

# Exhibit M

(previously filed as Dkt. 660-13)

Google

# 2019 Display Highlights

GDA + DV360 (Excl App Promo, Incl YouTube)

Jan 2020



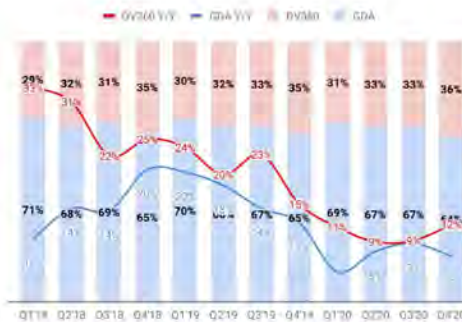
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## 2019 Performance Snapshot

### Summary of Financial Performance

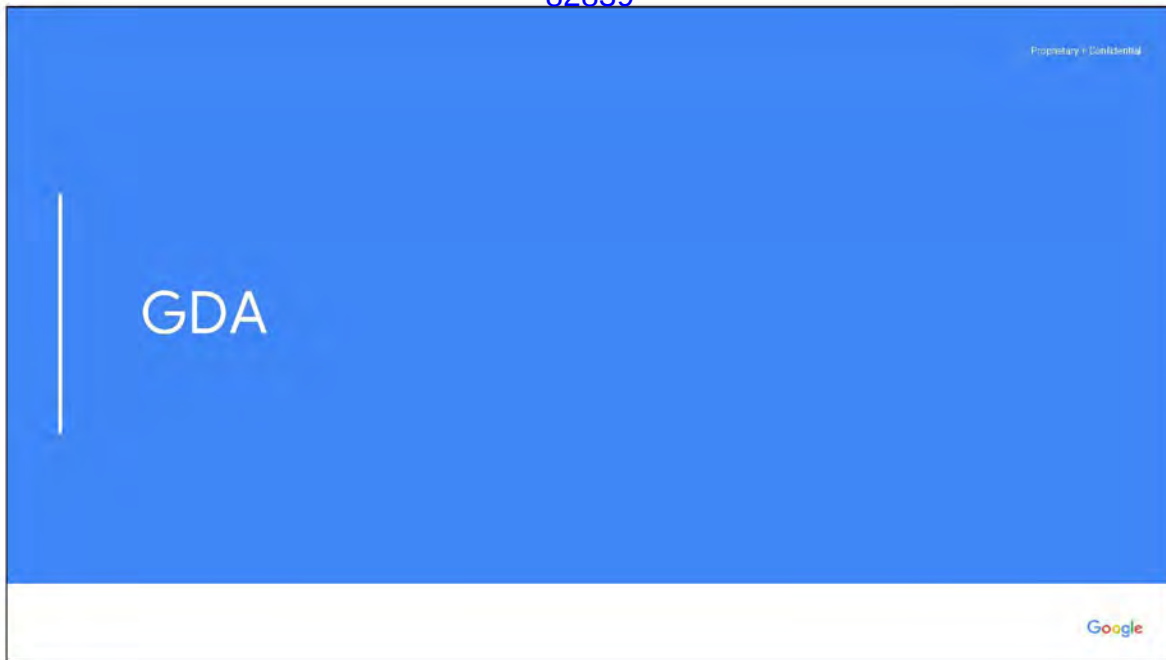
	2019 Actuals (\$B)	Attainment vs Plan	Growth YoY
Total Display	15.4B	101%	17%
GDA	10.4B	102%	16%
DV360	5.0B	99%	20%

Note: \$ using 2019 FX



- Although Display achieved plan, weakness was seen across both buying doors resulting from publisher terminations and privacy effects (ITP/ETP). Publisher terminations will continue to impact in 2020 as well.
- O&O largely helped offset Network deceleration in GDA, however for DV3, 3P further dragged down the business with negative growth Y/Y resulting from Poirot

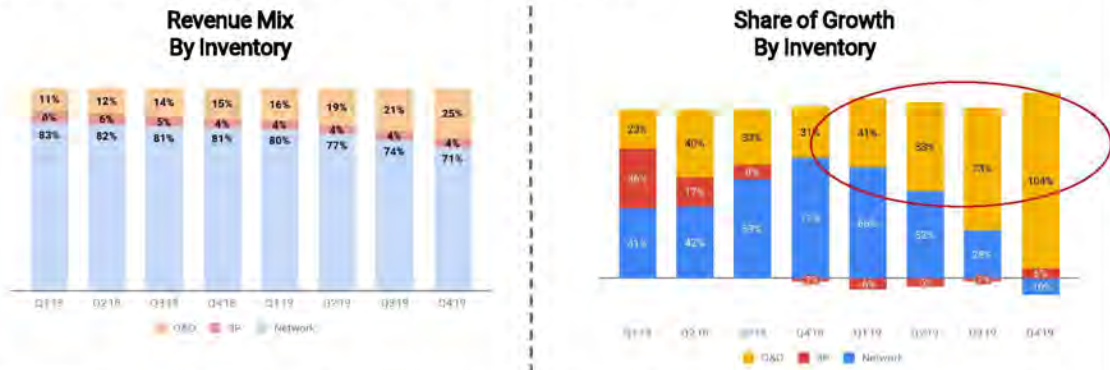
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## Executive Summary

- **Overall Performance:** GDA overperformance (102% plan attainment); Strong O&O performance, contributing 65% of growth this year vs. 32% last year, driven by Gmail and YT
- **Network Deceleration:** Resulting from a variety of factors, largely driven by publisher terminations (AdMob, AdX, AFC), but also included ITP/ETP and weakness in other campaign types (AdWords Express, Search +)
- **Automation:** Automated campaigns account for ~14% of GDA revenue, and contributing 66% of growth in the '19, up from 24% in '18

## O&O = 25% of Revenue and continues to increasingly drive GDA revenue growth in 2019 vs 2018



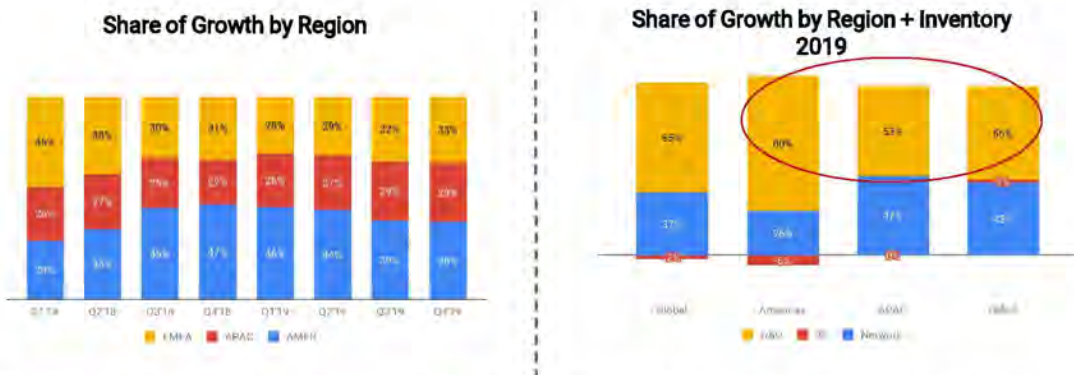
- O&O drove 65% of growth, which has been driven by both Gmail (+87% Y/Y) and YouTube (+54% Y/Y). Additionally, 44% of Gmail/YouTube growth comes from full automation campaigns, up from 6% in '18
- Network contribution to growth decreased in the back half of '19 largely due to pub terminations (AdMob, AFC, AdX), ITP/ETP, and strong growth in O&O. Pub terminations resulted from violations (e.g. invalid clicks)

