Alphabet selling very rare 100-year bonds to help fund AI investment



Tony Trzcinka, a US-based senior portfolio manager at Impax Asset Management, which purchased Alphabet's bonds last year, said he skipped Monday's offering because of insufficient yields and concerns about overexposure to companies with complex financial obligations tied to AI investments.

"It wasn't worth it to swap into new ones," Trzcinka said. "We've been very conscious of our exposure to these hyperscalers and their capex budgets."

Big Tech companies and their suppliers are expected to invest almost $700 billion in AI infrastructure this year and are increasingly turning to the debt markets to finance the giant data center build-out.

Alphabet in November sold $17.5 billion of bonds in the US including a 50-year bond—the longest-dated dollar bond sold by

a tech group last year—and raised €6.5 billion on European markets.

Oracle last week raised $25 billion from a bond sale that attracted more than $125 billion of orders.

Alphabet, Amazon, and Meta all increased their capital expenditure plans during their most recent earnings reports, prompting questions about whether they will be able to fund the unprecedented spending spree from their cash flows alone.

Last week, Google's parent company reported annual sales that topped $400 billion for the first time, beating investors' expectations for revenues and profits in the most recent quarter. It said it planned to spend as much as $185 billion on capex this year, roughly double last year's total, to capitalize on booming demand for its Gemini AI assistant.

Alphabet's long-term debt jumped to $46.5 billion in 2025, up more than four times the previous year, though it held cash and equivalents of $126.8 billion at the year-end.

Investor demand was the strongest on the shortest portion of Monday's deal, with a three-year offering pricing at only 0.27 percentage points above US Treasuries, versus 0.6 percentage points during initial price discussions, said people familiar with the deal.

The longest portion of the offering, a 40-year bond, is expected to yield 0.95 percentage points over US Treasuries, down from 1.2 percentage points during initial talks, the people said.

Bank of America, Goldman Sachs, and JPMorgan are the bookrunners on the bond sales across three currencies. All three declined to comment or did not immediately respond to requests for comment.

Alphabet did not immediately respond to a request for comment.

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