourpressrelease,ourBoardofDirectorsdeclaredaquarterlycash
dividendonourcommonstockof$0.22pershare,whichispayableinDecember.
Turningtosegmentresults,GoogleServicesrevenuesincreased11%to$96.3billion,
reflectingstronggrowthinsearchandsubscriptions.Totaladvertisingrevenueswereup
11%,withgrowthacrossallmajorverticals.Aswestatedinouroutlooklastquarter,FX
wasaslightheadwindonyear-over-yeargrowthratesandhadamoresignificantimpact
onasequentialbasis.GoogleSearch&otheradvertisingrevenuesincreasedby12%to
$63.3billionwithretaildrivingthelargestcontributionfollowedbyfinance.YouTube

advertisingrevenuesincreased9%to$11.2billionwithbranddrivingthelargest
contributionandnotablestrengthinlivingroom.
Networkadvertisingrevenuesof$7.5billionwereup1%.Subscription,platforms,and
devicesrevenuesincreased11%thisquarterto$14.3billiondrivenbystronggrowthin
YouTubesubscriptions,particularlyinYouTubeMusicandPremium,andstrongdemand
forAIplansinGoogleOne.GoogleServicesoperatingincomeincreased17%to$39.2
billion.Andoperatingmarginwas40.7%.TheGoogleCloudsegmentdeliveredrecord
growthinthethirdquarter.Cloudrevenueswereup103%to$30.7billiondrivenbystrong
growthinGCPwithstrengthinAI,includingbothAIinfrastructureandAIsolutions,and
coreGCP.TPUsystemsaleswerealsoameaningfulcontributor.GCPaccountedforthe
vastmajorityoftherevenuegeneratedinQ3.Thecloudrevenuegrowthrate,excluding
theimpactofTPUsystems,wasagainincrediblystrong.
Cloudoperatingincomewas$11.1billion,morethantriplingyear-over-year.Operating
marginincreasedfrom23.7%inthethirdquarterlastyearto36.2%.Thethird-party
bridgingcapacity,whichwediscussedinourpriorcall,cameonlineonlyattheveryend
ofQ3,andthereforehadlimitednegativeimpacttoourmargininthequarter.Google
Cloud'sbacklogwas$561billioninthethirdquarter,withthemajorityofthebacklog
relatedtotypicalGCPcontracts.Weexpecttorecognizejustover55%ofthetotal
backlogasrevenuesoverthenext24months.
InOtherBets,revenueswere$372millionandtheoperatinglosswas$2billionaswe
continuetoexpandWaymo'sbusinessandinvestinkeyOtherBets.InAlphabet-level
activities,theoperatinglosswas$7.7billion,drivenbysharedAIR&Dexpenses.
I'llnowturntoouroutlookfortheremainderof2026.First,intermsofrevenues,at
currentspotrates,wewouldexpectaslightlylargerFXheadwindstoourconsolidated
revenuesinQ4,relativetothepriorquarter.Thisimpactwillbeseenprimarilyin Search
andYouTubeads.InGoogleServices,wewillcontinuetolapthesearchperformance

accelerationthatbeganinthethirdquarterlastyear,whichwillpressurerevenuegrowth
inQ4.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

InGoogleCloud,weexpectTPUsystemsalestocontinuetoscaleinQ4,followedbya
meaningfulrevenuerampin2027.Withrespecttocloudmargins,giventhesupply-
constrainedenvironment,westartedutilizingthird-partycomputecapacityattheendof
Q3andwillrampusageinQ4.Weexpectmarginheadwindsintheneartermasweutilize
thiscapacity.
Movingtoinvestments,ourfull-year2026CapExguidancerangeof$195billionto$205
billionremainsunchanged.WecontinuetoexpectourCapExtoincreasesignificantlyin
2027andwillprovidefurtherdetailsonourQ4call.Intermsofexpenses,thesignificant
increaseinourinvestmentintechnicalinfrastructurewillcontinuetoweighontheP&L
intheformofhigherdepreciationexpensesandrelateddatacenteroperationscosts,
suchasenergy.
BeforewemovetoQ&A,letmesayafewwordsonhowwethinkaboutreturnoninvested
capitalandfreecashflow.WeareinauniquepositiontobeabletomonetizeourAI
investmentsacrossmanyproductsthatreachbillionsofusersandenterprises.OurAI
investmentsinSearcharedrivingourhighestquerygrowthinhalfadecade.Google
CloudhasgeneratedtensofbillionsofdollarsinAIrevenuesyear-to-date,andGoogle
Oneisourfastest-growingsubscriptionproductdrivenbydemandforAIplans.
Throughoutthisinvestmentcycle,weexpecttogenerateanattractiveROICthatremains
meaningfullyaboveourcostofcapitalandanticipategeneratingstrongcashflowfrom
operations.Oursizableinvestmentsintechnicalinfrastructureand
inventorybuildof
TPUsystemsaswescalethatbusinesswillputpressureonfreecashflows.Q3wasa

