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PRESENTATION

Operator

Good day, ladies and gentlemen. Thank you for standing by, and welcome to the trivago Q1 Earnings Call 2020. I must advise you the call is being recorded today, Tuesday, the 19th of May 2020.

We are pleased to be joined on the call today by Axel Hefer, trivago's CEO and Managing Director; and Matthias Tillmann, trivago's CFO.

The following discussion, including responses to your questions, reflects management's views of today, Tuesday, May 19, 2020, only. trivago does not undertake any obligation to update or revise this information. As always, some of the statements made on today's call are forward-looking, typically preceded by words such as we expect, we believe, we anticipate or similar statements. Please refer to the Q1 operating and financial review and the company's other filings with the SEC for information about factors, which could cause trivago's actual results to differ materially from these forward-looking statements.

You will find reconciliation of non-GAAP measures to the most comparable GAAP measures discussed today in trivago's operating and financial review, which is posted on the company's Investor Relations site at ir.trivago.com. You are encouraged to periodically visit trivago's investor relationship site for important content.

Finally, unless otherwise stated, all comparisons on this call will be against results for the comparable period of 2019.

With that, let me turn the call over to Axel. Please go ahead, sir.

Axel Hefer - *trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member*

Good morning, everybody. Many thanks for joining our Q1 earnings call. I hope you had the chance to read our shareholder letter that we filed yesterday. We have received very positive feedback on the format, and we'll continue to publish that going forward.



Before we start the Q&A, I would like to point out one thing. Despite all the challenges this unprecedented crisis is bringing to us personally and to the industry, we at trivago see this as an opportunity; an opportunity to focus our organization on our core and structurally reduce our cost base, an opportunity to improve our core matter product while adding a complementary and more inspirational, local and sustainable travel product; an opportunity to diversify our revenues by adding new revenue streams, such as display advertisement and sponsored listings; and an opportunity to set sustainable performance marketing levels going forward. We believe that these initiatives will allow us to leave the crisis much stronger than we entered.

With that, we are now moving to Q&A.

QUESTIONS AND ANSWERS

Operator

Thank you, ladies and gentlemen. And the first question comes from Naved Khan from SunTrust.

Naved Ahmad Khan - SunTrust Robinson Humphrey, Inc., Research Division - Analyst

Just a couple of questions, Axel. Can you give us some more color on the things that you can do to make your site locally relevant? And I think you spoke about increasing the daily or weekly usage. What are the things you have to control that? And then the other question I had is just on the shape of the P&L. Do you think that the impact to your top line would mirror the declines in travel bookings? Or do you think the impact on your top line would actually be greater just because you're dependent on the advertisers and they may be late to come back?

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

Thanks for the question. So on the question regarding the product development and the complementary product, when you look at our core product, it is basically a product that allows you to find the best deals available for a specific trip that you have in mind. So you know where you want to go and you might or might not know the time already, and we help you in a very efficient and effective way to find the best times and the best deals for your trip.

What we are currently working on and what we think will increase the engagement and the relevance of the website is a more inspirational product. So basically, we are slightly moving up in the travel funnel that is focused on local travel because we believe that local travel right now and we see that local travel right now is the first travel that is restarting, and we believe that local travel will be much more important for the foreseeable future. So it is more focused on giving you an idea what actually kind of trip you would like to do and you could do that is locally available, easy to reach by car. And because of that, it is a trip that you can do a lot more often than, for example, a summer vacation.

Matthias Tillmann - trivago N.V. - CFO

Yes. And I'll take the second one, Naved, on the P&L. I mean at this point, as you know, it is very difficult to predict when and how much travel activity will come back. As we mentioned in our quarterly report, our referral revenue declined by more than 95% in the last week of March year-over-year. In April, we stabilized on those low levels. And even though we are seeing a small uptick now in May, our Q2 year-over-year performance will be materially worse than Q1. However, we are focusing on what we can control. I mean we immediately pulled back on performance marketing channels, obviously, when volumes dropped and shifted TV budgets into the second half and into next year. And in addition, as we mentioned in our April shareholder letter already, we took several steps to bring down our fixed cost. Now how that compares to the overall travel market, that's something we can only control to some extent. As you know, auction has been volatile already before the crisis. And we already started at the beginning of the year to introduce, implement features in our marketplace that help us on the monetization front. We believe that the crisis makes it likely that the industry will consolidate further, which will put additional pressure on the auction. So it all depends on how



successful we are with our initiatives, marketplace initiatives to basically offset that pressure. But again, at this point, it's too early to tell, to see whether we come out ahead or with the market or lower than the market.

