

THOMSON REUTERS STREETEVENETS

EDITED TRANSCRIPT

TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

EVENT DATE/TIME: SEPTEMBER 12, 2017 / 3:20PM GMT



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

CORPORATE PARTICIPANTS

Axel Hefer *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

CONFERENCE CALL PARTICIPANTS

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

PRESENTATION

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Okay. Did it work? Good, so I guess we need to improvise a bit. So Lloyd got lost in the vast corridors. So I would say, why don't we start with Q&A then until he's here, if you don't mind to use the time given that the clock is ticking already. Do we have mics? So that we -- okay, very good.

QUESTIONS AND ANSWERS

Unidentified Analyst

Can you just talk about the changes that you made coming into the quarter that have kind of caused the adjustment to guidance, but the relevance that the adjustment that you made and the detail there?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Sure. So basically, I mean, the key update from last Wednesday versus 6 weeks before -- I mean, there are a couple of things that have changed, and they've made us revisit our guidance for this year. So the first thing that has actually changed is we obviously -- I mean, we anticipated that by improving the relevance assessment score as some of our advertisers would be able to reduce their CPC bids given that's 2 components of the overall bidding system and that, that would have an impact on our monetization. I mean, that was clear. Where we underestimated the fact that -- and if you remember on the Q2 earnings call, we made the comment as well that we reinvested the profitability that we had from this temporary boost in the adjustment period of the relevance assessment score. So we invested that predominantly into performance marketing, and we knew that at the point in time where advertising would improve their relevance assessment, we would have to pull that back, otherwise, we would basically drop too much in our profitability target for those channels. So CPC bids came down through the improved relevance score of some advertisers. We bid down on performance marketing, and now comes the thing where we now have better data. I mean, the elasticity of that reduction in bidding was greater than we anticipated or, in other words, we lost more traffic than we thought we would lose. And so anyway, that's a secondary effect of that change. The tertiary effect is that we saw some slowdown of our branded traffic at the same time, which might be the spillover effect from performance marketing traffic into branded traffic, which is more like an attribution -- I'm not going to particularly cross the adviser attribution and measurement point, which we are currently looking into. So that effect, we didn't anticipate the same level either. There is another factor, which is more mathematical, I would say, on the Q3 year-on-year comparison. In 2016, we saw like a -- on top of the seasonality, we saw like a bump in traffic development within the third quarter, which we were planning for, for this year as well. And so when we updated the guidance at that point in time, it was clear that, that would not come, and it wouldn't come later or it wouldn't come at all. Looking at the seasonality of the previous years, I mean, it seems that the 2016 was more the exception than the rule, which is something we are currently thinking about how to give better guidance to the teams in terms of seasonality assumptions in preparing our budget for next year. So there should be learning coming out of that for sure. And then one and that's the last big change, but it's quite significant is obviously currency. So when you look at the 10 percentage points that we adjusted overall, approximately 1.5% is just coming from currency update. So we updated all our currency adjustments and our model, that is the basis for our guidance, where end of July, we've seen a couple of weeks movement in one direction. By now, I think we've seen like a clear change in the exchange rates, and that is having the most severe impact obviously on the Americas revenue per qualified referral, but also has at the impact -- has an impact on Developed Europe and Rest of the World. On Developed Europe, obviously has the pound, but then Rest of the World in some currencies as well. And all these factors together in a way are adding up to the changing guidance, and I hope that answered your question.



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

Unidentified Analyst

So that was the first question. So I just thought that we'd use the time.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Perfect.

Unidentified Analyst

It's a big conference. Yes, so.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Yes. Well, thank you for being here. So yes, I guess staying on that topic a bit. I was curious if we could kind of just dig in a little bit to the history of the landing pages. It seems as though when you look around the meta-search world, for the most part, OTAs use city landing pages. So you all have -- my understanding, you've been kind of pushing this for a while but you only started really enforcing it. But walk us through, I guess, the history of these landing pages and then just the broader feedback from your customers on this change.

