



# Earnings Call Q2 2019

24 July 2019



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This presentation contains statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, in contrast with statements that reflect historical facts. Examples include discussion of our strategies, Adjusted EBITDA forecasts, financing plans, growth opportunities and market growth. In some cases, you can identify such forward-looking statements by terminology such as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project" or "expect," "may," "will," "would," "could" or "should," the negative of these terms or similar expressions. While we always intend to express our best judgment when we make statements about what we believe will occur in the future, and although we base these statements on assumptions that we believe to be reasonable when made, these forward-looking statements are not a guarantee of our performance, and you should not place undue reliance on such statements. Forward-looking statements are subject to many risks, uncertainties and other variable circumstances, such as our ability to grow our revenue in future periods, or at rates deemed sufficient by the market without reducing our profits or incurring losses; our dependence on a relatively small number of advertisers for our revenue and adverse impacts that could result from their reduced spending or changes in their bidding strategy; factors that contribute to our period-over-period volatility in our financial condition and result of operations, and how they may negatively impact our ability to meet the financial guidance that we communicate to the market; our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending; the effectiveness of our Advertising Spend, including as a result of increased competition or inadequate or ineffective innovation in or execution of our advertising; the effectiveness of our measures to increase advertiser diversity on our marketplace; increasing competition and consolidation in our industry; our focus on hotel and other accommodations if users expect other services; our ability to innovate and provide tools and services that are useful to our users and advertisers; our dependence on relationships with third parties to provide us consumer reviews; our reliance on search engines, which may change their business models or algorithms; any inaccuracies in, or misinterpretation of, the assumptions and estimates and data we use to make decisions about our business; changes to and our compliance with applicable laws, rules and regulations; the impact of any legal and regulatory proceedings to which we are or may become subject; potential disruptions in the operation of our systems, security breaches and data protection; impacts from our operating globally; as well as other risks and uncertainties detailed in our public filings with the SEC, including travigo's Annual Report on Form 20-F for the fiscal year ended December 31, 2018, as such risks and uncertainties may be updated from time to time. Such risks and uncertainties may cause the statements to be inaccurate and readers are cautioned not to place undue reliance on such statements. Many of these risks are outside of our control and could cause our actual results to differ materially from those we thought would occur. The forward-looking statements included in this presentation are made only as of the date hereof. We do not undertake, and specifically decline, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

## Special Note Regarding Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, including adjusted EBITDA. Information needed to reconcile such non-GAAP financial measures to the most directly comparable measures under US GAAP can be found in this presentation in the Appendix and should be carefully evaluated. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures should be read in conjunction with our financial statements prepared in accordance with GAAP. We are not able to provide a reconciliation of our adjusted EBITDA guidance to net income/(loss), the comparable GAAP measure, because certain items that are excluded from adjusted EBITDA cannot be reasonably predicted or are not in our control. In particular, we are unable to forecast the timing or magnitude of share-based compensation, interest, taxes, depreciation and amortization without unreasonable efforts, and these items could significantly impact, either individually or in the aggregate, net income/(loss) in the future.

# Agenda

**Company update**

**Financial performance**

**Guidance 2019**

**Appendix: Financial statements**

# Agenda

**Company update**

**Financial performance**

**Guidance 2019**

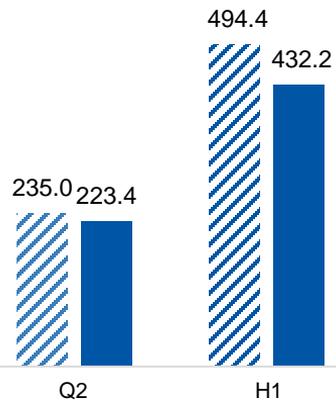
**Appendix: Financial statements**

# Q2 2019 – Financial Update

2018 2019 YoY

## Total Revenue

(€mm)

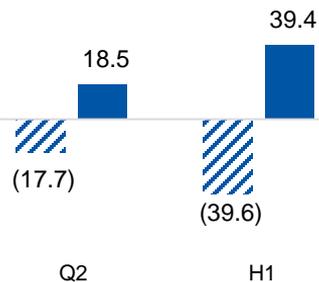


(5)%

(13)%

## Adj. EBITDA<sup>1</sup>

(€mm)



(% of Total Revenue)

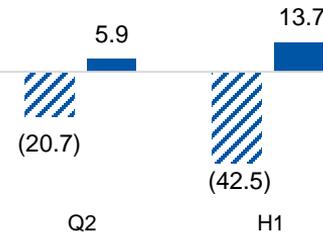


Q2

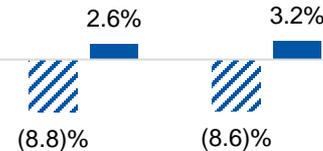
H1

## Net Income / (Loss)

(€mm)



(% of Total Revenue)

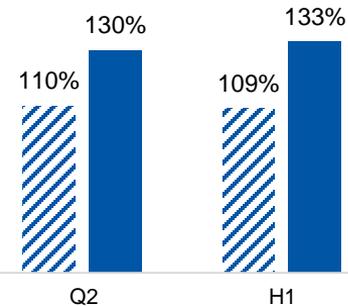


Q2

H1

## Return on Advertising Spend

(%)

