
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2019

Commission File Number: 001-37959

trivago N.V.

(Exact Name of Registrant as Specified in Its Charter)

Kesselstraße 5 - 7
40221 Düsseldorf
Federal Republic of Germany
+49 211 54065110
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

On May 1, 2019, trivago N.V. will hold a conference call regarding its unaudited financial results for the first quarter ended March 31, 2019. A copy of the operating and financial review for the first quarter of 2019 is furnished as Exhibit 99.1 hereto.

Exhibit No.	Description
99.1	Operating and Financial Review for the First Quarter of 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

trivago N.V.

Date: May 1, 2019

By: /s/ Axel Hefer

Axel Hefer

Chief Financial Officer

Operating and Financial Review

The following discussion should be considered together with our unaudited financial information included with this release and the periodic reports we file with the Securities and Exchange Commission, including the section contained in our Annual Report on Form 20-F for the fiscal year ended December 31, 2018, "Item 5. Operating and Financial Review and Prospects." Certain information and disclosures normally included in consolidated financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") have been omitted from this release.

As used herein, references to "we," "us," the "company," or "trivago," or similar terms shall mean trivago N.V. and, as the context requires, its subsidiaries.

Overview

trivago is a global hotel and accommodation search platform. We are focused on reshaping the way travelers search for and compare different types of accommodations, such as hotels, vacation rentals and private apartments, while enabling our advertisers to grow their businesses by providing them with access to a broad audience of travelers via our websites and apps. Our platform allows travelers to make informed decisions by personalizing their search for accommodations and providing them with access to a deep supply of relevant information and prices. As of March 31, 2019, we offered access to more than 3.0 million hotels and other types of accommodation in over 190 countries, including over 1.8 million units of alternative accommodation, such as vacation rentals and private apartments.

Our search platform forms the core of our user experience and can be accessed globally via 55 localized websites and apps available in 33 languages. Our users initially search via a text-based search function, which supports searches across a broad range of criteria. This leads through to a listings page that displays search results and allows for further refinement based on more nuanced filters. Additionally, we enhance our users' experience by giving them the option to display their search results in listing or map formats. Users can search our platform on desktop and mobile devices, and benefit from a familiar user interface, resulting in a consistent user experience. In the first quarter of 2019, our revenue share from mobile websites and apps continued to exceed 60%.

Highlights

- In the first quarter of 2019, we continued on our path of optimizing and recalibrating our Advertising Spend and improving the quality of the traffic we referred to our advertisers, leading to the third consecutive quarter of positive net income.
- Our focus on profitability resulted in improvements in our Return on Advertising Spend ("ROAS") in the first quarter of 2019. The reduction in Advertising Spend also resulted in a decline in Referral Revenue and Qualified Referrals as compared to the same period in 2018.
- Net income in the first quarter of 2019 was €7.8 million, compared to a net loss of €21.8 million in the first quarter of 2018.
- Consolidated ROAS improved to 136.6% in the first quarter of 2019, compared to 107.8% in the same period in 2018.
- Consolidated Revenue per Qualified Referral ("RPQR") improved significantly, reaching €1.59 in the first quarter of 2019, up 18% compared to the same period in 2018, as the Advertising Spend and product optimizations we implemented continued improving the traffic quality we send to our advertisers.
- The number of Qualified Referrals decreased to 129.3 million in the first quarter of 2019, or by 32%, compared to 189.5 million in the first quarter of 2018.

- Total revenue decreased to €208.8 million in the first quarter of 2019, compared to €259.4 million in the same period in 2018, representing a decline of 20% period-over-period.
- Adjusted EBITDA⁽¹⁾ was €20.9 million in the first quarter of 2019, compared to an Adjusted EBITDA loss of €21.9 million in the first quarter of 2018.
- Reflecting our performance in the first quarter of 2019, we continue to expect Adjusted EBITDA for 2019 to be between €50 million and €75 million.

Financial Summary & Operating Metrics (€ millions, unless otherwise stated)

	Three months ended March 31,		
	2019	2018	Δ Y/Y
Total revenue	208.8	259.4	(20)%
Qualified Referrals (in millions)	129.3	189.5	(32)%
Revenue per Qualified Referral (in €)	1.59	1.35	18%
Operating income/(loss)	13.0	(29.2)	n.m.
Net income/(loss)	7.8	(21.8)	n.m.
Return on Advertising Spend	136.6%	107.8%	28.8 ppts
Adjusted EBITDA ⁽¹⁾	20.9	(21.9)	n.m.

n.m. not meaningful

⁽¹⁾ "Adjusted EBITDA" (Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Share Based Compensation) is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 20 to 21 herein for explanations and reconciliations of non-GAAP measures used throughout this release.

Business Overview

Marketing

We believe that building and maintaining our brand and clearly articulating our role in travelers' hotel and other accommodation discovery journey will continue to drive both travelers and advertisers to our platform to connect in a mutually beneficial way. We focus the efforts of our marketing teams and Advertising Spend towards building effective and efficient messaging for a broad audience. The amount and nature of our Advertising Spend varies across our geographic markets, depending on multiple factors including the emphasis we wish to place on profitability versus traffic growth, cost efficiency, marginal effectiveness of our Advertising Spend, local media dynamics, the size of the market and our existing brand presence in that market.

Brand marketing

To grow brand awareness and increase the likelihood that users will visit our websites and use our apps, we invest in brand marketing globally across a broad range of media channels, including TV marketing and online video advertising.

We also generate hotel content as a means of engaging with travelers, which is distributed online including via social media and our online magazine. Mobile app marketing remains important given the high usage of that device type.

Performance marketing

We market our services and directly acquire traffic for our websites by purchasing travel and hotel-related keywords from general search engines and through advertisements on other online marketing channels. These activities include advertisements through search engines, such as Bing, Google, Naver and Yahoo! (commonly referred to as Search Engine Marketing, or SEM), and through display advertising campaigns on advertising networks, affiliate websites, social networking sites and email marketing (commonly referred to as Display, Email and Affiliate Advertising, or DEA).