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Remaining YT/Gmail share is 21% Gmail FF, 2% AWX, 32% standard display campaign

## Americas driving growth, resulting from O&O strength



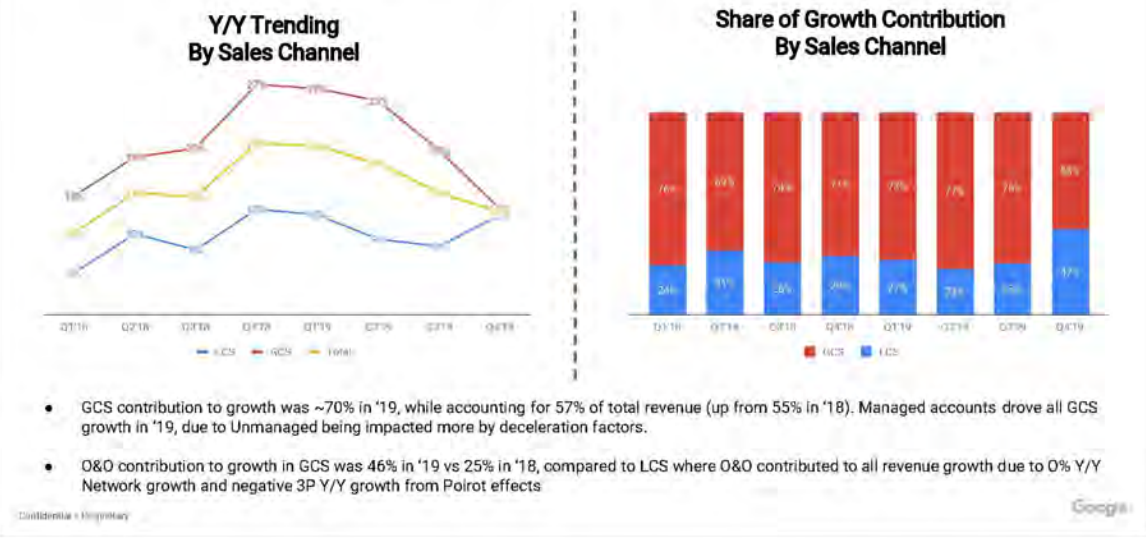
- Americas is consistently driving growth vs ROW in the past few quarters, driven by O&O in 2019. 50% of O&O spend comes from the Americas (leading globally with 63% of Gmail spend and 40% of YouTube)
- O&O drove more than 50% of growth across all regions, a reversal from 2018. O&O has an outsized impact in the Americas due to having 50% of global O&O revenue

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Americas decrease driven by drag in Network, impacted Americas significantly more given that 50% of app backfill is from Americas as well as 50% of mobile web

## GCS drove ~70% of growth in '19, similar to '18

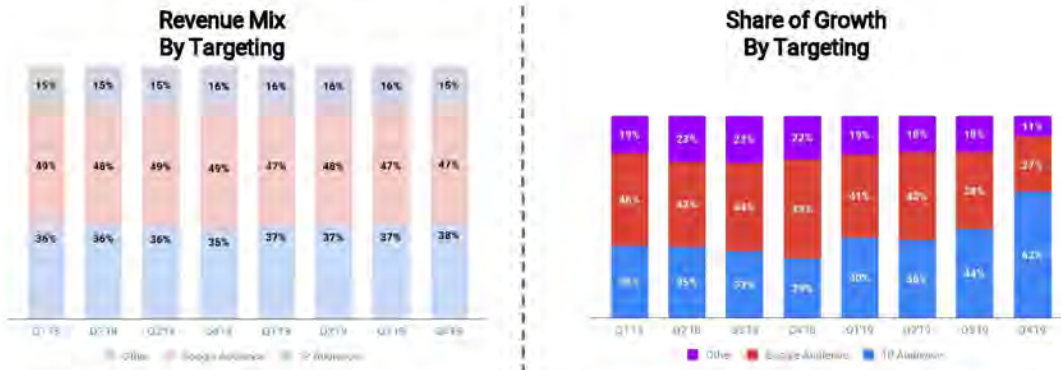


Q4 LCS driven by higher share of O&O spend YoY driven by gmail and discover feed as well as positive growth in 3P for the 1st time since Poirot, GCS was back to positive growth in q2'19 for 3p

60% of app backfill is GCS as well as Web



## 1P Audiences drove 45% of revenue growth



- **Google Audience** drove 38% of rev growth in '19, down from 45% in '18; 55% of audience growth is driven by full auto campaigns, up from 19% in '18.
- **1P Audiences** drove 45% of rev growth in '19, up from 33% in '18; 76% of remarketing growth is fueled by full auto campaigns, even though they only make up 18% of remarketing revenue. Q4'19 spike in contribution share attributed to larger impact on Google Audience from pub terminations and strong SSC growth (+209% Y/Y)

**Other** largely impacted by decline in Search + and Smart campaigns, due to changes in ad quality

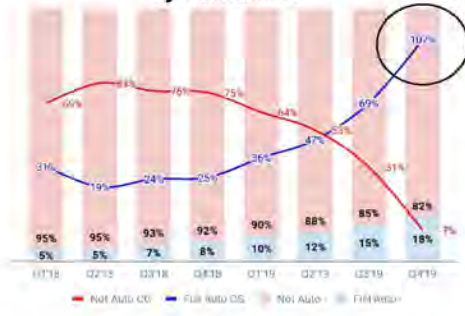
Audiences make up ~50% (keyword/custom in market) in AFC/AdMob which also suffered two rounds of pub terminations on top of being impacted in AdMob terminations as well

WHEN targeting\_type IN ('Affinity', 'InMarket', 'Custom Affinity', 'Life Event', 'Custom Intent', 'Audience Keyword', 'Interest', 'Other Keyword', 'Demographic', 'Extended Demographics') THEN 'Google Audience'

WHEN targeting\_type IN ('Customer Match', 'Dynamic Remarketing', 'Other Remarketing', 'Similar Audience') THEN '1P Audience'

## Full automation drove 61% of revenue growth in '19, up from 24% in '18

Revenue Mix and Contribution Growth By Automation



Automated Campaign \$



- Automation has crossed the **\$1B ARR** threshold in 2019, with both GCS and LCS equally contributing to growth
- Remarketing + Custom Intent drove 74%** of Full Auto growth in '19, **down from 98%** in '18, as additional targeting has expanded to other audience and contextual targeting types. However, Remarketing + Custom Intent makes up 90% of full automation revenue, up from 79% in '18. In other words, of the 23 targeting types available, only 3 are widely utilized

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Around 70% of automation targeting driven by remarketing and custom intent as well as drives 70% of the growth

