



Earnings Call Q4 2018

6 February 2019



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We refer to increases in traffic quality in this presentation. We measure traffic quality by estimating booking conversion and booking value from data voluntarily provided to us by certain of our advertisers. While we believe the quality of the traffic we referred to our advertisers improved in the fourth 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 and our advertisers 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 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; 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 continues to mature; our ability to increase advertiser diversity on our market; the success of measures we are implementing aimed at maximizing the life-time value of the user, including the "attribution model" with respect to the allocation of performance marketing Advertising Spend; global political and economic instability and other events beyond our control; increasing competition and consolidation in our industry; our advertiser concentration; our ability to maintain and increase our brand awareness as we reduce our Advertising Spend; our ability to maintain and/or expand relationships with, and develop new relationships with, hotel chains and independent hotels as well as OTAs; our reliance on search engines, which may change their algorithms; any inaccuracies in, or misinterpretation of, the assumptions and estimates and data we use to make decisions about our business; the potential development and impact on us of legal and regulatory proceedings to which we are or may become subject; our reliance on technology; our ability to establish and maintain an effective system of internal control over financial reporting and avoid any future material weakness; our ability to attract, train and retain executives and other qualified employees; and our entrepreneurial culture and decentralized decision making. 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 2019

Appendix: Financial statements

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Company update

Financial performance

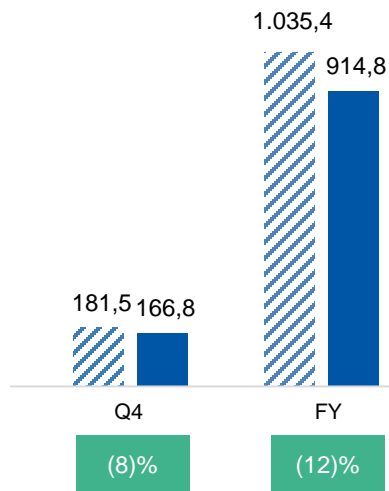
Guidance 2019

Appendix: Financial statements

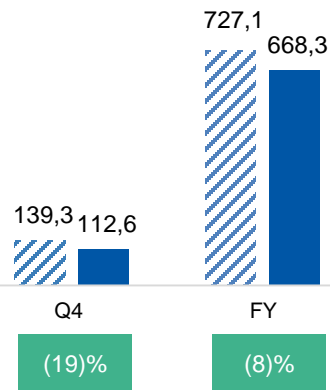
Q4 2018 – Financial Performance

▨ 2017
 ■ 2018
 ■ YoY

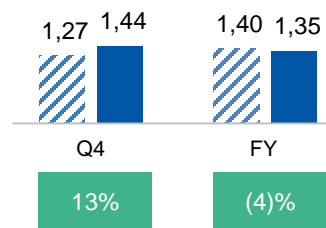
Total Revenue (€mm)



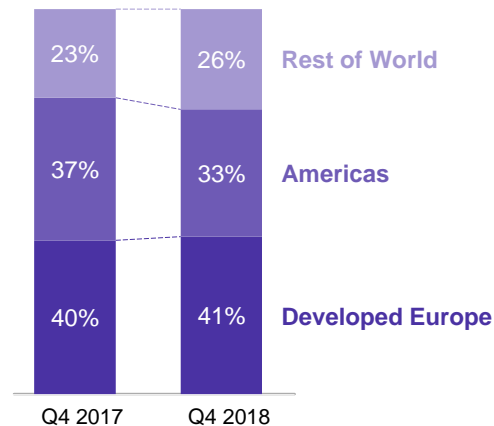
Qualified Referrals (mm)