Advertiser relations

Our advertiser relations team seeks to provide tailored advice to each of our existing and prospective online travel agencies, or OTAs, providers of alternative accommodation, hotel chains and independent hotel advertisers. We have dedicated sales teams that manage the process of onboarding advertisers, maintain ongoing relationships with advertisers, work with advertisers to help them optimize their outcomes from the trivago platform and provide guidance on additional tools and features that could further enhance advertisers' experience. We aim to remain in close dialogue with OTAs and sophisticated hotel chains to better understand each advertiser's specific needs and objectives in order to offer optimal solutions through our marketplace.

Our advertisers include:

- OTAs, including large international players, such as brands affiliated with Expedia Group, Inc. ("Expedia Group") and Booking Holdings, Inc. ("Booking Holdings"), as well as smaller, regional and local OTAs;
- Hotel chains, including large multi-national hotel chains and smaller regional chains;
- Individual hotels; and
- Providers of alternative accommodation, such as vacation rental or private apartments.

We generate the large majority of our revenue from OTAs. In the first quarter of 2019 brands affiliated with Expedia Group, including Brand Expedia, Hotels.com, HomeAway, Orbitz, Travelocity, Hotwire, Wotif and ebookers, and brands affiliated with Booking Holdings, including Booking.com and Agoda, accounted for 36% and 37% of our total revenue, respectively, as compared to 38% and 38% of our total revenue, in the same period in 2018.

Marketplace

We design our algorithm to showcase the hotel room and other accommodation rate offers that we believe will be of most interest to our users, emphasizing those offers that are more likely to be clicked and ultimately booked on our advertisers' websites. We consider booking conversion, which we describe in more detail below, to be a key indicator of user satisfaction on our website. At the core of our ability to match our users' searches with large numbers of hotel and other accommodation offers is our auction platform, which we call our marketplace. With our marketplace, we provide advertisers a competitive forum to access user traffic by facilitating a vast quantity of auctions on any particular day. Advertisers do this by submitting hotel room and other accommodation rates on our marketplace and cost-per-click, or CPC, bids for each user click on an advertised rate for a hotel or other accommodation. By clicking on a given rate, an individual user is referred to that advertiser's website where the user can complete the booking. Advertisers can submit and adjust CPC bids on our marketplace frequently - as often as daily - on a property-by-property and market-by-market basis, and provide us with information on hotel room and other accommodation rates and availability on a near real-time basis.

In determining the prominence given to offers and their placement in our search results, including in comparison search results for a given location and on detail pages for a given property, our proprietary algorithm considers a number of factors in a dynamic, self-learning process. These include (but are not limited to) the advertiser's offered rate for the hotel room or other accommodation, the likelihood the offer will match the user's accommodation search criteria, data we have collected on likely booking conversion and user experience and the CPC bids submitted by our advertisers. In addition, we continue to implement a rate accuracy score, which is based on a check of the accuracy of hotel and accommodation rates delivered to us compared to those displayed on our advertisers platforms, and operates as an upward or downward adjustment of advertisers' CPCs. We are continuously optimizing our proprietary algorithm through initiatives such as the rate accuracy score and our ongoing work on the relevance assessment to give our advertisers the flexibility to test and improve their landing pages, while promoting an experience on our website that we believe is optimal for our users.

We believe the most influential factors impacting bidding behavior for our largest advertisers is the rate at which our Qualified Referrals result in bookings on their websites, or booking conversion, and the amount our advertisers obtain from Qualified Referrals as a result of hotels and other accommodation booked on their sites, or booking value. We refer to the degree to which we are able to capture our share in the overall estimated booking revenues generated by our advertisers from our referrals as "commercialization". The quality of the traffic we generate for our advertisers increases when aggregate booking conversion and/or aggregate booking value increases. We estimate overall booking conversion and booking value from data voluntarily provided to us by certain advertisers to better understand the drivers in our marketplace, and in particular, to gain insight into how our advertisers manage their advertising campaigns. The information we used as the basis for our analysis of the quality of the traffic we referred to our advertisers is subject to a number of uncertainties, including those related to the accuracy of the information we receive from certain of our advertisers and the methodologies we and our advertisers use to track and analyze whether a user ultimately completes a booking.

Assuming unchanged dynamics in the market beyond our marketplace, we would expect that the higher the potential booking value or conversion generated by a Qualified Referral and the more competitive the bidding, the more an advertiser is willing to bid for a hotel advertisement on our marketplace. This means that the levels of advertisers' CPC bids generally reflect their view of the likelihood that each click on an offer will result in a booking by a user. We believe our product optimization measures have contributed to continuous improvement in our referred traffic quality, which has had a positive effect on our Revenue per Qualified Referral, or "RPQR" in the first quarter of 2019. However, the dynamics in the market beyond our marketplace are not static, and we believe that our advertisers continuously review their Advertising Spend on our platform and on other advertising channels, and continuously seek to optimize the allocation of their spend among us and our competitors.

In addition, changes in foreign exchange rates can amplify or mute changes in these underlying trends in our revenues and RPQR. Although we largely denominate our CPCs in euro and have relatively little direct foreign currency translation with respect to our revenue, we believe that our advertisers' decisions on the share of their booking revenues they are willing to pay to us are based on the currency in which the hotels being booked are priced. Accordingly, we have observed that advertisers tend to adjust their CPC bidding based on the relative strengthening or weakening of the euro as compared to the local functional currency in which the booking with our advertisers is denominated.