## Other Agencies drove more than 50% of revenue in '19

**Growth Contribution**  
Agency vs Direct

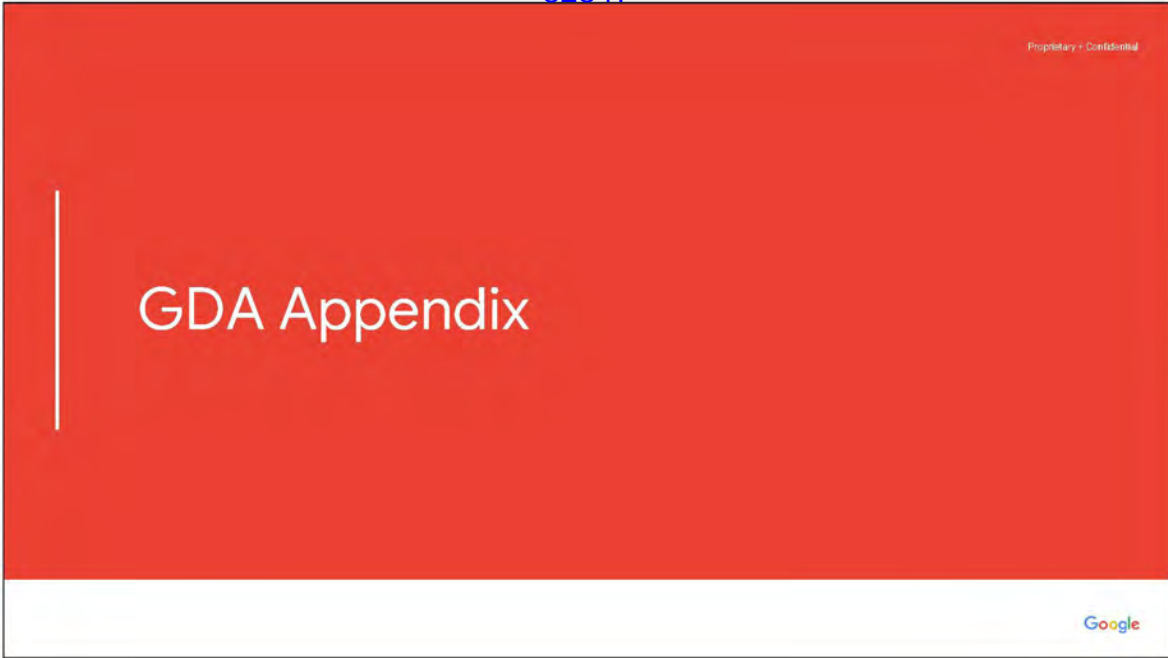


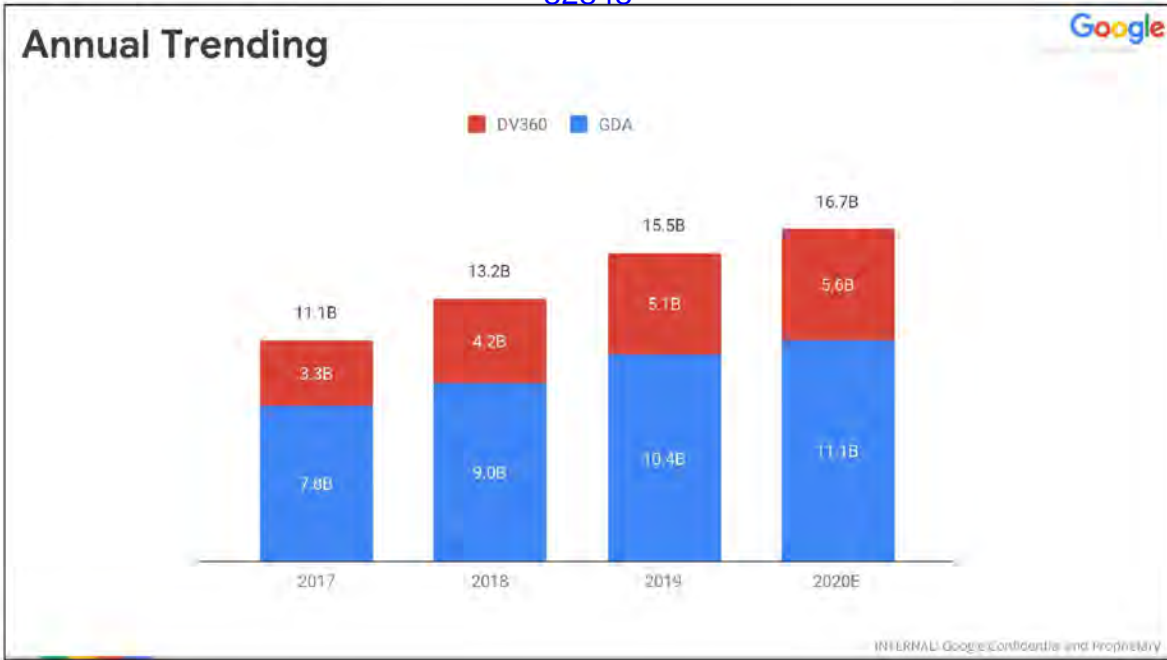
- Other Agency has increasingly driven growth vs Direct in '19 as a result of more O&O spend. For example, the top 1000 Other Agency advertisers increased their O&O spend YoY by 50% more than Direct Top 1000 advertisers
- Big 6 agencies have positively contributed to growth in '19, a reversal from negative growth contribution to the GDA business in '18. This is largely due to the growth of discovery campaigns, in addition to more agency investment in Gmail frontfill, Discovery, SDC, and SSC campaign types