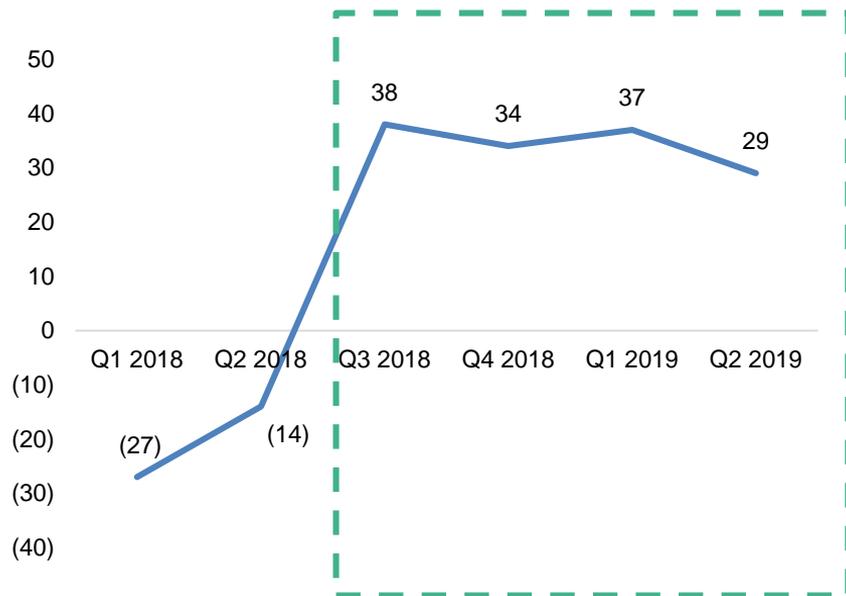


20 ppts

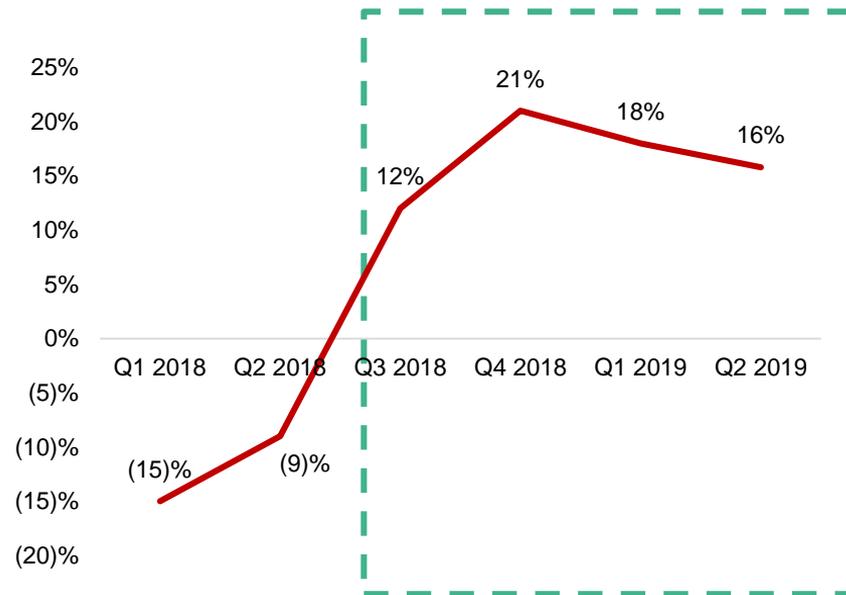
24 ppts

# We continued to improve our contribution year-on-year leading to a significantly higher Adjusted EBITDA margin

## Change in ROAS contribution YoY (€mm)

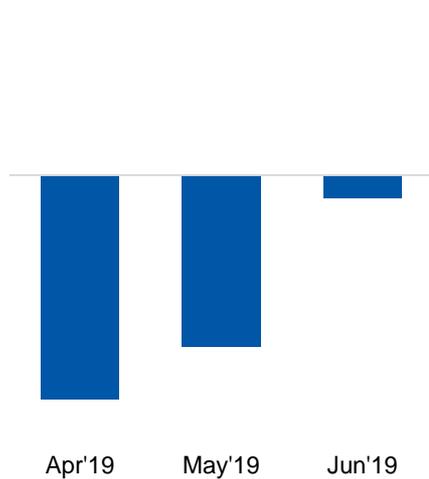


## Change in Adj. EBITDA<sup>1</sup> margin YoY (ppts)

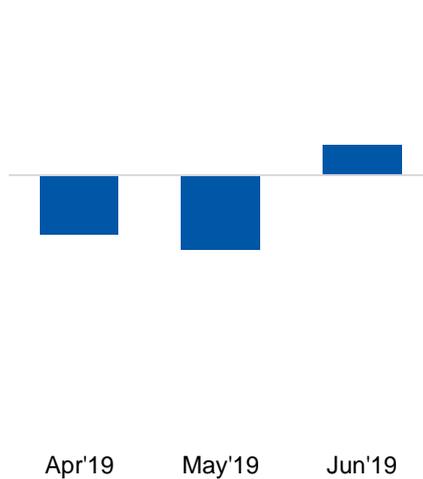


# Return to positive Referral Revenue growth in June 2019 – at higher marketing efficiency

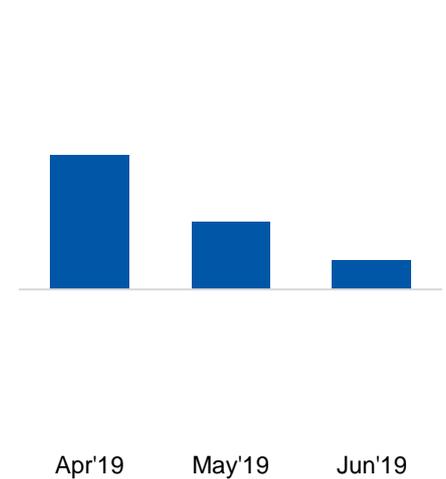
Advertising Spend  
YoY growth rates (%)<sup>1</sup>