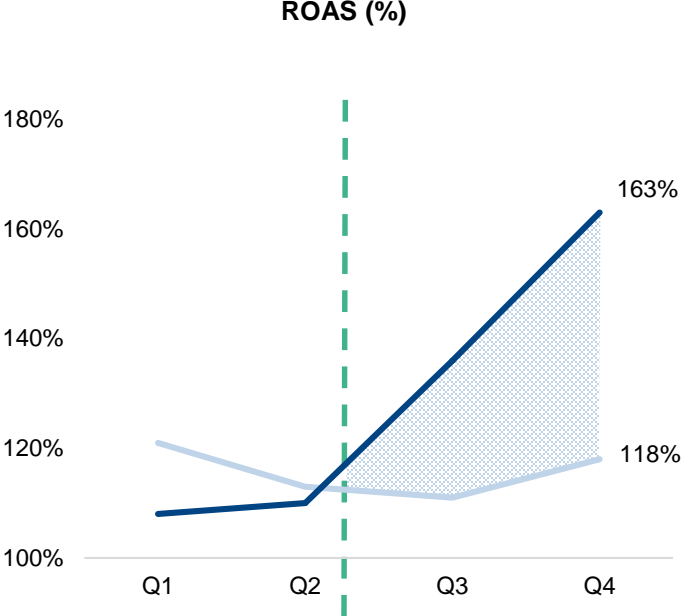
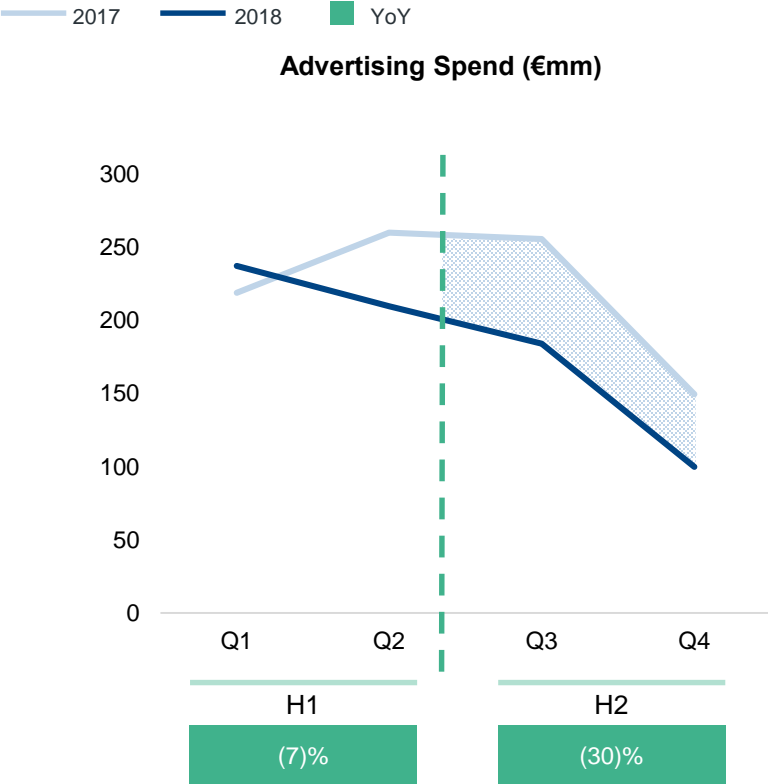
RPQR¹ (€)



Referral Revenue by segment



Return on Advertising Spend improved in H2 2018



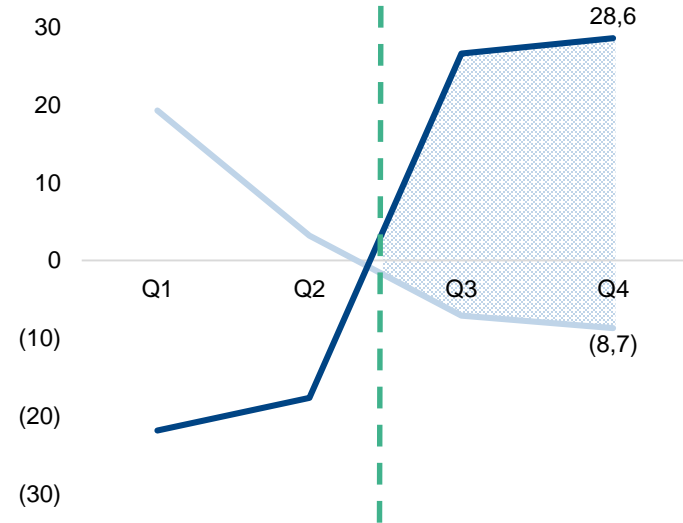
The positive trend in our operating expenses contributed to an increase in Adjusted EBITDA in 2018