Search platform

We believe that we are reshaping hotel and accommodation discovery for our users, while changing the way advertisers identify, engage with and acquire travelers. Our search platform provides a globally standardized product for users in all segments and forms the core of our user experience. As we provide a search website, users do not book directly on our platform. When they click on an offer for a hotel room or other accommodation at a certain price, they are referred to our advertisers' websites where they can complete their booking.

Our users initially search via a text-based search function, which supports searches across a broad range of criteria. This leads through to a listings page that displays search results and allows for further refinement based on more nuanced filters. Our platform organizes a large amount of information from multiple sources and gives each user what we believe to be the optimal basis to make a decision. We help users to convert initial interest into a clear and specific booking intention.

With the intention of increasing user retention and booking conversion, while reducing the number of click-outs required to ultimately make a booking, we continued to implement measures aimed at optimizing our platforms and product. We believe these relatively small, incremental changes to our product have resulted, when considered together, in improvements to our product and platforms that continue to positively impact our advertisers' CPC bids on our marketplace. Since we make these changes by optimizing for traffic quality instead of volume, these changes will tend to have a negative impact on Qualified Referrals (in addition to the effect of reduced Advertising Spend), but we believe they have had a positive impact on RPQR.

Recent trends

In the first quarter of 2019, we continued to optimize and recalibrate our Advertising Spend, which resulted in a substantial improvement in our profitability compared to the same period in 2018. We began to implement these optimizations at the end of the second quarter of 2018 across all our segments, which resulted in reductions in the Advertising Spend. In the first quarter of 2019, these reductions were most significant in our Americas and Rest of World ("RoW") segments but resulted in broadly similar declines in Qualified Referrals across all segments compared to the same period in 2018.

As we optimized our Advertising Spend and continued to implement measures aimed at optimizing our platforms and product (as described above), we were able to improve the quality of the traffic that we referred to our advertisers, which was evident in the development of Revenue per Qualified Referral ("RPQR") in all segments in the first quarter of 2019. The improvement in RPQR was most significant in Developed Europe, primarily reflecting the progress we have made in optimizing our Advertising Spend by improving the quality of the traffic that we referred to our advertisers in that segment. The improvement in RPQR was also significant in RoW and Americas but was somewhat less pronounced than that in Developed Europe, reflecting a more muted improvement in traffic quality in those segments compared to the same period in 2018.

The advertising bidding dynamics on our marketplace in the first quarter of 2019 were stable compared to the same period in 2018, as reflected in only slightly lower levels of commercialization and the appearance that our largest advertisers maintained their return on investment targets for their spend on our marketplace. Against this background, we believe the positive effect on traffic quality resulting from our optimization and recalibration of our Advertising Spend and the measures we continued to implement to improve our platforms and products continued to positively impact our advertisers' CPC bids on our marketplace.

Reflecting our performance in the first quarter of 2019, we continue to expect Adjusted EBITDA for 2019 to be between €50 million and €75 million.

Operating Metrics

We earn substantially all of our revenue when users of our websites and apps click on hotel offers or advertisements in our search results and are referred to one of our advertisers. We call this our Referral Revenue. We also earn subscription fees for certain services we provide to advertisers, such as Hotel Manager Pro, although such subscription fees do not represent a significant portion of our revenue.

Referral Revenue, Other Revenue, Qualified Referrals & RPQR

Referral Revenue by Segment & Other Revenue (€ millions)

Management has identified three reportable segments, which correspond to our three operating segments: the Americas, Developed Europe and Rest of World. Our Americas segment is comprised of Argentina, Brazil, Canada, Chile, Columbia, Ecuador, Mexico, Peru, the United States and Uruguay. Our Developed Europe segment is comprised of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Our Rest of World segment is comprised of all other countries, the most significant by revenue of which are Australia, Japan, India, New Zealand, Russia and Turkey. In Developed Europe, the decline in Referral Revenue was relatively muted and influenced by the fact that this segment includes the geographic markets where we have operated the longest and where we have the highest level of brand awareness. The relatively more pronounced decline in Referral Revenue in Americas and RoW reflected our relatively shorter operational history, varying levels of brand awareness and differing competitive dynamics in the geographic markets included in those segments.

	Three months ended March 31,			
	2019	2018	Δ €	Δ %
Americas	€ 71.1	€ 97.2	(26.1)	(27)%
Developed Europe	90.1	104.5	(14.4)	(14)%
Rest of World	43.9	54.2	(10.3)	(19)%
Total Referral Revenue	€ 205.0	€ 255.9	(50.9)	(20)%
Other revenue	3.8	3.5	0.3	9%
Total revenue	€ 208.8	€ 259.4	(50.6)	(20)%

Note: Some figures may not add due to rounding.

Total revenue decreased by €50.6 million, or by 20%, during the first quarter of 2019, compared to the same period in 2018. In the first quarter of 2019, revenue levels continued to be negatively impacted by a decline in Qualified Referrals, which was partly offset by an increase in RPQR.

Referral Revenue in the first quarter of 2019 decreased to €71.1 million, €90.1 million and €43.9 million, or by 27%, 14% and 19%, in Americas, Developed Europe and RoW, respectively, as compared to the same period in 2018. In all three segments, Referral Revenue was negatively impacted by a decline in Qualified Referrals, which was partly offset by an increase in RPQR. These changes reflected the ongoing optimization of our Advertising Spend. In Developed Europe, in particular, we observed a significant improvement in RPQR, which reflected a corresponding improvement in the quality of the traffic we referred to our advertisers. The improvement in RPQR and traffic quality in Americas and RoW was also significant but less pronounced. In Americas and Developed Europe, the positive effect of improved traffic quality was partly offset by slightly lower levels of commercialization.

In Developed Europe, Referral Revenue was also negatively impacted by relatively muted revenue levels in the UK, while in RoW, Referral Revenue in Australia declined significantly more than in the other geographic regions included in that segment.

