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Neal Mohan, Chief Executive Officer of YouTube, at the MoffettNathanson Media, Internet, and Communications Conference on May 15, 2025

Michael Nathanson (MoffettNathanson): Thank you for being here. Neal, thanks for being here.

Before we get started, I am given the role of the Safe Harbor spokesperson.

So, some of the statements that Mr. Mohan may make today could be considered forward-looking. These statements involve a number of risks and uncertainties that could cause actual results to differ materially. Please refer to Alphabet's forms 10-K and 10-Q, including the risk factors discussed in its form 10-K filing. Any forward-looking statements that Neal makes are based on assumptions as of today, and Alphabet undertakes no obligation to update them.

Okay. So now, my introduction for Neal. For those that don't know - CEO of YouTube. Prior to becoming the CEO in 2023, Neal served as YouTube's Chief Product Officer, responsible for the company's forays into streaming, Shorts, subscriptions, podcasting, and growing contributions to the creator economy and scaled Trust & Safety efforts.

Before joining YouTube, Neal led the product development team and strategy at DoubleClick, and then oversaw its acquisition and integration with Google.

So, Neal, thank you for being here. Once again, we really appreciate it.

Neal Mohan, CEO of YouTube: Thank you for having me, Michael. It's great to be here.

Michael Nathanson (MoffettNathanson): So, YouTube is celebrating its 20th year anniversary this year. What has surprised you most about the platform during your tenure there, and what are your key priorities to keep the product momentum going?

Neal Mohan, CEO of YouTube: Sure, yeah. So happy birthday, YouTube! Very excited, it's hard to believe that it's our 20th anniversary.

You know, I think what I would say, whether it's a surprise or not, I think, sort of the biggest kind of thought I have on reflection, and I've been involved with YouTube for a very, very long time, is just you know it was a simple website that started where you would upload grainy videos of yourself; you know me at the zoo and others like that. And you fast-forward two decades later to today, and it is a place - this incredibly vibrant creator economy ecosystem.

Our creators are really the start-ups of Hollywood, just to carry that Silicon Valley analogy forward. They are innovative and disruptive. They have full studios themselves, I've visited some of them, employ lots and lots of people, and they're pushing the boundaries in terms of entertainment and culture. They're the reasons why YouTube is the epicenter of culture across the world. And so, it's just amazing to see that transformation.

In terms of our priorities, the way that I like to think about the YouTube business is, you know, across multiple interconnected pieces of flywheel, if you will. And it starts, as I was just describing, with our creators.

And so, how do we make it so that they can continue to build an audience, build a community on YouTube, that is the secret sauce of YouTube. You come to YouTube to connect with your favorite content, your favorite creators, every single day, and how do we help them grow their business- they're entrepreneurs as well. So, that's really the first leg of the flywheel.

So, creation tools, supporting multiple formats, everything from 15-second Shorts to 15-minute traditional, sort of, vlog format to 15-hour livestream. So, creators.

The second, of course, is, as I said, we all as fans and viewers come to YouTube to connect with these creators. So how do we create new, innovative formats? One of our biggest priorities has been connected TVs. How do we invest in that from a user standpoint, viewer standpoint? Shorts, of course, is a big, big priority for us. Podcasts, of course, is something that we've been investing in. So, viewers.

And then, kind of, the third leg of that stool, of that flywheel, is really monetization. And we really are fundamentally a twin-engine monetization capability with our AVOD business, but also now our SVOD business across YouTube Music & Premium, YouTube TV, Sunday ticket, et cetera. And that monetization, sort of, drives that flywheel back again in terms of attracting new creators, which attracts more viewers, and, kind of, going around.

So, those are the, kind of, three legs of our flywheel, if you will. And those are my priorities.

Michael Nathanson (MoffettNathanson): Can we talk a bit about engagement and viewership? I think people are still surprised when they see how large YouTube is on connected TV. You're the biggest viewing platform by size, much bigger than Netflix at this point. Can you help us unpack what's driving that consumption on CTV? What's at the bottom of it?

Neal Mohan, CEO of YouTube: Yeah, I like to talk about our position in connected TV as really, like, an overnight success that was many years in the making.

You know, it has been an area that we've been investing in for years now - actually prior to COVID. And that is through product innovation; bringing the magic, immersive nature, interactive nature of YouTube, to connected TVs, which was pioneering at the time, partnerships with device manufacturers, OEMs, et cetera, and that's really been a big area of investment for us to make the viewing experience first class on connected TVs.

