

\$190 BILLION TO GROW

What the AI Race Reveals About the Cost of the B

June 1st, 2026: Two Signals, One Headline.



ALPHABET

\$80B

Equity Raise

\$190B

Capex Budget

Selling shares to finance AI infrastructure.



BERKSHIRE HATHAWAY

\$10B

Stake Purchased

\$350

Per Share

Buying the architecture beneath the wave.

“For the investor, a too-high purchase price for the stock of an excellent company can undo the effects of a subsequent decade of favorable business developments.”

— Warren Buffett



The Architecture of a Business

$$[\text{THE A}] + [\text{THE B}] = \text{ARCHITECTURE}$$

|
The Toll Today.
(Current Cash Flow)

|
The Wave Tomorrow.
(Compounding Growth)

The question is never whether the B exists. The question is what the B costs.

THE FREESURFER

Growth arrives
inside the moat.

Zero marginal cost.

Shareholders
concentrated via
buybacks.

THE MECHANICAL B

Growth requires
capital expenditure.

Competitively
purchased.

Shareholders diluted
via equity raises.

Growth Inside the Moat vs. Growth Outside It.

Contested Ground



CLOUD & AI COMPUTE

Microsoft Azure vs. AWS vs. Google.
Growth requires leaving the moat.

Every dollar of AI revenue must be fought for, built for, and paid for.

The Magnificent A.



GOOGLE

>90% Search Market Share.

A behavioral monopoly.



MICROSOFT

Windows & Office.

Infinite enterprise
switching costs.



AMAZON

AWS.

33% of the world's cloud,
real data gravity.

The A is not in question. The B is the question.

The Limit of Cash Flow.

\$190 Billion Capex



Operating Cash Flow

Alphabet is the first mega-cap tech giant forced to fund the AI race by diluting its equity holders.

Even the cash flow of the most profitable company on earth is not enough to pay for the mechanical B.

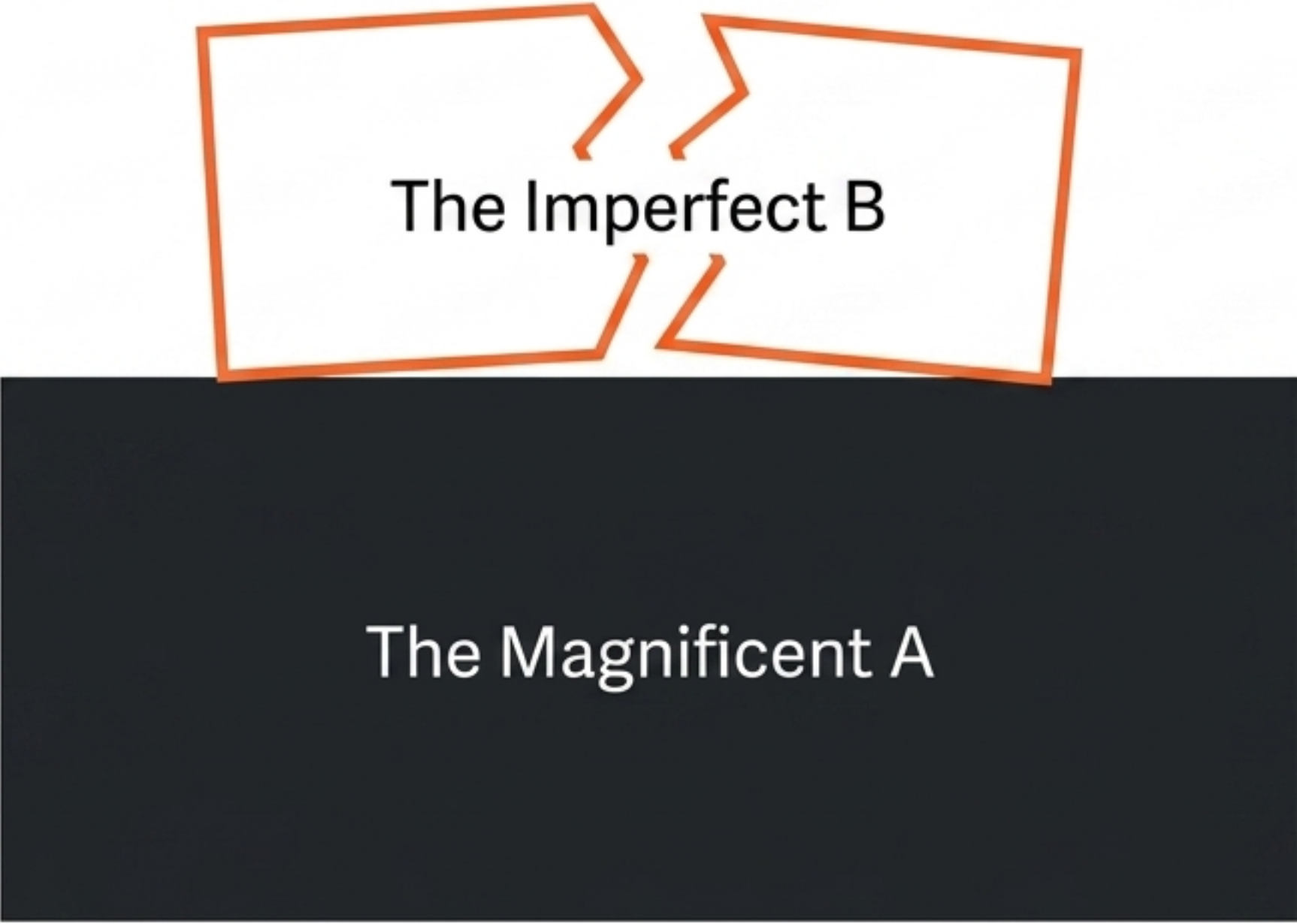
The Three Layers Test.



	GOOGLE	MICROSOFT	VISA
Volume	●	●	●
Pricing Power	◐ (deflationary cloud)	●	● (structural)
Inflation Pass-Through	◐	◐	●

**Visa captures all three layers at zero cost.
No equity raise. No \$190 billion.**

Why Berkshire Buys.



The Imperfect B

The Magnificent A

Subsidization.

Search generates enough cash to subsidize \$190B in mechanical capex without destroying economics.

Addition, Not Replacement.

Berkshire does not sell its pure Freesurfers (payment networks) for AI.

**Buy the magnificent A.
Accept the impurity of the B.**

The Missing Gap



At \$367, the buyer pays full price for the magnificent A, and pays again—through dilution—for the mechanical B. There is no free gift excluded from the price.

The Freesurfer Gap.



While the market chases AI headlines, pure architectures sit 22% below their zero-growth floor. Priced as if they will never grow again—yet they grow anyway, for free.

The Ultimate Contrast

GOOGLE

190

BILLION TO GROW

Diluting Shareholders.
Purchasing the Wave.

VISA

0

DOLLARS TO GROW

Concentrating Shareholders.
Free Compounding.

The price of the B is the architecture made visible.

And the price of the stock dictates whether you receive
a gift, or pay for one that may never arrive.