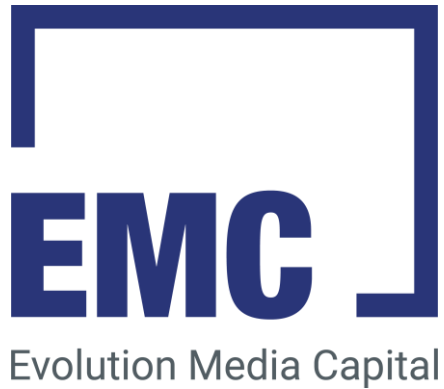




Google (GOOG) 2018 Q3 Earnings Summary

October 2018

Sign Up For Additional Research From Evolution Media Capital



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Google Is Developing More Hardware Products To Build Out An Ecosystem For Android Users

YOUTUBE

- **One particular area of focus is educational content as every day, people turn to YouTube to learn something new**
 - Announced a \$20 million investment to expand its learning initiative, which will help fund established and emerging educational careers
 - Investing in improving the news experience and more prominently surfacing credible news sources on the platform is a big priority
- **Can offer different opportunities for advertisers and have always felt direct response is something that can work well**
 - Expanding their popular, TrueView for actions format, which will help users take action directly from video ads

GAMING

- **Announced partnership with Unity to give advertisers access to one of the largest global networks of mobile gaming titles**
 - Unity's developers can monetize their apps with Google Ads without any additional development work
- **Announced an exciting test to stream Ubisoft's latest game to Chrome browsers on laptops and desktops**
 - One of the most important technological advances in a while and will focus on that and make sure they continue to make process
 - Already intersect with gaming developers across many areas and are thoughtfully thinking about what more they can do there

HARDWARE

- **Hardware efforts are picking up momentum as their approach to combining advances in AI, software and hardware is unique**
 - Bringing together the entire stack in an integrated system gives users a much deeper engaged experience
 - Trying to get in as many retail locations as possible, in as many countries as possible, with as many career certifications as possible
- **First time they are actually are doing the products end to end, and have expanded to newer categories**
 - Each generation they have been scaling up the parts in terms of the number of units they can make and so on

SEARCH

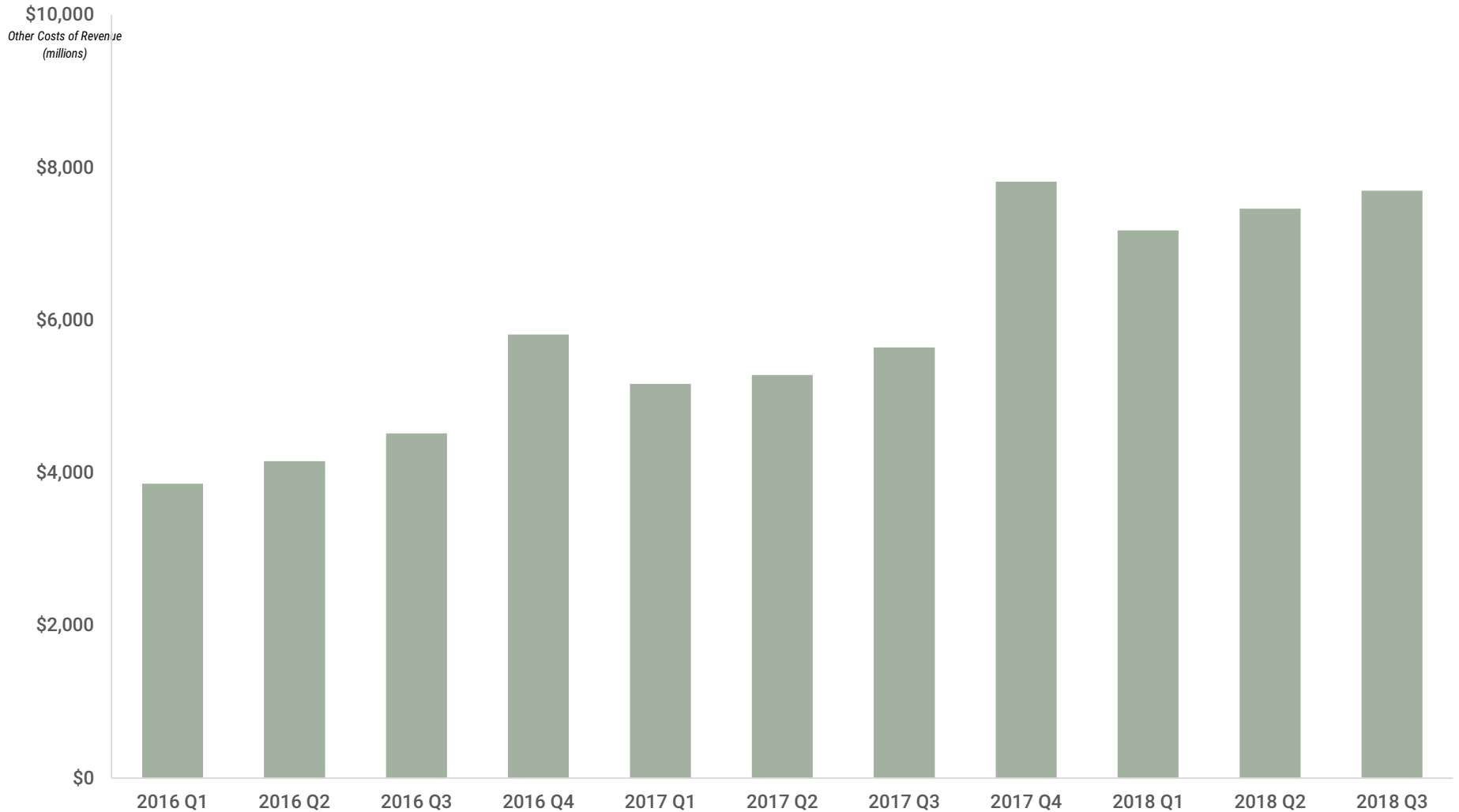
- **Always trying to anticipate what the user experience expectations are and trying to meet them there**
 - Continue to invest in machine learning to provide better experience for users and for advertisers
- **Increasingly in mobile, people want immersive, engaging and visual experiences**
 - Investing in image search, and already have products like Google Maps and Photos, which all add to that visual experience
 - Opportunities that open up with visual search continue to point to the direction of direct response