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes. So I mean, we've always had the philosophy that we want to have the best experience for the user obviously. And when you think about yourself, you go through trivago and search for a specific experience, and you then have 10, 15 hotels that you're considering. You're then choosing one of these hotels to be -- what you're actually expecting afterwards is a page that gives you more detail about the hotel, gives you the different room options, the other different options in terms of breakfast included, not included, et cetera and obviously, a button that says, okay, book now. That's what you expect, and that has always been our philosophy. And if you would go back a year ago or 1.5 years ago, that is how the overall product has looked like. So that's the one side of the equation. The other side is that in a way, you need to have clear guidelines to make sure that you have competition in the marketplace that is fair. Because the value per click can be influenced by different landing page designs, which in a way is clear because you can reduce the number of clicks or increase the number of clicks depending on how you design it. And so if you -- everything else being equal, if you need 5 clicks for 1 booking versus 10 clicks for a booking, you are in a huge advantage and you can outbid the others despite the fact that it is basically the same thing. And so in a way, it does make sense that you have a consistent look and feel across the platform and don't allow for too much diversity, otherwise, the marketplace doesn't work anymore. And so what we now did, and that's really the big change, we allowed for more flexibility when we introduced the relevance assessment by saying, "You can deviate from what we are telling you, so you can start to optimize. And so we will not kick you off the platform if you have a different landing page, but we have a clear view what we think is good for the user and what the benefit of certain of these designs is, and we will take that benefit away from you plus a small penalty to set an incentive to actually optimize for what we think is good." And so then advertisers moved -- basically, deviated from those guidelines, and as a consequence, we benefited from the higher CPCs and had an improved commercialization, which is clear at a time where you set a disincentive for somebody to do something. Obviously, that disincentive has a high margin for you. And then at the end of the second quarter, the -- in a way, the testing pretty much stopped. I mean it didn't completely stop but predominantly has stopped. And so in a way, that disincentive income went away, and we are back to where we started.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

And you're now -- have you seen a reaction beyond that, just the disincentive going away? Are you seeing other changes in just the bidding environment? Or is most of this the secondary impact?



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, so the big change in our guidance is coming from the secondary and tertiary impact. So it's predominantly an update on the qualified referrals side compared to the Q2 guidance. I mean, we can't rule out that at the same time, where advertisers are improving their relevance assessment -- I mean there is obviously a big change then in the CPC levels that at the same time, they are changing their profitability targets. Having said that, it would be a significant change in profitability targets, you could clearly see that.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

We spoke to somebody in the travel advertising ecosystem yesterday, who told us that some of the big players have been experimenting with different attribution models on how they value different channels and the science behind it. Is that something you've seen from any of your clients that's adding to kind of the some of the changes in the landscape?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, I mean, I guess that's what you would expect from any professional company, that they continuously challenge the way how they attribute value and continuously optimize that. So that's not a surprise to me. And a lot of our advertisers are extremely well-run and very professional companies, so that's clear. Conceptually, when you think about it, I guess, what would lead to an adjustment of the bidding activity on us would be if you give greater weight to the lifetime value. Because at least what we hear from comments made by our big advertisement public that the conversion of our users into loyal OTA users is more difficult than for other channels. So if you take that thought and if that statement is true, which where we can just listen to the same comments you are hearing, then that would actually would lead to an adjustment where you reduce activity on us and improve it somewhere else. Having said that, in a way, that to me is not something negative but a positive. I mean so the more loyal our users are to us, the better it is for our business. And I don't see a benefit in monetizing at the short term better at the expense of losing more users.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Yes. And another thing I think we've heard from some players is -- many, many players in many different aspects seem to be copying parts of your strategy, whether it's the TV as a direct marketing or the meta-search price comparison. Can you maybe talk about what you do in TV that you think is unique and will be -- is almost a competitive advantage and hard to replicate? What are some of the aspects that you guys have really nailed that are hard for others to copy?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, so I think the -- I mean, first of all, everything can be copied. The only way how you can protect yourself is by continuing to innovate fast enough so that you always have something that can't be copied. I mean, when I look at our TV marketing and why that has worked well for us, I think to me, there are 3 key reasons. One reason is, is really focused of the product. I mean, the product is very, very lean, very optimized to do one specific thing, and it is optimized to find you the place to stay in and give you transparency where you can book it and at what price, and that's all it does. So in a way, the functionality is very clear and very easy to communicate, which helps tremendously in marketing in general, but in particular obviously, in branded campaigns, message is simple. The second thing is we have been very, very consistent in our brand positioning. So for the last 10 years, I mean, hotel trivago, so we are the place to look for your hotel, your accommodation. That's it, not multi-products, not too complicated. And so in a way, again, that the product is -- can be explained very efficiently. The brand claim can be communicated very efficiently, which obviously helps a lot to be efficient and effective at your TV marketing. In a way, people don't necessarily want to watch your spot, as they want to watch the NFL and not the trivago spot, so you need to use the limited attention span that your TV consumers are having to get your message across. And the third point is -- and in a way, they're all related to focus. It's just being we're focusing on it and putting resources behind it and getting more experience in it and being -- and sticking to it and making it better every time you look at it. So we, when we started going to the market, we start with a small budget. We start with some creatives that we pretested, and we analyzed what actually works, what doesn't work, which kind of audiences do work, which times of the day, which creatives do work, not only in a testing environment but also in the real world. And then we