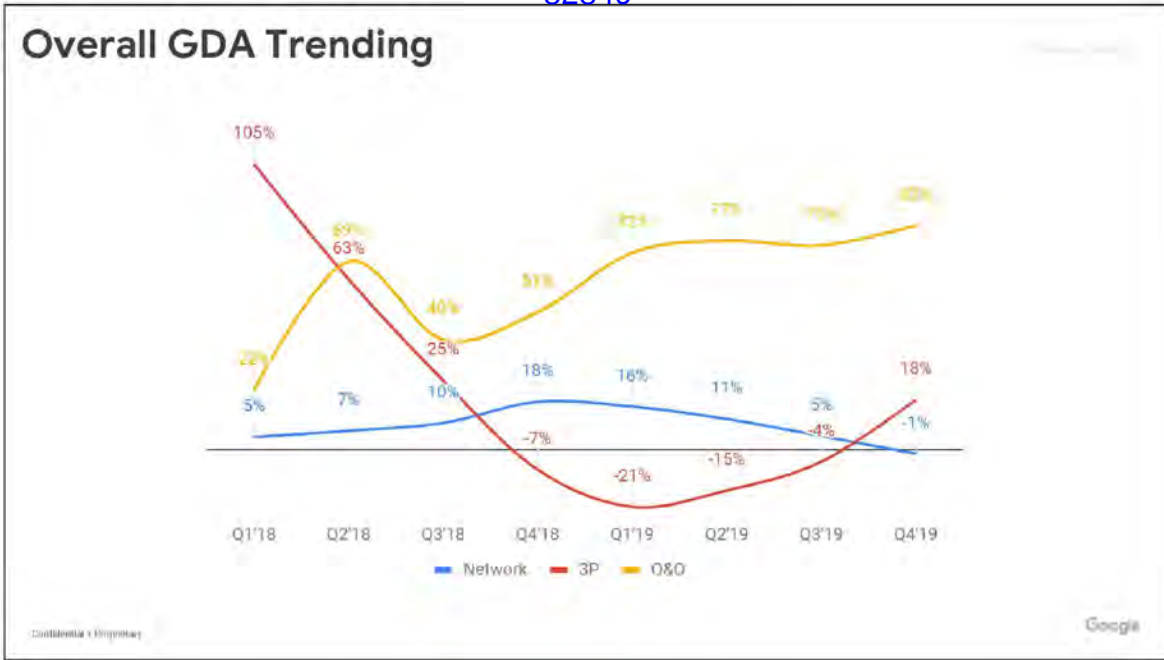
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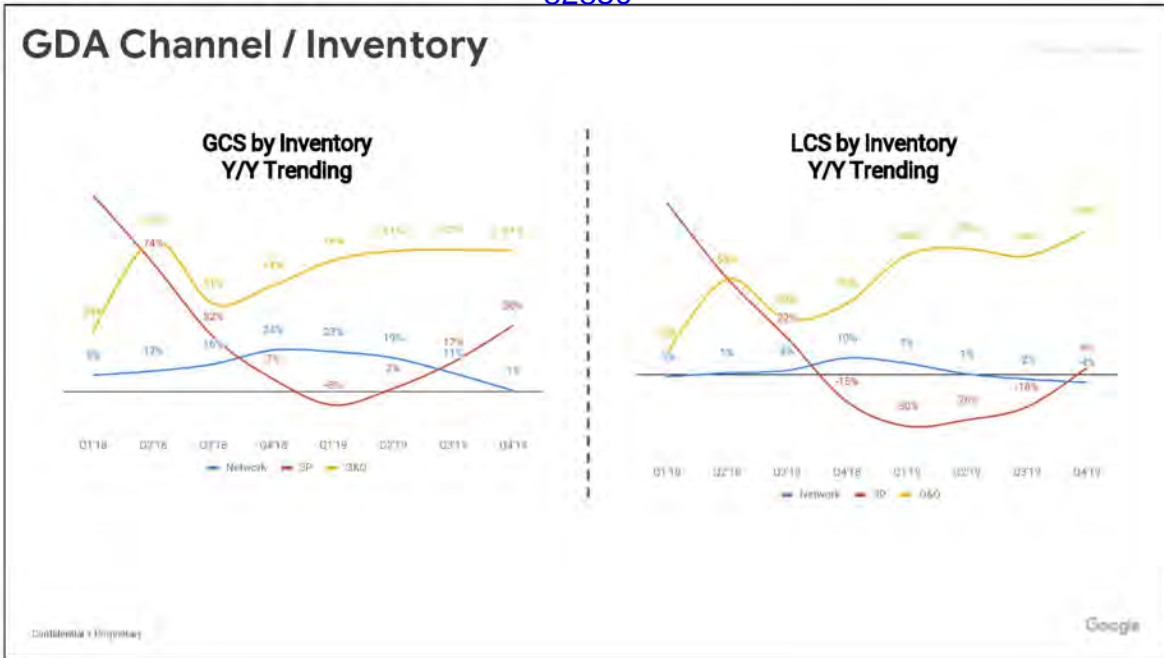
Other agency - 49% of revenue, QBR - 10%, direct - 40%





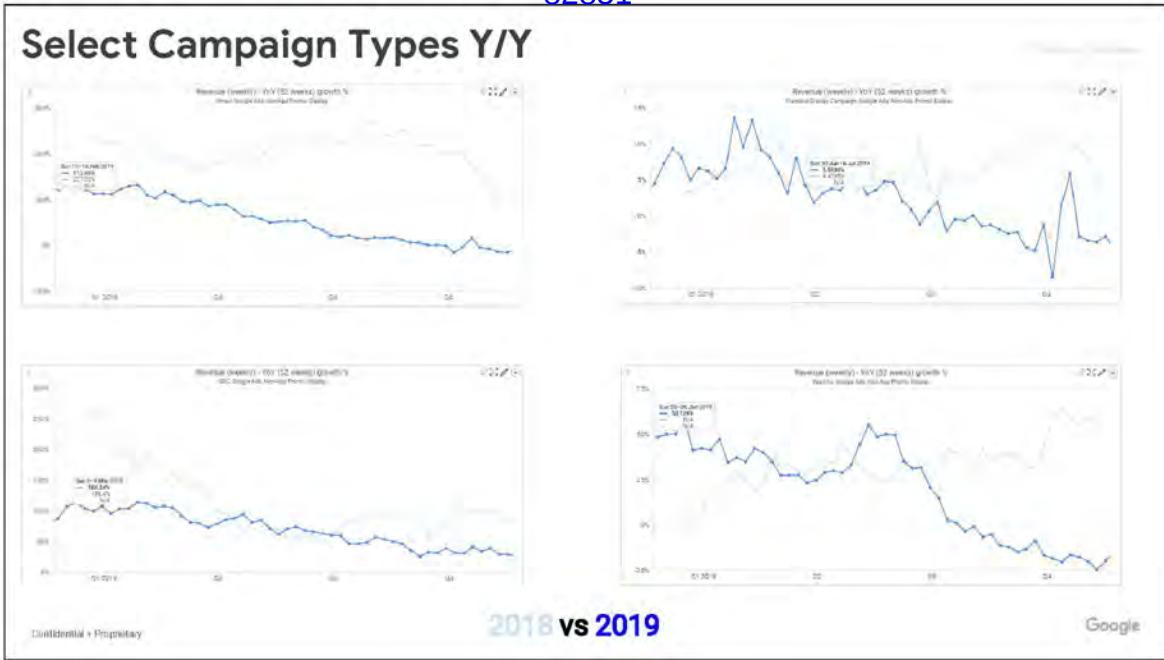


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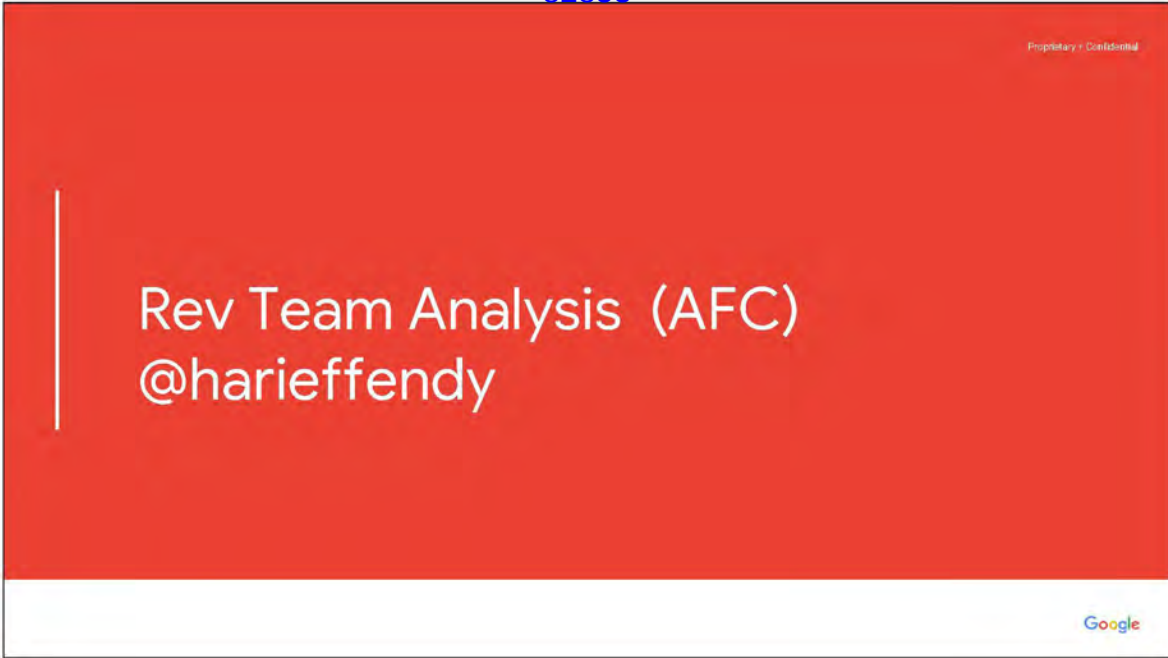




