



Earnings Call Q3 2018

24 October 2018



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We refer to increases in traffic quality in this presentation. We measure traffic quality by estimating booking conversion and value from data voluntarily provided to us by certain advertisers. While we believe the quality of the traffic we referred to our advertisers improved in the third quarter of 2018, the information we used as the basis for this analysis is subject to a number of uncertainties, including those related to the accuracy of the information we receive from our advertisers and the methodologies we use to track and analyze whether a user ultimately completes a booking.

Special Note Regarding Forward-Looking Statements

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 negative worldwide economic conditions and ongoing instability and volatility in the worldwide financial markets; possible changes in current and proposed legislation, regulations and governmental policies; the dependency of our business on our ability to innovate; pressures from increasing competition and consolidation in our industry; any reduction in spending or any change in bidding strategy by one or more of our largest advertisers and the effect of these changes on our profitability and revenue levels; our advertiser concentration; the extent to which our advertisers prioritize profitability over traffic growth; our ability to be profitable in future quarters and to return to a growth trajectory as our business matures; our ability to maintain and increase brand awareness; our reliance on search engines and technology; and fluctuations of our operating results due to the effect of exchange rates or other factors. 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.

Agenda

Company update

Financial performance

Guidance 2018

Appendix: Financial statements

Agenda

Company update

Financial performance

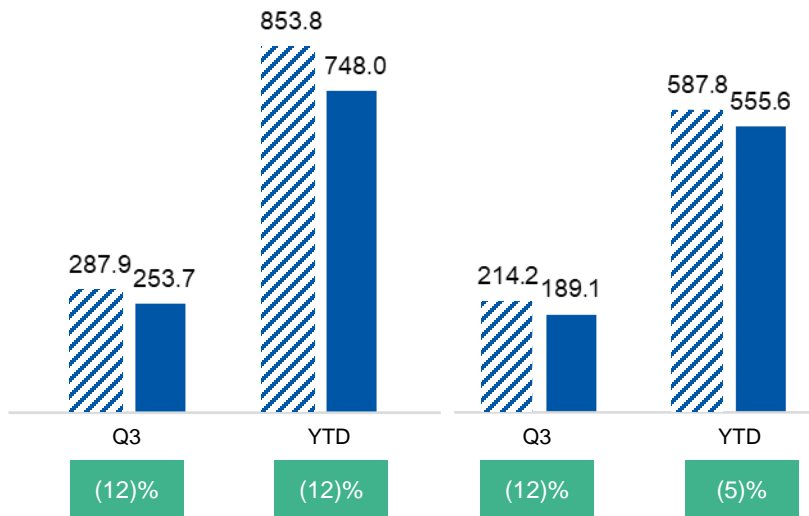
Guidance 2018

Appendix: Financial statements

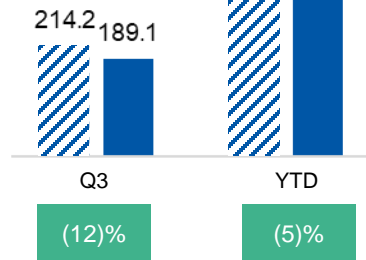
Q3 2018 – Financial Performance

▨ 2017
 ■ 2018
 ■ YoY

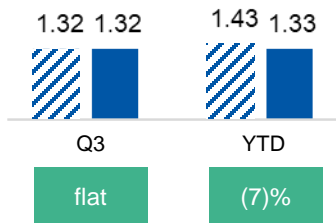
Total Revenue (€mm)



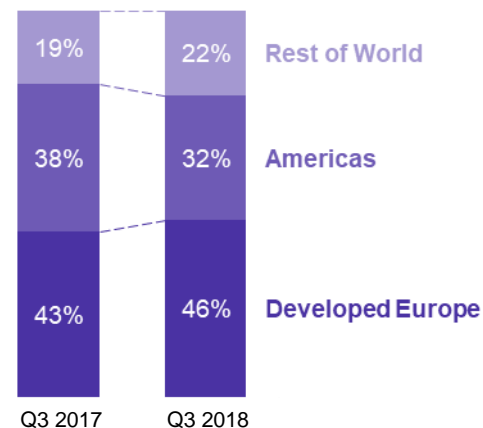
Qualified Referrals (mm)



RPQR¹ (€)