Operator

And the next question comes from Tom White from D.A. Davidson.

Thomas Cauthorn White - *D.A. Davidson & Co., Research Division - Senior VP & Senior Research Analyst*

In the prepared remarks or in the letter, rather, you talked about possible consolidation on the supply side of things. Can you dig into that a bit more? It would seem that, that wouldn't be a good thing for kind of travel intermediaries like yourself, but just curious on your thoughts there. And then I guess, while I'm also on the topic of consolidation, curious whether you think the role of travel intermediaries such as metasearch sites or OTAs kind of changes meaningfully in a post-pandemic world and whether you might see similar consolidation on that front as well to the extent that there's still meaningful consolidation possible?

Matthias Tillmann - *trivago N.V. - CFO*

Sure. Yes. Thanks for the question. In general, that's right, we anticipate that we and other providers of performance marketing will have a more consolidated advertiser structure coming out of this. We believe that well-funded industry participants who can weather the crisis and/or resume operations faster are likely to take share away from smaller and medium-sized hotels. I would also add that there's less appetite for taking on the risk of cancellations. So in a CPC auction, you might end up with referrals that are less valuable than you thought as cancellation rates might go up. And that's what I meant previously that we started working on some marketplace features where we hope that we can offset that pressure. And I don't know, Axel, if you want to add or give some color on those features and what exactly we're working on?

Axel Hefer - *trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member*

Absolutely. So yes, I mean, as Matthias has said, in a crisis like this, you have to assume that there will be more consolidation. How much? I think nobody knows by now. What we have done even before the crisis, we started test to diversify our revenue base, diversify it and have overall a broader foundation. So in addition to offering tools that are addressing the existing uncertainty like CPA bidding, we are taking or have taken live display advertisement and sponsored listings, both products that are delivering a different value to our advertisers than the existing CPC-based product and that we think will be very important to compensate or overcompensate potential weakness in the auction for the next months to come.

Operator

And the next question comes from the line of Lloyd Walmsley from Deutsche Bank.

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

I have two, if I can. First, just kind of going back to that CPA model shift. We've definitely heard OTAs are putting pressure throughout the marketing channel to shift to this model. And our question for you is when you look at the rev shares OTAs are looking for, how do that compare to the effective take rates you've historically seen in the CPC model? The affiliate models have historically been much lower effective take rates, I think, than CPC model. So wondering how that's shaking out. And then secondly, going back to the comments on higher consolidation in the industry from larger players, you also mentioned structurally reduced spending SEM. Can you just talk about why you think SEM spend will be structurally lower? And then why you think the negative impact to your marketplace? Yes, you put it at 6 to 12 months, could it be longer? Anything you could share on these fronts would be helpful.



Axel Hefer - *trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member*

Absolutely. So on the CPA model, the way we are thinking about it is it's basically a service to our advertisers and a service that is necessary given that, as Matthias mentioned before, there is obviously very low-risk appetite entering this crisis and a very substantial cash outflow by refunding cancellations and a lot of uncertainty. Will there be a second wave? Will there be new cancellations, cancellation rates going up again, et cetera? So to offer a CPA allows us basically to reengage with many, many advertisers sooner rather than later, leveraging our superior data and visibility to really give them more confident and have them more active in the auction rather than less active.

The second question that you asked is, will the take rate be higher or lower than it has been before? I don't think that the first indications of take rates right now are really a good proxy for take rates in the future because we have the special situation and this high level of uncertainty. We don't think that the CPA structurally has lower take rates than a CPC-based model. It's more a tool and a service that is in particular valuable for smaller advertisers that are having access to less data anyhow, and then the current situation, access to a lot less data and just benefit from us aggregating the data and then bidding on their behalf and also sharing the risk.

