



Google (GOOG) 2020 Q3 Earnings Summary

October 2020

Sign Up For Additional Research From Evolution Media Capital



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Google Is Facing Increasing Regulatory Scrutiny Over Their Dominant Position In Search Across Platforms

YOUTUBE

- **Have seen the strength for direct response and can directly carry that over to commerce and as they build out the experience**
 - While Search is currently capturing the intent at that given time, YouTube advertisers can take a longer-term view to create brand awareness
- **Making sure they are creating not only great experiences for users and creators but really building the right overall ecosystem**
 - View content moderation investments as an invaluable part of what they are doing and critically important
 - Pay out a majority of revenues to all of their content creators, as well as paying all of the infrastructure and networking costs

SEARCH

- **Invest deeply in AI to ensure the most helpful search experience possible since expectations for instant, perfect searches are high**
 - It's important holistically, they are meeting users' information needs, and out of which the monetization opportunity also works as well
- **Face intense competitive environment as users are looking for information, especially on mobile, where there's so many choices**
 - Want to be available on all platforms and be convenient for users to access, and as part of that, partner with other companies in doing so
 - Confident about the benefits they bring to users, and where there is feedback or rulings, they will be flexible and adapt

COMMERCE

- **Improving the shopping experience in Search to help people find the best products available from a wide range of merchants**
 - Improved features like price tracking so people can request an alert if there is a discount on a product they are following
 - New Insights page in Google Ads helps businesses better understand consumer trends and track current search demand for products
- **Search captures the intent at the moment, and the breadth of Search has been a real asset, as both users and advertisers adapt**
 - YouTube is an important platform for e-commerce at the mid-funnel level, even if currently that's not the intent at that moment

CLOUD

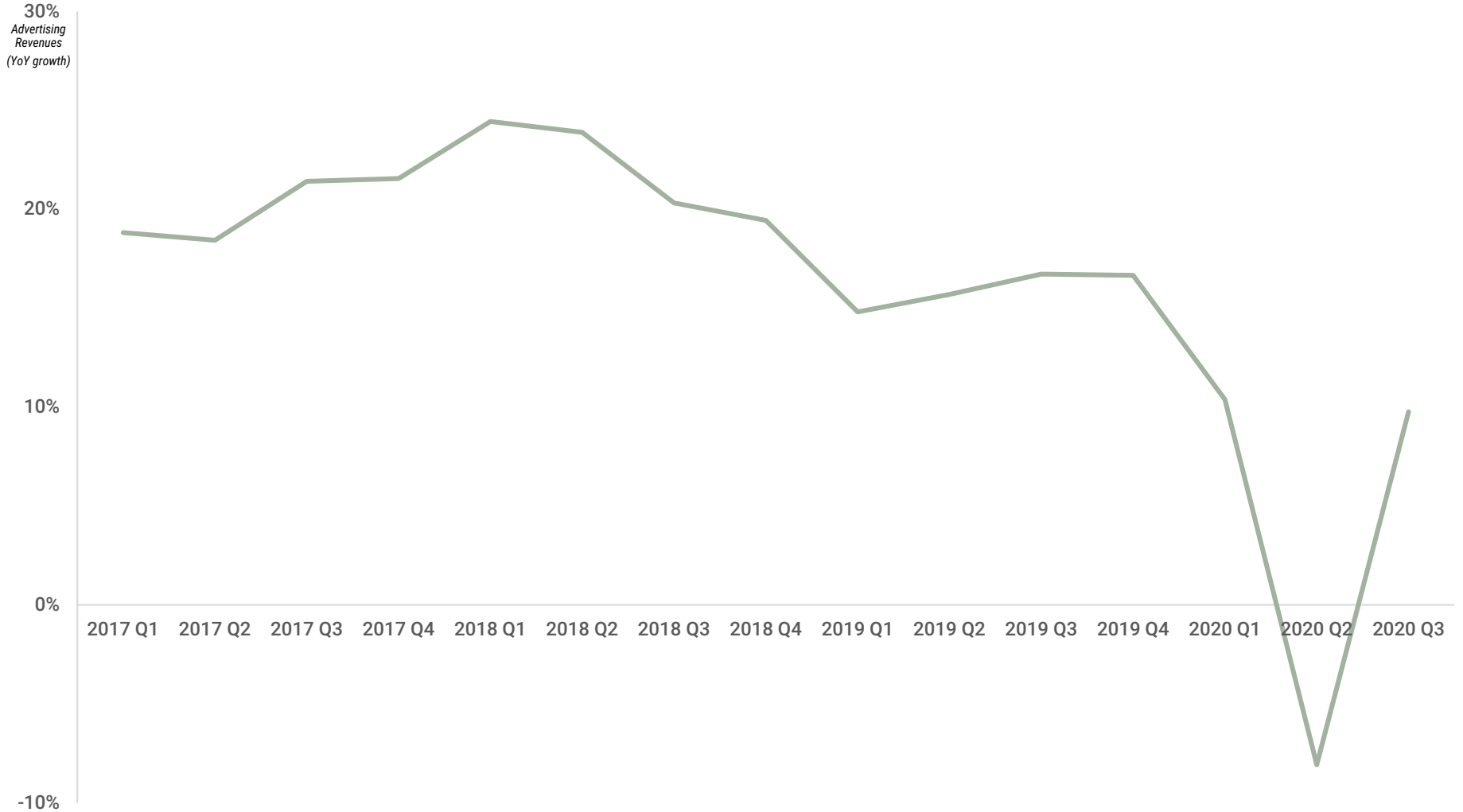
- **Investing aggressively in cloud given the opportunity that they see and frankly the fact that they were later relative to peers**
 - As the shift to digital accelerates, Google Cloud continues to provide a foundation for data processing and analytics
 - Customers are increasingly moving to the cloud to drive efficiencies and lower IT costs, where their strength in multi-cloud is an advantage
- **The future of work is creating a more collaborative world as customers are looking to support hybrid work environments**
 - In Q3, Google Meet saw a peak of 235 million daily meeting participants and more than 7.5 billion daily video call minutes