strongquarterhighlightedbyourinnovationanddisciplinedexecution
acrossallareas
ofthebusiness,includingthelaunchofGemini4.Iwanttotakethisopportunitytothank
ouremployeesfortheircontributionstoourperformance.
WewillnowopenthecallforQ&A.
QuestionsAndAnswers
Operator
(QuestionAndAnswer)
Thankyou.(OperatorInstructions)Andourfirstquestioncomesfrom
DougAnmuthwith
J.P.Morgan.Yourlineisnowopen.
Q-DougAnmuth{BIO5591566<GO>}
Thanksfortakingthequestions,oneforSundarandoneforPhilipp.Sundar,onarecent
podcast,yousaidthat2027couldbethegoldenageofproductivityfor
Googlebecause
ofthenewclassofmodelsandhowthey'llintegratewithyourotherproducts.Iwas
hopingyoucouldelaborateonthatandjustsharemorehowyouthinkabout
the
opportunitysetthereahead.Andthen,Philipp,justonquerygrowth,thefastestinfive
years,butobviouslysomedecelerationinSearchgrowth,canyoujust
helpus
understandthedisconnectthere?Isitsimplythatyouhaven'tbeenshowingasmanyads
basicallyinAIOverviewsandAIMode,andthat'snowbecomingabiggerpercentageof
theoverallqueries?Thanks.
A-SundarPichai{BIO15004624<GO>}

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Thanks,Doug.Wedefinitelystartedseeingastepchange,Iwouldsaywith3.8Flash
internally,asourmodelsgotbetteratlong-horizontasks,agenticcoding,etcetera.But
I'mdefinitelyseeingahugepointofinflection.Oncewe'vestarteddeployingArgon
internally,itisoneofthemostmeaningfulinternalproductivityleverswehaveseenon
softwareengineering,directlytrackinghigh-qualitycodethat'sgettingcheckedin,the
rateatwhichit'sgettingcheckedin,reducingthenumberofrollbacks.Butmore

importantly,peoplearetacklingmassiveproblemsaswellas,weare
beginningtosee
innovationontheproductandtheconsumerexperiencesidefromdepl
oyingthose
models.Butallthishappenedonlyaboutfourweeksago.Wearenowde
ployingCarbon
internally,andCarbonisameaningfulstepupfromArgon.
SoaswerollitoutandmakeitallwidelyavailabletoGooglerswithmor
ecompute,I
expectto,that'swhatIwasreferringto,andI--I'mevenmoreexciteds
inceIsaidthatin
thepodcastandwhatIwouldviewasagoldenyearaheadintermsofusb
eingabletobe
moreproductive.Andsoexcitedfortheinnovationahead.Philipp?
A-PhilippSchindler{BIO21014597<GO>}
Yes,Doug.Onthesecondpartofyourquestion.Look,inQ3searchgre
w12%year-over-
yearto$63billion.Andwhenyoulookatthechangeingrowthratefrom
Q2toQ3,there
wereafewdrivershere.SofirsttherewasFX.Itwasthesinglelargestd
riverofSearch
decelerationrelativetoQ2.Second,therewerevertical-specificdy
namics.Inretail,
someofourAPACadvertiserswereimpactedbytheEUeliminatingitsd
eminimis
exemption.Inmediaandentertainment,spendnormalizedafteranun
seasonablystrong
Q2drivenbytheFIFAWorldCup,whichhadmorematchesandtherefore
moreadvertising
budgetsallocatedinJunethanactuallyinJuly.
It'salsotothenextpartofyourquestion,it'sworthnotingthatthestr
onggrowthinAI
Modequerieshadanimpactbecauseofthelowermonetizationwewer
eseeinginAI
Mode.Tobeclear,wefeelverygoodaboutourtrajectoryhere.Ouradex
perimentshave
shownpromisingresultsandwe'renowscalingadswithinbothAIOver
viewsandAIMode
tomoreusersandmorequeries,including,asImentioned,internatio
nalmarketsand
multi-turnadsintheU.S.
Q-DougAnmuth{BIO5591566<GO>}
Thankyou.
Operator
OurnextquestioncomesfromthelineofBrianNowakwithMorganStan
ley.Yourlineis
nowopen.
Q-BrianNowak{BIO16819013<GO>}