— 2017 — 2018 ■ YoY

Operating expenses¹ (€mm)

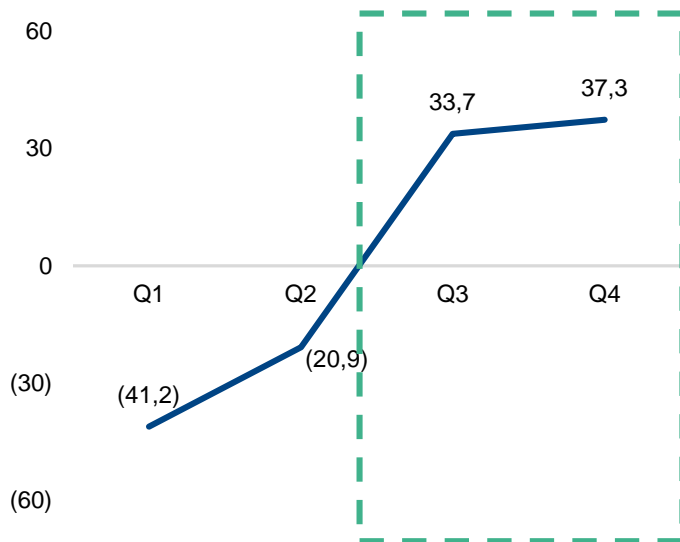


Adj. EBITDA² (€mm)

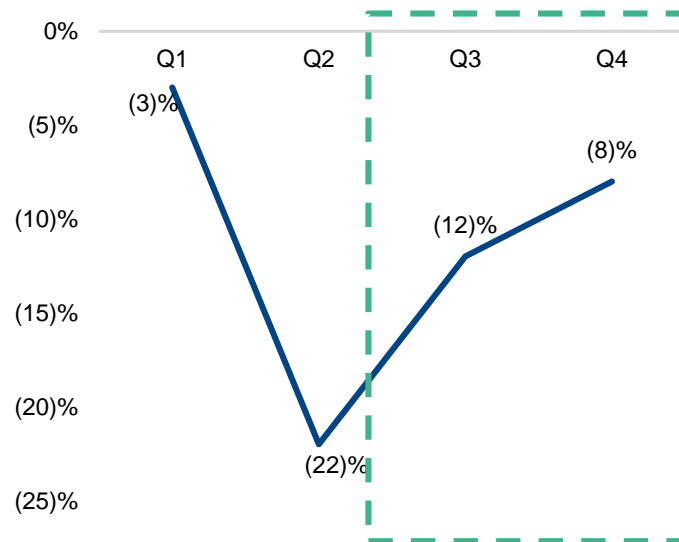


Year-over-year our Adjusted EBITDA increase accelerated while the Referral Revenue decline decelerated