Referral Revenue  
YoY growth rates (%)<sup>1</sup>

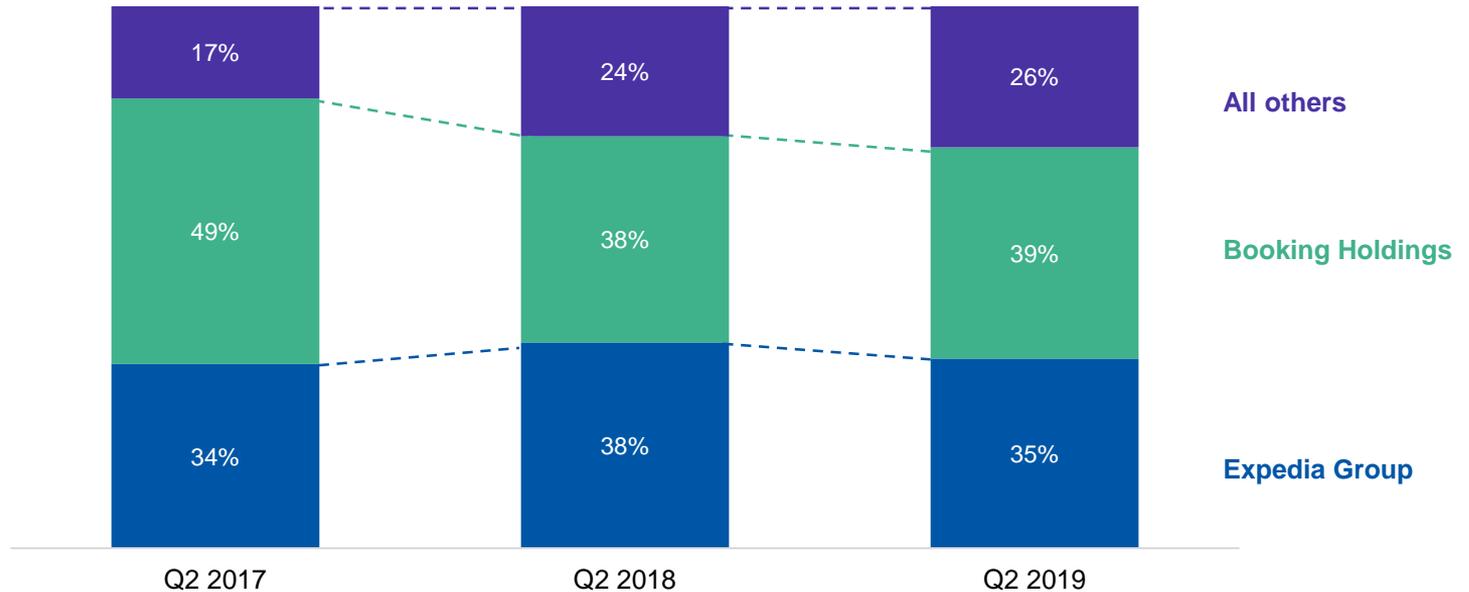


ROAS  
YoY growth rates (%)<sup>1</sup>



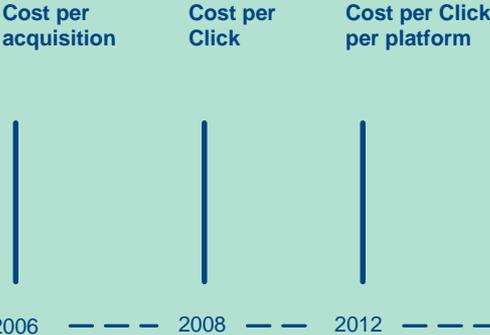
# In Q2 2019, our advertiser mix was more balanced

Advertiser revenue share as % of total revenue

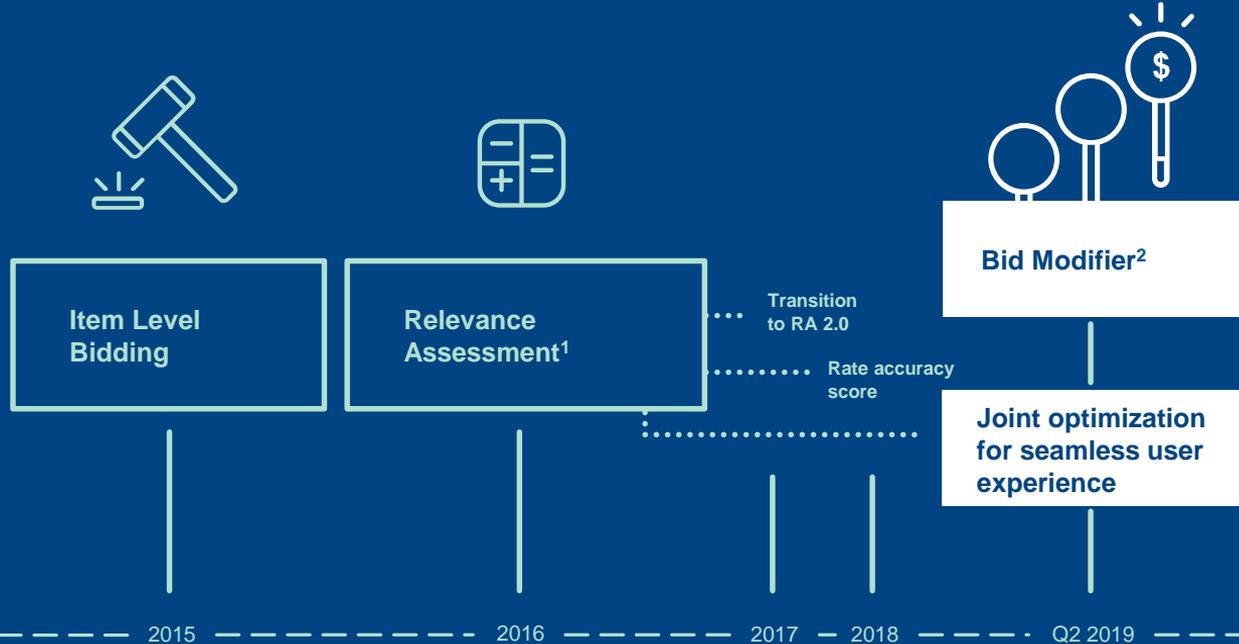


# Development of trivago Marketplace

## Closed Market Pricing Model



## Introduction of Marketplace



# Q2 2019 Highlights



Fourth consecutive quarter with a significant improvement in our profitability



Returned to positive Referral Revenue growth in June 2019



Dynamics on our marketplace remain stable

# Agenda

Company update

**Financial performance**

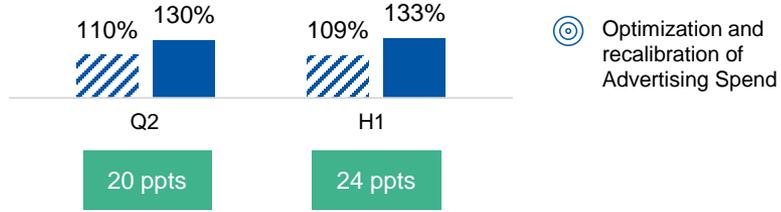
Guidance 2019

Appendix: Financial statements

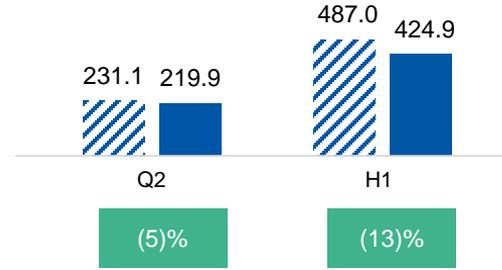
# KPI – Global

2018 2019 YoY

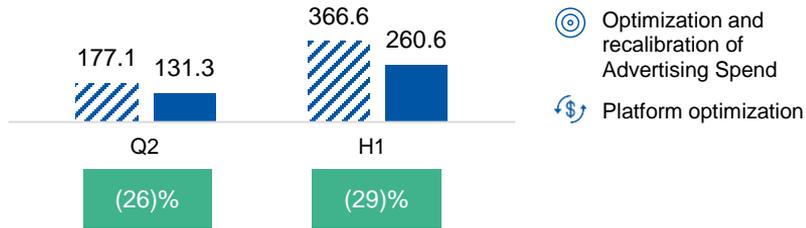
## ROAS (%)



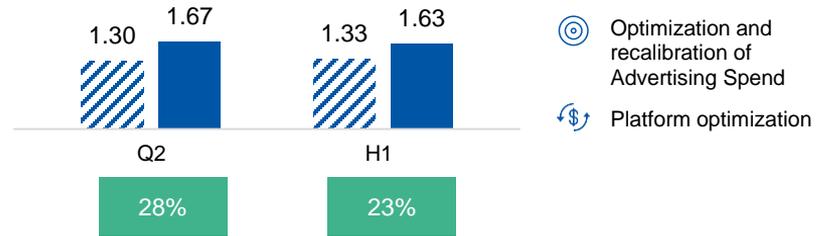
## Referral Revenue (€mm)