Thanksfortakingmyquestions.Ihavetwo,maybe,letmestartwithagentic,yourolled
outSparktosomeoftheusersthroughouttheyear.Iknow,Sundar,you'vetalkedalot
aboutshippingmoreagenticproductstothebroaderbaseofusers.Canyoujusthelpus
understandalittlebitsomeofthekeyhurdlesyouhavetoovercometechnologicallyto
shipoutagenticproductstothefullbaseofusers?Isitmodelefficiency?Isitcapacity?
Isitthetechnologyisn'tready?Like,whatdowehavetodotechnologically todothat?

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Andthenthesecondone,justontoDoug'squestiononSearch,Anat,canyouhelpus
betterunderstandthesearchperformancecomparisonfactorthatyoutalkedabout
impactingsearch?Andhowdowethinkaboutthataswekindofgointo4Q,1Q,justkind
oflookingatthecompares?Thanks.

A-SundarPichai{BIO15004624<GO>}

Thanks.Thanks,Brian.Firstofall,onagents,whatanexcitinganddynamicarea.Ithink
whenIlookatournewmodelsandweseethecapabilitiesofthekindofcomplextasks
theycantakeinanautomatedwayandexecutewithvery,veryhighquality.It'sclear
thattheagenticcapabilitieswe'veallenvisioned,aregoingtobereal.Andsolcouldn't
bemoreexcitedtobringthenext-generationagenticexperiencestoourusers.Toyour
question,Iwouldsayafewthings.IthinktheGemini4modelseriesha sbeenimportant.
WeareworkingondistilledversionsofourCarbonmodelssothatwecandeployit
across1billionuserscaleefficiently,bothfromacompute,fromalatencystandpoint
andfromaqualitystandpoint.
Sothat'sbeen,animportantareaofinvestment.Definitelymakingsureyouneedmore
thanacapablemodelatscale.Youneedarobustharness.Youneedahighlysecure
runtime,andthisiswhereGCPcomesin.Beingabletogiveeachandeveryoneofour

usersasecureruntimewith24/7availabilityinthecloud,therightecosystemofskills
andconnectors.Soallofthatisthefoundation.Wehavebeenhardatwork,andwe
decidedtorollitouttoEnterprisefirst,whichweannouncedwithourGeminiagentfor
Enterprise,essentiallybecausetheyhavethehighestbarforsecuritygovernanceand
controls,andit'sbeenwell-received,andweareintheprocessofexpandingthat.
Laterthisyear,wewillbringthatsameexperiencetoconsumers,obviouslystartingwith
the1billionusersinourGeminiapp.Wealreadyseepeopleintheappmovingbeyond
chattowhataretaskandagent-likeexperiences,andsothetrustusershaveinour
products,thefactthatalltheircontextisrightthere,Ithinksetsusupwell,butweare
reallyfocusedasacompanyondeliveringthatunifiedexperienceacrossourproducts,
andyoushouldexpecttoseealotofprogresslaterthisyear.
A-AnatAshkenazi{BIO19888043<GO>}
Thanks.Andonthesecondquestion,withregardstomycomments,Ibelieveyou're
referringtotheoutlookwithregardstoSearch,acoupleofdynamicsthatI've
mentioned.Oneisonsequentialrelatedtoimpactof FXheadwinds,whichwesawthis
quarteraswellversusthepreviousquarter,sowherewearetodaywithcurrentspot
rates,weexpectthatthiswillbesomewhatofaheadwindtoQ4results.
Andthenwhenwelookattheyear-over-yearcomparisons,thisquarterwestarted
lappingtheaccelerationwesawinsearchgrowthin2025,thebackendof2025.We
lappedabout3pointsofgrowthversusQ3,andthenweexpecttoseethatcontinuingin
Q4,acoupleofpointsoflappingthatgrowthaccelerationthatwesawattheendof
2025.
Q-BrianNowak{BIO16819013<GO>}
Great.Thankyouboth.
Operator