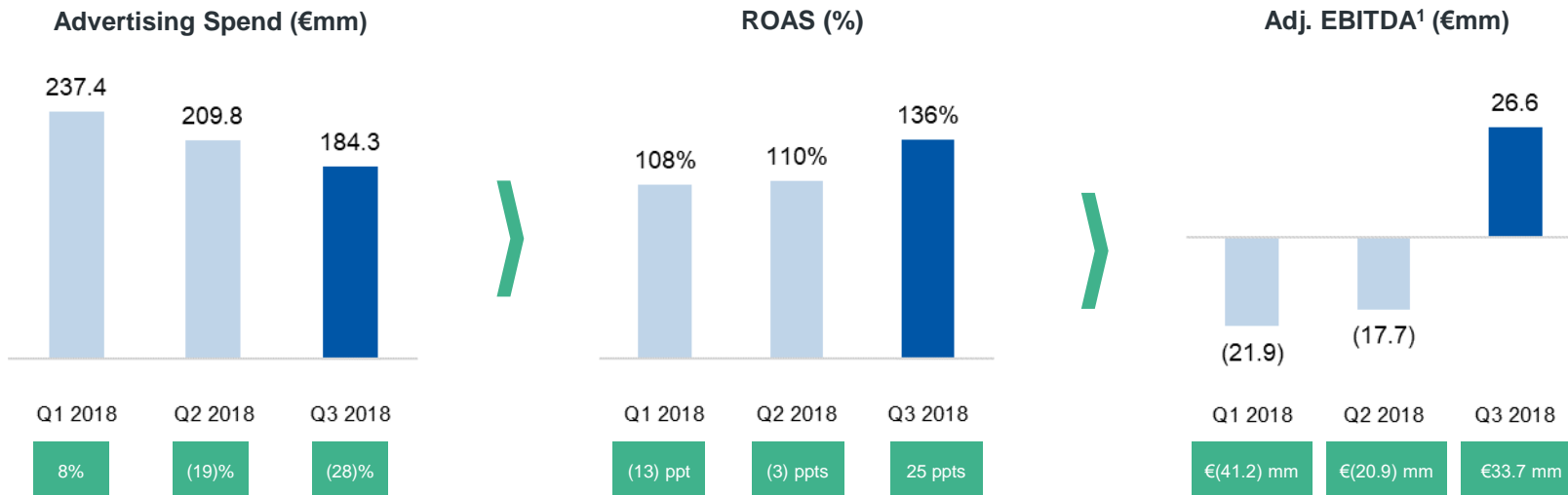


Referral Revenue by segment



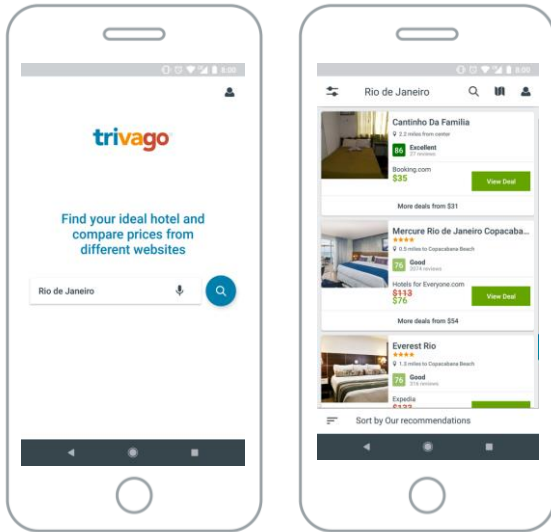
We have adjusted our Advertising Spend to adapt to the changing market environment

■ YoY

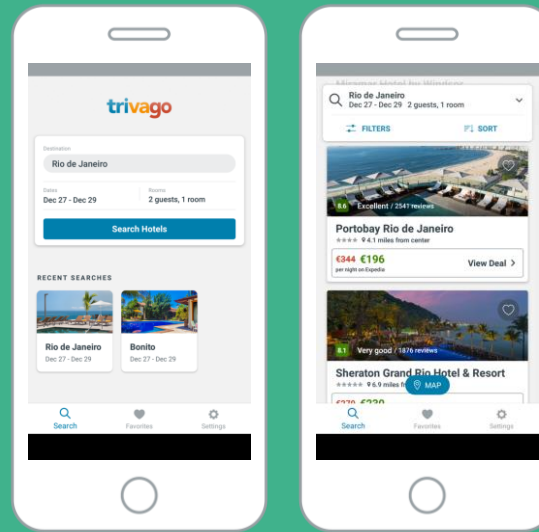


After consolidating our core infrastructure, we have focused on UX innovation

Old app



New app

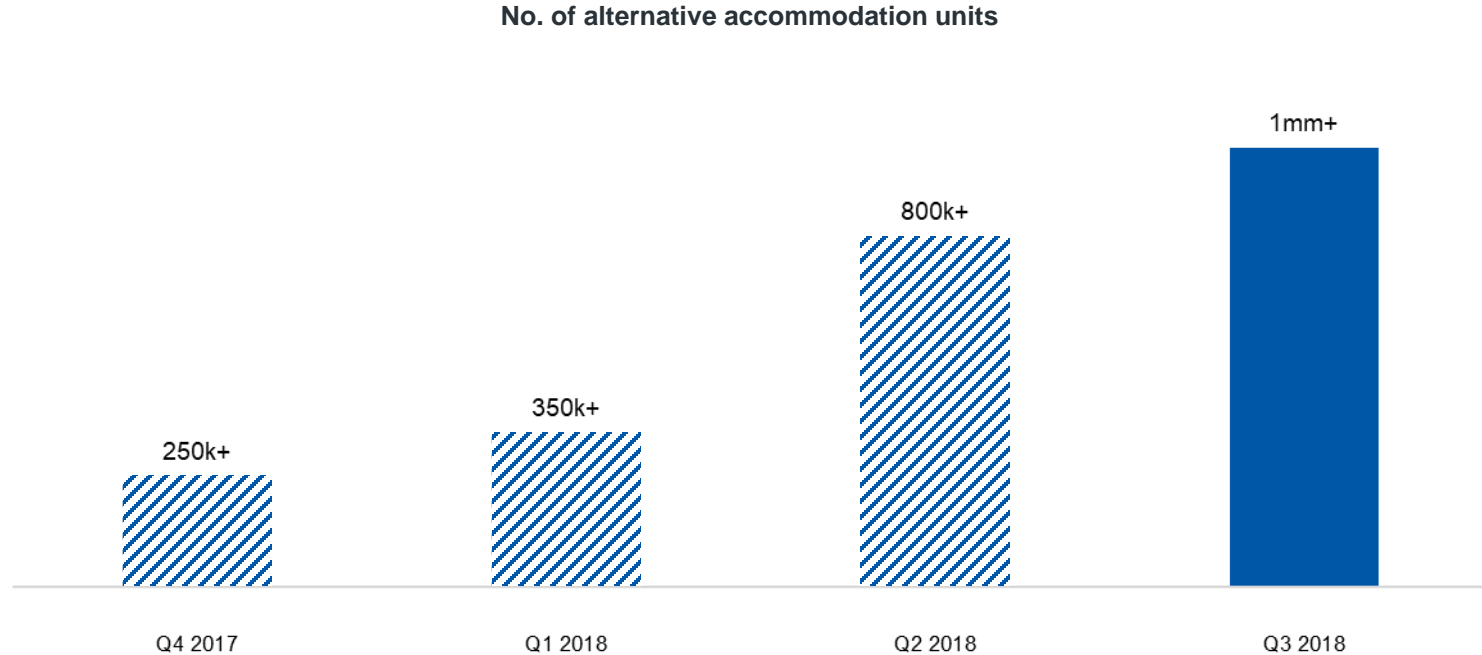


New app launched on both Android and iOS featuring redesigned UI, improved functionalities and increased focus on in-app content