## Qualified Referrals (mm)



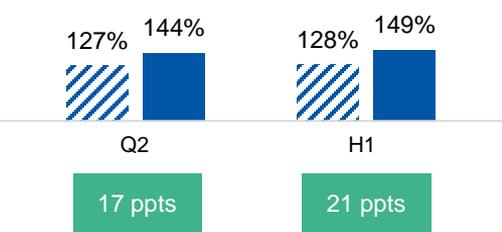
## RPQR<sup>1</sup> (€)



# KPI – Developed Europe

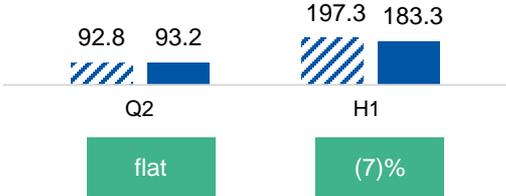
2018 2019 YoY

## ROAS (%)



- Primarily driven by optimization and recalibration of our Advertising Spend

## Referral Revenue (€mm)

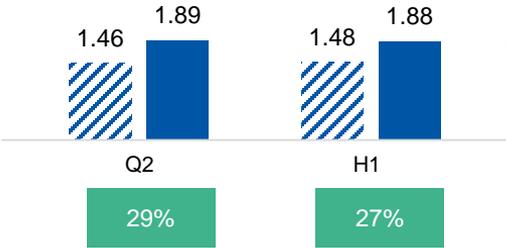


## Qualified Referrals (mm)



- Negatively impacted by a reduction in our Advertising Spend and product optimizations

## RPQR<sup>1</sup> (€)

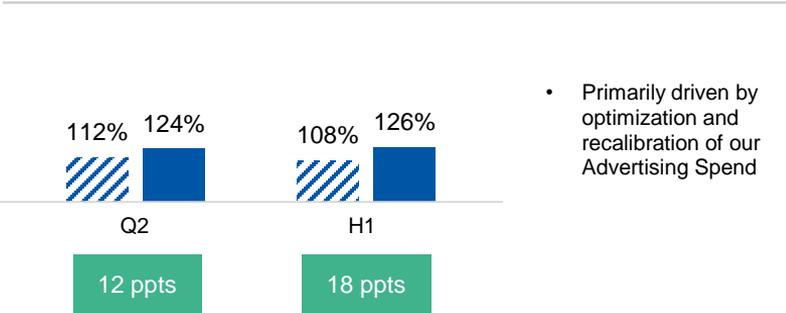


- Improvement driven by optimizations of our Advertising Spend and platforms

# KPI – Americas

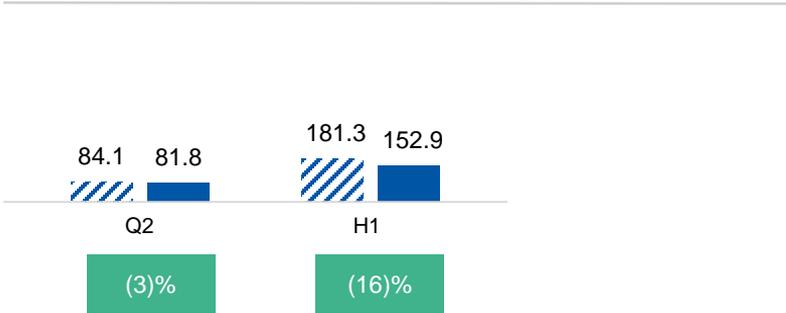
2018 2019 YoY

## ROAS (%)

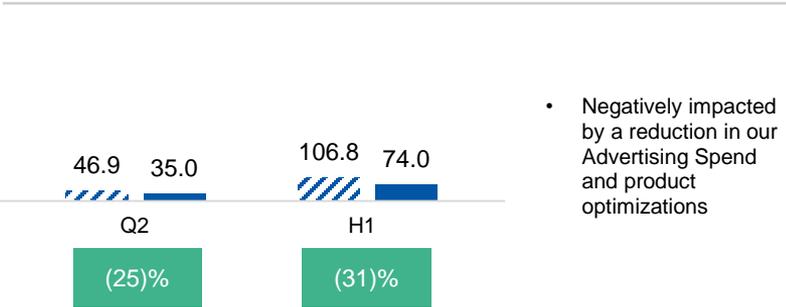


- Primarily driven by optimization and recalibration of our Advertising Spend

## Referral Revenue (€mm)

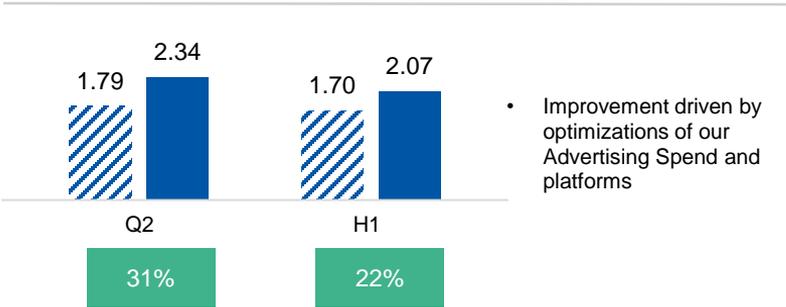


## Qualified Referrals (mm)



- Negatively impacted by a reduction in our Advertising Spend and product optimizations