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Ournextquestioncomesfromthelineof EricSheridanwithGoldmanSachs.Yourlineis
nowopen.
Q-EricSheridan{BIO22465717<GO>}
Thankssomuchfortakingthequestion.Basedonsomeofthecommentsyou'vemade
recently,Sundar,oncomputeconstraints,canyourefreshforusyourkeyprioritiesfor
theapplicationofcomputeasitbecomesavailableacrosstheorganization?
Andthesecondpart,maybeforyouorThomas,wouldbewithinGoogleCloud
specifically,howdoesyourviewcontinuetoevolvewithrespecttotheapplicationof
computetocloudcustomerneedsrelativetoexternalTPU?Thankssomuch.
A-SundarPichai{BIO15004624<GO>}
Thanks.Thanks,Eric.I'llstartandthenThomaswillanswerthesecondhalf.Definitely,
computeallocationisanareawherewearespendingalotoftimeonbecauseofthe
forwardplanningthat'sneeded.Iwouldstartwithsayingwefeelfortunatetohavean
extraordinarysetofopportunitiesaheadofus.Weareoperatingascaleconsumer
businessthatreachesbillionsofpeople,ahyperscalecloudbusinesswithalotof
momentum,and,ofcourse,arangeofotherhighlyimportantareasacrossGoogleand
Alphabet.Wealwaystakealong-rangeplanning,andso,eachofourbusinessareas
submitlong-rangeplanswithaverydisciplinedROICframework.Andso,Iwouldbroadly
thinkofallofthisasalong-rangeplanningprocess,notashort-termallocation
exercise.Obviously,ourAImodelsunderlieeverythingwedofromSearchandYouTubeto
CloudtoWaymoandsoon.Soit'sthefoundation,andweviewitasahighlyleveraged
approach.Thefull-stackapproachdrivesalotofefficiency,aswellasgivesusalotof
optionalityacrossawidevarietyofopportunities.Soobviously,thatisthefoundation,
andweplanforthatforthelong-term,too.Andabovethat,asIsaid,wereallylookat
ourbusinessesandreallytakeadisciplinedlong-rangeplanningapproach.

Tous,obviously,weareseeingvery,veryrobustdemandsignalsacro
ssawidevarietyof
areas.Andsoweviewitasanextraordinarysetofopportunities,andw
areinvestingfor
thatmoment.Thomas?
A-ThomasKurian{BIO38110 76<GO>}
Eric,onthedemandincloud,wearealwaysmanagingourportfoliotoe
nsurewehavea
breadthofcustomers.Andwehavedifferenttypesofcustomers,from
digitalnatives,AI
labs,traditionalenterprises,financialandcapitalmarketscustom
ers.Soit'sabroadset
ofcustomers.Manyofthemhaveeitherstartedwithusing TPUsystem
s,forexample,in
ourcloud,wehaveovera100significantTPUcustomerswhostartinou
rcloud,they
learntouseTPUs,andremember,TPUsystemisacombinationofhard
ware,system
software,compilers,thewholethingassembledasasystem,includi
ngoptical
networkingandotherthings.
We'vetakenaverydeliberateapproachonhowwe'rebringingTPUstoc
ustomers.The
firstoneistobuildtherightsilicon,sowehave8tfortraining,8iforinf
erence,theyboth
offersubstantialpriceperformanceandperformanceimprovements
relativetoprior
generations.Second,we'veoptimizedthesoftware.Theoptimizatio
nofthesoftwareis
notjusttomakethesystemsrunbetterandtogiveyougreatperforman
ce,butalsoto
seem--makeportabilityseamless.Recently,weintroduced,forexa
mple,PyTorch,which

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

opensupamuchlargermarketforusbyoptimizingPyTorchontheTPU.
Third,weare
broadeningdistribution.
Sointhepast,youcoulduseTPUsinourcloud.Now,wemakeforcustom
erswhowant
TPUsystemsintheirdatacenters.We'remakingTPUsystemsavailabl
eintheirdata
centers.We'realsobroadeningavailabilitytootherproviders.Forex
ample,we