But as you point out, we've been the number one streamer in the U.S. for the last couple of years on connected TVs. The last couple of months, it's really been across streaming, broadcast, and cable, all combined, in terms of the number one distributor.

And over a billion hours of engagement time, watch time, happens on connected TVs all over the world. And in the U.S., a few weeks ago, we announced that it's the primary way that people consume YouTube.

So, you know, you often think about YouTube as what's in your pocket on your mobile phones. Of course, that is an important and growing surface for us, but connected TVs now are the primary way that people watch YouTube in the home. So, that has been a big priority for us, and a real area of growth.

Michael Nathanson (MoffettNathanson): You mentioned Shorts before. I know that's a priority, as you said. Can you give us an update on viewership trends in Shorts, and what's driving the growth? I know that's been a pivot for you all.

Neal Mohan, CEO of YouTube: Yeah. Really, what I would say about Shorts, so, we've seen about 20% year-on-year growth in engaged views in Shorts, as of Q1. So, very strong continued momentum in terms of the viewer side.

So, what that tells me is that, that is a format that our viewers enjoy and want to consume. They do it alongside traditional, sort of, long-form content on YouTube, so it's all really part of the experience.

And I would say that a couple things really drive that, to your question. The first is, especially for younger audiences, viewing video is increasingly participatory in nature. They want to jump in themselves and participate in that creation process. And Shorts just makes that easy and straightforward. So you open up the app, you hit that plus button at the bottom of YouTube, and you can start making a Short. So, that's one.

The second is that it's like, building on that, it's an on-ramp for creativity on YouTube. We have some of our biggest creators today starting as Shorts creators. So, Alan Chikin Chow; I mentioned studios in Hollywood. He has a 10,000-square-foot studio in L.A., produces amazing content, employs a lot of people. He started as a Shorts creator. Adam W is another example of that.

In fact, 70% of channels uploading to YouTube, upload Shorts.

Michael Nathanson (MoffettNathanson): Cool. And then you touched on this, too, podcasts. You've called out that as an area you're seeing a high level of user engagement, right? What's the opportunity with podcasts? I know we're all focused on it. So, give us your sense of how big the opportunity is there for you.

Neal Mohan, CEO of YouTube: Yeah. I mean, podcasts have certainly been in the Zeitgeist for the last few months. And again, just like I said on the connected TV side, it's one of those sort of overnight successes at YouTube that's been years in the making, because we've been thinking about it for a long time, and we have now over a billion users every month consuming podcasts on YouTube. So, incredibly proud of the success there, both on behalf of viewers, but also our podcasters.

I would say a couple things that have been driving that on YouTube. The first is, turns out that lots of viewers don't want to just listen to podcasts, they want to watch them. We first saw that, obviously during COVID when everybody was at home, but that trend has really continued.

In fact, lots and lots of podcast content on YouTube is watched in the living room on big screens. So, video is really, turns out, incredibly important for podcasts.

The second is discovery. So, really helping podcasters grow their audience, which of course is our bread and butter with our traditional creators, and so that just really works for podcasters.

And then the third and final piece is that we've really invested in the podcast listening or viewing experience, both in the YouTube main app, but also in the YouTube Music app. So, those have been drivers of it.

And now there's a real ecosystem, just like there is for creators. Everything from Joe Rogan to Alex Cooper to Rotten Mango to every sort of genre of podcast that's out there.

Michael Nathanson (MoffettNathanson): You mentioned how important creators are to your business. We have a panel later today, a cheap plug on that at 1:30pm, on the creator economy. So can you talk a bit about the competition for creators? So, you guys are clearly the biggest. What are you seeing in terms of competition, and what are you doing to make sure that that creative community stays with you and is happy to always work with YouTube?

Neal Mohan, CEO of YouTube: Yeah. And I ran into Colin and Samir yesterday. I think that's going to be a great session. Their insights are always super, super interesting.

I would say every time I talk to creators, no matter where I am in the world, whether it's L.A., I was in Mumbai a couple weeks ago, they really view YouTube as their home. It is the home base from which all of the opportunities that they have outside of YouTube derive.