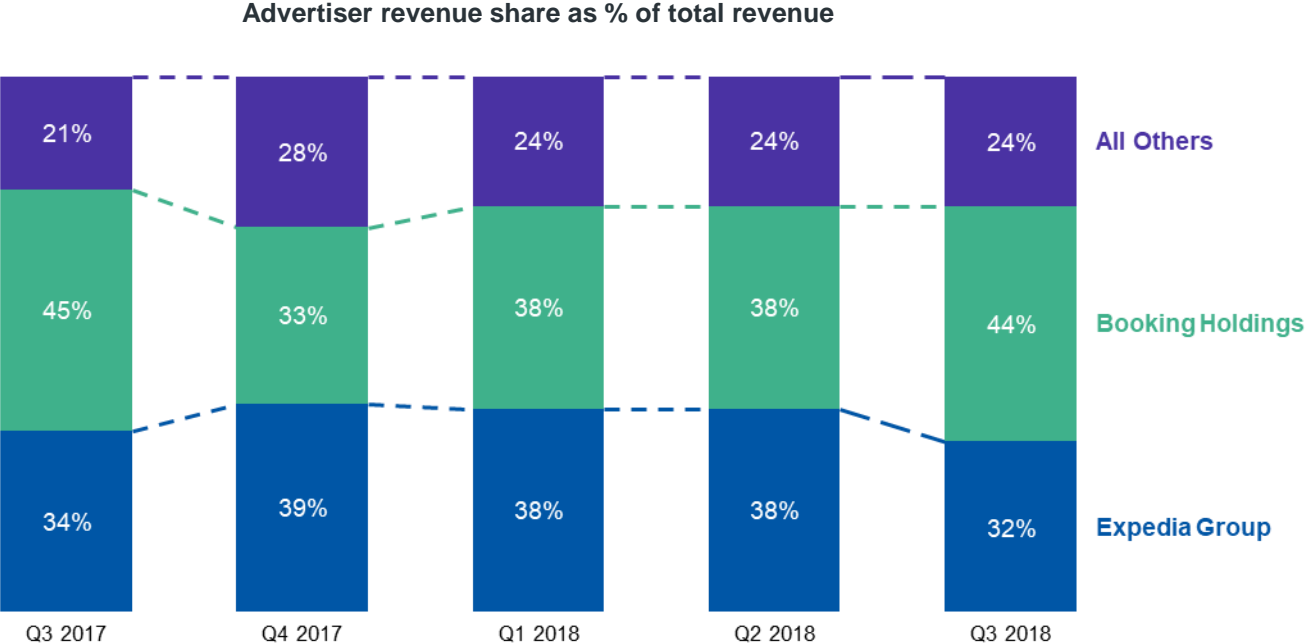


Multiple new front-end features launched during Q3

Our alternative accommodation effort continues: we have crossed the 1mm units milestone



Development of our advertiser revenue share mix



Agenda

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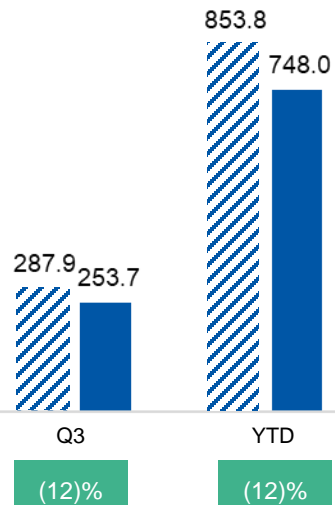
Appendix: Financial statements

Q3 2018 – Financial Update

▨ 2017
 ■ 2018
 ■ YoY

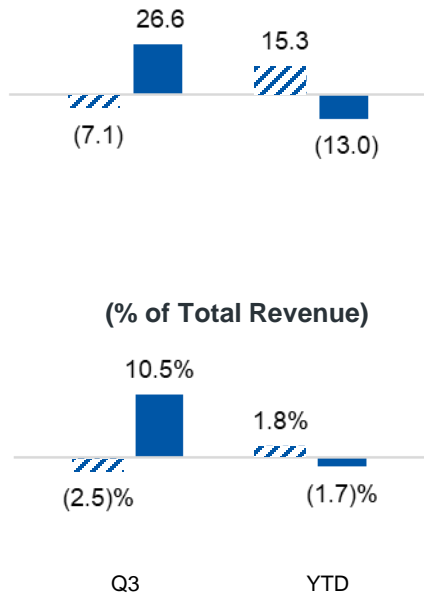
Total Revenue

(€mm)



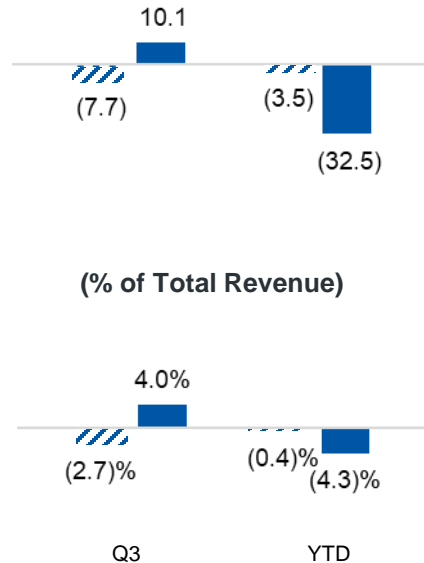
Adj. EBITDA¹

(€mm)



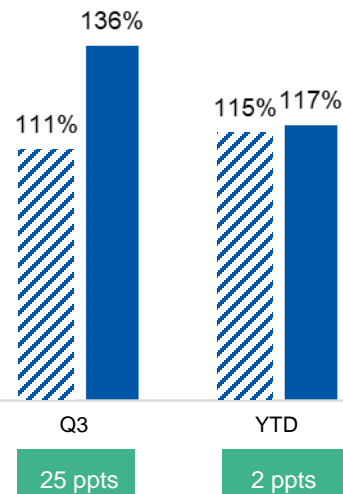
Net Income / (Loss)