Other Revenue increased by 9% to €3.8 million in the first quarter of 2019 compared to €3.5 million in the same period in 2018 mainly driven by an increase in subscription revenue and related party revenue.

Qualified Referrals by Segment (in millions)

	Three months ended March 31,			
	2019	2018	Δ	Δ %
Americas	38.9	59.9	(21.0)	(35)%
Developed Europe	48.0	70.1	(22.1)	(32)%
Rest of World	42.5	59.5	(17.0)	(29)%
Total	129.3	189.5	(60.2)	(32)%

Note: Some figures may not add due to rounding.

During the first quarter of 2019, total Qualified Referrals decreased by 32% as Qualified Referrals decreased by 35%, 32% and 29% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2018. In the first quarter of 2019, the period-over-period decline in Qualified Referrals was primarily driven by reductions in our Advertising Spend. In Developed Europe, the decline in Qualified Referrals was broadly in line with the other segments, though the reduction in Advertising Spend in that segment was less pronounced than in Americas and RoW. The decline in Qualified Referrals also reflected the effect of our ongoing product optimizations, which have resulted in reduced click-out rates across all segments.

Revenue Per Qualified Referral (RPQR)

We use RPQR to measure how effectively we convert Qualified Referrals to revenue. RPQR is calculated as Referral Revenue divided by the total number of Qualified Referrals in a given period. Alternatively, RPQR can be separated into its price and volume components and calculated as follows:

$$\text{RPQR} = \text{RPR} \times \text{click-out rate}$$

where

$$\text{RPR} = \text{revenue per referral}$$

$$\text{click-out rate} = \text{referrals} / \text{Qualified Referrals}$$

RPQR is a key financial metric that describes the quality of our referrals, the efficiency of our marketplace and, as a consequence, how effectively we monetize the referrals we provide our advertisers. Furthermore, we use RPQR to help us detect and analyze changes in market dynamics.

The following table sets forth the RPQR for our reportable segments for the periods indicated (based on Referral Revenue):

RPQR by Segment (in €)

	Three months ended March 31,		
	2019	2018	Δ %
Americas	€ 1.83	€ 1.62	13%
Developed Europe	1.88	1.49	26%
Rest of World	1.03	0.91	13%
Consolidated RPQR	€ 1.59	€ 1.35	18%

The following tables set forth the percentage change year-over-year in each of the components of RPQR for our reportable segments for the periods indicated (other than Qualified Referrals which are discussed above). Percentages calculated below are based on the unrounded amounts and therefore may not recalculate on a rounded basis.

% increase/(decrease) in RPR

	Three months ended March 31,	
	2019 vs 2018	2018 vs 2017
Americas	17.8%	—%
Developed Europe	33.3%	3.3%
Rest of World	18.9%	(7.5)%
Consolidated increase/(decrease) in RPR	24.6%	(3.4)%

% increase/(decrease) in number of referrals

	Three months ended March 31,	
	2019 vs 2018	2018 vs 2017
Americas	(38.1)%	(5.0)%
Developed Europe	(34.9)%	(11.0)%
Rest of World	(31.7)%	19.6%
Consolidated decrease in number of referrals	(34.8)%	(0.8)%

% increase/(decrease) in click-out rate referrals

	Three months ended March 31,	
	2019 vs 2018	2018 vs 2017
Americas	(4.7)%	(12.0)%
Developed Europe	(4.9)%	(6.5)%
Rest of World	(4.3)%	(3.1)%
Consolidated decrease in click-out rate referrals	(4.5)%	(7.2)%

During the first quarter of 2019, Consolidated RPQR increased by 18% as RPQR increased by 13%, 26% and 13% in Americas, Developed Europe and RoW, respectively, compared to the same period in 2018. The increase was mainly driven by improved traffic quality in all segments, partly offset by slightly lower levels of commercialization in Americas and Developed Europe. The increase in Developed Europe was more pronounced than in other regions as our optimization of our Advertising Spend resulted in a reduction in Qualified Referrals that were of relatively lower quality in terms of their likelihood of ultimately resulting in a booking.

Return on Advertising Spend

We track the ratio of our Referral Revenue to our Advertising Spend, or ROAS. We believe that ROAS is an indicator of the efficiency of our advertising and it is our primary operating metric.

The following table sets forth the ROAS for our reportable segments for the periods indicated:

	Three months ended March 31,		
	2019	2018	Δ pts
ROAS by segment			
Americas	127.5%	104.2%	23.3 pts
Developed Europe	153.9%	128.1%	25.8 pts
Rest of World	122.5%	86.6%	35.9 pts
Consolidated ROAS	136.6%	107.8%	28.8 pts

Consolidated ROAS improved to 136.6% in the first quarter of 2019 compared to 107.8% in the same period in 2018.

ROAS improved by 23.3 pts, 25.8 pts and 35.9 pts in Americas, Developed Europe and RoW, respectively, in the first quarter of 2019, compared to the same period in 2018. As noted above, we continued to optimize our Advertising Spend since the second quarter of 2018 and made significant reductions across all segments in order to improve profitability. These reductions were implemented across all segments and resulted in reduced brand marketing expenditure and increased return on investment targets for our performance marketing campaigns. Our returns on brand marketing spend and performance marketing spend improved significantly due to our optimization of our Advertising Spend. This improvement was particularly significant in RoW.