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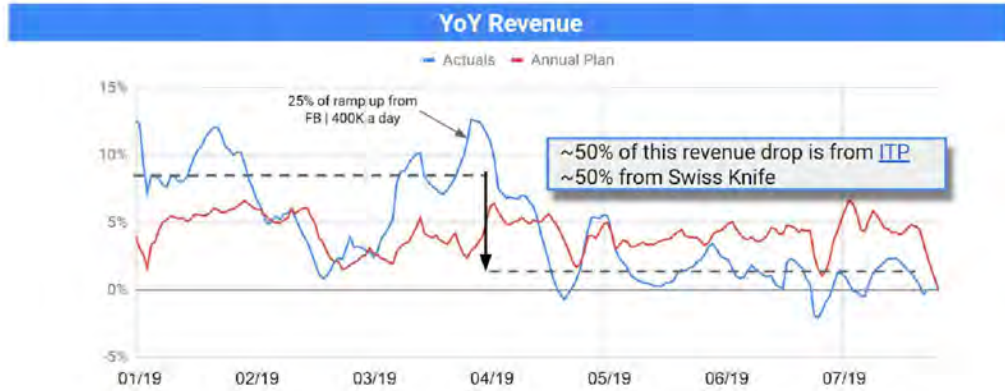








# AFC growth has declined ~6 pts, we believe this is largely due to expanded pub terminations and impact from ITP

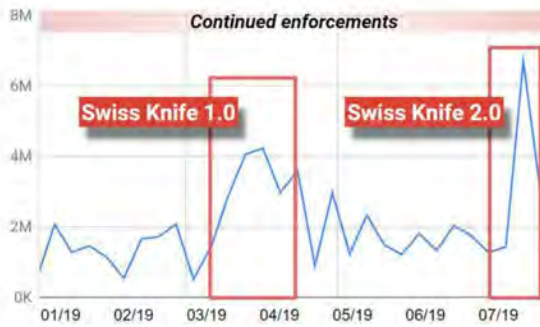


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## T&S continuously monitors the ecosystem and occasionally conducts account termination sweeps

### Trailing 30 day revenue from Terminated Accounts



### Terminated Accounts Overview

- T&S is continuously monitoring pub ecosystem health
- Swiss Knife 1.0 was a concentrated effort in mid-March to clean up the AFC network
- Since then, the team is continuously monitoring the ecosystem and did another round of termination sweep in July

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# 2019 pub violations are extremely sophisticated and diverse



## Cloaking

Users seek **Illegal File Sharing & Adult** websites. Pubs find ways to monetize these users by placing ads on **cloaked** URLs ([video](#)). Common tactic in BR, VN, CN, EG, MA, & DO.



Due to the referrer-based cloaking, our crawler sees this innocent-looking blog [site](#).

Source: Tom Warner | T&S

## Pay to Click

Pay to surf [browser extension](#). Common tactic in RU, UA.

Publishers provide a link shortener "service" that pays users [pennies](#) to drive traffic through [gateway pages](#) with countdowns, AdSense ads & captchas. Common tactic in EG, MA, SA, YE, PS.