YouTube now has over 30 million music and premium paid subscribers, as well as over 3 million YouTubeTV subscribers

Advertising

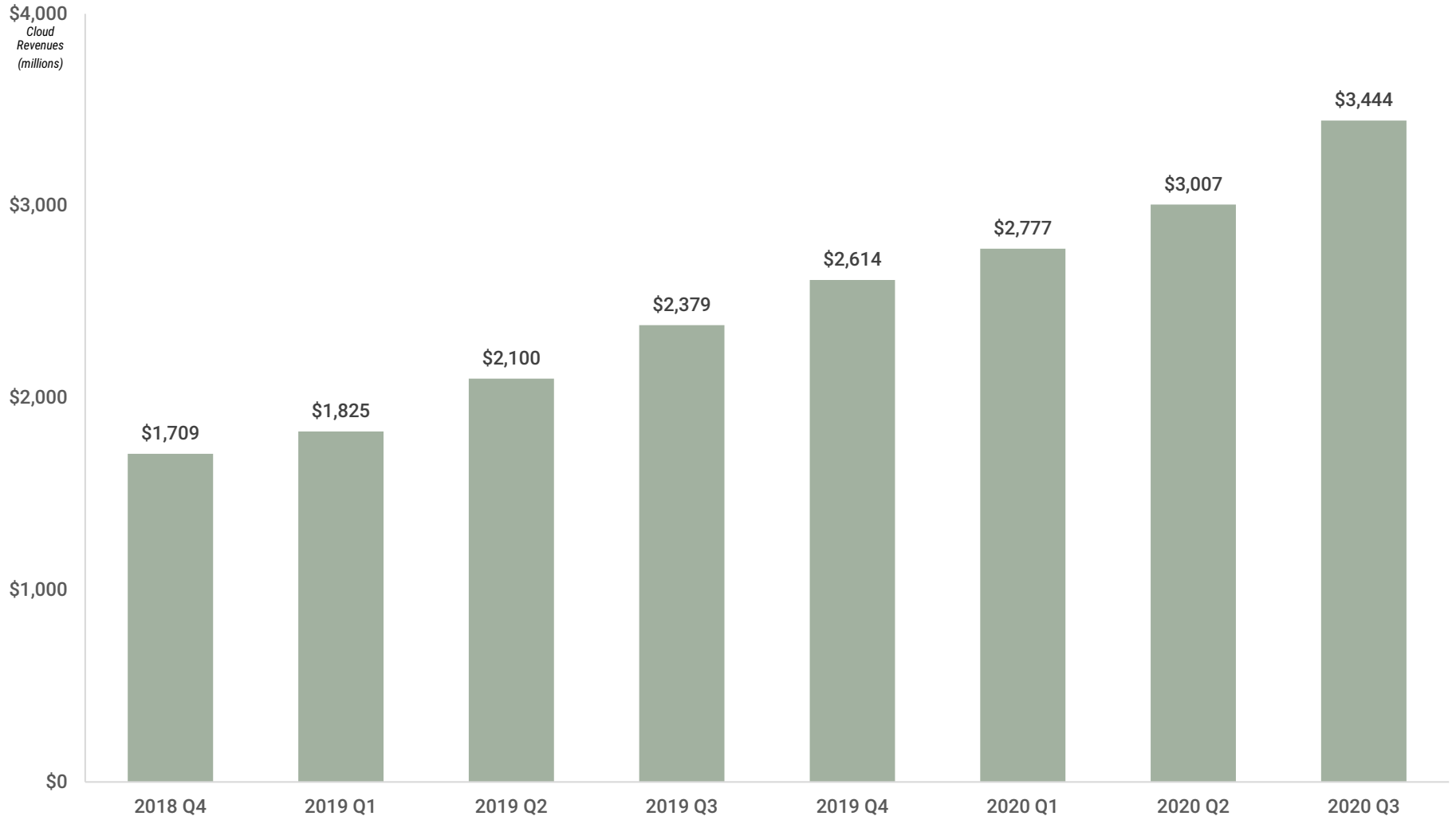


There Has Been A Swift Rebound In Brand Advertising, Along With Continued Strength In Direct Response