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

adjust, we increased the spend on things that have worked well. We decreased it on things that haven't done well, and we do that again and again and again. And stepping back a bit, I think that is probably best described by patience. I'll say, if you are on and off all the time, I mean, you don't have the same learning coming out of it and nobody is free from having a campaign that doesn't work or making some mistake in some briefings, but the important thing is that you stick to it, you analyze it and then get better the next time. And I would say that these 3 things have helped us to be very successful with our TV investments.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Okay. And turn -- I want to turn back to the auction, and you're obviously -- they're obviously 2 big parent companies but within that, a lot of different brands. How dynamic is the auction? And then specifically, have you seen -- do you see a pretty quick response when 1 person kind of may pull back, another person steps up pretty quickly. Are you seeing a lot of good liquidity on that front?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, absolutely. So we see that the marketplace is healthy and liquid. It depends obviously a bit. So if you look into the details, it's more complicated. The biggest hotels in Las Vegas like this one. Obviously, any change is visible very quickly because they're such a high-frequency that everybody can see that quickly. If you're talking about some long tail hotels, then it takes longer for everybody. But then, the smaller you are and the less data points you are getting, the longer it takes for you. So that's clear, but overall, the marketplace is very healthy.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Okay. And then, I guess, I -- do you get the sense that there, across the meta space, talk of CPC declines -- again, going back to this, do you think there's anything macro at all to that? Or do you feel like the travel environment remains a pretty healthy backdrop?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

I mean, so in the past, we have not been the best in looking at fundamental underlying trends given that we have very strong growth. If there is a change in growth from 4% to 3% in the underlying market, I mean, you can't really see that. So I think there -- any comments coming out of the OTAs is probably more educated than ours. What we do see, though, is that any kind of, and particularly, in the recent past, any terrorist activity does not have a big impact on the overall business but has more an impact on the destinations that people are going for. But even that is not that temporary.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Okay, and then if you peel back the onion a bit on some of the branded traffic weakness that you're seeing, is it changed market by market? Or are there any kind of differences worth pointing out in your various markets?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, I mean, in terms of -- I think it is -- the dynamic is slightly different in the high-growth developing markets and in the developed markets. And the reason for that is -- I mean, and that, that's generally true. The reason is that, that you are at in much earlier stage of the development. So if you're spending a bit too much or a bit too little, in a way, that doesn't really matter because the opportunity is still huge. The margin of error, in a way, is smaller in the developed markets where the overall growth is lower and so the impact of any additional factor is greater. Yes, I think that's true.



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

Lloyd Wharton Walmsley - Deutsche Bank AG, Research Division - Research Analyst

Yes, okay. And then, I guess, you guys are -- if you kind of look out the next few years, the amounts of money you're deploying in marketing, they're large and growing quickly. How -- what gives you confidence? Maybe it's just developed -- looking at the Developed Europe segment, but what gives you confidence as you scale that spend that you'll continue to see good return on that spend?

Axel Hefer - trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board

Yes. So I mean, conceptually, there is obviously some limit somewhere. I mean, that's clear. I mean, if you're on every ad break, then obviously -- and to have 2 spots per ad break doesn't really make that much sense anymore. So I think that's a fair comment. I mean, looking at some of our oldest markets, there is still significant room to grow and to reach additional audiences. So I don't think we are at that point yet. Will there be that point in time at some point in time? Yes. I think that's true. But then, you -- it's not only TV. I mean, TV is obviously one part of the overall puzzle where we have focused a lot, but then you've got alternative advertisement areas that we haven't focused that much on and where we are really starting to experiment or have started like a year ago, so as the ones that you have friends in London, probably have heard, we have run a bid test in London on all the phone, which we are currently analyzing, which got a lot of attention is quite -- was quite visible. We are experimenting a lot with online video, which is in certain geographies very important already for a certain cohort. It is very important already. We are experimenting with a -- with branded advertisement and content advertisement on Facebook. So in a way, I mean, to me, it is conceptually the same thing that we've been doing over the last couple of years, really to continuously trying out new things, analyzing them and then increasing the activity where we see that something works and decreasing it where something doesn't work, start that fundamental change. And overall, obviously, we see that the spend does not have to be increased in line with the top line growth. So yes, I think there is definitely a point where that gap will get bigger, but I don't think that we are there yet.