(€mm)



Return on Advertising Spend

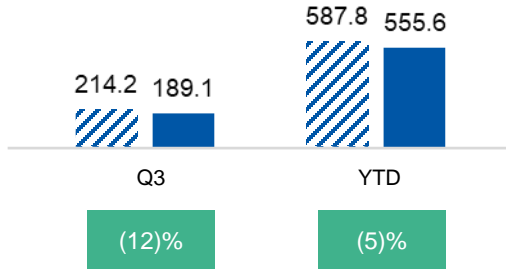
(%)




KPI – Global

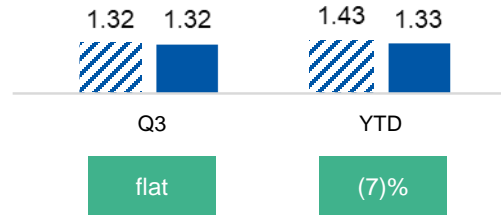
2017
 2018
 YoY




Qualified Referrals (mm)



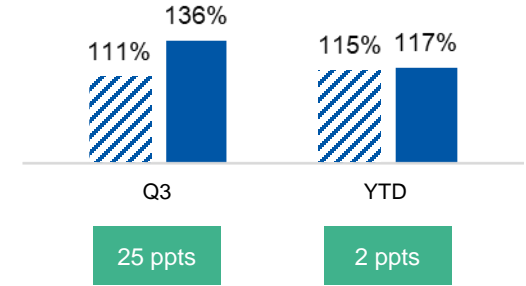
-  Increased marketing profitability targets
-  Attribution model and platform optimizations



RPQR¹ (€)



-  Commercialization
-  Attribution model and platform optimizations
-  FX effects

ROAS (%)

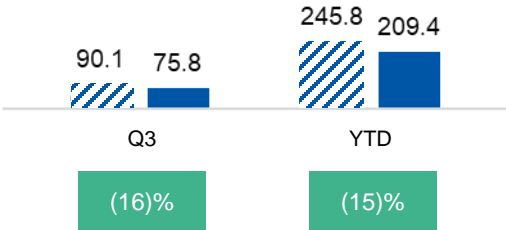


-  Increased marketing profitability targets
-  Commercialization

KPI – Developed Europe

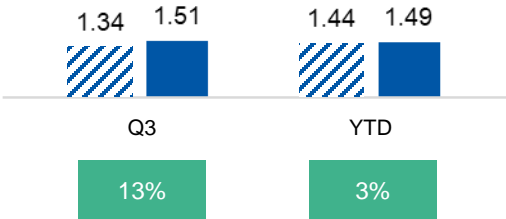
2017 2018 YoY

Qualified Referrals (mm)



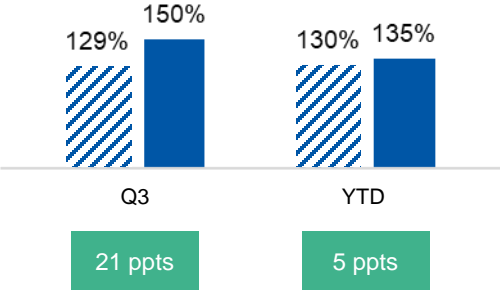
- Qualified Referrals decreased against the same periods in 2017 and were negatively impacted by a reduction in Advertising Spend.

RPQR¹ (€)



- RPQR improved in Q3 as a result of significant improvement in traffic quality while commercialization declined slightly.

ROAS (%)

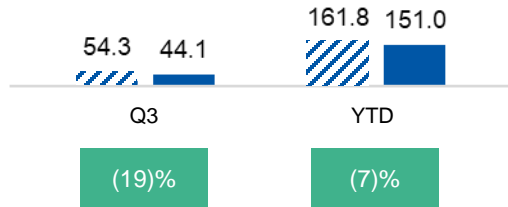


- ROAS significantly improved in Q3 driven by increased marketing profitability targets.

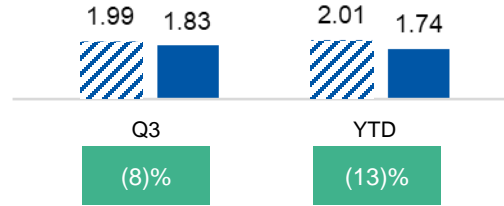
KPI – Americas

2017 2018 YoY

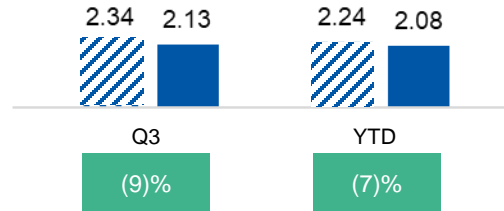
Qualified Referrals (mm)



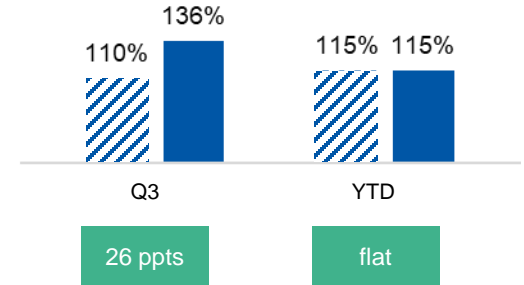
RPQR¹ (€)



RPQR¹ (US\$²)



ROAS (%)



- Qualified Referrals decreased against the same periods in 2017 and were negatively impacted by a reduction in Advertising Spend particularly in North America.

- RPQR decreased in Q3 mainly due to lower commercialization, unfavorable FX effects, in particular the relative weakening of certain currencies in Latin America to the euro and a shift towards lower RPQR locales. These effects were partly offset by a slight improvement in traffic quality.

- ROAS improved in Q3 driven by increased marketing profitability targets.