announcedapartnershipwithOracle.Andwe'velaunched,alongwith Blackstone,an
agreementforCruxAI,ajointventure,toofferc ustomersTPUsystems .
Weareseeingextraordinarydemandandstronggrowthfrombo thAIlabs,capital
markets,financialserviceinstitutions,andenterprises.Andifyoui maginethese100-
pluscustomersgrowingtomanymore,andalsoscalingtheiruseintoT PUsystems,we
seestrongdemandoverthefuture.
Operator
OurnextquestioncomesfromRossSandlerwithBarclays.Yourlineis nowopen.
Q-RossSandler{BIO15948659<GO>}
Thanks.Iwantedtostickwiththe TPUresalebusinesstopicthatyouju stmentioned.So
Anat,lastquarteryoukindofsaidthattherevenuewillberecognizedo nsystemsales,I
believe.Soif1gigawattofTPUfullsystemcostsaround$35billionfor thecomputeand
allthekindofcomponentsaroundit,whatpercentofthatareweactual lyrecognizingas
revenueandwhatkindofflowthroughdoesthathaveintermsofmargin profilerelative
towheretheGoogleCloudsegmentcurrentlysits?
Andthen,Iguess,thesecondpartofthequestionwouldbe,asyouhelp companieslike
Anthropicbringonmoreoftheirownkindoffirst-partyinfrastructure ,whatdoesthat
meanfortheCapExintensityofAlphabetasyoustarttokindofhandoff someofthe
futureCapExtotheAIlabsandmaynotrequireasmuchCapExintensity onyourown--in
yourowndatacenters?Thoughtsonthatwouldbegreat.Thankyou.
A-AnatAshkenazi{BIO19888043<GO>}
Yes.Letmecombinethesetwoquestions.First,obviously,wedon'tp rovidespecific
financialsattheproductlevel,butletmewalkthroughhowtothinkab outthefinancials
associatedwiththeTPUsystemsales.Andobviously,justasaremind er,andThomascan
elaborateonthataswell,aTPUsystemisnotjustachip,butit'saspeci alizedsystem
thatcombinesmultiplethings,includinghardware,compute,storag e,networking.Sowe
aresellingmuchmorethanjustachip.Software,training,inference, thereisa

significantaddedvaluethat'sbeingprovidedtothecustomerthat'spurchasingaTPU
system.Andthewaythisworks,andthisislinkedtoyoursecondportionofthequestion,
whenwesignanagreementwithacustomertosellTPUsystems,oncewesignthat
agreement,you'llfirstseethatshowingupinourbacklog.
Andthenwestartbuildinginventory.SothinkaboutthisfromaCapExversuscash
perspective.Webuildtheinventoryaheadofgettingtherevenuestreamin.SoIthinkI've
alludedtothisonthepreviouscall.Youseeinventorybalancesgoup,wherepreviously
inventorybalancesprimarilyweresomeofourhardwareproducts.NowthoseTPU
systemsthatarenotyetsoldwillbeshowingup.Soyouseecashgoingout,andwe're
buildinguptheinventorybase.Andthenaswestartdeliveringandbillingcustomersfor
theseTPUsystems,thenyouseecashcomingin.Soit'snotthetraditionalkindofCapEx

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

asyou'rethinkingaboutthis,andIthinkthat'stheessenceofyourquestion,butrathera
differentcycleofcashflowgeneration.
Now,giventhatweareintheprocessofbuildingupandrampingupthatbusiness,you're
seeingthatcashneedsinourcashflowstatements,andyouseethoseinventorybuilt.
Todate,we'vehadsomesystemsalesrecordedasrevenue,butexpectmoreofitto
comeinthrough2027.
Operator
OurnextquestioncomesfromthelineofJustinPostwithBankofAmerica.Yourlineis
nowopen.
Q-JustinPost{BIO3469195<GO>}
Great.Thankyou.Ihavesomequestionsontheagentictransition.Youdidlaunchthe
universalshoppingcart.Clearly,peoplearelikingandusingagenticusecases.Asmore
ofthathappens,howdoyouplantomanagethesearchtransitiontoagenticuse?Doyou

