



trivago Delivers Profitable Growth in Q1, After Strong Start to the Year

May 15, 2017

- Total revenue grew by 68% to €267.6 million in Q1 2017 vs €159.4 million Q1 2016
- Net income of €7.7 million, marked improvement from €(0.1) million in Q1 2016
- Adjusted EBITDA¹ of €19.3 million, an increase of 151% from Q1 2016
- Number of Qualified Referrals increased by 60% to 177.2 million vs 110.5 million in Q1 2016
- Revenue per Qualified Referral up 4% from a year ago

DUSSELDORF, Germany--(BUSINESS WIRE)--May 15, 2017-- trivago N.V. (NASDAQ: TRVG), a global hotel search platform helping travelers find their ideal hotel at the lowest rate, today announced its first-quarter results and, boosted by a strong start to the year, reaffirmed its full-year guidance that it recently increased.

Revenues grew by 68% to €267.7 million in the first quarter from €159.4 million in the previous year. The growth in Qualified Referrals and Referral Revenue, across all three of the company's segments – Americas, Developed Europe and Rest of the World (in particular, Japan, India and Russia) - was driven by investment in branding and user experience. These investments also increased the number of hoteliers engaging through trivago with its Hotel Manager platform. Over 280,000 hoteliers were using the platform at end-Q1, of which more than 30,000 paid a subscription for the Hotel Manager Pro offering.

Axel Hefer, CFO, said: "The investments we have made in the business are paying off. In the first quarter, we generated record revenue at a growth rate of 68% while boosting profitability with a strong net income and significant gains in adjusted EBITDA. The improvements in profitability were principally driven by the scaling of the business and our continuous improvements of our technology and algorithms, which we expect to continue to benefit from in the future. We are on track to deliver continued growth in revenue and profit in line with our guidance."

The number of travelers accessing trivago's websites and apps continued to grow, with qualified referrals up 60% year-on-year, strengthening trivago's position as a scalable marketing channel for hotel advertisers, OTAs, hotel chains and independent hotels.

Rolf Schrömgens, CEO and Founder, said: "Not only are we making progress in terms of continuously improving brand awareness, user loyalty, as well as revenue growth and profitability, but we also continue to see strong interest from applicants all over the world, with almost 15,000 applicants in the first quarter interested in becoming part of our entrepreneurial culture. To maintain our momentum and build scale as a truly global business, hiring and investing in our talent base will continue to be a top priority for us."

Media call

trivago will host a media call on 15 May 2017 at 9:00am EST (3:00pm CET) to go over the first quarter highlights and answer media questions. [Click here](#) to download the presentation for the call.

The details are as follows:

Access Number	Originating Country	PIN
+49 69 20 45 72 650	Germany	
0800 589 30 15	Germany (Toll Free)	914 355 48#
1877 423 08 35	United States (Toll Free)	

Financial Summary & Operating Metrics (€ millions unless stated)

Metric	Three months ended March 31,			
	2017	2016	Δ	Y/Y
Total Revenue	267.6	159.4	68	%
Americas	102.2	57.8	77	%
Developed Europe	113.5	78.9	44	%
Rest of World	48.6	21.3	128	%
Qualified Referrals (in millions)	177.2	110.5	60	%
Revenue per Qualified Referral (in €)	1.49	1.43	4	%
Operating income	12.5	0.3	n.m.	
Net income (loss)	7.7	(0.1))	n.m.
Return on Advertising Spend	121	% 120	%	110bps
Adjusted EBITDA (1)	19.3	7.7	151	%

n.m. - not meaningful

(1) "Adjusted EBITDA" (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" below for explanations and reconciliations of non-GAAP measures used throughout this release.

For more details, refer to trivago's first-quarter report, which is available on the Securities and Exchange Commission's website (<http://www.sec.gov>).

For additional information and a media presentation summarizing the results, refer to trivago's investor website (ir.trivago.com).

About trivago

Founded in 2005 and headquartered in Dusseldorf, Germany, trivago is a global hotel search platform, focused on reshaping the way travelers search for and compare hotels. trivago's mission is to "be the traveler's first and independent source of information for finding the ideal hotel at the lowest rate." As of 31 December 2016, trivago's global hotel search platform offered access to approximately 1.4 million hotels in over 190 countries. trivago's platform can be accessed globally via 55 localized websites and apps in 33 languages.

Definitions of Non-GAAP Measures

Adjusted EBITDA:

We define adjusted EBITDA as net income (loss) plus:

1. provision for income taxes,
2. total other (income)/expense, net,
3. depreciation of property and equipment, including amortization of internal use software and website development
4. amortization of intangible assets, and
5. share-based compensation

Adjusted EBITDA is a non-GAAP financial measure. A "non-GAAP financial measure" refers to a numerical measure of a company's historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in such company's financial statements. We present this non-GAAP financial measure because it is used by management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating our operating performance and consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods. Our use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with GAAP, including net loss. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; and
- Other companies, including companies in our own industry, may calculate adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Tabular Reconciliations for Non-GAAP Measures

Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation & Amortization)

	Three months ended March 31,	
	2017	2016
	(€ millions)	
Net income (loss)	7.7	(0.1)
Expense for income taxes	4.7	0.4
Income before income taxes	12.4	0.3
Interest expense	0.0	0.0
Other, net	0.1	(0.0)
Operating income	12.5	0.3
Depreciation	1.5	1.0
Amortization of intangible assets	2.0	6.3
EBITDA	16.0	7.5
Share-based compensation	3.3	0.2
Adjusted EBITDA	19.3	7.7

Note: Some numbers may not add up due to rounding.

Forward looking statements

This press release contains certain forward-looking statements. Words, and variations of words such as "believe," "expect," "plan," "continue," "will," "should," and similar expressions are intended to identify our forward-looking statements. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and important factors that could cause actual events and results to differ materially from those in the forward-looking statements. For additional information factors that could affect our forward-looking statements, see our risk factors, as they may be amended from time to time, set forth in our public filings with the Securities and Exchange Commission. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.

¹ Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" at the end of this press release for explanations and reconciliations of non-GAAP measures used throughout this release.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20170515005712/en/>

Source: trivago

trivago

Media Contact:

Sydney Burdick

corporate.communication@trivago.com

or

IR Contact:

Matthias Tillmann

ir@trivago.com