## RPQR<sup>1</sup> (€)

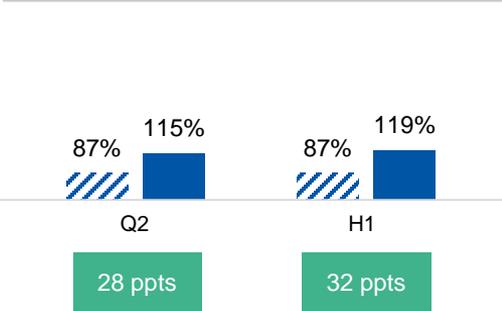


- Improvement driven by optimizations of our Advertising Spend and platforms

# KPI – Rest of World

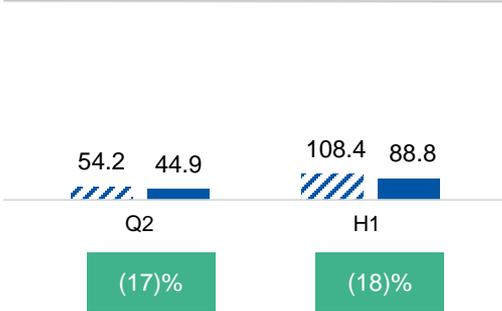
2018 2019 YoY

## ROAS (%)

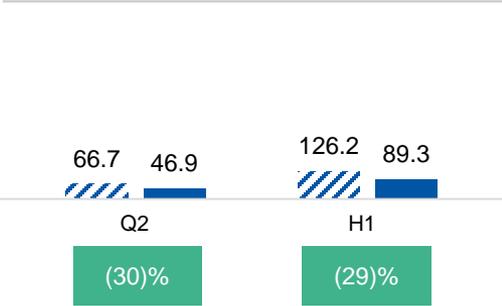


- Primarily driven by optimization and recalibration of our Advertising Spend

## Referral Revenue (€mm)

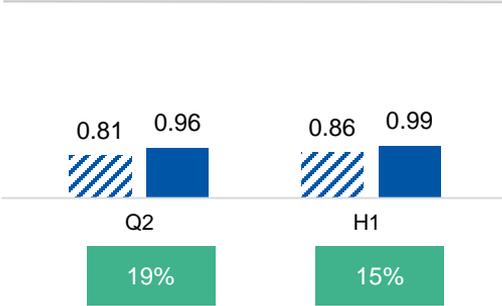


## Qualified Referrals (mm)



- Negatively impacted by a reduction in our Advertising Spend and product optimizations

## RPQR<sup>1</sup> (€)



- Improvement driven by optimizations of our Advertising Spend and platforms

# Opex development: Increased cost discipline in three main areas further contributing to increased profitability

Cost and expenses (€mm)	Q2 2018	Q2 2019	Δ YoY	H1 2018	H1 2019	Δ YoY
Cost of revenue <sup>1</sup>	1.3	2.0	0.7	2.9	3.9	1.0
Other selling & marketing <sup>1,2</sup>	16.7	10.5	(6.2)	34.6	22.4	(12.2)
Technology & content <sup>1</sup>	15.7	15.9	0.2	30.4	32.5	2.1
General & administrative <sup>1</sup>	12.2	9.4	(2.8)	24.2	19.2	(5.0)
<b>Costs and expenses<sup>1,2</sup></b>	<b>45.9</b>	<b>37.8</b>	<b>(8.1)</b>	<b>92.1</b>	<b>78.0</b>	<b>(14.1)</b>
Share-based compensation	5.4	5.0	(0.4)	9.9	10.3	0.4
Amortization of intangible assets	0.4	0.4	-	0.8	0.8	-
<b>Total costs<sup>2</sup></b>	<b>51.7</b>	<b>43.2</b>	<b>(8.5)</b>	<b>102.8</b>	<b>89.1</b>	<b>(13.7)</b>

## Drivers

- 1 TV spots**  
 More focused and efficient TV strategy leading to cost reductions
- 2 Professional fees**  
 Lower external professional fees
- 3 Personnel costs**  
 Decrease in headcount leading to decreasing personnel costs

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# Guidance for 2019

## Adjusted EBITDA

- FY 2019 **Adj. EBITDA**<sup>1</sup> expected to be between **€60mm – €80mm**

## Total Revenue and Advertising Spend

- **Total Revenue** expected to **increase in H2**, with **positive growth in Q3 and Q4**<sup>2</sup>
- **Advertising Spend** is expected to **increase in Q3 and Q4**<sup>2</sup>

# Appendix

# Consolidated Financials H1 2019, trivago N.V.

in €k	H1 2019	H1 2018	Abs Δ vs. H1'18	Δ vs. H1'18
Referral revenue	424,912	486,984	(62,072)	(12.7)%
Other revenue	7,279	7,379	(100)	(1.4)%
<b>Total revenue</b>	<b>432,190</b>	<b>494,363</b>	<b>(62,173)</b>	<b>(12.6)%</b>
Cost of revenue	3,980	3,026	954	31.5%
<i>% of Total revenue</i>	<i>0.9%</i>	<i>0.6%</i>		
Selling and marketing	343,538	483,707	(140,169)	(29.0)%
<i>% of Total revenue</i>	<i>79.5%</i>	<i>97.8%</i>		
Technology and content	36,093	32,537	3,556	10.9%
<i>% of Total revenue</i>	<i>8.4%</i>	<i>6.6%</i>		
General and administrative	24,288	30,087	(5,799)	(19.3)%
<i>% of Total revenue</i>	<i>5.6%</i>	<i>6.1%</i>		
Amortization of intangible assets	843	842	1	0.1%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>0.2%</i>		
<b>Operating income (loss)</b>	<b>23,448</b>	<b>(55,836)</b>	<b>79,284</b>	<b>n.m.</b>
Net interests and other expenses	686	(578)	1,264	n.m.
<i>% of Total revenue</i>	<i>0.2%</i>	<i>(0.1)%</i>		
Income taxes	10,526	(13,929)	24,455	(175.6)%
<i>% of Total revenue</i>	<i>2.4%</i>	<i>(2.8)%</i>		
Income (loss) from equity method investment	129	(46)	175	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
<b>Net income (loss)</b>	<b>13,737</b>	<b>(42,531)</b>	<b>56,268</b>	<b>n.m.</b>
<i>% of Total revenue</i>	<i>3.2%</i>	<i>(8.6)%</i>		

## Comments

- Overview of P&L under US GAAP
- See next page for a detailed discussion of business development