Matthias Tillmann - *trivago N.V. - CFO*

Yes. And on your second question on dynamics in performance channels. I would mention that there are 3 key things that we take in consideration and why we believe that the auctions will be softer, at least in the short to medium term.

The first one, as we mentioned, consolidation. I mean it's clear, if there are fewer players actively participating, that has put pressure on the auction. The second one that I mentioned before as well, cancellation risk. I think there's awareness now in the market that there should be a risk premium for that. And at this point, we don't know, nobody knows if we see a second wave or not and what a click or referral you're buying is worth in the end. And then the third one is more specifically to us. That's our large-scale test that we mentioned already last time. So even before the crisis hit us, we started to bid down on performance channels to see how we can drive incrementality or how incremental that channel is for us. And we started that in February, but then had to pause earlier than anticipated due to the COVID-19 outbreak. But what I can share is that we got some early learnings. And what I can tell you is that we got some indications that we might benefit from reducing our bids in performance channels. But obviously, we need to get more data, and we will continue with the test once volumes come back. Obviously, it's a special situation because now it's at 0, and it's like a reset. So we also need to see how the dynamic evolves when things come back. But then at the right point in time, we will certainly continue our test.

Operator

And the next question comes from the line of Brian Fitzgerald from Wells Fargo.

Brian Nicholas Fitzgerald - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

A couple of follow-ons. Maybe one to the discussion on different formats. Can you give us a sense of what those breakdowns are now? I know it's newer days on CPA, but where you think they will get to? And then you just mentioned that the take rates aren't necessarily lower. They're more useful to smaller advertisers who don't have as much information to bring to bear on leverage. Do you anticipate a snapback in terms of ad format usage at some point when if we get out of here because obviously, smaller advertisers may not be able to weather the storm. And then you're left with larger guys with more data that they can use on their own, and so hence, maybe more CPC there.

Axel Hefer - *trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member*

Yes. So on the new format, I assume you're referring to the bidding formats, so CPC versus CPA?



Brian Nicholas Fitzgerald - Wells Fargo Securities, LLC, Research Division - Senior Analyst

Yes.

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

On the CPA, we do believe that it is a lot more relevant in the recovery phase, as I mentioned before, because there is more uncertainty, less data and more risk structurally. And that will become less relevant once we are at whatever steady state means in the future because it will be easier to predict cancellation rates, conversion rates, and there will be, generally speaking, more data available. Having said that, it is not something new. So in particular, smaller and smallest advertisers, individual hotels to the extremes have for a very long time asked for this format. So we are basically now have just reprioritized the development and brought it forward because now it becomes relevant for a very sizable part of our advertiser base.

Operator

And the next question comes from Shyam Patil from Susquehanna.

Ryan Michael Lister - Susquehanna Financial Group, LLLP, Research Division - Associate

It's Ryan on for Shyam. Can you talk about trends in markets that are opening up sooner than most, such as like Hong Kong or Germany? Has there been any material rebound anywhere? And then secondly, do you anticipate seeing demand for alternative accommodations return a bit faster? Or travelers maybe preferring their own place to a big hotel in these times?

Matthias Tillmann - trivago N.V. - CFO

Yes. Thanks for your question. I mean, as I mentioned, we did see an uptick in May in some of the markets, especially in those markets where governments started to relax shutdown measures. But I mean, we are very cautious and you should be because it's still of a very low base, and we don't read too much into that at this point in time. So I think it's way too early to tell. And it's also difficult to take one market, for example, Germany and look at how the recovery structure looks like at this point and then transfer that or predict that for other countries given that we entered into the shutdown measures at different stages and also have different measures in place. And overall, we don't look too much at the data, to be honest because we think there's a lot of noise. And before we can do that and get valuable information out of it, we think volumes need to pick up. And that also partially answers your second question. I mean when we look at Q1, there was no real shift from hotels to an apartment. It was very similar to what we saw before. So in April, you can see that, that people are looking more for apartments. But then again, volumes are so low. So we don't read too much into that. And we need to have more volume on the platform to see whether that's a trend or whether that is just now as certain countries are opening up domestically, locally. But again, too early to tell.