And, in fact, Jimmy Donaldson, MrBeast, was at our upfront last night, and he has in his offices, kind of, these five rules of success and the number one pillar he has is: YouTube first. Because he knows that all of his success, obviously on YouTube -- he's our biggest creator -- but off YouTube, really derives from his investment and continued focus on YouTube, above and beyond everything else.

And I hear that repeatedly from our creators.

As I said, these creators - YouTube really is the epicenter of culture today, all over the world, especially amongst young viewers, and that stems from what our creators are doing. So, you know, it stands to reason that other services, et cetera, are interested in them, because they really are setting the culture.

And what we do for them is what I said earlier, Michael, which is focused on two things: Helping them build their audience and community - they know that their most authentic, most engaged fans are on YouTube, that's home base for them, so continuing to grow that.

And then the second, of course, is monetization. We have always prided ourselves in the fact of being this creator economy. I think from 2021 through 2023, which is the last time we looked at this, paid out over \$70 billion to creators, partners, our ecosystem there, and over the last ten years, that number has grown every single year.

And so growing audience and then growing the business is why creators feel like YouTube is their home.

Michael Nathanson (MoffettNathanson): So, the last time you were here, it was early days, but this is the question we get more and more. What do you think the future development application of multimodal gen AI will do for your creator universe? So you see the tools that are coming out, what are you thinking the impact is going to be on the business?

Neal Mohan, CEO of YouTube: Yeah. I think that's a super interesting question. As you can imagine, Michael, that's obviously lots of conversations within YouTube of that, every single day.

The first thing I'll say on that is that's not a new area of focus for YouTube. We've been investing in AI for years and years, everything from what you experience when you open up the app on your phone, on your television, in terms of the recommendations that you see, has been AI-powered. A lot of our content policy enforcement, AI-powered.

Tools like Content ID that enforce rights on YouTube, investment in AI. So, we've been doing that for years.

In terms of new areas that I'm excited about, particularly for creators, is creation itself. So, when you, again, open up the app, hit that plus button, you're seeing more and more applications of AI there.

A couple of examples that I'm very excited about is a product called Dream Screen. That is being able to, in a matter of seconds, typing in a text prompt into YouTube and generating an image or a video, using -- and this is the collaboration between YouTube

and Google DeepMind, taking their Veo model and incorporating it into features on YouTube.

So, creation is an area of strength for us, and that's where AI and our investment there is going to pay off.

The other thing that creators are really excited about is, again, growing their audience, distribution. So, one really powerful example of AI there is something that we call multi-track audio.

So, today, given the global nature of YouTube, one of the biggest barriers of connecting a creator, or a creative idea, with their audience, regardless of where they are in the world, is language. Well, what if we could actually take every video on YouTube and translate that into, not just a couple of languages, but many, many languages, and do it at such high fidelity, capturing the creator's voice, et cetera. That's a really powerful application of AI that creators are excited about.

And then the final piece is back to where I started, which is things like recommendations. By investing in Gemini, we can have a deeper understanding of the video, and the viewer of the video, and combine those things to actually provide much better recommendations, particularly in scenarios where the viewer is a casual viewer, where we might not have lots of watch history, for example, or other information.

And so, improving recommendations, and therefore improving the product experience of YouTube, using Gemini is a fundamental use case of AI that I'm excited about.

Michael Nathanson (MoffettNathanson): The thing about technology, it happens gradually. You've been investing forever, and then, suddenly. So do you think we're at the dawn of this new age of -- you know, kind of the creator world as they start discovering more and more tools, right? We're all waiting for that explosion point in terms of the better and better content generation from these creators.

Neal Mohan, CEO of YouTube: Yeah. The way I like to describe it, in terms of YouTube's position there is, we're in this sort of, kind of, very unique position which is on the one hand, we invest deeply in this technology; collaborations with Google DeepMind, investment in Gemini, and those use cases on YouTube.

On the other hand, we are facing and working very closely with the creative industry every single day. And so, I really view AI as a technology that is going to empower human creativity. It is going to put these tools in the hands of a lot more people, and I

think we're going to see, therefore, kind of a renaissance in terms of creativity itself; storytelling that's going to be powered by AI.

Michael Nathanson (MoffettNathanson): Got it. So, that's the engagement piece. It's going really well. Let's talk about monetization, which is going well as well.

Shorts monetization. Can you share an update on how YouTube Shorts has performed on engagement? And also, it's been called out as a headwind to monetization. What have been the challenges there, and what factors do you need to solve for to drive further monetization?