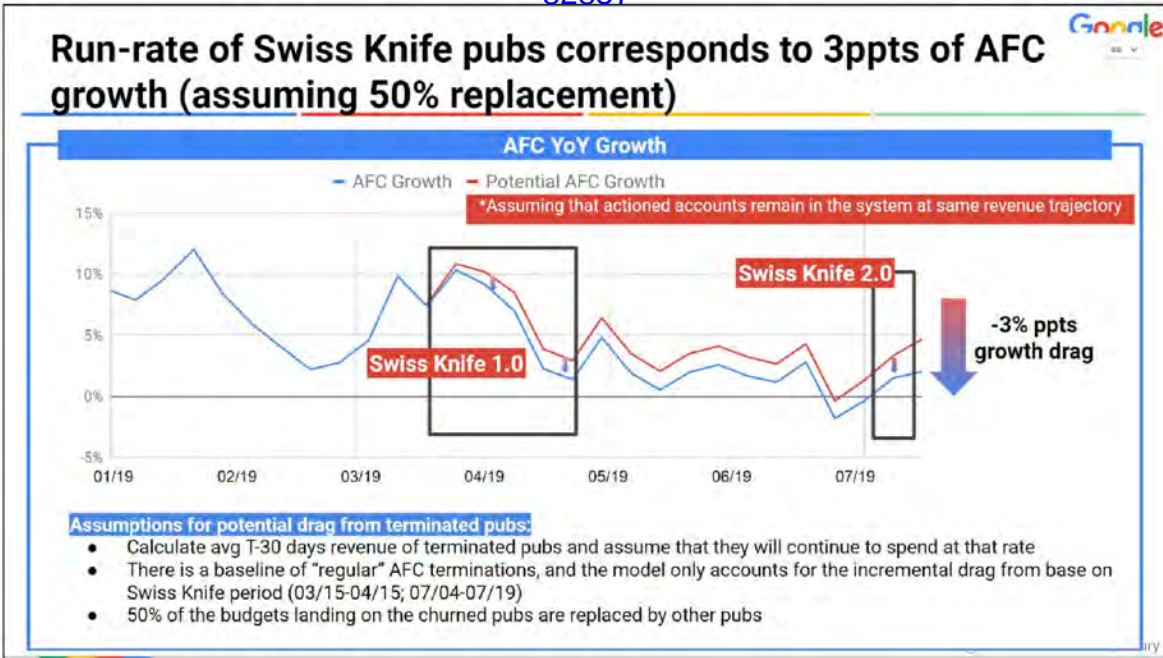


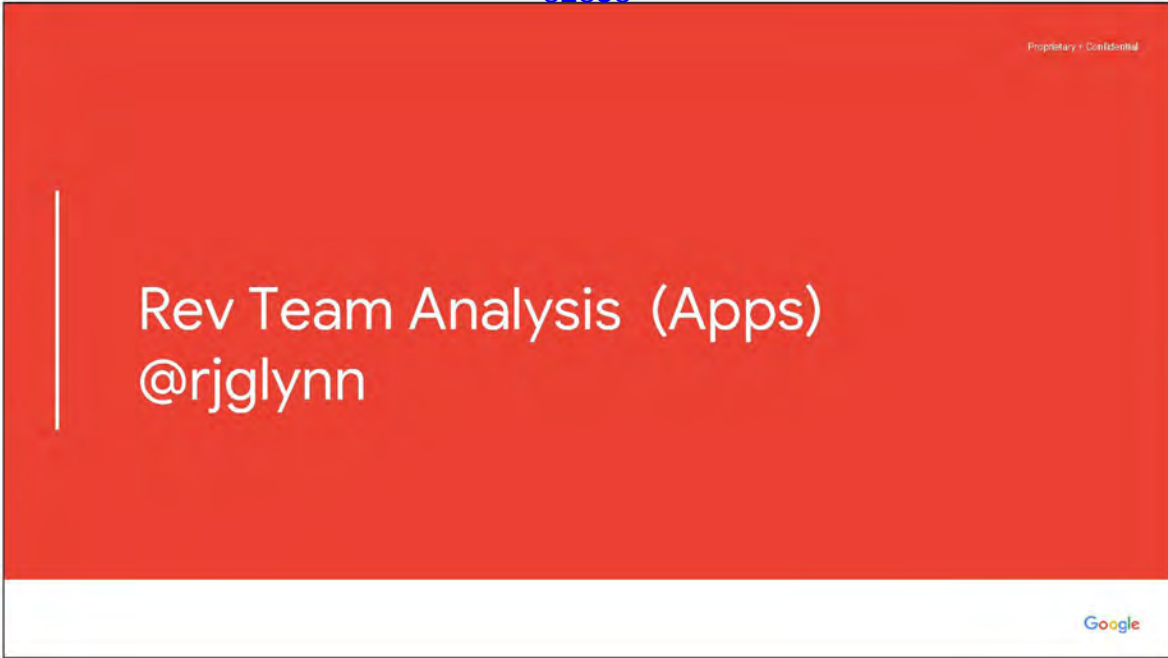
## Incentivized Traffic

Users are promised cheat codes ([video](#)) or download [links](#) in exchange for browsing or clicking on ads. Common tactic throughout

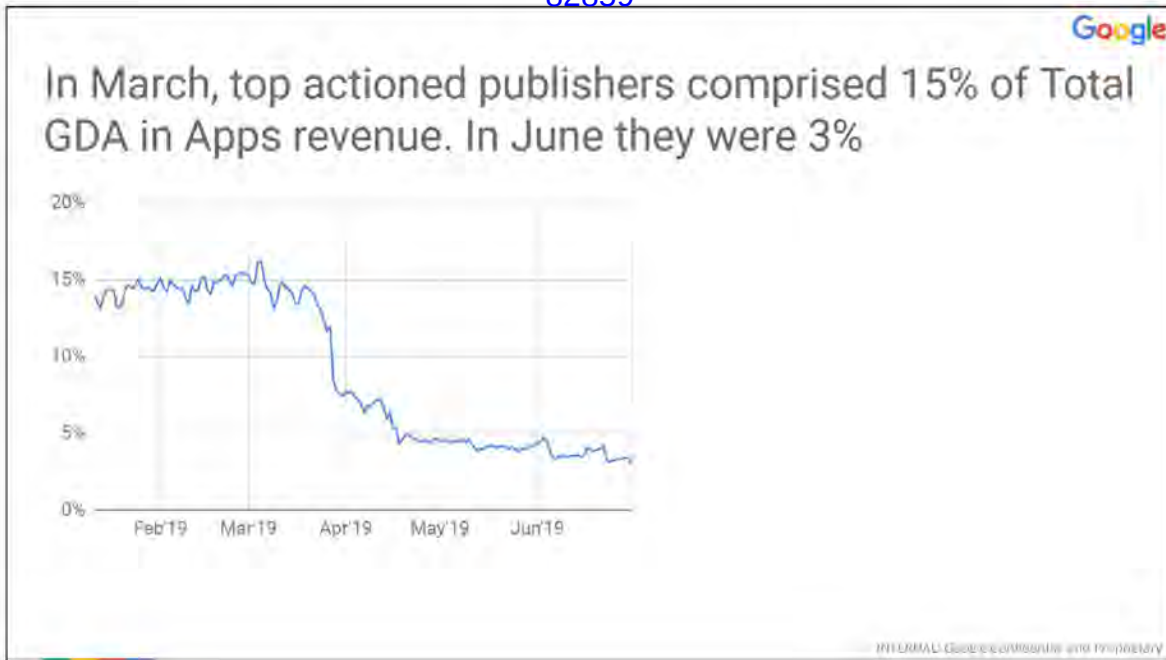


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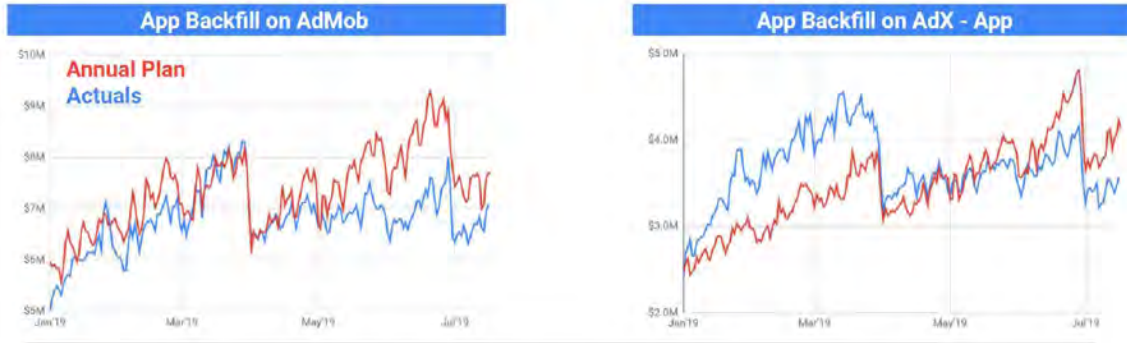


sometimes the decrease in spend is pub driven, as in they recognize that they're being filtered for bad behavior and ramp down that behavior to avoid termination  
other times, it could be app-level actions that demand restrict (no UAC buys) or throttle the total # of queries an app can make