But what I would add, I mean, we started to invest into alternative accommodations over 2 years ago. As we thought back then, it's important, and we integrated it into our core products, so showing it side-by-side to hotels. So whatever the trend will be, I think it is important. It will be important for us going forward. And hence, strategically for us, nothing changes. We will continue to focus on it and making it more relevant and showing it to our users. Did that answer your question?

Ryan Michael Lister - Susquehanna Financial Group, LLLP, Research Division - Associate

Yes.

Operator

And the next question comes from the line of Doug Anmuth from JPMorgan.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

I have two. First, you talked about a number of changes, Axel, just in terms of the products, for example, going more up funnel and more local and then also the newer ad formats moving toward display and sponsored listings. Can you just talk about how much those changes, how much has been discussed in conjunction with your advertising partners? Just curious what their view, if they have any view of kind of changes that you're making on the platform? And then secondly, just on the cost side of things, can you help us understand how much cost you're taking out on an annualized basis at this point? And perhaps give us an update on fixed and variable cost structure?

Axel Hefer - *trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member*

So on the B2C and B2B product changes, if you want to group them like that, I mean, for now, quite some time, we are working very, very closely together with our key partners. And in particular, in the current crisis, if anything, we are even closer. It is a crisis for the whole industry. And only if we all work together, we will be able to come out sooner rather than later. So it's in full alignment with the key partners. On the B2C side, the complementary product that is focusing on local travel, I mean, that is obviously well appreciated by our partners because there is wide agreement that domestic and local travel will pick up first, and that's what we currently see, and that will stay for quite some time a more relevant experience and product for our users and travelers globally. So there is a need for products that actually supports that demand. On the B2B side, the products are jointly developed with our partners. I mean they need to. And there is strong interest in particularly for the recovery phase for those 2 new products that I mentioned, and there are other ideas that we are testing and working on. And the easiest way to think about it is on sponsored listings key additional benefit to a traditional auction is that you can get a lot of visibility and a lot of volume into a specific property, which when you think about how capacity can be added and how hotels can be reopened is actually highly relevant to actually fill the hotels that are open very quickly in a very focused manner. So there's big interest and big demand. For display advertisement, there is also very big demand. And there, the key value proposition is that it allows for additional messaging that is on our site. It's in the flow of users searching for accommodation. And there, in particular, the safety standards that is applied to the specific accommodation is highly relevant and can be messaged very well. Both products, as I said, are highly relevant for the recovery phase. And so we expect them to get quite a bit of traction for the month to come with volumes coming back to more decent levels.

Matthias Tillmann - *trivago N.V. - CFO*

Yes. So on the cost side, I mean, as we mentioned in our disclosure, we have stopped all unnecessary spending, such as marketing, business travel, company events and others. The, by far, largest bucket in there is marketing obviously, and we pulled back very quickly on that one. So to give you more guidance on quarterly expenses for the remainder of this year, I think a good starting point is to look at our costs and expenses in Q1. And there, you would need to adjust for the credit losses that we called out in our release and that are higher this quarter given the impact of COVID-19. And when you then look at the base, at that base, it is already lower compared to Q1 2019 for the reasons mentioned above. And we expect to have similar savings for the remaining quarters this year. But given we started to implement the cost-saving initiatives during the quarter, the impact should be slightly higher in the coming quarters.

In addition, we spent some time on thinking about the optimal setup going into 2021. And we believe that we need to be a smaller company. And as we mentioned in our earnings release, we expect to reduce our personnel and related costs by approximately EUR 20 million in 2021. So that gives you a good idea on the savings for the remainder of this year as well. Though for the transition period, in Q2 and Q3, the savings will be slightly lower than that. And just for clarity, I'm referring here to expenses between revenue and EBITDA, so not full GAAP expenses.

Operator

And the next question comes from the line of Kevin Kopelman from Cowen.



Kevin Campbell Kopelman - Cowen and Company, LLC, Research Division - Former VP

I had a follow-up question on advertising expense. Can you give us more color on the latest trend there? Specifically, do you see advertising expense declining at a similar rate to revenue in the current environment? Or is it declining more or less than revenue?