Neal Mohan, CEO of YouTube: Yeah. I mean, so the first part of that puzzle, of course, is what we just talked about, which is engagement in viewership. And, as I said, 20% growth in engaged views as of Q1 2025. So despite our numbers there, that growth continues, really, all over the world, because it is a format that viewers really appreciate. So that's the first thing.

In terms of then the next layer of monetization, it's really about the fact that Shorts allows for, on average, more ad opportunities because of the feed nature of the product. But also, this is where some of the AI pieces come in, in terms of investing in the right ad products. So, using AI for advertisers to be able to take creative that already exists, and translate it to that Shorts format, as one example.

AI for better targeting, so improving monetization as a result of better ads products is important. And this is something that we've been at work on for, as you know, for a couple of years now. I've seen really nice success.

In fact, we recently hit a big milestone for Shorts, which is in a number of countries, including the U.S., the revenue per watch hour, so kind of our core RPH metric, monetization rate metric, is now equal to what it is for traditional in-stream on YouTube. And, in fact, in some places it's ahead.

And so really, really excited about that. It's something that we have been working on for a while, and it's a testament to both the viewer side, but also the quality of the ad products that we build for our advertisers.

Michael Nathanson (MoffettNathanson): So, let's talk about the advertisers for a second. Can you give us any update on your progress of driving more performance-based advertisers, becoming less reliant on Brand?

Neal Mohan, CEO of YouTube: Yeah. I mean, that also has been a multi-year effort for us. In fact, in our most recent results, the 10% year-on-year growth in YouTube Ads, driven by direct response, followed by brand. So performance is definitely a core part of our portfolio that we offer advertisers.

Of course, you know, we have such a variety of surfaces and use cases and formats across YouTube, that our goal is to be able to cater to whatever use case the advertiser has. Everything from connected TVs, where brands can tell their stories about their brands and what they stand for through our non-skippable ad formats, to everything that I just talked about in terms of Shorts monetization, and everything in between.

So we are working on both brand as well as direct response.

I'll just give you two very quick examples. Just last night on the brand side, we announced a sponsorship package where around key cultural moments, where as I said many of them happen on YouTube; whether it's the Met Gala, whether it's, you know, the PGA Championship, or what have you. You can get a takeover where your brand shows up in YouTube search results. You have meaningful share of voice across all the content that is generated around that moment. You can do channel takeovers there as well. And so that's something that our brands are very excited about.

Also, formats like using QR codes or shoppable connected TV, where through a QR code you can see something on your television screen and be able to actually then consummate the purchase on your phone.

So, really trying to innovate across the entire funnel for advertisers, both on connected TVs, but also on Shorts.

Michael Nathanson (MoffettNathanson): So that was one of my questions to ask you about action-oriented campaigns on CTV, because personally I like to be in the environment of watching something and not leaving. So you're solving for that by using a phone versus going to click to some destination, right?

Neal Mohan, CEO of YouTube: Yeah.

Michael Nathanson (MoffettNathanson): So it's more multi-screen, in that case.

Neal Mohan, CEO of YouTube: And by the way, that happens. That reduces the friction, because it is just simply, just like you see here, just like on the QR code there,

it's very simple to actually, you know, make that click happen. And so, that's one example.

Another example, is something that we have been -- we announced a few months ago -- we've been working on, called Pause ads. So, that's the idea that when you're on your living room screen and you pause the video that you're watching, there's a squeezeback type of experience for users, and then you can see an ad that's playing. And so that's another example of a use case that, you know, brands are interested in, but also performance advertisers are interested in. So you should expect that type of innovation.

Michael Nathanson (MoffettNathanson): So let's talk about AI in ads. You talk about how it's helping other parts of the ecosystem for YouTube. Given the massive number of impressions that are generated on YouTube, how are you adding value through to those impressions, through technology, to support healthy pricing for your creators and to drive better ROI for your advertisers? So what have been the innovations using AI?

Neal Mohan, CEO of YouTube: Yeah. So, the first is, just like I described, the use of AI for creation amongst creators. You -- I'm seeing that on the advertiser side as well. So, how do we make that creation process -- ultimately, it's about that creative that pulls in all of us as potential consumers-- easier and more powerful through AI.

So, being able to take a creative concept or asset that you have and turn it into all of these different formats and surfaces across YouTube, in a very seamless manner.

