



Confidential & Proprietary

Search State of the Union

Americas Search SotU

October, 2019

Americas Ads Finance



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Search State of the Union Executive Summary

Overview

- Search share as % of total digital Ad Spend is expected to decrease over the next 5 years (-4ppts), but will still represent the largest share (45%). Google search is expected to increase market share to ~80% (+3ppts).
- Amer LCS: Amer LCS Search growth is expecting to slow to 10% Y/Y in 2020 (-5ppts)

Opportunities

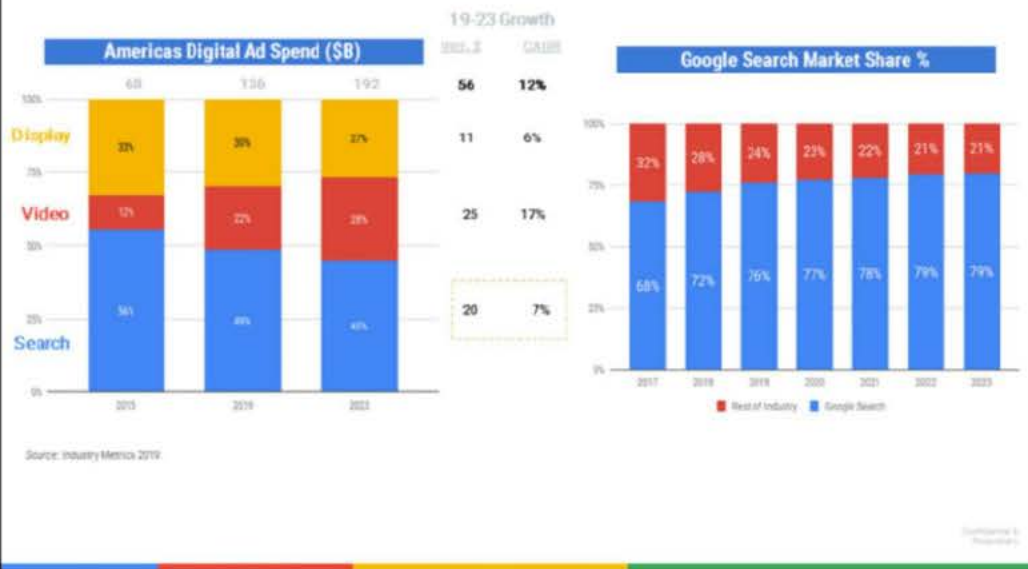
- **Mobile**: Mobile is expected to represent ~80% of queries and ~70% of revenue by 2023. Improving Mobile RPMs will be key to sustaining growth in search. This represents **-\$2B** in incremental revenue opportunity.
- **Other Search Oppty's**: We have identified opportunities around user penetration / engagement, query growth and auction metrics (coverage, CTR, Depth), totalling **-\$3B** to help accelerate search growth for the following years.

Proposed Next Steps

- A) Formal Involvement of Ads Finance in existing work streams on Coverage and Mobile, in partnership with GTM
- B) Socialize findings to assess if a formal work group can / should be formed around:
 - 1) Query Growth and User Penetration / Engagement with the Marketing team
 - 2) Page CTR headroom in mature countries with GTM / GPL

- Bridge metrics
- Coverage BFM
- Mobile Alignment

Industry Search Growth: Search will continue to lead the digital ad spend (45% of market share); Google Search will be ~80% of Search Market



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