Expenses (€ millions)

	Costs and Expenses			As a % of Revenue		
	Three months ended March 31,			Three months ended March 31,		
	2019	2018	Δ %	2019	2018	Δ in ppts
Cost of revenue	€ 1.9	€ 1.6	19%	1%	1%	— %
<i>of which share-based compensation</i>	<i>0.1</i>	<i>0.0</i>	<i>100%</i>			
Selling and marketing	162.7	256.2	(36)%	78%	99%	(21)%
<i>of which share-based compensation</i>	<i>0.7</i>	<i>0.8</i>	<i>(13)%</i>			
Technology and content	18.5	15.5	19%	9%	6%	3 %
<i>of which share-based compensation</i>	<i>2.0</i>	<i>0.8</i>	<i>150%</i>			
General and administrative	12.2	14.9	(18)%	6%	6%	— %
<i>of which share-based compensation</i>	<i>2.5</i>	<i>2.9</i>	<i>(14)%</i>			
Amortization of intangible assets	0.4	0.4	—%	0%	0%	— %
Total costs and expenses	€ 195.7	€ 288.6	(32)%	94 %	111%	(17)%

Note: Some figures may not add due to rounding.

Cost of revenue

For the first quarter of 2019, cost of revenue increased by €0.3 million to €1.9 million, or 19%, compared to the same period in 2018. The increase was primarily driven by an increase in costs for third-party cloud-related service providers, which was partly offset by a decrease in depreciation expense.

Selling and marketing

Selling and marketing expense was 78% of total revenue in the first quarter of 2019, compared to 99% in the same period in 2018.

In the first quarter of 2019, selling and marketing expense decreased by €93.5 million, or by 36%, period-over-period to €162.7 million, of which €150.0 million, or 92%, was Advertising Spend. The decrease was driven by reductions in Advertising Spend to €55.7 million, €58.5 million and €35.8 million in Americas, Developed Europe and RoW, respectively, compared to €93.3 million, €81.6 million and €62.5 million in the same period in 2018.

In the first quarter of 2019, we continued to optimize our Advertising Spend across all segments and all marketing channels in order to improve our ROAS. In the first quarter of 2019, we reduced Advertising Spend by 40% in Americas, 28% Developed Europe and 43% in RoW, compared to the same period in 2018. The period-over-period reductions in Advertising Spend were particularly pronounced in Americas and RoW as we had increased Advertising Spend in the same period in 2018 to support revenue levels.

In the first quarter of 2019, other selling and marketing expense excluding share-based compensation decreased by €6.0 million to €12.0 million, or 33%, period-over-period. The decrease was primarily driven by a reduction of personnel costs of €3.0 million, as our headcount decreased compared to the same period in 2018, and by lower investments in the production of television advertisements of €2.5 million. Other marketing expenses decreased by €0.3 million compared to the same period in 2018. Share-based compensation remained stable at €0.7 million compared to the same period in 2018.

Technology and content

For the first quarter of 2019, technology and content expense increased by €3.0 million to €18.5 million, or 19%, compared to the same period in 2018. The increase was primarily driven by an increase in personnel costs of €1.2 million, resulting from an increase in our compensation expense and related social security amounts and a reduced capitalization of our developers' salaries compared to the same period in 2018. The increase was also driven by an increase in office expense of €0.8 million as we moved in our new campus in June 2018. Third-party IT service provider costs increased by €0.5 million in the first quarter of 2019 compared to the same period in 2018 mainly due to increased cloud-related and data center expense, which was offset by external content development costs. Share-based compensation increased by €1.2 million during the first quarter of 2019 compared to the same period in 2018.

General and administrative

For the first quarter of 2019, general and administrative expense decreased by €2.7 million to €12.2 million, or 18%, compared to the same period in 2018. The decrease was driven by a reduction in professional fees and other expenses of €1.8 million compared to the same period in 2018, primarily driven by a decrease in legal, consulting and audit expense of €3.2 million. This was partly offset by an adjustment in the first quarter of 2018 to losses on receivables recorded in prior periods, by local advertisement taxes and by the adjusted allocation across operating expense categories of certain insurance expenses. In the first quarter of 2019, personnel costs decreased by €0.5 million due to a reduction in headcount compared to the same period in 2018. Share-based compensation decreased by €0.4 million to €2.5 million in the first quarter of 2019 compared to the same period in 2018.

trivago Campus

We moved into our new campus in Düsseldorf in June 2018. The contractual lease agreements triggered build-to-suit treatment under U.S. GAAP, and the move-in triggered a sale and subsequent leaseback transaction. Upon adoption of the new leasing standard, ASC 842, on January 1, 2019, the contractual lease obligation was transitioned to being accounted for as an operating lease.

Prior to 2019, our lease payments relating to the premises were bifurcated into a portion allocated to the building (a reduction of the financing obligation) and a portion allocated to the land on which the building was constructed, which was treated as an operating lease that commenced in July 2015. Under ASC 842, a right-of-use asset and related operating lease liability are recorded on our balance sheet at March 31, 2019. Our associated lease expense is allocated across our operating cost categories.

Amortization of intangible assets

Amortization of intangible assets remained unchanged at €0.4 million during the first quarter of 2019 compared to the same period in 2018. These amortization costs relate predominantly to intangible assets recognized by Expedia Group upon the acquisition of a majority stake in trivago in 2013, which were allocated to trivago.

Share-based compensation

Share-based compensation increased by €0.8 million to €5.3 million in the first quarter of 2019 compared to the same period in 2018.

Net income/(loss) and Adjusted EBITDA⁽¹⁾ (€ millions)

	Three months ended March 31,		
	2019	2018	Δ €
Operating income/(loss)	€ 13.0	€ (29.2)	42.2
Other income/(expense)			
Interest expense	(0.0)	(0.0)	0.0
Other, net	0.3	0.1	0.2
Total other income/(expense), net	€ 0.3	€ 0.1	0.2
Income/(loss) before income taxes	13.3	(29.1)	42.4

Expense/(benefit) for income taxes		5.6	(7.4)	13.0
Income/(loss) before equity method investment	€	7.7	€ (21.8)	29.5
Income from equity method investment		0.1	—	0.1
Net income/(loss)	€	7.8	€ (21.8)	29.6
Adjusted EBITDA	€	20.9	€ (21.9)	42.8

Note: Some figures may not add due to rounding.