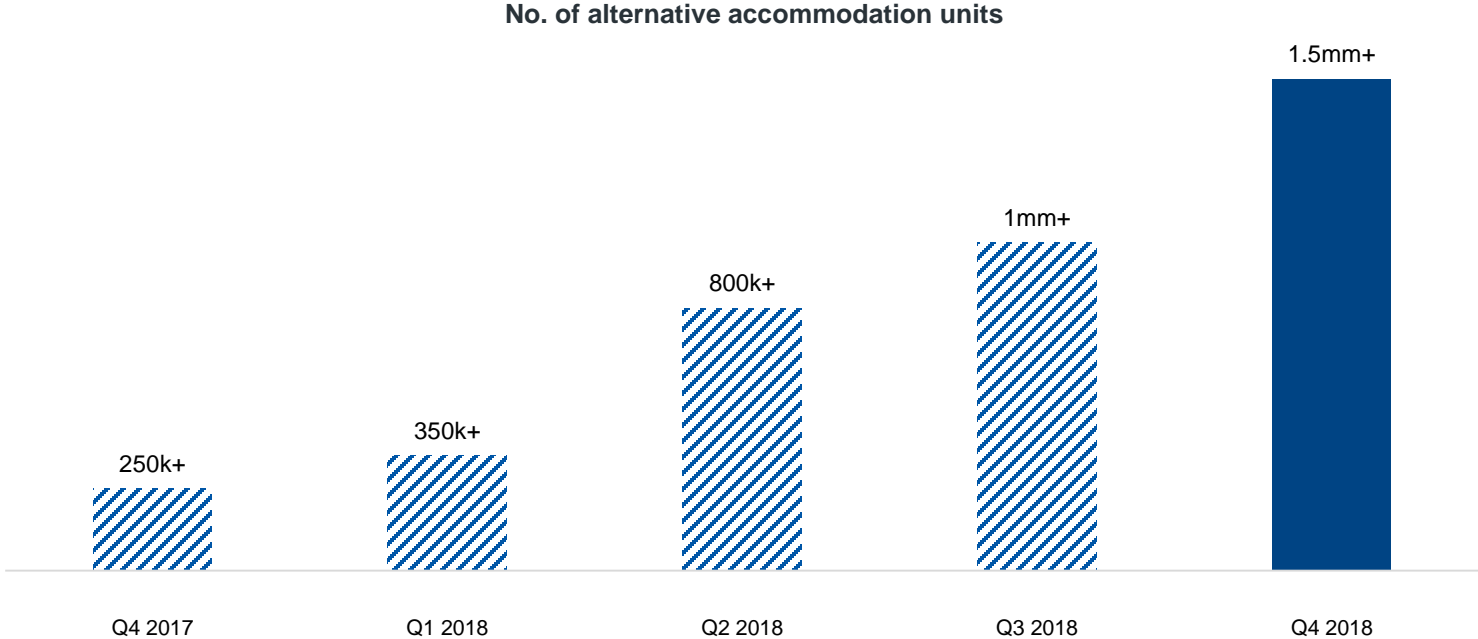
Change in Adj. EBITDA¹ 2018 vs. 2017 (€mm)