Lloyd Wharton Walmsley - Deutsche Bank AG, Research Division - Research Analyst

Yes. Okay. And then can you give us an update I think on the marketing changes that you are doing to -- within search, just improving how you buy, to focus on the downstream conversion? And what you expect to see kind of in the fourth quarter? And how the marketplace responds to your higher quality traffic? And I guess, how does that change in an environment where you have to lower bids? Does that affect the kind of quality of traffic you can buy?

Axel Hefer - trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board

Yes. So we have rolled out the new data attribution model in our DA channel. We've done that end of July, which is -- it's basically the combination of our smaller performance marketing activities. And those channels overall are relatively speaking small, so you don't see a big impact on the overall marketplace. But if you just look at that part of the traffic, you'll see an improvement in conversion. On the large performance marketing channels or channel, we are working on the implementation. And in the implementation, it will be later than we anticipated 6 weeks ago. The reason is that we need to make changes to our bidding tools, and that's, like any IT project, takes longer than we originally planned. But we are, at this point in time, are confident that we can start the rollout in the fourth quarter. So that you will see some softening effect on the qualified referral's growth in the fourth quarter and then the benefit kicking in on the Q1. So basically, shifted to what we discussed 6 weeks ago. Having said that, I mean the learning that I guess we can draw out of the events of the last 6 to 9 months is that radical changes in the business are not good for us and don't make it easier to run the business well. And so factoring that in, I guess we will be very careful in changing the logic of the bids and blending it in.

Lloyd Wharton Walmsley - Deutsche Bank AG, Research Division - Research Analyst

Okay. I want to make sure the audience has the ability to ask some questions here.

SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

Unidentified Analyst

A quick question for you is I'm curious how much skewed data of consumers you collect? So if I'm booking a hotel, I'm ending up at the landing page of one of the OTAs. What do you get out of it? Do you get my credit card data? Do you know my location? And how do you use that to further your services?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, so we don't get your credit card data unless you sign up on trivago and give it to us. And the reason to do that would be that for the advertisers that choose to use Express Booking as an optimized checkout page, there, you could then pre fill-out your forms. Not that many users do that actively today, so we would not have that data. What we do have for approximately 50% of our overall traffic is we have booking information. So we would know that you are not you but that you are cookie123 and any interaction that you have had with us and ultimately, what you and when you have booked what.

Unidentified Analyst

A question about some of the large advertisers. Is it fair to say that now that we're past the relevance assessment that the big advertisers, Expedia and Priceline, are now getting a higher ROI on the bookings that they pull off of trivago because in theory, the conversion should be the same, if not, maybe a little better? And the pricing is lower? Or is there something else, like a nuance that I'm missing there?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

It depends on what -- which 2 data points you are comparing. I would say if you compare to the time pre the introduction, then that is not a fair...

Unidentified Analyst

To the first half of this year.

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, and to the first half of this year, that's obviously the case as anticipated because we didn't set the, in a way, the bid discount in a neutral way, but with an incentive in there. And what that means, obviously that, that incentive improves our profitability and decrease profitability of the advertiser. That doesn't stick to the guidelines. Yes, so that is true. But that's -- that was, from the beginning, clear.