⁽¹⁾ "Adjusted EBITDA" (Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Share Based Compensation) is a non-GAAP measure. Please see "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 20 to 21 herein for explanations and reconciliations of non-GAAP measures used throughout this release.

Net income was €7.8 million in the first quarter of 2019, reflecting a substantial increase in our profitability as we reduced our Advertising Spend to adapt to the changing dynamics on our marketplace. Accordingly, Adjusted EBITDA increased to €20.9 million in the first quarter of 2019 compared to a loss in Adjusted EBITDA of €21.9 million in the first quarter of 2018.

Income taxes

Income tax expense was €5.6 million in the first quarter of 2019 compared to an income tax benefit of €7.4 million in the same period in 2018. The total weighted average tax rate was 30%, which was mainly driven by the German statutory rate of approximately 31%. Our effective tax rate was 41.9% largely due to the effect of share-based compensation expenses, which are non-deductible for tax purposes, compared to 25.2% in the first quarter in 2018.

Balance sheet and cash flows

Total cash, cash equivalents and restricted cash were €199.4 million as of March 31, 2019, of which €197.1 million were cash, cash equivalents and restricted cash and €2.3 million long-term restricted cash included in other long-term assets in the balance sheet primarily relating to the new campus building, compared to total cash, cash equivalents and restricted cash of €164.3 million as of December 31, 2018. The increase of €35.1 million was mainly driven by positive cash flows from operating activities of €36.6 million, which were mainly due to changes in operating assets and liabilities and additional positive effects from net income excluding non-cash expenses.

Changes in operating assets and liabilities resulted in an increase in cash and cash equivalents of €19.5 million primarily due to increasing accounts payable. Accounts payable increased by €19.1 million as of March 31, 2019 compared to December 31, 2018, primarily due to an increase in Advertising Spend, which increased from €100.9 million in the fourth quarter of 2018 to €150.0 million in the first quarter of 2019. Accounts receivable slightly increased by €2.9 million as of March 31, 2019 compared to December 31, 2018.

Net income of €7.8 million included non-cash expenses for share-based compensation of €5.3 million and depreciation of €2.2 million which further contributed to net cash provided by operating activities.

Negative cash flows from investing activities were €1.6 million, which primarily related to capital expenditures including internal-use software and website development.

Our current ratio decreased from 4.4 as of December 31, 2018 to 3.5 as of March 31, 2019 as the increase in our current liabilities, driven by the increase in Accounts payable, was higher than the increase in our current assets.

Update on legal proceedings

On August 23, 2018, the Australian Competition and Consumer Commission, or ACCC, instituted proceedings in the Australian Federal Court against us. The ACCC alleged breaches of Australian consumer law relating to our advertisements in Australia concerning the hotel prices available on our Australian site and our strike-through pricing practice, which is the display adjacent to the price quote in the top position in our search results of a higher price that is crossed out. In March 2019, we completed the production of certain documents to the ACCC pursuant to the court's discovery order. The court has set trial date for September 9, 2019. Management has established a provision in respect of this matter.

A consolidated class action is pending against us in the United States District Court for the Southern District of New York alleging securities law violations in our IPO registration statement and certain later disclosures. On May 14, 2018, we filed a motion to dismiss this matter. On February 26, 2019, the court granted the motion to dismiss as to all defendants, without granting plaintiffs leave to further amend the complaint. The plaintiffs have appealed this decision.

The outcomes of these matters could have a material adverse effect on our business, financial condition or results of operations.

trivago N.V. Condensed consolidated balance sheets

(€ thousands, except per share amounts) (unaudited)

ASSETS	As of March 31, 2019	As of December 31, 2018
Current assets:		
Cash and cash equivalents	€ 196,939	€ 161,871
Restricted cash	122	122
Accounts receivable, less allowance of €246 and €250 at March 31, 2019 and December 31, 2018, respectively	50,216	54,981
Accounts receivable, related party	47,281	39,655
Tax receivable	307	281
Prepaid expenses and other current assets	7,754	8,346
Total current assets	302,619	265,256
Property and equipment, net	35,222	162,001
Operating lease right-of-use assets	101,926	—
Deferred income taxes	640	—
Other long-term assets	7,006	6,148
Intangible assets, net	171,188	171,609
Goodwill	490,545	490,529
TOTAL ASSETS	€ 1,109,146	€ 1,095,543
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	€ 52,766	€ 33,656
Income taxes payable	5,436	1,221
Deferred revenue	7,770	7,863
Payroll liabilities	6,490	8,531
Accrued expenses and other current liabilities	7,900	9,650
Operating lease liability	6,179	—
Total current liabilities	86,541	60,921
Operating lease liability	99,771	—
Financing obligations	—	127,705
Deferred income taxes	49,978	46,550
Other long-term liabilities	2,147	6,784
Stockholders' equity:		
Class A common stock, €0.06 par value - 700,000,000 shares authorized, 44,109,134 and 42,559,884 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	2,647	2,554
Class B common stock, €0.60 par value - 320,000,000 shares authorized, 307,687,967 and 308,687,967 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	184,613	185,213
Reserves	763,224	757,262
Contribution from parent	122,307	122,307
Accumulated other comprehensive loss	(45)	(89)
Accumulated deficit	(202,037)	(213,664)
Total stockholders' equity	870,709	853,583
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	€ 1,109,146	€ 1,095,543

trivago N.V. Condensed consolidated statements of operations

(€ thousands, except per share amounts) (unaudited)