Referral Revenue YoY% 2018 vs. 2017

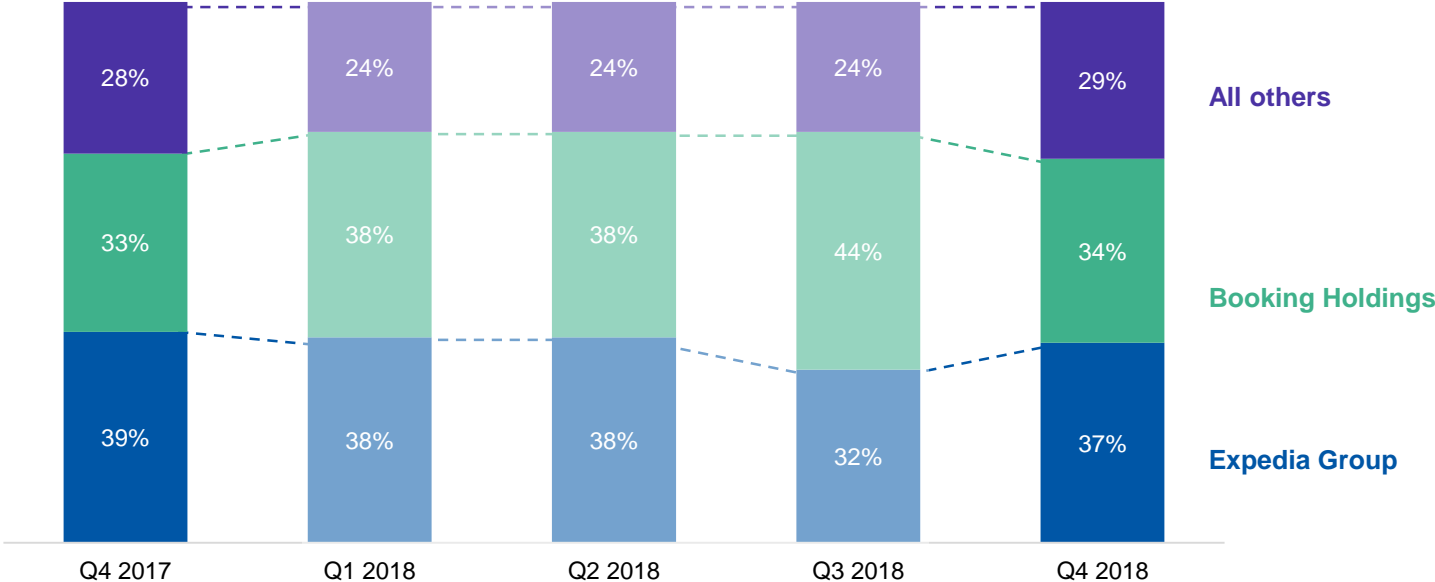


Our alternative accommodation effort continues: we have crossed the 1.5mm units milestone



Our advertiser mix was similar to Q4 2017

Advertiser revenue share as % of total revenue



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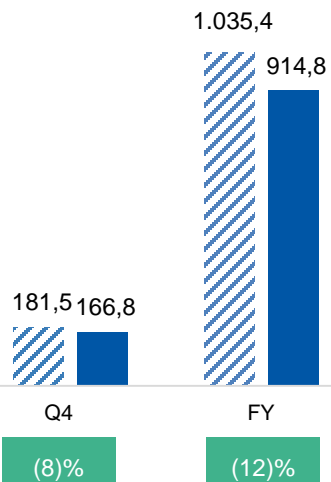
Appendix: Financial statements

Q4 2018 – Financial Update

▨ 2017
 ■ 2018
 ■ YoY

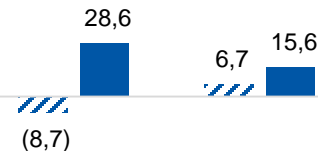
Total Revenue

(€mm)

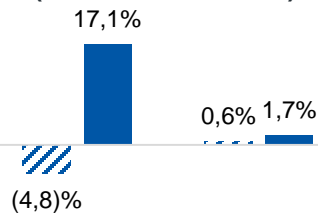


Adj. EBITDA¹

(€mm)

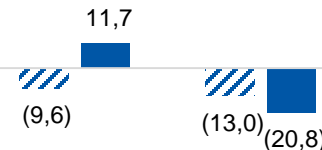


(% of Total Revenue)

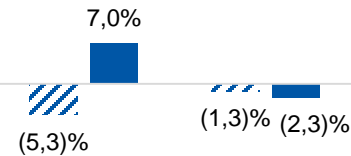


Net Income / (Loss)

(€mm)

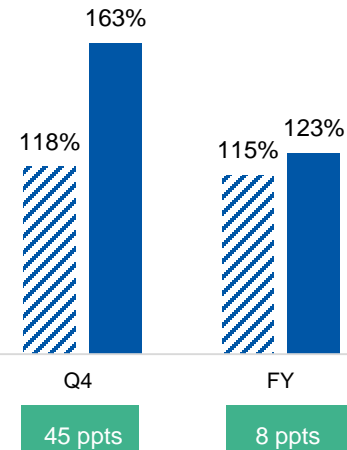


(% of Total Revenue)