And so that is a, I think, very compelling use of AI, and can shave, you know, lots and lots of time and effort off of that creative process. So, that's one area.

The second is on the targeting and quality side of the ads itself. So better targeting, more efficient targeting. That has been an area that we have been investing in. A big area of focus connected to your earlier question, Michael, on performance advertising, is our campaign type called Demand Generation (Demand Gen) and that is using AI to improve the efficiency and efficacy of the ad campaigns that run across YouTube.

And we've seen a 26% improvement in cost [conversions] per dollar year-on-year as a result of these investments, including investments in AI. So those are a couple of examples on the creation side, but also on the targeting side where AI plays a big role.

Michael Nathanson (MoffettNathanson): Okay. A question you don't get that often is ad load. So do you think there's room to increase the ad load without harming consumer experience across all your touch points?

Neal Mohan, CEO of YouTube: Yeah. So, the first thing I'll say, and you know, before my time at YouTube, I was responsible for a lot of our ads products at Google.

So I think about this a lot, and I would say the rule has always been: focus on the user experience first. And that, in my experience, is not contradictory with advertiser ROI, or what have you. So we really always start with that. That is about ad load, that's about ads quality, all of those things, and that is the fundamental principle at YouTube, which is: it has to be something that is relevant and useful and interesting to our users.

Having said that, like I said, I don't think that's contradictory with delivering results for our advertisers. In fact, I think they're self-reinforcing.

And a very concrete example of that is what we have been working on, on connected TVs, on living room devices, around advertising. And so, you know, when you're in that mode; when you're sitting on your couch and watching YouTube in sort of that lean-back mode, what if we could actually have fewer ad interruptions, but do it in a way where they are deeper.

So, pods. So deeper pods, fewer interruptions. And so that is an example of one that allowed us to actually increase the number of ads, you know, per hour, however you want to measure it, but also improve user satisfaction. So, those two things both rose as a result of that. And that's an example of how we think about user quality and advertiser results hand in hand.

Michael Nathanson (MoffettNathanson): Right. You don't want to kill the golden goose. I can tell you all about that in media. Talk to you about subscriptions. You guys have done a great job growing that business. I know you're very proud of how big it's become. We're a YouTube TV family. Many people in the room love YouTube TV, so let me ask you about that.

Neal Mohan, CEO of YouTube: Send me your feature requests.

Michael Nathanson (MoffettNathanson): I have them. More Ranger playoff games. You can't control that. So, we expect YouTube TV to be the single-biggest Pay TV provider in three years' time. We could be wrong. Could be two years' time.

So with that said, we have a few questions that we always debate inside our firm, right? Why not cull the channel line-up into a more targeted sports news bundle and drop

many of the legacy cable networks that are no longer being funded adequately by their parent companies?

Neal Mohan, CEO of YouTube: Yeah. I mean, I guess what I would say there, Michael, is just kind of going back to the origin of YouTube TV and why we started it in the first place. It really was about reinventing, sort of, that legacy or traditional TV experience. I am a sports lover. I love watching sports. How would I want that television experience to be?

And so the reason I always like to start with that is because you should think about how we invest in YouTube TV through that lens; which is really through the product innovation lens, and that is the way that we're going to look at it. That's where our success comes from. We have over 8 million subscribers on YouTube TV.

And so features like Multiview, Key Plays, those are areas that you should continue to see us invest in. In fact, you know, one of the feature requests we get is people love Multiview, they want more choice. So experimenting around more user choice around those types of things.

And so that's what I think; ultimately, it's that product and feature innovation, as opposed to specific channel lineups for example, that I think are important to our growth, and that's really the way that you should expect us to look at that product.

Michael Nathanson (MoffettNathanson): How about the move to skinnier bundles? If you tested the room, we all want 50 channels, \$50 bucks, right? That's something that I think we'd all sign up for. So how do you think about offering a cheaper, skinnier bundle at a lower price?

Neal Mohan, CEO of YouTube: Yeah. I probably don't have anything to say on that today. I mean, we're always looking at what our channel mix looks like. We want to deliver the best value to our subscribers. We get feedback on a regular basis.

But I have to tell you, it really oftentimes comes back to the product experience itself, the features themselves. Of course, we're there to watch the content. But how you watch the content I really think is important to users. And so that's a big area of focus for us.