	Three months ended March 31,	
	2019	2018
Revenue	€ 133,972	€ 160,217
Revenue from related party	74,783	99,147
Total revenue	208,755	259,364
Costs and expenses:		
Cost of revenue, including related party, excluding amortization ⁽¹⁾⁽³⁾	1,901	1,579
Selling and marketing ⁽¹⁾⁽³⁾	162,698	256,226
Technology and content, including related party ⁽¹⁾⁽²⁾⁽³⁾	18,463	15,470
General and administrative, including related party ⁽¹⁾⁽²⁾⁽³⁾	12,239	14,879
Amortization of intangible assets ⁽²⁾	421	421
Operating income/(loss)	13,033	(29,211)
Other income/(expense)		
Interest expense	(27)	(17)
Other, net	318	96
Total other income/(expense), net	291	79
Income/(loss) before income taxes	13,324	(29,132)
Expense/(benefit) for income taxes	5,586	(7,351)
Income/(loss) before equity method investment	7,738	(21,781)
Income/(loss) from equity method investment	90	(17)
Net income/(loss)	7,828	(21,798)
Earnings per share available to common stockholders⁽⁴⁾:		
Basic	€ 0.02	€ (0.06)
Diluted	0.02	(0.06)
Shares used in computing earnings per share:		
Basic	351,534	350,744
Diluted	356,503	350,744
(1) Includes share-based compensation as follows:		
Cost of revenue	€ 65	€ 29
Selling and marketing	744	754
Technology and content	1,955	845
General and administrative	2,531	2,874

	Three months ended March 31,	
	2019	2018
(2) Includes amortization as follows:		
Amortization of internal use software and website development costs included in technology and content	€ 656	€ 495
Amortization of internal use software costs included in general and administrative	308	152
Amortization of acquired technology included in amortization of intangible assets	96	35
(3) Includes related party expense as follows:		
Cost of revenue	€ 11	€ 14
Selling and marketing	91	—
Technology and content	108	147
General and administrative	107	—

(4) Represents basic and diluted earnings per share of Class A and Class B common stock and weighted-average shares of Class A and Class B common stock outstanding for the period from January 1 through March 31 for the respective years.

We have reclassified certain amounts related to our prior period results to conform to our current period presentation.

trivago N.V. Condensed consolidated statements of cash flows

(€ thousands) (unaudited)

	Three months ended March 31,	
	2019	2018
Operating activities:		
Net income/(loss)	€ 7,828	€ (21,798)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):		
Depreciation (property and equipment and internal-use software and website development)	2,170	2,423
Amortization of intangible assets	421	421
Impairment of internal-use software and website development	96	165
Share-based compensation	5,295	4,502
Deferred income taxes	1,064	(7,793)
Foreign exchange (gain) loss	126	(134)
Bad debt expense	180	127
Loss on sale of fixed assets	1	2
(Gain)/loss from equity method investment	(90)	17
Changes in operating assets and liabilities:		
Accounts receivable, including related party	(2,993)	(42,439)
Prepaid expense and other assets	603	(619)
Accounts payable	18,987	36,438
Payroll liabilities	(2,041)	21
Accrued expenses and other liabilities	845	1,182
Deferred revenue	(93)	1,126
Taxes payable/receivable, net	4,189	(759)
Net cash provided by/(used in) operating activities	€ 36,588	€ (27,118)
Investing activities:		
Capital expenditures, including internal-use software and website development	(1,604)	(5,758)
Proceeds from sale of fixed assets	13	19
Net cash used in investing activities	€ (1,591)	€ (5,739)
Financing activities:		
Proceeds from exercise of option awards	160	6
Repayment of other non-current liabilities	(102)	—
Net cash provided by/(used in) financing activities	€ 58	€ 6
Effect of exchange rate changes on cash	13	(332)
Net increase/(decrease) in cash, cash equivalents and restricted cash	€ 35,068	€ (33,183)
Cash, cash equivalents and restricted cash at beginning of the period	164,308	192,900
Cash, cash equivalents and restricted cash at end of the period	€ 199,376	€ 159,717
Supplemental cash flow information:		
Cash paid for interest	€ 24	€ —
Cash paid for taxes, net of (refunds)	219	759
Non-cash investing and financing activities:		
Fixed assets-related payable	935	1,688
Capitalization of construction in process related to build-to-suit lease	—	11,282

Earnings per Share and Ownership of the Company

Basic and diluted earnings per share of common stock is computed by dividing net income by the weighted average number of Class A and Class B shares outstanding during the period.

The following table presents our basic and diluted earnings per share:

	Three months ended March 31,			
	2019		2018	
Numerator (€ thousands)				
Net income/(loss)	€	7,828	€	(21,798)
Denominator (in thousands)				
Weighted average number of common shares:				
Basic		351,534		350,744
Diluted		356,503		350,744
Net income (loss) per share:				
Basic ⁽¹⁾	€	0.02	€	(0.06)
Diluted ⁽²⁾	€	0.02	€	(0.06)

(1) Basic net income (loss) per common share is computed by dividing (A) net income (loss) by (B) basic weighted average common shares outstanding.

(2) Diluted net income (loss) per common share is computed by dividing (A) net income (loss) (B) the diluted weighted average common shares outstanding, which has been adjusted to include potentially dilutive securities. Diluted net income (loss) per common share for the comparative period ended March 31, 2018 does not include the effects of the exercise of then-outstanding stock options as the inclusion of these instruments would have been anti-dilutive.

The split between Class A and Class B shares of trivago N.V. as of March 31, 2019, is as follows:

	Class A shares	Class B shares	Total
Number of Shares	44,109,134	307,687,967	351,797,101
Shares in %	13%	87%	100%

trivago N.V. Key Metrics

- The following metrics are intended as a supplement to the financial information found in this release and the financial statements included in our filings with the Securities and Exchange Commission ("SEC"). In the event of discrepancies between amounts in these tables and our historical financial statements, readers should rely on our filings with the SEC and our most recent financial statements filed with the SEC.
- We intend to periodically review and refine the definition, methodology and appropriateness of each of our supplemental metrics. As a result, metrics are subject to removal and/or change, and such changes could be material.
- These metrics do not include adjustments for one-time items, acquisitions, foreign exchange or other adjustments.
- Some numbers may not add due to rounding.