thinkthatcouldbeaheadwind?Andsecond,doyouthinkagenticcould
actuallydrive
moremonetizationforyourtrafficoverthelongterm?
AndthenI'llgoagainatTPUmargins.We'rewonderingdoyouthinkthis
isareallygood
businessforyouandmaybewhy?Ifyoucan'tgiveusthemargins,whyd
oyouthinkthisis
agoodwaytouseallthiscapacity?Thankyou.
A-PhilippSchindler{BIO21014597<GO>}
Justin.We'reintheearlydaysofagentic,butmaybedirectlytothesec
ondpartofyour
question,butweviewagenticexperiencesasclearlyadditive.Ourfoc
usisbuilding
trusted,secure,superscaleexperiencesthatuserslove,anchoredf
ranklyonagentic
commercefoundationalblockslikeyoumentionedatuniversalcomm
erce,thecart,the
AgentPaymentsProtocol,andsoon.Whenusersshop,andthat'simpo
rtant,there'sa
partofthejourneytheydon'tlike,thegruntwork,whichisfranklyfant
astictoautomate
withAI.Butwealsowanttoenhance,notjustautomateawaythediscov
eryexperience
thatpeoplefranklyloveinsomanycases,userslikechoice,andtheyw
anttoconsider
thingswaybeyondprice,likebrandloyalty,customerservice,andso
on.
Sowe'rereallyarchitectingtheseagenticworkflowsinawaythatwec
anintentionally
designthetimeandthespaceforuserstoexplorethosechoices.Sosi
mpleexample,an
agentcouldrespond,here'stheinsuranceproductwefound,andhere
'sanotherstrong
option,oneofwhichisahigherpremium,maybealowerdeductible,an
dthey're
currentlyofferingaveryspecialdiscount.Sogiventhatthere'salmo
stneveronlyone
perfectoptionforadecision,we'reactuallyconfidentthatwecanact
uallyprovidereally
interestingcompellingadvertisingmodelsforagenticusecases.An
dobviouslyyoucan
imaginegoingbeyonduswithsubscriptionsandotherpaymentmetho
ds.Butl'mreally
actuallyexcitedabouttheadvertisingopportunitiesinanagenticwo
rld.
A-SundarPichai{BIO15004624<GO>}
Overall,Iwouldaddandsay,look,Iwouldviewitasanexpansionoppor
tunity,right?Any

time,justlikeafewyearsago,beingabletoincorporateAIchatusecasesinSearch
allowedpeopletoaskmoreanddomoreinSearch,whichiswhatisplayingoutinour
usage.Ithinkagentswould,again,beanopportunitytoexpandthetypesofproblemswe

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

solveforourusers.Ithinkpeoplealwaysunderestimateallthecomponentsyouneedto
delivertheseagentic--Imean,thesecomplexexperiencesforusers.AndSearchonthe
surfacelookssimple,butthere'sextraordinarydeeplevelsofinvestmentandthingswe
havebuiltovertime,likeKnowledgeGraphbeinganexample,andsoourunderstanding
oftheworld,etcetera.Solthink,I'mexcitedaboutagents,andIwouldviewitasanew
frontier,whichbringsinanewsetofusecasestoSearch.Andso,weareexcitedtowork
through--workthroughthat.

A-ThomasKurian{BIO38110076<GO>}

OnTPUsystemsandmargins,wedon'tbreakoutmarginsforindividualproductsor
infrastructurecomponents.However,weseeseveralbenefitsfromdesigningand
manufacturingTPUsystems.So,firstofall,toremindyou,theTPUsystemisnotjusta
chip,butit'sacompletesystem.Giventhepriceperformancebenefitsof TPUsystems
relativetocompetitors,growingdemandforacceleratedcomputeandthescarcityof
acceleratedcompute,we'reveryfocusedoncontinuingtoimprovemarginsaswescale
thebusiness.

Twoadditionalpoints.Firstofall,whenAnatmentionedthatweprocurecomponentsto
buildtheinventory.Weonlydothatafterwehavesignedcontracts.Soallofthe
inventorythatforTPUsystemsareassociatedwithcommittedcontracts.

Additionally,byputtingTPUsystemsinthird-partyfacilitiesandinc ustomerdata
centers,itallowsus,one,tobroadenouraddressablemarkets.Forsomeindustries,they