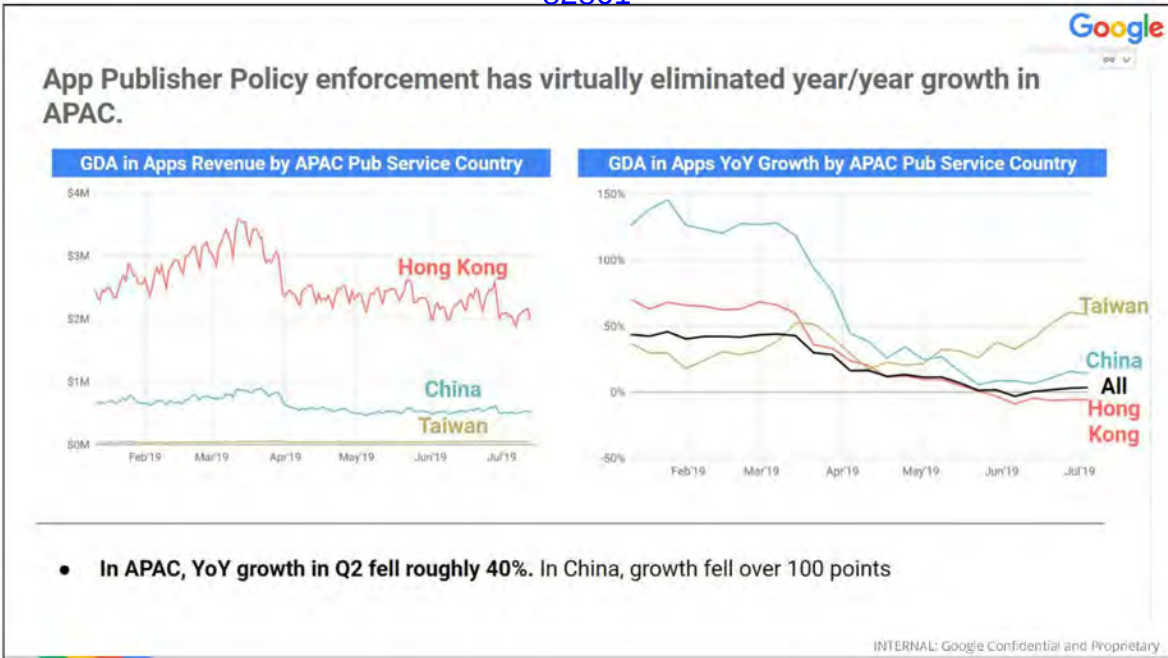


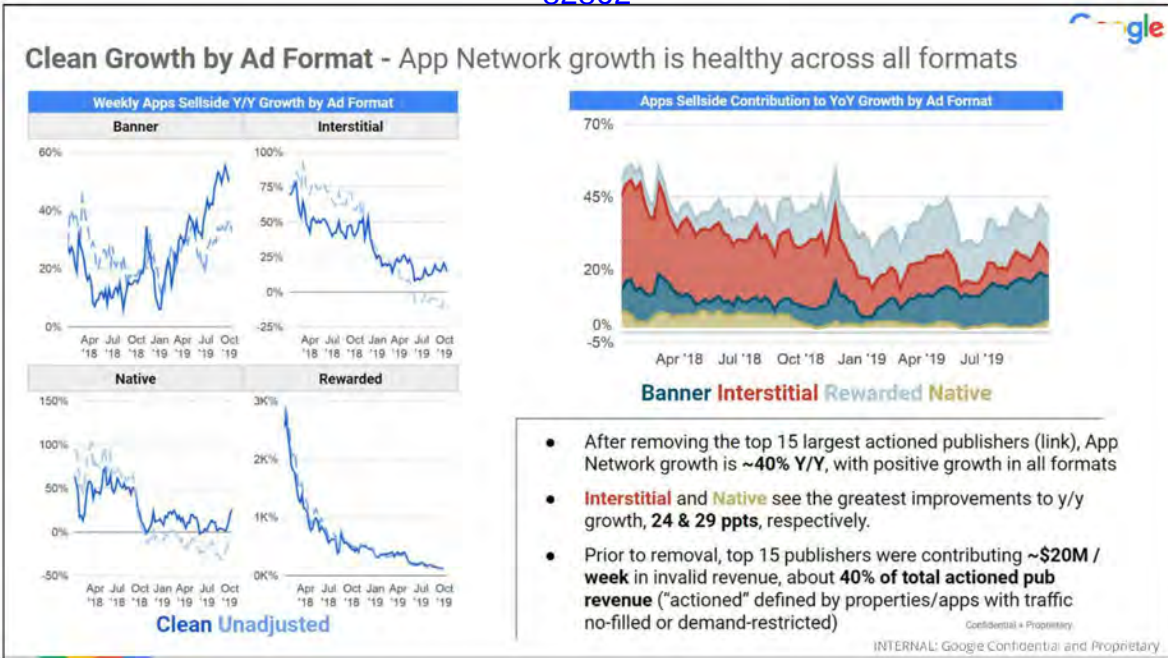
### The App Backfill (GDA in Apps) performance miss was much more pronounced on AdMob compared to Adx-App

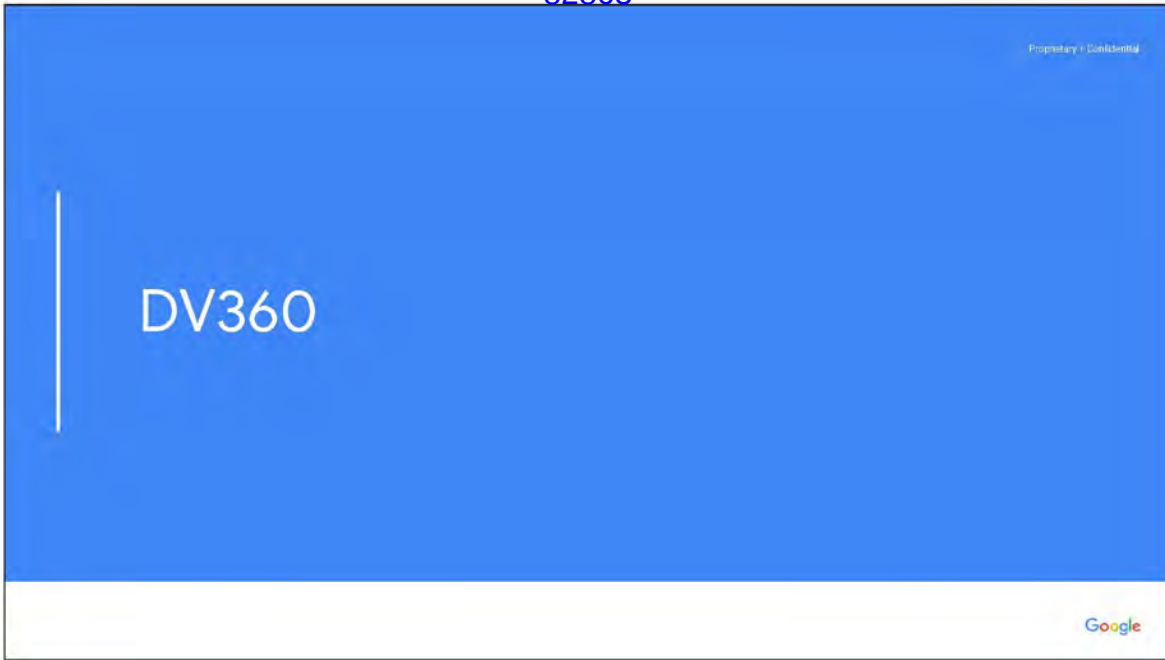


- **AdX - App finished 97% to plan in Q2**, considerably higher than AdMob (90%)
- **The primary driver of weakness across App Network** is publisher policy actions on major publishers, specifically concentrated in AdMob

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## Executive Summary

- **Network:** Deceleration continues across all regions, driven by ITP/ETP and App Pub terminations
- **3P:** Lapping negative growth resulting from Poirot in 2018

## D360 growth continues to decelerate due to ITP



- Deceleration in the Network business continues with ongoing ITP impact, as well as App Pub terminations occurring in March
- 3P has reversed the trend of negative contribution growth in the second half of '19, resulting from lapping Poirot, which occurred in '18

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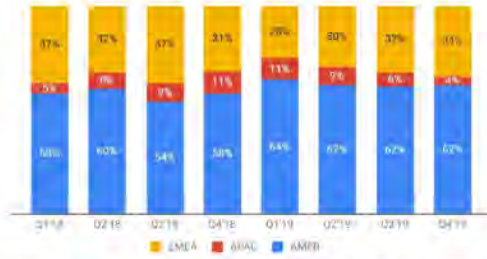
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Deceleration attributed to safari, firefox

