

Alphabet's Loon Raises \$125 Million From SoftBank, Making It The Second Unit To Take Outside Funding This Year

Alphabet's [internet balloon unit, Loon](#), has raised [\\$125 million from a SoftBank subsidiary](#), making it the tech giant's second so-called "Other Bet" to take outside funding in the past year.

Loon and SoftBank's HAPSMobile both aim to provide internet connectivity to people in far-flung regions, and the investment comes as part of [a new long-term partnership](#) that includes collaboration on both technology and commercialization efforts. The agreement also gives Loon the option to reciprocally invest \$125 million in HAPSMobile in the future.

Google parent company Alphabet has increasingly sought external funding for its stand-alone subsidiaries, called "Other Bets," as it aims to cut costs and increase revenue for these non-advertising businesses, which range from security firm Chronicle to self-driving-car unit Waymo.

Alphabet's health care company Verily, for example, [raised a \\$1 billion](#) funding round led by private equity firm Silver Lake in January, adding to a previous \$800 million investment led by Singapore's Temasek Holdings. Similarly, [wind-turbine business Makani](#) has raised money from Shell while Waymo is also seeking external funding, sources told [The Information in March](#).

Alphabet could afford to fund these efforts on its own—it has more than \$100 billion in cash, after all—but this capital strategy makes its Other Bets more financially accountable at a time when Wall Street is wary of saturation in the advertising market that currently drives Google's sky-high profits. It also increases the likelihood that these Other Bets will eventually be spun off as completely separate companies as investors seek a return on their stakes.

In the fourth quarter, Alphabet reported [Other Bets revenue](#) of \$154 million and losses of \$1.32 billion. It's set to announce its [first-quarter earnings](#) on Monday, April 29.

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