havedataintheirpremisethattheycannotmovetoacloud,anditallowsustobring
acceleratedcomputetowherethedatasits.Additionally,italsooffsetstheneedforus
tohavetopre-buildfacilitiestohosttheseTPUsystems.
Operator
OurnextquestioncomesfromthelineofMarkShmulikwithAllianceBernstein.Yourline
isnowopen.
Q-MarkShmulik{BIO21311083<GO>}
Yes,thanksfortakingthequestions.I'mgoingtobeonthesamecoupleoftopics,but,
Philippjustonagentic,ifyou'vekindofjusttakenalookatsomeofthemoreagentic-
styleusecasesonGemini,AIMode,andkindofobservingsomeofthe3Pintegrations
withGoogleproperties.Anythingthatsurprisedyouorchangedyourview?Iknowwe've
talkedalotaboutcommerce,butperhapsonlikeconsumerproductivityaswell.And
then,eitherThomasorAnat,justonkindofcloudgrowth,isthereanythingyoucould
sharejustaroundtherateofgrowthofGoogleCloudexcludingtheTPUsystemsales,
andjusthowmuchofthat'sbeenkindofconstrainedbycapacity,andassomeofthat3P
capacitycomesonlineinQ4?Isitfairtokindofassumeanaccelerationofthat Google
Cloudbusiness?Thankyou.
A-SundarPichai{BIO15004624<GO>}
Look,maybe I'lltakethefirstpartonwhatweareobservingontheseearlyagentic-style
usecases.Wearedefinitelyseeingit.Justrecently,intheGeminiapp,we'veaddeda
Taskstab,andwherepeopleareactuallytypinginagenticqueries,andsowecan
observethat.Look,inallofthis,usersreallywant,andtheywanttobedelighted,sothey
effectivelyarelookingfor,theyhaveahighbar.Whatencouragesrepeatuseisyour

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

abilitytomorehandletheselongertasksandactuallydeliverasatisfactoryoutcomeat

theend.Justlikehavingseenthisinotherareas,includingcoding,et
cetera,whenyou're
doingitat70%,itlookslikeitdoesn'tworkuntilyoucrossacertainthr
eshold,andit
reallytakesoff.Andsowearecloselylearningfromallofit,identifyin
ggaps,layingall
thefoundationsItalkedaboutearlier,andI'mconfidentit'sanareaw
hereyouwillseea
lotofprogressacrossoursurfacesaswegothroughlaterthisyearand
in'27.
TheonethingaswetransitiontoTPUs,oneofthecommentIwouldmake
ontheTPU
systemsis,look,inthesemiconductorindustry,economiesofscale
matter.SoIwould
lookatourabilitytodo,TPUsbothfordeployinginourdatacentersand
TPUsystems
andothersdatacentersasanabilitytoscaleuptheproduct,whichdir
ectlytranslates
intobettereconomics.
A-ThomasKurian{BIO38110 76<GO>}
Toaddressthequestionontherateofgrowthofcloud,ourGoogleClou
dsegment
deliveredrecordgrowthinthethirdquarter,withcloudrevenuesup1
03%to$30.7billion.
ThestrongestgrowthcontributorwasGoogleCloudPlatform,withstr
engthinbothAIand
coreGCP.SoGCPaccountedforthevastmajorityofrevenuegenerate
dinQ3.Andcloud
revenuegrowth,excludingtheimpactofTPUsystemsales,wasagainv
ery,verystrong.
Demandwasalsostrongacrossourproductlines.
Soweseethreethingsgoingon.One,aspeopleuseGemini,weseerevе
nuegrowthfrom
Geminiitself,butwealsoseethataspeopleuseGemini,itdrivesgrow
thinotherpartsof
ourportfolio.Forinstance,astheybuildagents,theyusecomputeto
performatask,
andsotheybuycompute.Theyusestoragetostorememoriesoftheage
nt,databaseto
serveupwhat'scalledcontextfortheagenttoreasonon.Andobviousl
y,givenallthe
cybersecuritythreats,weareseeingstronggrowthinourcybersecuri
typortfolio.Sowe
areconfidentaboutourgrowthandthediversityinourgrowth.We'rea
lsoseeingnew
customersbuyintoGCPandacceleratinggrowthandnewcustomerad
option.Sowealso
seethatasagrowthvectorforus.Andwearealwaysatanypointintime,
wecould

obviouslyservealotmoredemandwithcapacity,butwearemanaging allofthese
parametersandgrowthcarefully.
Operator
AndourlastquestioncomesfromMichaelNathansonwithMoffettNathanson.Yourlineis
nowopen.
Q-MichaelNathanson{BIO20090061<GO>}
Thanks.IhavetwoforSundar.InanearlieranswertoEric'squestionaboutTPUand
cloud,weheardawillingnesstoworkwithsomeofyourcompetitorsorcompaniesthat
wemayviewascompetitorsinmodelsandcloud.SoIwonderhowyouthinkaboutthe
philosophyhereaboutworkwithpeoplethatmaybearecompetingwithyouandwhythis
strategyisanopportunity,notarisk,longertermtomakesense.
Andthensecondly,onagenticconsumerbehavior,oneofthedebatesisaroundsafety
andtrust.Canyousharewithuswhatyou'velearnedsofaraboutsafetyandtrust.Are
thosevariablesthatmattertoconsumers?Andhowdoyouthinkifthosevariables
matter,whatareyoudoingtoprotectconsumertrustandprivacyasyoubuildout
agenticconsumertools?Thanks.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