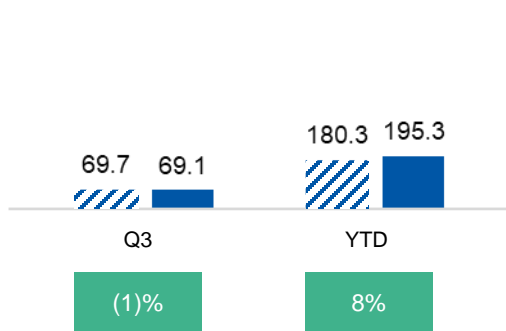
Source: Internal data
1. RPQR: Revenue per Qualified Referral

2. Note: We maintain our books and records in euros, and our reporting currency is in euros. Translations of euro amounts into U.S. dollars are solely for the convenience of the reader and were calculated using the average for the particular period of the daily foreign exchange reference rates published by the European Central Bank, which for the three months ended September 30, 2017 was €1.00 = \$1.1746, for three months ended September 30, 2018 was €1.00 = \$1.1629, for the nine months ended September 30, 2017 was €1.00 = \$1.1140, for nine months ended September 30, 2018 was €1.00 = \$1.1942. You should not assume that, on that or any other date, one could have converted these amounts of euro into U.S. dollars at this or any other exchange rate.

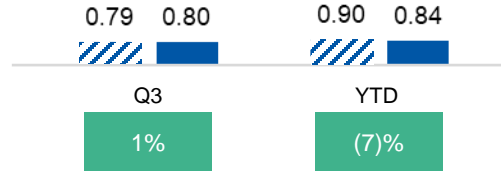
KPI – Rest of World

2017 2018 YoY

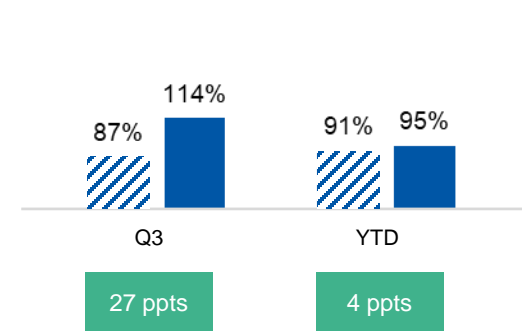
Qualified Referrals (mm)



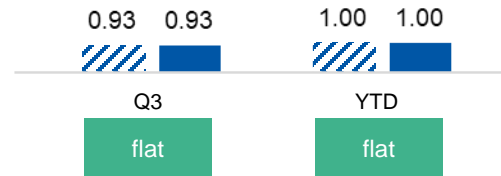
RPQR¹ (€)



ROAS (%)



RPQR¹ (US\$²)



- Qualified Referrals slightly decreased in Q3 and were impacted by a reduction in Advertising Spend.

- RPQR slightly improved in Q3 as the positive impact from significant improvement in traffic quality was partly offset by lower commercialization.

- ROAS significantly improved in Q3 driven by increased marketing profitability targets.

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Appendix: Financial statements

Guidance for 2018



Expected Adjusted EBITDA¹

€(10)mm – breakeven

Appendix

Consolidated Financials YTD 2018, trivago N.V.

in €k	YTD 2018	YTD 2017	Abs Δ vs. YTD'17	Δ vs. YTD'17
Referral revenue	737,433	843,087	(105,654)	(12.5)%
Other revenue	10,605	10,753	(148)	(1.4)%
Total revenue	748,038	853,840	(105,802)	(12.4)%
Cost of revenue	4,434	4,355	79	1.8%
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.5%</i>		
Selling and marketing	687,915	781,173	(93,258)	(11.9)%
<i>% of Total revenue</i>	<i>92.0%</i>	<i>91.5%</i>		
Technology and content	49,631	38,128	11,503	30.2%
<i>% of Total revenue</i>	<i>6.6%</i>	<i>4.5%</i>		
General and administrative	42,777	32,153	10,624	33.0%
<i>% of Total revenue</i>	<i>5.7%</i>	<i>3.8%</i>		
Amortization of intangible assets	1,263	2,798	(1,535)	(54.9)%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>0.3%</i>		
Operating income (loss)	(37,982)	(4,767)	(33,215)	n.m.
Net interests and other expenses	(1,365)	53	(1,418)	n.m.
<i>% of Total revenue</i>	<i>(0.2)%</i>	<i>—%</i>		
Income taxes	(6,828)	(1,261)	(5,567)	n.m.
<i>% of Total revenue</i>	<i>(0.9)%</i>	<i>(0.1)%</i>		
Income (loss) from equity method investment	41	—	41	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
Net income (loss)	(32,478)	(3,453)	(29,025)	n.m.
<i>% of Total revenue</i>	<i>(4.3)%</i>	<i>(0.4)%</i>		
Net (income) loss attributable to non-controlling interest	—	540	(540)	(100.0)%
<i>% of Total revenue</i>	<i>—%</i>	<i>0.1%</i>		
Net income (loss) attributable to trivago N.V.	(32,478)	(2,913)	(29,565)	n.m.
<i>% of Total revenue</i>	<i>(4.3)%</i>	<i>(0.3)%</i>		

Comments

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

Consolidated Financial Information YTD 2018, trivago N.V.