Unidentified Analyst

I wanted to ask one that doesn't get as much attention, but I think it's a very interesting question. But how -- can you talk about some of the unique aspects of your corporate culture, kind of from the management level and down to how you run different regions and your philosophy there?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Yes, I mean, so we only have 7 minutes left, so I'll try to focus there. I agree, it is a very important part. And I think the key philosophy that we are having is we are attracting entrepreneurs and we want our employees to run their area of responsibility like a smaller company. And so in a way, we give a lot of freedom to take on decisions, and we have a high tolerance for mistakes, obviously. So we are creating an entrepreneurial environment. And the reason why we can do that without running into chaos, obviously, at 1,400 employees today is -- some of it is our capital and related to our core value. So one is focus. And to me, focus is completely underappreciated. If you're very focused in what you do, I mean, you don't only have advantages in marketing and product, et cetera, that I mentioned before, but in particularly, in management like in managing the company. Because

SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

everybody at trivago knows what we are trying to do. And so even if you have a decentralized decision-making, everybody knows what the direction is, and as a consequence, can on a very, very granular level, do small tweaks here and there to basically get to that objective. And the second core value that I think is very important there is what we call a power of proof. So we're extremely data-driven, and we take data-driven decisions. And we -- when we test something, we define very clearly before how we actually would measure success. And so by doing that, you create a transparency about these decentralized decisions that allow you to keep track and have an overview without really intervening into the positive dynamic of real entrepreneurship.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

Okay. We have a question up front.

Unidentified Analyst

Two quick questions. One, with regard to how the CPCs kind of came down. What do you think is the value that the OTAs or your advertisers would assign to does that click coming through? And what part of the CPC in the past was the value that they attributed to the lifetime value of the click that was coming through? And do you see that as they evaluate the changes, do you see the CPC levels kind of, from now onwards, going up to a level where it becomes more comparative in the auction environment? And the second is the bidding tools, the IT project that you talked about, which you'll just start rolling out in 4Q. How will that change the auction marketplace? And why will it lead to a higher CPC?

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Okay. So on the first point -- on the first question, so I think there are 2 things at the same time. One is how you design your landing page and to what extent that allows you to assign a greater value, without considering lifetime value, but just in-session attribution if you just take them -- if you used it 2 different steps one by one and look at them one by one. How does that help you to increase the value of a click and as a consequence, be more competitive in the auction? So that is one thing, and that is what we address with the relevance assessment. The second question then is how good or how bad has the experience been of your user journey on trivago and on the advertiser? And what impact does that have on customer lifetime value? On that question, it is not clear to me that by optimizing a lot for value-per-click in your page design that, that increases your customer lifetime value as an OTA because it doesn't make only our experience on trivago worse but also the experience on your side worse because the overall process is getting more distracted and having more touch points, et cetera. So I mean, perhaps it does have a positive impact, but I'm not sure that, that is the case. So I think that's your first question. On the attribution, it is really the other side. I mean, it is where do we spend our money? And what do we optimize for? And do we optimize for our own short-term revenue, which is driven by clicks? But then obviously, the value of a click is then, up for a couple of weeks, then impacted by the ultimate booking likelihood and the booking value of that click. And so as a consequence, it is better to optimize for the booking value directly to take one inefficiency out of the system. So in a way, the way to think about it is that we will bid down on campaigns that create a lot of clicks but have a very low booking likelihood. So 5-star hotel in Bali with whatever whirlpool in your room, yes. So a lot of people want to see that picture and want to see what kind of hotel exists there. Not that many actually want to go there. I mean, it might just be a stupid example, but that's one. And then on the other hand, campaigns that don't trigger a lot of additional clicks but attract people that really know very clearly what they want to book. And so that's the way to think about it, to take inefficiency out of our optimization and as a consequence, improve the overall value that we can deliver to our advertisers for the same spending on performance marketing channels.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

And so do you feel like there's a floor at this point in the auction? Or do you feel like there's risk that bids migrate lower on a year-over-year basis?



SEPTEMBER 12, 2017 / 3:20PM, TRVG.OQ - trivago NV at Deutsche Bank Technology Conference

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

So I mean, bids are going up and down depending on the conversion of the traffic, and that is seasonal as well. I guess the key question is, do we see changes in the profitability targets of our advertisers? And there, I mean if you look at the overall market, no, we don't see that. Would we see that -- be able to see that if they are very marginal? Probably not immediately. Because we can only look at the outcome, and we can look at CPC bids and billions of individual bids and draw conclusions from that. Having said that, structural changes obviously, we would see very quickly.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

All right. Anyone else? Last question. All right. Well, Axel, thanks for being here. I appreciate your attendance.

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Thanks for having me.

Lloyd Wharton Walmsley - *Deutsche Bank AG, Research Division - Research Analyst*

All right. Great.

Axel Hefer - *trivago N.V. - CFO, MD of Finance, Legal & International and Member of Management Board*

Okay. Thank you.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2017, Thomson Reuters. All Rights Reserved.