[https://dasnav.corp.google.com/v/displaynav/#caption=Revenue%20by%20Browser&dimensions=QI\\_DIM\\_Browser:Firefox,QI\\_DIM\\_SellSideBreakdown:ADX\\_SELLER|AFC|AFD&dimensions=QI\\_DIM\\_Browser:Edge&dimensions=QI\\_DIM\\_Browser:Safari&end=2020-01-01T00:00:00&granularity=week&growth\\_percent=false&history\\_id=46&metric=QI\\_MET\\_ValidTotalCostUSD&start=2019-01-01T00:00:00&view=displayglobal](https://dasnav.corp.google.com/v/displaynav/#caption=Revenue%20by%20Browser&dimensions=QI_DIM_Browser:Firefox,QI_DIM_SellSideBreakdown:ADX_SELLER|AFC|AFD&dimensions=QI_DIM_Browser:Edge&dimensions=QI_DIM_Browser:Safari&end=2020-01-01T00:00:00&granularity=week&growth_percent=false&history_id=46&metric=QI_MET_ValidTotalCostUSD&start=2019-01-01T00:00:00&view=displayglobal)

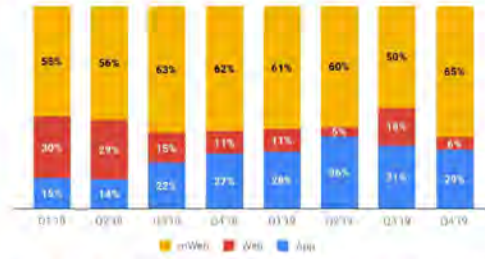
## Regional contribution to growth remains largely in line with historical trends

Share of Growth by Region



- Region contribution to growth roughly in line with % of revenue mix (i.e. AMER comprises of ~62% of D360)
- Network deceleration was seen across all regions; 3P has positive YoY growth again in AMER/EMEA as of Q4'19, but is still negative in APAC

Share of Growth by Platform



- Although Web still comprises a majority of rev (46%), share of growth continues to contract per expected trends. In AMER/EMEA, Y/Y growth is in the low single digits, whereas APAC is now negative growth

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AMER = 62%, EMEA = 34%, APAC = 8%



## OA drove ~90% of revenue growth in '19



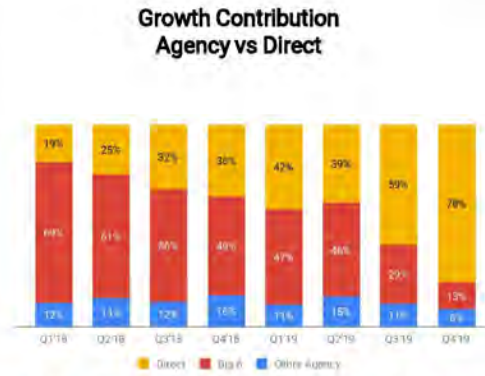
- Revenue % composition has remained fairly flat the past 5 quarters across all transaction types
- PA was the only transaction type to have negative Y/Y growth the past two years, (-1% in '18 and -12% in '19), resulting from minimal product focus

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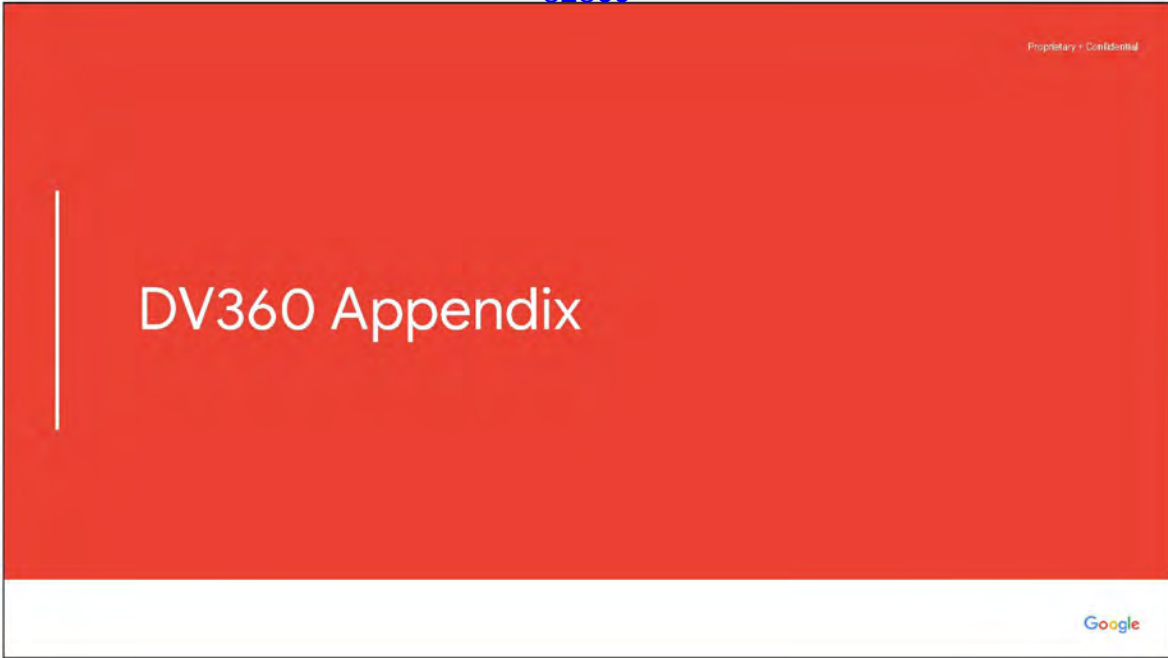
## Direct advertisers drove 41% of growth in '19 vs 21% in '18



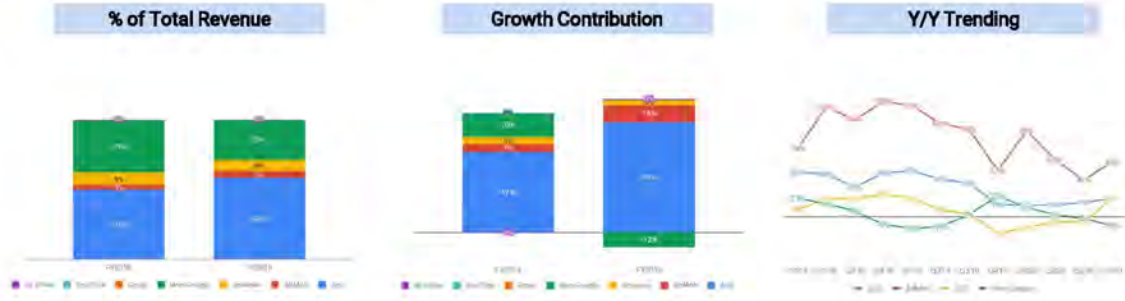
- Direct advertisers are increasingly driving DV360 growth, a reversal from Big 6 historically being the source of growth
- New spend from advertisers who use Big 6 is gradually shifting towards in-house rather than Big 6 (e.g. Disney, American Express)

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# DV360



- **AdX** contributed >90% of growth in '19, largely due to Poirot effects of spend shifting from 3P
- **AdMob** showed strong growth in '19, +105% Y/Y, and is expected to continue with strong momentum in 2020. Increased growth in AdMob will help offset weakness seen in Web since App is more insulated from privacy effects currently

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