in €k	YTD 2018	YTD 2017	Abs Δ vs. YTD'17	Δ vs. YTD'17	
Referral revenue	737,433	843,087	(105,654)	(12.5)%	1
Other revenue	10,605	10,753	(148)	(1.4)%	2
Total revenue	748,038	853,840	(105,802)	(12.4)%	
Cost of revenue excl. SBC	4,296	4,270	26	0.6%	
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.5%</i>			
Selling and marketing excl. SBC	685,343	778,466	(93,123)	(12.0)%	
<i>% of Total revenue</i>	<i>91.6%</i>	<i>91.2%</i>			
Advertising spend excl. SBC	631,606	734,969	(103,363)	(14.1)%	3
<i>% of Total revenue</i>	<i>84.4%</i>	<i>86.1%</i>			
Other s&m excl. SBC	53,737	43,497	10,240	23.5%	4
<i>% of Total revenue</i>	<i>7.2%</i>	<i>5.1%</i>			
Technology and content excl. SBC	46,047	35,287	10,760	30.5%	5
<i>% of Total revenue</i>	<i>6.2%</i>	<i>4.1%</i>			
General and administrative excl. SBC	33,857	25,476	8,381	32.9%	6
<i>% of Total revenue</i>	<i>4.5%</i>	<i>3.0%</i>			
Depreciation add-back	8,490	4,999	3,491	69.8%	
<i>% of Total revenue</i>	<i>1.1%</i>	<i>0.6%</i>			
Adjusted EBITDA	(13,015)	15,340	(28,355)	(184.8)%	
<i>% of Total revenue</i>	<i>(1.7)%</i>	<i>1.8%</i>			
Share-based compensation (SBC)	15,214	12,310	2,904	23.6%	
<i>% of Total revenue</i>	<i>2.0%</i>	<i>1.4%</i>			
EBITDA	(28,229)	3,030	(31,259)	n.m.	
<i>% of Total revenue</i>	<i>(3.8)%</i>	<i>0.4%</i>			
Depreciation and amortization	9,753	7,797	1,956	25.1%	
<i>% of Total revenue</i>	<i>1.3%</i>	<i>0.9%</i>			
Net interests and other expenses	1,365	(53)	1,418	n.m.	
<i>% of Total revenue</i>	<i>0.2%</i>	<i>—%</i>			
Income taxes	(6,828)	(1,261)	(5,567)	n.m.	
<i>% of Total revenue</i>	<i>(0.9)%</i>	<i>(0.1)%</i>			
(Income) / loss from equity method investment	(41)	—	(41)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
Net income (loss)	(32,478)	(3,453)	(29,025)	n.m.	
<i>% of Total revenue</i>	<i>(4.3)%</i>	<i>(0.4)%</i>			
Net (income) loss attributable to non-controlling interest	—	540	(540)	(100.0)%	
<i>% of Total revenue</i>	<i>—%</i>	<i>0.1%</i>			
Net income (loss) attributable to trivago N.V.	(32,478)	(2,913)	(29,565)	n.m.	
<i>% of Total revenue</i>	<i>(4.3)%</i>	<i>(0.3)%</i>			

Comments

- 1 Referral revenue decreased by 13% YoY due to revenue decline in Americas by 20% YoY and in Developed Europe by 12% YoY
- 2 Other revenue slightly declined YoY due to deconsolidation of myHotelshop at the end of 2017
- 3 Advertising spend decreased by 20%, 16% and 2% YoY in Americas, Developed Europe and RoW
- 4 Other selling and marketing expense increased by 24% YoY driven by higher advertisement production costs as well as higher personnel costs
- 5 Technology and content expense increased by 31% YoY driven by increased third party IT service costs and office expenses
- 6 General and administrative expense increased by 33% YoY due to increase in professional fees and other expenses

Reconciliation of non-GAAP Financial Measures YTD 2018, trivago N.V.

in €mm	YTD 2018	YTD 2017	Abs Δ vs. YTD'17	Δ vs. YTD'17
Net income/(loss)	(32.5)	(3.5)	(29.0)	n.m.
Income from equity method investment	—	—	—	—%
Income/(loss) before equity method investment	(32.5)	(3.5)	(29.0)	n.m.
Expense/(benefit) for income taxes	(6.8)	(1.3)	(5.5)	n.m.
Income/(loss) before income taxes	(39.3)	(4.7)	(34.6)	n.m.
Add/(less):				
Interest expense	1.0	—	1.0	n.m.
Gain on deconsolidation of entity	—	—	—	n.m.
Other, net	0.4	(0.1)	0.5	n.m.
Operating income/(loss)	(38.0)	(4.8)	(33.2)	n.m.
Depreciation	8.5	5.0	3.5	70.0%
Amortization of intangible assets	1.3	2.8	(1.5)	(53.6)%
EBITDA	(28.2)	3.0	(31.2)	n.m.
Share-based compensation	15.2	12.3	2.9	23.6%
Adjusted EBITDA	(13.0)	15.3	(28.3)	(185.0)%

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

in €k	YTD 2018	YTD 2017
Cost of revenue	138	85
Selling and marketing	2,572	2,707
Technology and content	3,584	2,841
General and administrative	8,920	6,677
Share-based compensation	15,214	12,310

Consolidated Financials Q3 2018, trivago N.V.

in €k	Q3 2018	Q3 2017	Abs Δ vs. Q3'17	Δ vs. Q3'17
Referral revenue	250,449	283,760	(33,311)	(11.7)%
Other revenue	3,226	4,100	(874)	(21.3)%
Total revenue	253,675	287,860	(34,185)	(11.9)%
Cost of revenue	1,408	1,846	(438)	(23.7)%
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.6%</i>		
Selling and marketing	204,208	274,393	(70,185)	(25.6)%
<i>% of Total revenue</i>	<i>80.5%</i>	<i>95.3%</i>		
Technology and content	17,094	13,429	3,665	27.3%
<i>% of Total revenue</i>	<i>6.7%</i>	<i>4.7%</i>		
General and administrative	12,690	12,082	608	5.0%
<i>% of Total revenue</i>	<i>5.0%</i>	<i>4.2%</i>		
Amortization of intangible assets	421	412	9	2.2%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>0.1%</i>		
Operating income (loss)	17,854	(14,302)	32,156	n.m.
Net interests and other expenses	(787)	294	(1,081)	n.m.
<i>% of Total revenue</i>	<i>(0.3)%</i>	<i>0.1%</i>		
Income taxes	7,101	(6,282)	13,383	n.m.
<i>% of Total revenue</i>	<i>2.8%</i>	<i>(2.2)%</i>		
Income (loss) from equity method investment	87	—	87	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
Net income (loss)	10,053	(7,726)	17,779	n.m.
<i>% of Total revenue</i>	<i>4.0%</i>	<i>(2.7)%</i>		
Net (income) loss attributable to non-controlling interest	—	1,855	(1,855)	(100.0)%
<i>% of Total revenue</i>	<i>—%</i>	<i>0.6%</i>		
Net income (loss) attributable to trivago N.V.	10,053	(5,871)	15,924	n.m.
<i>% of Total revenue</i>	<i>4.0%</i>	<i>(2.0)%</i>		