Advancements in machine learning will enhance the user experience, which will increase product loyalty

Costs of Revenue



Expenses Will Continue To Increase As They Look To Deepen Their Presence In The Hardware Market



Customers might be reluctant to purchase hardware and deepen their access points after recent data security incidents

Ad Revenues

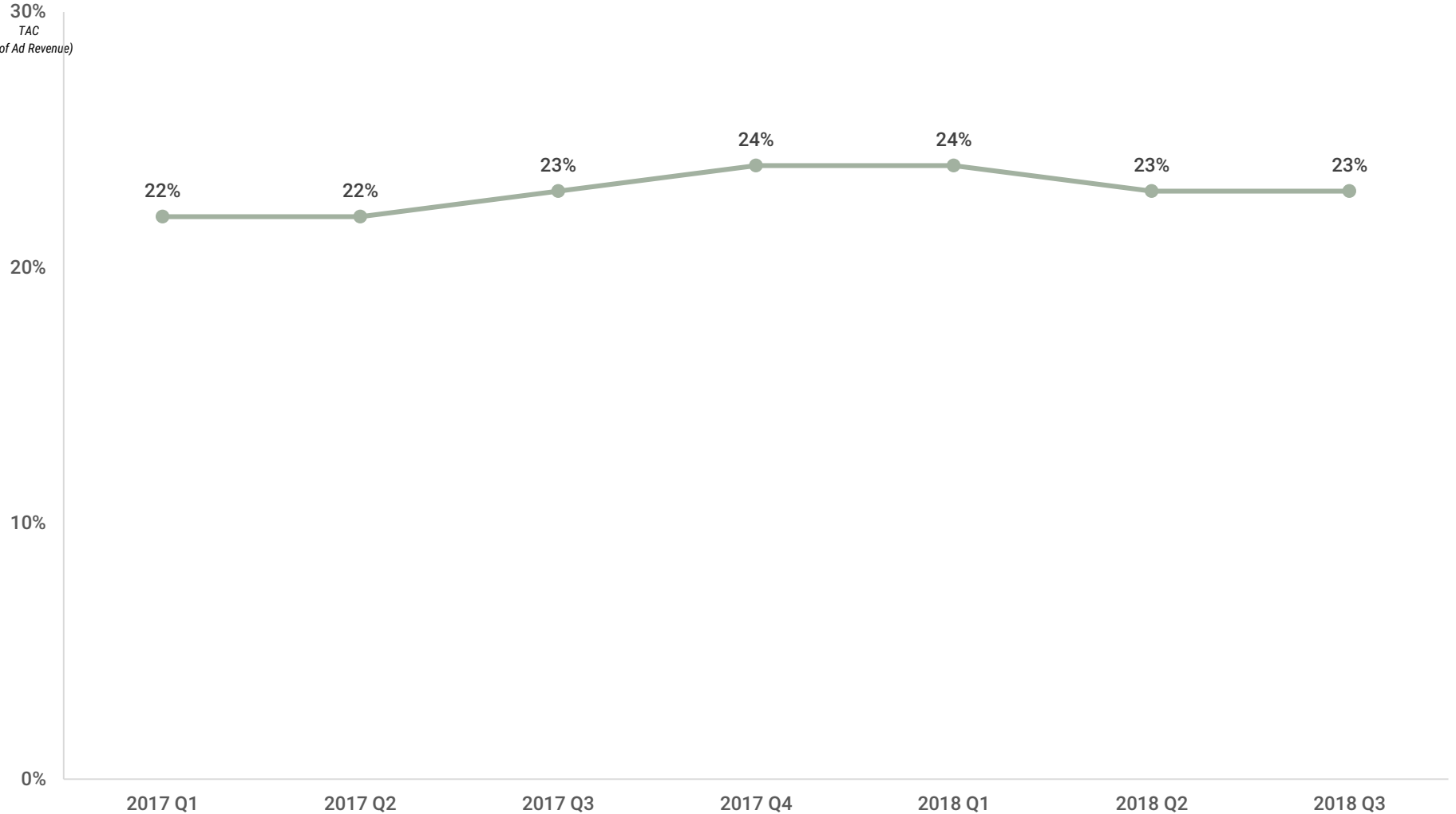


Advertisements Are Becoming More Interactive And Leading Consumers To Take Purchasing Actions



Opportunity to increase monetization of its massive user base through increased direct response advertising

Traffic Acquisition Costs Remain A Key Strategic Element As Mobile Increases Its Dominance



Small businesses will become more important partners as local mobile searches grow faster than overall searches