Michael Nathanson (MoffettNathanson): Not to joke, but the features you've introduced, it's a great product, right? And people who have it swear by it. And once you sample it, you can never imagine people going back to the old world.

Neal Mohan, CEO of YouTube: We're very proud of that product.

Michael Nathanson (MoffettNathanson): Yeah, it's great.

On that point, let's talk about Sunday Ticket and sports rights. This is going to be the third year carrying the Sunday Ticket. You just announced a big deal with the NFL for the first game of the year this year.

Has the product met your expectations? And maybe you can talk about why and how you're thinking about this new game that you're adding.

Neal Mohan, CEO of YouTube: Yeah. So, I mean, I think they're related in some ways. And so, we're very, very excited about our partnership with the NFL, this exclusive game that's going to be carried on YouTube during kickoff weekend, the Brazil game. We announced the match-up last night actually at our Upfronts. Roger came and announced it, Chargers versus the Chiefs. So, super, super excited about that.

And I think, at least what I'm particularly excited about, because this is what played out with Sunday Ticket, is that we are going to do it in a uniquely YouTube way.

And so, it will be on YouTube, YouTube TV. The game is going to be available in front of the pay wall to billions of users all over the world, and so I'm very excited about that. I know the NFL is extremely excited about that, sort of, global reach that YouTube will be able to provide there.

And tying it back to your Sunday Ticket question, I would say we'd like to do with this game, what we have done with Sunday Ticket, which is product and technology innovation. That's what YouTube stands for. So, things like Multiview. How do we enhance the actual football watching experience, sports watching experience because it's on YouTube? That's super, super important.

Because we want to super-serve those sports fans that are on YouTube. We have 35 billion hours of watch time of sports content on YouTube annually. You know, consumption of sports on Living Room in YouTube is growing 30% year-on-year. And so we want to super-serve those fans.

The second thing that I will say is; our creators. What makes watching sports like the NFL Sunday Ticket on YouTube particularly unique is our creator ecosystem. And to the NFL's credit, they have really leaned into that.

And so one small example is this idea of Watch With. So, you know our sports fans, particularly young sports fans, love their favorite creators, sports creators, or what have you. What if you could actually watch your favorite game alongside your favorite creators? And that turns out to actually be a winning product combination.

In fact, in Brazil, speaking of this Brazil NFL game, we carry live soccer matches there and we did a partnership with a big YouTuber, CazéTV. And it turns out that that is not just a delightful experience when you watch it alongside Cazé, but it also drives viewership, because you are now inheriting Cazé's huge audience as well. And so, whether it's the Brazilian domestic leagues or FIFA, they really lean into that creator integration.

So, that's been our experience with Sunday Ticket. I'm very happy with how that experience has been going. I know the NFL is very happy with Sunday Ticket on YouTube, and so you should expect to see, you know, a continuation of that.

Michael Nathanson (MoffettNathanson): On that point, do you expect other leagues? You know, we had the NBA here yesterday, some leagues are being challenged by the RSN model being challenged in itself.

So, what do you think is the possibility of working with other leagues on products like Sunday Ticket and league passes? Is that something that you think will happen and you have tolerance for?

Neal Mohan, CEO of YouTube: I mean, we're very focused on making our existing partnership successful. When we make a bet, we really want to see them through and be a success for the partners, but most importantly, for our joint fans. And so, that's our focus.

You know, we'll look at sports opportunities through those lenses that I described. Does it super-serve our fans? Is there some unique technological innovation that we can bring to it? And how do we enhance and integrate our creator ecosystem to make that a better experience?

Michael Nathanson (MoffettNathanson): And then going back to the NFL game, appetite for other things like that, putting it in front of a pay wall? This is the first major one of its kind, but is this a test case for you to see how well can we scale this and how well we monetize it?

Neal Mohan, CEO of YouTube: Yeah. We're always learning every time we try these new things. Our kind of mantra at YouTube is we want to continue to push the frontier in terms of creativity and entertainment and culture, and this NFL game is squarely another example of that.

Michael Nathanson (MoffettNathanson): So going back to subscriptions, the NFL Sunday Ticket was an important way for YouTube to enter the channels business, with Primetime Channels. Can you talk about your ambitions here? And no one is in a better position than you, I believe, to be an aggregator of all these channels in one place. So, how are you seeing this market develop and what are the gaining factors?