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

Consolidated Financial Information Q3 2018, trivago N.V.

in €k	Q3 2018	Q3 2017	Abs Δ vs. Q3'17	Δ vs. Q3'17	
Referral revenue	250,449	283,760	(33,311)	(11.7)%	1
Other revenue	3,226	4,100	(874)	(21.3)%	2
Total revenue	253,675	287,860	(34,185)	(11.9)%	
Cost of revenue excl. SBC	1,351	1,813	(462)	(25.5)%	
<i>% of Total revenue</i>	<i>0.5%</i>	<i>0.6%</i>			
Selling and marketing excl. SBC	203,435	273,576	(70,141)	(25.6)%	
<i>% of Total revenue</i>	<i>80.2%</i>	<i>95.0%</i>			
Advertising spend excl. SBC	184,342	255,904	(71,562)	(28.0)%	3
<i>% of Total revenue</i>	<i>72.7%</i>	<i>88.9%</i>			
Other s&m excl. SBC	19,093	17,672	1,421	8.0%	4
<i>% of Total revenue</i>	<i>7.5%</i>	<i>6.1%</i>			
Technology and content excl. SBC	15,602	12,628	2,974	23.6%	5
<i>% of Total revenue</i>	<i>6.2%</i>	<i>4.4%</i>			
General and administrative excl. SBC	9,655	8,838	817	9.2%	6
<i>% of Total revenue</i>	<i>3.8%</i>	<i>3.1%</i>			
Depreciation add-back	2,961	1,869	1,092	58.4%	
<i>% of Total revenue</i>	<i>1.2%</i>	<i>0.6%</i>			
Adjusted EBITDA	26,593	(7,126)	33,719	n.m.	
<i>% of Total revenue</i>	<i>10.5%</i>	<i>(2.5)%</i>			
Share-based compensation (SBC)	5,357	4,895	462	9.4%	
<i>% of Total revenue</i>	<i>2.1%</i>	<i>1.7%</i>			
EBITDA	21,236	(12,021)	33,257	n.m.	
<i>% of Total revenue</i>	<i>8.4%</i>	<i>(4.2)%</i>			
Depreciation and amortization	3,382	2,281	1,101	48.3%	
<i>% of Total revenue</i>	<i>1.3%</i>	<i>0.8%</i>			
Net interests and other expenses	787	(294)	1,081	n.m.	
<i>% of Total revenue</i>	<i>0.3%</i>	<i>(0.1)%</i>			
Income taxes	7,101	(6,282)	13,383	n.m.	
<i>% of Total revenue</i>	<i>2.8%</i>	<i>(2.2)%</i>			
(Income) / loss from equity method investment	(87)	—	(87)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
Net income (loss)	10,053	(7,726)	17,779	n.m.	
<i>% of Total revenue</i>	<i>4.0%</i>	<i>(2.7)%</i>			
Net (income) loss attributable to non-controlling interest	—	1,855	(1,855)	(100.0)%	
<i>% of Total revenue</i>	<i>—%</i>	<i>0.6%</i>			
Net income (loss) attributable to trivago N.V.	10,053	(5,871)	15,924	n.m.	
<i>% of Total revenue</i>	<i>4.0%</i>	<i>(2.0)%</i>			

Comments

- 1 Referral revenue decreased by 12% YoY due to revenue decline in Americas by 25% YoY and in Developed Europe by 5% YoY
- 2 Other revenue declined by 21% YoY due to deconsolidation of myHotelshop at the end of 2017
- 3 Advertising spend decreased YoY by 39%,19% and 24% in Americas, Developed Europe and RoW
- 4 Other selling and marketing expenses increased by 8% YoY driven by higher advertisement production costs
- 5 Technology and content expense increased by 24% YoY driven by higher office expenses
- 6 General and administrative expense increased by 9% YoY due to increase in professional fees and headcount

Reconciliation of non-GAAP Financial Measures Q3 2018, trivago N.V.

in €mm	Q3 2018	Q3 2017	Abs Δ vs. Q2'17	Δ vs. Q3'17
Net income/(loss)	10.1	(7.7)	17.8	n.m.
Income from equity method investment	0.1	—	0.1	n.m.
Income/(loss) before equity method investment	10.0	(7.7)	17.7	n.m.
Expense/(benefit) for income taxes	7.1	(6.3)	13.4	n.m.
Income/(loss) before income taxes	17.1	(14.0)	31.1	n.m.
Add/(less):				
Interest expense	0.7	—	0.7	n.m.
Gain on deconsolidation of entity	—	—	—	—%
Other, net	0.1	(0.3)	0.4	(133.3)%
Operating income/(loss)	17.9	(14.3)	32.2	n.m.
Depreciation	3.0	1.9	1.1	57.9%
Amortization of intangible assets	0.4	0.4	—	—%
EBITDA	21.2	(12.0)	33.2	n.m.
Share-based compensation	5.4	4.9	0.5	10.2%
Adjusted EBITDA	26.6	(7.1)	33.7	n.m.

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

in €k	Q3 2018	Q3 2017
Cost of revenue	57	33
Selling and marketing	773	817
Technology and content	1,492	801
General and administrative	3,035	3,244
Share-based compensation	5,357	4,895

Consolidated Statement of Cash Flows YTD 2018, trivago N.V.