Matthias Tillmann - trivago N.V. - CFO

Yes. Kevin, thanks for the question. As I said before, yes, on performance marketing, we pulled back immediately. And we said that our revenue was down more than 95% at end of March and that we stabilized at that level in April. So yes, there's hardly any spend. And on the brand marketing side, we also shifted our budget into the second half and into next year. So there's hardly any spend as well. So right now, I cannot really talk about trends because we are at a very low base. But obviously, we expect that to get back into the market as we see traffic picking up, and that should be highly correlated. But right now, we are not there yet.

Kevin Campbell Kopelman - Cowen and Company, LLC, Research Division - Former VP

Okay. That's very helpful. And then one other quick follow-up. Could you talk a little bit more about the local travel trips, maybe some examples of what those trips might look like just because I think that's an important dynamic in the near term, as you mentioned.

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

Absolutely. So the highest interest that we currently see, which is also intuitively clear, is short trips from metropolitan areas to more remote areas. And that obviously differs then a bit by metropolitan area. But if you take Germany as an example, you should see very, very strong interest in the coastal destinations and in the mountains. And you pretty much see no interest in the metropolitan area. So it's really from crowded areas to basically completely noncrowded, very remote areas. That is the first most obvious use case. With the overall situation and also the comfort level of travelers improving, the next use case is more, okay, it could actually be closer to a town or some activity that will restart at some point in time. But it should be driving distance, so that you don't have to worry about flight schedules. Will the flight be on? Will they be canceled? Is it too crowded on planes, et cetera? So that's then a second step in terms of what travelers do feel or perceive as safe travel. And then obviously, the ultimate step is returning to normal where you go anywhere you want, probably still with initially some focus on shorter destinations as there is still some uncertainty whether there will be a second wave that will make long-haul flights more complicated and cumbersome. So that's super roughly and simplifying the evolution of travel, how we see it in the months to come, and that's what we are preparing the product for.

Operator

And the next question comes from the line of Jason Bazinet from Citi.

Jason Boisvert Bazinet - Citigroup Inc, Research Division - MD, Global Head of EMT & Analyst

I just had a very basic question. For the travel industry overall, what portion of all hotel rooms or nights, if you will, were related to this local travel segment that didn't involve airfare? And what, if you know, what share of the OTA market did it represent prior to COVID?

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

I mean to be perfectly honest, I don't know the exact answer to your question. What I do know is that the majority of the travel on our site, quite significant majority is domestic. And in Europe, domestic, I would classify as the Schengen area, so to make it comparable to the U.S. And the majority of the travel is within driving distance or possible to drive. But I don't have the exact answer to your question.

Jason Boisvert Bazinet - Citigroup Inc, Research Division - MD, Global Head of EMT & Analyst

Okay. I'll give you our back of the envelope, and you tell me if you think this is wrong, that 65% of hotel room nights do not involve air travel globally. Does that seem plausible to you?

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

That would looking at our data be plausible, but I don't know whether our data is representative.

Operator

And the next question comes from Brian Nowak from Morgan Stanley.

Alaxandar Wang - Morgan Stanley, Research Division - Associate

This is Alex Wang on for Brian. Just two, please. First, as you guys talked about sort of positioning the business for some trends that you might expect coming out of this crisis, specifically local, can you talk about perhaps the need to maybe diversify the portfolio and maybe add offerings, such as rental cars, a greater emphasis on alternative accommodations or more local attractions to really capitalize on this local trip trends? And then the second question really is, as we think about the top line of the business between the trend of QR and RPQR, is there a way to help us think about the composition of what you saw in March and April as you think about the coming months and quarters how those 2 metrics might trend?

Axel Hefer - trivago N.V. - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

Absolutely. So on diversification, let me answer that a bit broader and not focus on specific ideas. I mean we have tested quite a few things already pre the crisis, and we do believe that it is important to permanently challenge your setup and your product offering. And that's why we actually started to work on display advertisement and sponsored listings already end of last year, which now proves to be actually quite beneficial. But in particular, in a situation like the one that we are currently facing, where the future market might look very different than the market that we've experienced for the last years, it is very important to be very open and really look at opportunities and see which opportunities are right for your own business. So what I can just say is we are very open. We are testing various different ideas. And we will make a fact-based decision which ones we do believe are accretive to our value proposition and which ones are more distraction to our organization.