A-SundarPichai{BIO15004624<GO>}
Thanks,Michael.Greatquestions.Onthefirstone,look,wehavelongviewedwhatwe
buildascategoriesofthingswhichwebuildasproducts,andthentherearecategories
ofthingswhichwebuildasplatforms,right?Andyouneedtohaveaclearviewonwhich
iswhich.Andwhenyou'rebuildingthingsasplatforms,youreallyworkhardtomakethe
platformgreatandmakesureitworksforeveryone.
Wehavealonghistoryofoperatingmanyplatforms,beitabrowser,beitanoperating
system,beitanextraordinarilysuccessfulcloudplatform.Andinallofthat,wehave
workedhardtoprovideittoallplayersandbeagreatcustomer.You'veseenusworkon

ourmodelswithothercompanies,includingApple,withwhomwecompeteinmany,many
areas.
Similarly,weviewourTPUsystemsasanimportantplatformwe'rebuilding.Wewantto
beworld-classinhowwebuildit.Thatmeansyou'reputtingitagainstmarketforces,
testingit,andcompetingforpeoplewhowouldhavethemostdemandingworkloadson
topofit.AndIthinkthat'swhatmakessurethoseteamsarecontinuingtobeatthe
frontier.Sothat'showwethinkaboutit.Andovertime,Ithink,thatalwaysendsupin
expandingopportunities.Andwe'vebeenabletodowelltakingthatapproachoveravery
longperiodoftime.
Second,onagenticbehavior,Imean,totheearlierquestion,andIthinkIshouldhave
emphasized,peoplereally--whenpeopleareapproachingtheseagenticexperiences,
weclearlyseepeopleareconcernedaboutsafetyandtrust.Imean,itisavery,very
highfactorinhowtheywanttousethesethings.And,overdecades,thetrustwehave
builtbydeliveringtheseexperiencesinasafewayacrossmanyconsumerproductswith
scaleinbillionsofusers,aswellasthisputtinginend-to-endaswearebuildingour
modelsandagents,deployingthembothwithextensivetesting,thekindofreal-time
monitoringwedoaswedeploytheseatscale,IthinkallofthatwillendupbeingahugE
differentiator.Andwealreadyhearaboutitfromourusers,andIthinktheywouldvote
withtheirfeetasthisfrontiergoesthrough.
Q-MichaelNathanson{BIO2009061<GO>}
Thankyou.
Operator
Thankyou.Andthatconcludesourquestion-and-answersessionfortoday.I'dliketoturn
theconferencebackovertoJimFriedlandforanyfurtherremarks.
A-JimFriedland{BIO22252778<GO>}
Thankseveryoneforjoiningustoday.Welookforwardtospeakingwithyouagainonour
fourthquarter2026call.Thankyouandhaveagoodevening.
Operator
Thankyou,everyone.Thisconcludestoday'sconferencecall.Thankyoufor
participating.Youmaynowdisconnect.

© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

Thistranscriptmaynotbe100percentaccurateandmaycontainmisspellingsandotherinaccuracies.This transcriptisprovided"asis",withoutexpressorimpliedwarrantiesofanykind.Bloombergretainsallrightsto thistranscriptandprovidesitsolelyforyourpersonal,non-commercialuse.Bloomberg,itssuppliersandthird-partyagentsshallhavenoliabilityforerrorsinthistranscriptorforlostprofits,losses,ordirect,indirect, incidental,consequential,specialorpunitivedamagesinconnectionwiththefurnishing,performanceoruseof suchtranscript.Neithertheinformationnoranyopinionexpressedin thistranscriptconstitutesasolicitationof thepurchaseorsaleofsecuritiesorcommodities.Anyopinionexpressedinthetranscriptdoesnotnecessarily reflecttheviewsofBloombergLP.©COPYRIGHT2026,BLOOMBERGLP.Allrightsreserved.Anyreproduction, redistributionorretransmissionisexpresslyprohibited.
FINAL TRANSCRIPT 2026-10-29
Alphabet Inc (GOOGL US Equity)
© COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.