# Consolidated Financial Information H1 2019, trivago N.V.

in €k	H1 2019	H1 2018	Abs Δ vs. H1'18	Δ vs. H1'18	
Referral revenue	424,912	486,984	(62,072)	(12.7)%	1
Other revenue	7,279	7,379	(100)	(1.4)%	2
<b>Total revenue</b>	<b>432,190</b>	<b>494,363</b>	<b>(62,173)</b>	<b>(12.6)%</b>	
Cost of revenue excl. SBC	3,842	2,945	897	30.5%	
<i>% of Total revenue</i>	<i>0.9%</i>	<i>0.6%</i>			
Selling and marketing excl. SBC	342,136	481,908	(139,772)	(29.0)%	
<i>% of Total revenue</i>	<i>79.2%</i>	<i>97.5%</i>			
Advertising spend excl. SBC	319,749	447,264	(127,515)	(28.5)%	3
<i>% of Total revenue</i>	<i>74.0%</i>	<i>90.5%</i>			
Other s&m excl. SBC	22,387	34,644	(12,257)	(35.4)%	4
<i>% of Total revenue</i>	<i>5.2%</i>	<i>7.0%</i>			
Technology and content excl. SBC	32,447	30,445	2,002	6.6%	5
<i>% of Total revenue</i>	<i>7.5%</i>	<i>6.2%</i>			
General and administrative excl. SBC	19,144	24,202	(5,058)	(20.9)%	6
<i>% of Total revenue</i>	<i>4.4%</i>	<i>4.9%</i>			
Depreciation add-back	4,819	5,529	(710)	(12.8)%	
<i>% of Total revenue</i>	<i>1.1%</i>	<i>1.1%</i>			
<b>Adjusted EBITDA</b>	<b>39,440</b>	<b>(39,608)</b>	<b>79,048</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>9.1%</i>	<i>(8.0)%</i>			
Share-based compensation (SBC)	10,330	9,857	473	4.8%	
<i>% of Total revenue</i>	<i>2.4%</i>	<i>2.0%</i>			
<b>EBITDA</b>	<b>29,110</b>	<b>(49,465)</b>	<b>78,575</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>6.7%</i>	<i>(10.0)%</i>			
Depreciation and amortization	5,661	6,371	(710)	(11.1)%	
<i>% of Total revenue</i>	<i>1.3%</i>	<i>1.3%</i>			
Net interests and other expenses	(686)	578	(1,264)	n.m.	
<i>% of Total revenue</i>	<i>(0.2)%</i>	<i>0.1%</i>			
Income taxes	10,526	(13,929)	24,455	(175.6)%	
<i>% of Total revenue</i>	<i>2.4%</i>	<i>(2.8)%</i>			
(Income) / loss from equity method investment	129	(46)	175	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
<b>Net income (loss)</b>	<b>13,737</b>	<b>(42,531)</b>	<b>56,268</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>3.2%</i>	<i>(8.6)%</i>			

## Comments

- 1 Referral revenue decreased by 13% due to revenue declines in Americas, Developed Europe and RoW by 16%, 7% and 18% respectively
- 2 Other revenue decreased by 1% driven by a decrease in subscription revenue partly offset by higher related party revenue and royalties
- 3 Advertising spend decreased by 28%, 20% and 40% in Americas, Developed Europe and RoW
- 4 Other selling and marketing expenses decreased by 35% driven by lower personnel costs and lower investments in advertisement production
- 5 Technology and content expense increased by 7% driven by higher office expense and lower capitalization of our developers' salaries
- 6 General and administrative expense decreased by 21% driven by lower professional fees and personnel costs

# Reconciliation of non-GAAP Financial Measures H1 2019, trivago N.V.

in €mm	H1 2019	H1 2018	Abs Δ vs. H1'18
Net income/(loss)	13.7	(42.5)	56.2
Income/(loss) from equity method investment	0.1	(0.0)	0.1
Income/(loss) before equity method investment	<b>13.6</b>	<b>(42.5)</b>	<b>56.2</b>
Expense/(benefit) for income taxes	10.5	(13.9)	24.4
<b>Income/(loss) before income taxes</b>	<b>24.1</b>	<b>(56.4)</b>	<b>80.5</b>
Add/(less):			
Interest expense	—	0.3	(0.3)
Other, net	(0.7)	0.3	(1.0)
<b>Operating income/(loss)</b>	<b>23.4</b>	<b>(55.8)</b>	<b>79.2</b>
Depreciation	4.8	5.5	(0.7)
Amortization of intangible assets	0.8	0.8	—
<b>EBITDA</b>	<b>29.1</b>	<b>(49.5)</b>	<b>78.6</b>
Share-based compensation	10.3	9.9	0.4
<b>Adjusted EBITDA</b>	<b>39.4</b>	<b>(39.6)</b>	<b>79.0</b>

Provided below are the amounts of share-based compensation excluded from the expense items:

in €k	H1 2019	H1 2018
Cost of revenue	138	81
Selling and marketing	1,402	1,799
Technology and content	3,646	2,092
General and administrative	5,144	5,885
<b>Share-based compensation</b>	<b>10,330</b>	<b>9,857</b>

# Consolidated Financials Q2 2019, trivago N.V.

in €k	Q2 2019	Q2 2018	Abs Δ vs. Q2'18	Δ vs. Q2'18
Referral revenue	219,936	231,094	(11,158)	(4.8)%
Other revenue	3,499	3,905	(406)	(10.4)%
<b>Total revenue</b>	<b>223,435</b>	<b>234,999</b>	<b>(11,564)</b>	<b>(4.9)%</b>
Cost of revenue	2,079	1,447	632	43.7%
<i>% of Total revenue</i>	<i>0.9%</i>	<i>0.6%</i>		
Selling and marketing	180,840	227,481	(46,641)	(20.5)%
<i>% of Total revenue</i>	<i>80.9%</i>	<i>96.8%</i>		
Technology and content	17,630	17,067	563	3.3%
<i>% of Total revenue</i>	<i>7.9%</i>	<i>7.3%</i>		
General and administrative	12,049	15,208	(3,159)	(20.8)%
<i>% of Total revenue</i>	<i>5.4%</i>	<i>6.5%</i>		
Amortization of intangible assets	421	421	—	—%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>0.2%</i>		
<b>Operating income (loss)</b>	<b>10,416</b>	<b>(26,625)</b>	<b>37,041</b>	<b>n.m.</b>
Net interests and other expenses	394	(657)	1,051	n.m.
<i>% of Total revenue</i>	<i>0.2%</i>	<i>(0.3)%</i>		
Income taxes	4,940	(6,578)	11,518	175.1%
<i>% of Total revenue</i>	<i>2.2%</i>	<i>(2.8)%</i>		
Income (loss) from equity method investment	39	(29)	68	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
<b>Net income (loss)</b>	<b>5,909</b>	<b>(20,733)</b>	<b>26,642</b>	<b>n.m.</b>
<i>% of Total revenue</i>	<i>2.6%</i>	<i>(8.8)%</i>		

## Comments

- Overview of P&L under US GAAP
- See next page for a detailed discussion of business development