Matthias Tillmann - trivago N.V. - CFO

Yes. And on your second question on trends in QR and RPQR. Obviously, that's a difficult one because it doesn't make a ton of sense at looking at that now. But how we think about it going forward, QR is basically our volume component, and that should correlate with travel volumes coming back. And RPQR is more the monetization piece. And there, we talked about before that we do expect pressure in the auction going forward, and we hope to mitigate that with the marketplace changes, but that would come later. So super high level, I would expect that we do see an improvement in QR year-over-year trends first, and then RPQR will probably lag that.

But to be honest, right now, it's not really an auction. And for RPQR to make sense and look at the monetization, et cetera, you need certain volumes and certain level of activity. So again, it highly depends on how this shakes out. So yes, I think that's like my two cents on the 2 metrics, if that helps.

Operator

(Operator Instructions) And your next question comes from the line of James Lee from Mizuho Securities.



James Lee - Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst

Great. Can you guys maybe talk about some of the subsidies you're getting from the government and how they are giving you maybe some cushion on liquidity? And also maybe help us understand, have you done any stress test on your balance sheet? If the impact of COVID-19 is worse than your expectation, do you need to compare to market to raise capital? And also lastly, and maybe help us understand the search trends into the summer travel season a little bit. We'd love to see, would love to know what you're seeing out there in terms of destination. Any demographic shift or changes from the search results there?

Matthias Tillmann - *trivago N.V.* - CFO

Yes. Thanks, James. So on your first question on subsidies, we mentioned that we utilized a scheme called Kurzarbeit in Germany. So basically, you put people on reduced working hours. And we did that in April, but then moved everybody back to 100% in May when we announced the restructuring. So only a few employees were on 0 hours in April. And as we kept most people on at least 50%, this overall won't move the needle in the second quarter in terms of costs. Regarding your second question on the balance sheet, I mean, as of end of Q1, we had over EUR 200 million in cash equivalents and short-term investments with no debt on our balance sheet. We have adjusted our cost base to set up the company for lower travel volumes in 2021 compared to 2019. So even under scenarios with no recovery in travel in 2020 and subdued travel activity in 2021, we are confident that we have sufficient liquidity.

And lastly, on trends. Yes, as I said, it's very tricky to read anything into anything we're seeing right now on the platform. Obviously, we do see that local travel gained share versus international travel, but I guess that's clear. As I mentioned before, we also see that apartments are gaining versus hotel, but I would not read too much into that. It's no indication of what we will see once volume comes back to more normal levels. But for the short term, we anticipate, we expect that the people will look more locally and will rather, for example, in Germany, will look at the German coast and not Italy or Spain or Greece. But it also depends on how borders or when borders are opening et cetera, et cetera, and what the perceived safety is from our users. But that's all I can say at this point.

Operator

And that was our last question for today. Please continue.

Axel Hefer - *trivago N.V.* - CEO, MD of Finance, Legal, International, Marketing, Product, People and Culture & Mgmt Board Member

Yes. Thanks, everyone, for joining us today. Yes. The travel industry is facing an unprecedented challenge, but travel will come back. The slope of the recovery is uncertain, and it will be key to stay flexible and adapt quickly. The past months have not been easy for any of us at trivago. We had to take tough decisions, move to a fully remote setup and deal with a very difficult business environment. But it has been very comforting to see how well our team has responded to these challenges, adapting at an amazing pace with a positive forward-looking attitude. With our dynamic and entrepreneurial culture, our lean organization and our collaborative approach with our partners, we believe that we are well set up to navigate through the quarters to come.

Last but not least, we are using the time of low travel activity to fundamentally improve our value proposition to both towards our users and our advertisers and leave the crisis stronger than we entered. Many thanks for your time and stay safe.

Operator

Thank you, ladies and gentlemen. That does conclude our conference for today. Thank you for participating. You may all disconnect.

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