There is a focus on improving the shopping experience to capture all parts of the funnel, from search to purchase

Cloud Investments Are Accelerating As They Build Out Their Capabilities And Extend Their Global Footprint

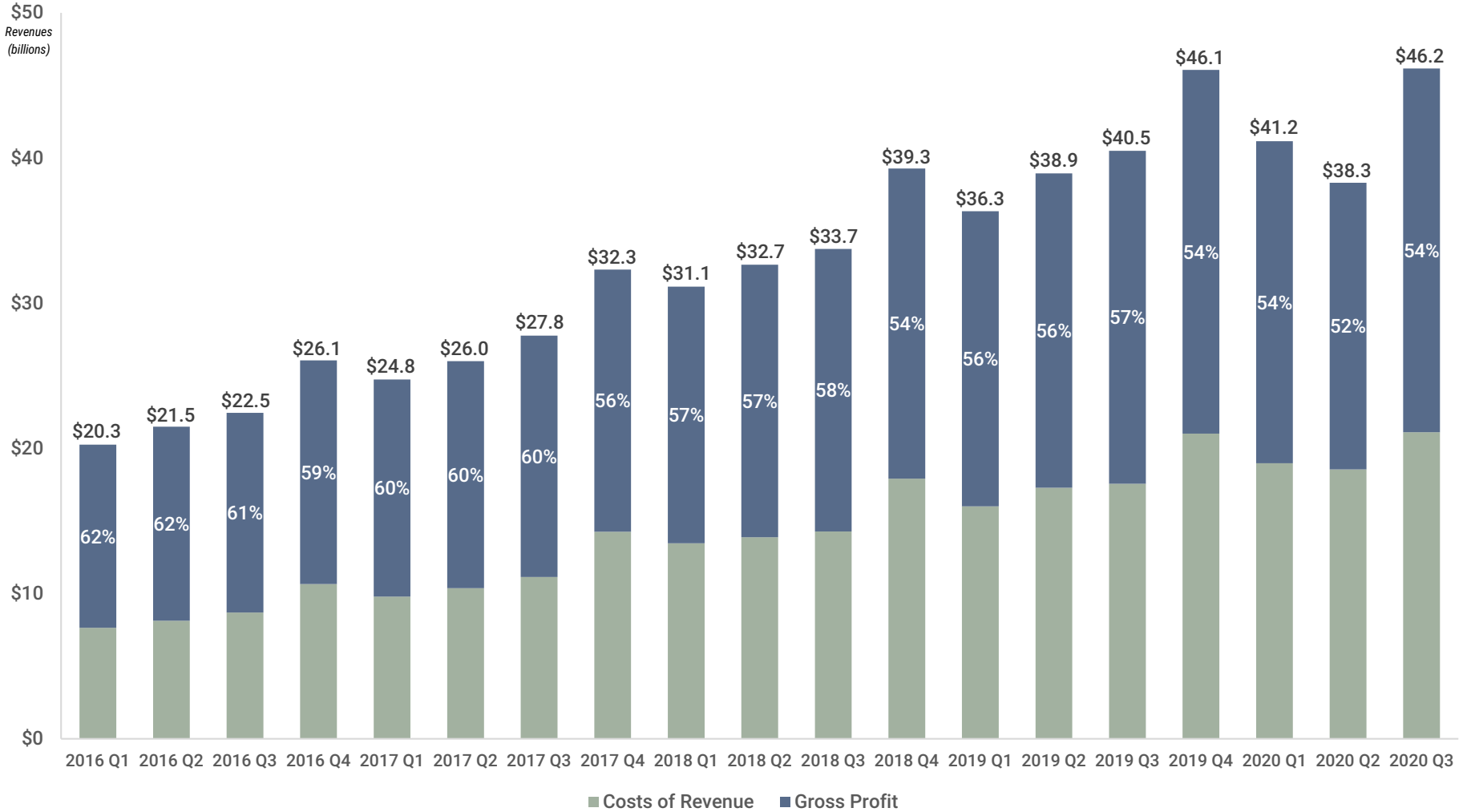


Differentiated AI and machine learning based solutions for specific industries are helping to win big brand contracts

Gross Profit



The Acceleration In Digital Transformation Necessitates Further Innovation On Their Products And Services



Hardware strategically benefits from how they guide the Android ecosystem to ensure information is at users' fingertips