# Consolidated Financial Information Q2 2019, trivago N.V.

in €k	Q2 2019	Q2 2018	Abs Δ vs. Q2'18	Δ vs. Q2'18	
Referral revenue	219,936	231,094	(11,158)	(4.8)%	1
Other revenue	3,499	3,905	(406)	(10.4)%	2
<b>Total revenue</b>	<b>223,435</b>	<b>234,999</b>	<b>(11,564)</b>	<b>(4.9)%</b>	
Cost of revenue excl. SBC	2,005	1,395	610	43.7%	
<i>% of Total revenue</i>	<i>0.9%</i>	<i>0.6%</i>			
Selling and marketing excl. SBC	180,183	226,436	(46,253)	(20.4)%	
<i>% of Total revenue</i>	<i>80.6%</i>	<i>96.4%</i>			
Advertising spend excl. SBC	169,731	209,844	(40,113)	(19.1)%	3
<i>% of Total revenue</i>	<i>76.0%</i>	<i>89.3%</i>			
Other s&m excl. SBC	10,452	16,592	(6,140)	(37.0)%	4
<i>% of Total revenue</i>	<i>4.7%</i>	<i>7.1%</i>			
Technology and content excl. SBC	15,939	15,820	119	0.8%	5
<i>% of Total revenue</i>	<i>7.1%</i>	<i>6.7%</i>			
General and administrative excl. SBC	9,436	12,197	(2,761)	(22.6)%	6
<i>% of Total revenue</i>	<i>4.2%</i>	<i>5.2%</i>			
Depreciation add-back	2,649	3,106	(457)	(14.7)%	
<i>% of Total revenue</i>	<i>1.2%</i>	<i>1.3%</i>			
<b>Adjusted EBITDA</b>	<b>18,521</b>	<b>(17,743)</b>	<b>36,264</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>8.3%</i>	<i>(7.6)%</i>			
Share-based compensation (SBC)	5,035	5,355	(320)	(6.0)%	
<i>% of Total revenue</i>	<i>2.3%</i>	<i>2.3%</i>			
<b>EBITDA</b>	<b>13,486</b>	<b>(23,098)</b>	<b>36,584</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>6.0%</i>	<i>(9.8)%</i>			
Depreciation and amortization	3,070	3,527	(457)	(13.0)%	
<i>% of Total revenue</i>	<i>1.4%</i>	<i>1.5%</i>			
Net interests and other expenses	(394)	657	(1,051)	n.m.	
<i>% of Total revenue</i>	<i>(0.2)%</i>	<i>0.3%</i>			
Income taxes	4,940	(6,578)	11,518	n.m.	
<i>% of Total revenue</i>	<i>2.2%</i>	<i>(2.8)%</i>			
(Income) / loss from equity method investment	39	(29)	68	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
<b>Net income (loss)</b>	<b>5,909</b>	<b>(20,733)</b>	<b>26,642</b>	<b>n.m.</b>	
<i>% of Total revenue</i>	<i>2.6%</i>	<i>(8.8)%</i>			

## Comments

- 1 Referral revenue decreased by 5% due to revenue decline in Americas and RoW by 3% and 17% respectively
- 2 Other revenue decreased by 10% mainly driven by lower subscription revenue
- 3 Advertising spend decreased by 12% in Americas and 11% in Developed Europe and by 37% in RoW
- 4 Other selling and marketing expenses decreased by 37% driven by lower personnel costs
- 5 Technology and content expense increased by 1% driven by higher office expense and lower capitalization of our developers' salaries, partly offset by lower employee benefits
- 6 General and administrative expense decreased by 23% due to reduction in professional fees and other expenses

# Reconciliation of non-GAAP Financial Measures Q2 2019, trivago N.V.

in €mm	Q2 2019	Q2 2018	Abs Δ vs. Q2'18
Net income/(loss)	5.9	(20.7)	26.6
Income/(loss) from equity method investment	0.0	(0.0)	0.0
Income/(loss) before equity method investment	<b>5.9</b>	<b>(20.7)</b>	<b>26.6</b>
Expense/(benefit) for income taxes	4.9	(6.6)	11.5
<b>Income/(loss) before income taxes</b>	<b>10.8</b>	<b>(27.3)</b>	<b>38.1</b>
Add/(less):			
Interest expense	—	0.3	(0.3)
Other, net	(0.4)	0.4	(0.8)
<b>Operating income/(loss)</b>	<b>10.4</b>	<b>(26.6)</b>	<b>37.0</b>
Depreciation	2.6	3.1	(0.5)
Amortization of intangible assets	0.4	0.4	—
<b>EBITDA</b>	<b>13.5</b>	<b>(23.1)</b>	<b>36.6</b>
Share-based compensation	5.0	5.4	(0.4)
<b>Adjusted EBITDA</b>	<b>18.5</b>	<b>(17.7)</b>	<b>36.2</b>

Provided below are the amounts of share-based compensation excluded from the expense items:

in €k	Q2 2019	Q2 2018
Cost of revenue	74	52
Selling and marketing	657	1,045
Technology and content	1,691	1,247
General and administrative	2,613	3,011
<b>Share-based compensation</b>	<b>5,035</b>	<b>5,355</b>

# Consolidated Statement of Cash Flows H1 2019, trivago N.V.

in €k	H1 2019	H1 2018	
<b>Net income/(loss)</b>	<b>13,737</b>	<b>(42,531)</b>	<b>1</b>
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):			
Depreciation	4,819	5,529	
Amortization of intangible assets	842	842	
Impairment of internal-use software and website development	96	1,145	
Share-based compensation	10,330	9,857	
Deferred income taxes	1,732	(14,371)	
Foreign exchange loss	131	231	
Bad debt expense	346	188	
Loss on disposal of fixed assets	1	7	
Gain from settlement of asset retirement obligation	(209)	—	
(Gain)/loss from equity method investment	(129)	46	
<b>Change in operating assets and liabilities</b>			<b>2</b>
Accounts receivable, including related party	(14,207)	(59,827)	
Prepaid expense and other assets	1,903	873	
Accounts payable	32,295	23,301	
Payroll liabilities	(5,014)	(718)	
Accrued expenses and other liabilities	1,316	1,680	
Deferred revenue	(658)	654	
Taxes payable/receivable, net	8,129	(1,175)	
<b>Net cash provided by/(used in) operating activities</b>	<b>55,460</b>	<b>(74,269)</b>	
Capital expenditures	(3,205)	(17,283)	
Proceeds from sale of fixed assets	27	26	
<b>Net cash used in investing activities</b>	<b>(3,178)</b>	<b>(17,257)</b>	<b>3</b>
Proceeds from exercise of option awards	165	8	
Repayment of other non-current liabilities	(168)	—	
<b>Net cash provided by/(used in) financing activities</b>	<b>(3)</b>	<b>8</b>	
Effect of exchange rate changes on cash	(12)	(102)	
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>52,267</b>	<b>(91,620)</b>	
Cash and cash equivalents and restricted cash at beginning of the period	164,308	192,900	
Cash and cash equivalents and restricted cash at end of period	216,575	101,280	

## Comments

- 1 Net income improved to €13.7 million reflecting a substantial increase in our profitability as we reduced Advertising Spend to adapt to the changing dynamics on our marketplace
- 2 Change in operating assets and liabilities led to an increase in Cash and cash equivalents mainly due to an increase in Accounts payable to €32.3 million in H1 2019
- 3 Capital expenditures decreased year-over-year mainly driven by higher capital expenditures related to the new campus in H1 2018