in €k	YTD 2018	YTD 2017	
Net income/(loss)	(32,478)	(3,453)	1
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):			
Depreciation	8,490	4,999	
Amortization of intangible assets	1,263	2,798	
Impairment of internal-use software and website development	1,145	—	
Share-based compensation	15,214	12,310	
Deferred income taxes	(7,270)	(1,990)	
Foreign exchange (gain) loss	340	(173)	
Bad debt expense	320	564	
Loss on sale of fixed assets	390	—	
Gain from equity method investment	(41)	—	
Change in operating assets and liabilities			
Accounts receivable, including related party	(18,997)	(57,462)	2
Prepaid expense and other assets	8,300	(3,376)	
Accounts payable	(1,820)	24,303	
Accrued expenses and other liabilities	3,419	3,827	
Deferred revenue	681	4,285	
Taxes payable/receivable, net	(2,240)	(3,245)	
Net cash provided by/(used in) operating activities	(23,284)	(16,613)	
Acquisition of business, net of cash acquired	—	(673)	3
Capital expenditures	(22,176)	(11,614)	
Proceeds from sale of fixed assets	85	—	
Net cash used in investing activities	(22,091)	(12,287)	
Payments of initial public offering costs	—	(4,038)	
Dividends paid to NCI	—	(158)	
Net proceeds from issuance of common stock	11	41	
Tax payments for shares withheld	—	(3,062)	
Net cash provided by/(used in) financing activities	11	(7,217)	
Effect of exchange rate changes on cash	(67)	(1,075)	
Net increase/(decrease) in cash, cash equivalents and restricted cash	(45,431)	(37,192)	
Cash and cash equivalents at beginning of the period	192,900	228,182	
Cash and cash equivalents at end of period	147,469	190,990	

Comments

- 1 Negative cash flow from operating activities mainly driven by net loss of €32.5 million YTD 2018
- 2 Net cash used in operating activities mainly driven by increase in Accounts receivable leading to a net decrease in Cash and cash equivalents position
- 3 Capital expenditures increased year-over-year mainly driven by capital expenditures related to the new campus

Consolidated Statement of Cash Flows Q3 2018, trivago N.V.

in €k	Q3 2018	Q3 2017	
Net income/(loss)	10,053	(7,726)	1
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):			
Depreciation	2,961	1,869	
Amortization of intangible assets	421	412	
Impairment of internal-use software and website development	—	—	
Share-based compensation	5,357	4,895	
Deferred income taxes	7,101	(1,057)	
Foreign exchange (gain) loss	109	(307)	
Bad debt expense	132	452	
Loss on sale of fixed assets	383	—	
Gain from equity method investment	(87)	—	
Change in operating assets and liabilities			
Accounts receivable, including related party	40,830	32,526	2
Prepaid expense and other assets	7,427	(733)	
Accounts payable	(25,121)	(42,226)	2
Accrued expenses and other liabilities	2,457	291	
Deferred revenue	27	1,658	
Taxes payable/receivable, net	(1,065)	(6,041)	
Net cash provided by/(used in) operating activities	50,985	(15,987)	
Acquisition of business, net of cash acquired	—	(673)	
Capital expenditures	(4,893)	(6,077)	
Proceeds from sale of fixed assets	59	—	
Net cash used in investing activities	(4,834)	(6,750)	3
Payments of initial public offering costs	—	—	
Dividends paid to NCI	—	—	
Net proceeds from issuance of common stock	3	41	
Tax payments for shares withheld	—	(3,062)	
Net cash provided by/(used in) financing activities	3	(3,021)	
Effect of exchange rate changes on cash	35	(448)	
Net increase/(decrease) in cash, cash equivalents and restricted cash	46,189	(26,206)	
Cash and cash equivalents at beginning of the period	101,280	217,196	
Cash and cash equivalents at end of period	147,469	190,990	

Comments

- 1 Net income of €10.1 million positively impacted cash flow from operating activities in Q3 2018
- 2 Cash flow from operating activities mainly driven by decrease in Accounts receivable that was partly compensated by decrease in Accounts payable
- 3 Capital expenditures decreased year-over-year after move into new campus in Q2 2018

Consolidated Balance Sheet YTD 2018, trivago N.V.

in €k	As of September 30, 2018	As of December 31, 2017	
Cash and cash equivalents	144,770	190,201	1
Restricted cash	103	103	
Accounts receivable, less allowance	53,685	43,062	2
Accounts receivable, related party	46,842	39,063	
Tax receivable	904	2,092	
Prepaid expenses and other current assets	10,967	18,758	
Total current assets	257,271	293,279	
Property and equipment, net	156,458	114,471	3
Other long-term assets	6,657	6,955	
Intangible assets, net	172,030	173,294	
Goodwill	490,522	490,455	
Total assets	1,082,938	1,078,454	
Accounts payable	50,025	51,307	
Income taxes payable	—	3,428	
Deferred revenue	9,317	8,941	
Accrued expenses and other current liabilities	17,817	14,711	
Total current liabilities	77,159	78,387	
Deferred income taxes	41,035	48,305	
Other long-term liabilities	127,882	97,787	4
Class A common stock	1,863	1,855	
Class B common stock	191,880	191,880	
Reserves	745,649	730,431	
Contribution from parent	122,307	122,307	
Accumulated other comprehensive loss	(134)	(180)	
Accumulated deficit	(224,703)	(192,318)	
Total stockholders' equity attributable to trivago N.V.	836,862	853,975	
Noncontrolling interest	—	—	
Total stockholders' equity	836,862	853,975	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,082,938	1,078,454	

Comments

- 1 Decrease in Cash and cash equivalents was driven by cash outflow from operating activities and net cash used in investing activities mainly for the new campus
- 2 Accounts receivable increased over the previous nine months due to seasonal revenue increase
- 3 Increased net Property and equipment due to the new campus
- 4 Other long-term liabilities increased primarily due to build-to-suit lease accounting for new campus

Reconciliation of non-GAAP Financial Measures from Q1 - Q2 2018

in €mm	Q1 2018	Q2 2018
Net income/(loss)	(21.8)	(20.7)
Income/(loss) from equity method investment	—	—
Income/(loss) before equity method investment	(21.8)	(20.7)
Expense/(benefit) for income taxes	(7.4)	(6.6)
Income/(loss) before income taxes	(29.1)	(27.3)
Add/(less):		
Interest expense	—	0.3
Gain on deconsolidation of entity	—	—
Other, net	(0.1)	0.4
Operating income/(loss)	(29.2)	(26.6)
Depreciation	2.4	3.1
Amortization of intangible assets	0.4	0.4
EBITDA	(26.4)	(23.1)
Share-based compensation	4.5	5.4
Adjusted EBITDA	(21.9)	(17.7)