	Three months ended March 31,	
	2019	2018
ROAS by segment		
Americas	127.5%	104.2%
Developed Europe	153.9%	128.1%
Rest of World	122.5%	86.6%
Consolidated ROAS	136.6%	107.8%
Qualified Referrals by segment (in millions)		
Americas	38.9	59.9
Developed Europe	48.0	70.1
Rest of World	42.5	59.5
Consolidated Qualified Referrals	129.3	189.5
RPQR by segment		
Americas	€1.83	€1.62
Developed Europe	1.88	1.49
Rest of World	1.03	0.91
Consolidated RPQR	€1.59	€1.35

Notes & Definitions:

Current Ratio: The current ratio is used to measure the company's ability to pay off its short-term liabilities with its current assets and is an important measure of liquidity. The current ratio is calculated by dividing the company's total current assets by the company's total current liabilities.

Referral Revenue: We use the term "referral" to describe each time a visitor to one of our websites or apps clicks on a hotel offer or advertisement in our search results and is referred to one of our advertisers. We charge our advertisers for each referral on a cost-per-click (CPC) basis.

ROAS: The ratio of our Referral Revenue to our Advertising Spend in a given period, or **return on Advertising Spend**. We invest in multiple marketing channels, such as: TV; out-of-home advertising; search engine marketing; display advertising campaigns on advertising networks, affiliate websites, social networking sites and email marketing; online video; mobile app marketing and content marketing.

RPQR: We use average **revenue per Qualified Referral**, to measure how effectively we convert Qualified Referrals to revenue. RPQR is calculated as Referral Revenue divided by the total number of Qualified Referrals in a given period.

Qualified Referral: We define a **Qualified Referral** as a unique visitor per day that generates at least one referral. For example, if a single visitor clicks on multiple hotel offers in our search results in a given day, they count as multiple referrals, but as only one Qualified Referral.

Definitions of Non-GAAP Measures

Adjusted EBITDA:

We define adjusted EBITDA as net income (loss):

1. Less: income/(loss) from equity method investment
2. Plus: expense/(benefit) for income taxes,
3. Plus: total other (income)/expense, net,
4. Plus: depreciation of property and equipment, including amortization of internal use software and website development
5. Plus: amortization of intangible assets and
6. Plus: share-based compensation

Adjusted EBITDA is a non-GAAP financial measure. A "non-GAAP financial measure" refers to a numerical measure of a company's historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with U.S. GAAP in such company's financial statements. We present this non-GAAP financial measure because it is used by management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating our operating performance and consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods.

Our use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with U.S. GAAP, including net loss. Some of these limitations are:

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

We are not able to provide a reconciliation of our adjusted EBITDA guidance to net income/(loss), the comparable GAAP measure, because certain items that are excluded from adjusted EBITDA cannot be reasonably predicted or are not in our control. In particular, we are unable to forecast the timing or magnitude of share-based compensation, interest, taxes, depreciation and amortization without unreasonable efforts, and these items could significantly impact, either individually or in the aggregate, net income/(loss) in the future.

Tabular Reconciliations for Non-GAAP Measures

Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation & Amortization and Share-Based Compensation) (€ millions)

	Three months ended March 31,	
	2019	2018
Net income/(loss)	€ 7.8	€ (21.8)
Income from equity method investment	0.1	—
Income/(loss) before equity method investment	€ 7.7	€ (21.8)
Expense/(benefit) for income taxes	5.6	(7.4)
Income/(loss) before income taxes	€ 13.3	€ (29.1)
Add/(less):		
Interest expense	0.0	0.0
Other, net	(0.3)	(0.1)
Operating income/(loss)	€ 13.0	€ (29.2)
Depreciation	2.2	2.4
Amortization of intangible assets	0.4	0.4
EBITDA	€ 15.6	€ (26.4)
Share-based compensation	5.3	4.5
Adjusted EBITDA	€ 20.9	€ (21.9)

Note: Some figures may not add due to rounding.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance. These forward-looking statements are based on management’s expectations as of the date of this release and assumptions which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as “intend” and “expect,” among others, generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may include statements relating to future revenue, expenses, margins, profitability, net income / (loss), earnings per share and other measures of results of operations and the prospects for future growth of trivago N.V.’s business.

Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others:

- our ability to grow our revenue in future periods, or at rates deemed sufficient by the market without reducing our profits or incurring losses;
- our dependence on a relatively small number of advertisers for our revenue and adverse impacts that could result from their reduced spending or changes in their bidding strategy;
- factors that contribute to our period-over-period volatility in our financial condition and result of operations;
- our dependence on general economic conditions and adverse impacts that could result from declines in travel or discretionary spending;
- the effectiveness of our Advertising Spend, including as a result of increased competition or inadequate or ineffective innovation in or execution of our advertising;
- the effectiveness of our measures to increase advertiser diversity on our marketplace;
- increasing competition and consolidation in our industry;
- our focus on hotel and other accommodations if users expect other services;
- our ability to innovate and provide tools and services that are useful to our users and advertisers;
- our dependence on relationships with third parties to provide us consumer reviews;
- our reliance on search engines, which may change their business models or algorithms;
- any inaccuracies in, or misinterpretation of, the assumptions and estimates and data we use to make decisions about our business;
- changes to and our compliance with applicable laws, rules and regulations;
- the impact of any legal and regulatory proceedings to which we are or may become subject;
- potential disruptions in the operation of our systems, security breaches and data protection;
- impacts from our operating globally;

as well as other risks and uncertainties detailed in our public filings with the SEC, including trivago's Annual Report on Form 20-F for the fiscal year ended December 31, 2018 as such risks and uncertainties may be updated from time to time. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this release, whether as a result of new information, future events or otherwise.