# Consolidated Statement of Cash Flows Q2 2019, trivago N.V.

in €k	Q2 2019	Q2 2018
<b>Net income/(loss)</b>	<b>5,909</b>	<b>(20,733)</b>
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):		
Depreciation	2,649	3,106
Amortization of intangible assets	421	421
Impairment of internal-use software and website development	—	980
Share-based compensation	5,035	5,355
Deferred income taxes	668	(6,578)
Foreign exchange loss	5	365
Bad debt expense	166	61
Loss on disposal of fixed assets	—	5
Gain from settlement of asset retirement obligation	(209)	—
(Gain)/loss from equity method investment	(39)	29
<b>Change in operating assets and liabilities</b>		
Accounts receivable, including related party	(11,214)	(17,388)
Prepaid expense and other assets	1,300	1,492
Accounts payable	13,308	(13,137)
Payroll liabilities	(2,973)	(739)
Accrued expenses and other liabilities	471	498
Deferred revenue	(565)	(472)
Taxes payable/receivable, net	3,940	(416)
<b>Net cash provided by/(used in) operating activities</b>	<b>18,872</b>	<b>(47,151)</b>
Capital expenditures	(1,601)	(11,525)
Proceeds from sale of fixed assets	14	7
<b>Net cash used in investing activities</b>	<b>(1,587)</b>	<b>(11,518)</b>
Proceeds from exercise of option awards	5	2
Repayment of other non-current liabilities	(66)	—
<b>Net cash provided by/(used in) financing activities</b>	<b>(61)</b>	<b>2</b>
Effect of exchange rate changes on cash	(25)	230
<b>Net increase/(decrease) in cash, cash equivalents and restricted cash</b>	<b>17,199</b>	<b>(58,437)</b>
Cash and cash equivalents and restricted cash at beginning of the period	199,376	159,717
Cash and cash equivalents and restricted cash at end of the period	216,575	101,280

1

2

3

## Comments

- 1 Cash Flow from operating activities driven by Net income of €5.9 million reflecting a substantial increase in our profitability as we reduced Advertising Spend to adapt to the changing dynamics on our marketplace
- 2 Change in operating assets and liabilities led to an increase in Cash and cash equivalents as increase in Accounts receivable of €11.2 million was over-compensated by an increase in Accounts payable of €13.3 million
- 3 Capital expenditures decreased year-over-year mainly driven by higher capital expenditures related to the new campus in H1 2018

# Consolidated Balance Sheet H1 2019, trivago N.V.

in €k	As of June 30, 2019	As of December 31, 2018	
Cash and cash equivalents	214,138	161,871	1
Restricted cash	122	122	
Accounts receivable, less allowance	57,676	54,981	2
Accounts receivable, related party	50,788	39,655	
Tax receivable	512	281	
Prepaid expenses and other current assets	6,427	8,346	
<b>Total current assets</b>	<b>329,663</b>	<b>265,256</b>	
Property and equipment, net	34,302	162,001	3
Operating lease right-of-use assets	99,003	—	
Deferred income taxes	640	—	
Other long-term assets	7,073	6,148	
Intangible assets, net	170,767	171,609	
Goodwill	490,554	490,529	
<b>Total assets</b>	<b>1,132,002</b>	<b>1,095,543</b>	
Accounts payable	66,210	33,656	4
Income taxes payable	9,581	1,221	
Deferred revenue	7,205	7,863	
Payroll liabilities	3,517	8,531	
Accrued expenses and other current liabilities	8,490	9,650	
Operating lease liability	5,705	—	5
<b>Total current liabilities</b>	<b>100,708</b>	<b>60,921</b>	
Operating lease liability	97,296	—	5
Financing obligations	—	127,705	
Deferred income taxes	49,925	46,550	
Other long-term liabilities	2,392	6,784	
Class A common stock	3,010	2,554	
Class B common stock	181,013	185,213	
Reserves	771,501	757,262	
Contribution from parent	122,307	122,307	
Accumulated other comprehensive loss	(22)	(89)	
Accumulated deficit	(196,128)	(213,664)	
<b>Total stockholders' equity</b>	<b>881,681</b>	<b>853,583</b>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1,132,002</b>	<b>1,095,543</b>	

## Comments

- 1 Increase in Cash and cash equivalents was mainly driven by positive cash flows from operating activities which were mainly due to changes in operating assets and liabilities and additional positive effects from Net income excluding non-cash expenses
- 2 Accounts receivable from non-related parties slightly increased to €57.7 million overcompensating delayed payments from advertisers in the fourth quarter of 2018
- 3 Property and equipment decreased mainly due to the transition from build-to-suit to operating lease treatment of our campus as a result of the adoption ASC 842, the new leasing standard
- 4 Accounts payable increased to €66.2 million mainly driven by an increase in Advertising Spend
- 5 Financing obligations as of December 31, 2018, mainly relating to build-to-suit treatment of our campus, were transitioned to Operating lease liabilities in Q1 2019 as a result of the adoption ASC 842, the new leasing standard

# Reconciliation of quarterly non-GAAP Financial Measures

in €mm	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Net income/(loss)	(21.8)	(20.7)	10.1	10.9	7.8	5.9
Income/(loss) from equity method investment	0.0	(0.0)	0.1	0.0	0.1	0.0
<b>Income/(loss) before equity method investment</b>	<b>(21.8)</b>	<b>(20.7)</b>	<b>10.0</b>	<b>10.9</b>	<b>7.7</b>	<b>5.9</b>
Expense/(benefit) for income taxes	(7.4)	(6.6)	7.1	8.0	5.6	4.9
<b>Income/(loss) before income taxes</b>	<b>29.1</b>	<b>(27.3)</b>	<b>17.1</b>	<b>18.9</b>	<b>13.3</b>	<b>10.8</b>
Add/(less):						
Interest expense	0.0	0.3	0.7	0.8	0.0	(0.0)
Other, net	(0.1)	0.4	0.1	(0.9)	(0.3)	(0.4)
<b>Operating income/(loss)</b>	<b>(29.2)</b>	<b>(26.6)</b>	<b>17.9</b>	<b>18.8</b>	<b>13.0</b>	<b>10.4</b>
Depreciation	2.4	3.1	3.0	2.9	2.2	2.6
Amortization of intangible assets	0.4	0.4	0.4	0.4	0.4	0.4
<b>EBITDA</b>	<b>(26.4)</b>	<b>(23.1)</b>	<b>21.2</b>	<b>22.1</b>	<b>15.6</b>	<b>13.5</b>
Share-based compensation	4.5	5.4	5.4	5.5	5.3	5.0
<b>Adjusted EBITDA</b>	<b>(21.9)</b>	<b>(17.7)</b>	<b>26.6</b>	<b>27.6</b>	<b>20.9</b>	<b>18.5</b>