Neal Mohan, CEO of YouTube: Yeah. So for those of you that aren't familiar, Primetime Channels is our a la carte video service subscription capability within the main app of YouTube. Sunday Ticket is an example of that. So one of the innovations we brought to Sunday Ticket is you could buy it as part of an add-on to YouTube TV of that bundle, but you could also buy it a la carte, as a standalone SKU in Primetime Channels.

And so, that business is a relatively new one for us. We are investing in it for, back to kind of the overall vision that I described right at the top, which is we want to serve all of those video use cases; everything from 15-second Shorts to, you know, four-hour NFL games, to 15-hour gaming livestreams. And so having Primetime Channels is a way for us to accomplish that on the user side.

We have 45 channels now, really spanning the gamut of video subscription services, and we're happy with the response so far, but it's a relatively new business for us. And you're right, Sunday Ticket was an important part of that.

Michael Nathanson (MoffettNathanson): Can we talk about another subscription business, which doesn't get as much attention maybe, but it's larger: YouTube Music and Premium. You announced 125 million subscribers. Can you talk about what's driving that growth, what regions of the world are the most important to you, and just give us a sense of anything under the hood on that, because it's such a large business right now.

Neal Mohan, CEO of YouTube: Yeah. I mean, look, that is a business that we've been investing in for a very long time, nearly a decade. And you mentioned the milestone of 125 million subscribers. That is a global product, we want to continue to invest in it, everywhere.

The way that we look at that is; first and foremost, it's just about user choice. Can we provide an offering? This was you know, when it started it was ad-free, background, offline as the features that you get for all of your YouTube content on the main app, on the Music app, catering in particular to music lovers on YouTube. That's obviously a very big vertical on YouTube.

But we've added dozens of features since the initial launch. We're going to continue to add features: higher quality audio, faster playbacks, up to 4X playbacks for Premium subscribers. So continuing to innovate in terms of user choice and user value, we're adding there. That allows us to match price with the value that we're providing as well. So, I'm very happy about that.

Building on that, we want to add new SKUs. So one new SKU that I'm very excited about is called Premium Lite, so that is a more affordable subscription SKU, where you get the ads-free experience on the non-music part of the YouTube corpus of videos, and so we're seeing if that introduces a price point and an offering that works for consumers. So, continuing to innovate in that space.

And it turns out that when we have a Premium user, that is a user that contributes more back to our creator ecosystem, to our partners, to YouTube's business. So kind of the gross profit profile of that type of a user is meaningfully better than it is on just an ads-alone type of a user. So, that's why we're very happy about that business.

Michael Nathanson (MoffettNathanson): Okay. So, in our last question, let's get to profitability. Can you talk a bit about how you think about managing the business from a financial and returns perspective?

Neal Mohan, CEO of YouTube: Yeah. I mean, in order to keep that flywheel that we talked about at the start, really working for our ecosystem of creators and advertisers and viewers, it's really important to think about our business in a very disciplined way.

And so, it starts, first and foremost, with making long-term bets, investing long-term bets, so everything from, you know, a lot of them that we talked about. The Living Room, podcasts, Shorts. We're going to continue those investments. AI, that's really, really important to the long-term growth.

Then of course, revenue and monetization. We just announced on our Q3 '24 earnings call that overall revenue of YouTube is over \$50 billion. That's up from the \$40 billion that we announced here with you back in 2023. So, continued focus on revenue across

AVOD, SVOD, we've talked about, but also new areas like shopping, channel memberships, direct fan funding opportunities. So, trying to grow that piece.

But also focus on things like on the gross margin side.

So, just a quick example of that is, for example, the revenue share that we offer on Shorts is different than it was on, sort of, traditional VOD. And the reason is it's a reflection of the creation costs, et cetera, that go into Shorts, but it results in an improvement on the gross margin side.

And then in terms of further down the statement, in terms of just overall, sort of, operating expenses, of course we want to continue to be disciplined there. So, moderating things like headcount growth, vendor costs, using AI, back to your point around AI, around efficiencies.

So, that's really how we look at this, and all of these things result in our contribution back to Google Services. So, that's how I think about growing the business and financial discipline all at the same time.

Michael Nathanson (MoffettNathanson): Well Neal, thanks for being here. We really appreciate it. Keep on going.

Neal Mohan, CEO of YouTube: All right. Thank you. Thanks, everybody. Thanks, Michael.