Return on Advertising Spend

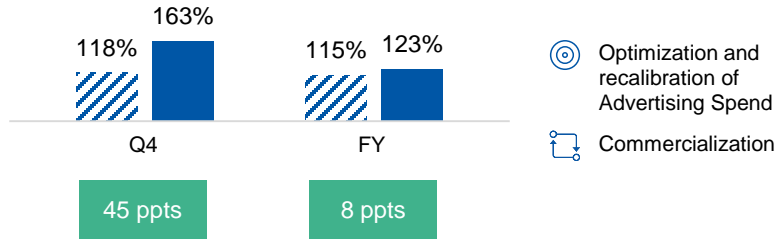
(%)



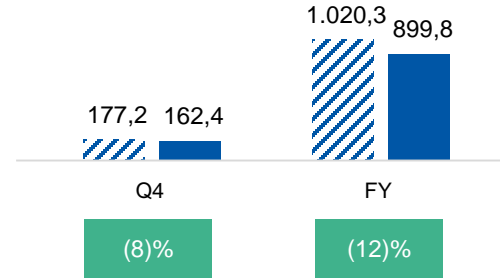
KPI – Global

2017 2018 YoY

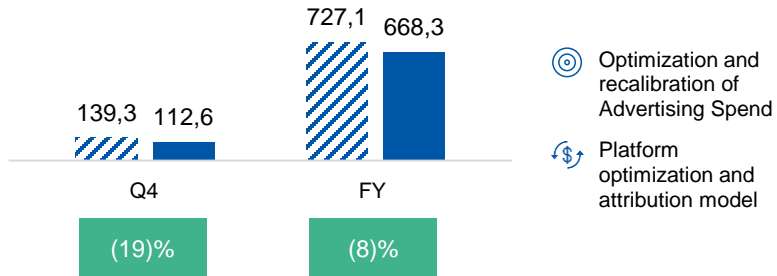
ROAS (%)



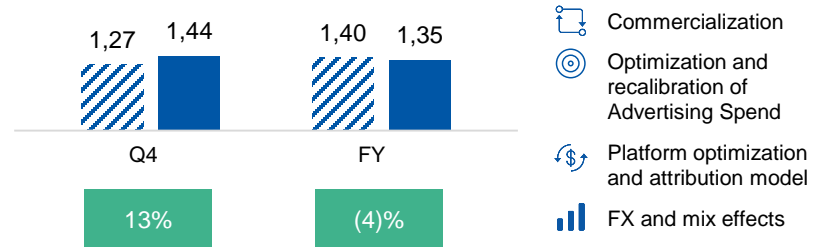
Referral Revenue (€mm)



Qualified Referrals (mm)



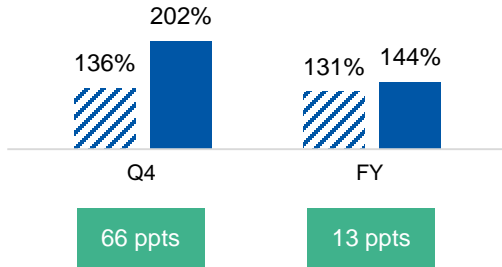
RPQR¹ (€)



KPI – Developed Europe

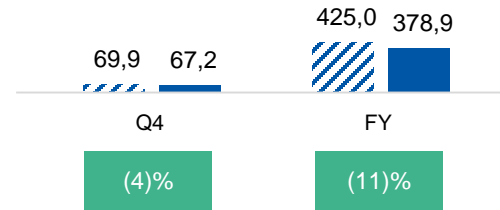
2017 2018 YoY

ROAS (%)

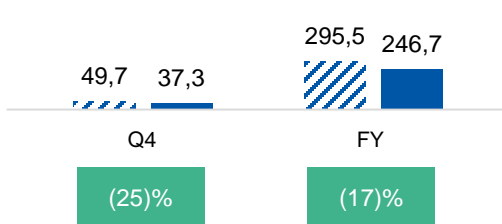


- ROAS significantly improved in Q4 2018
- Primarily driven by the optimization and recalibration of our Advertising Spend

Referral Revenue (€mm)

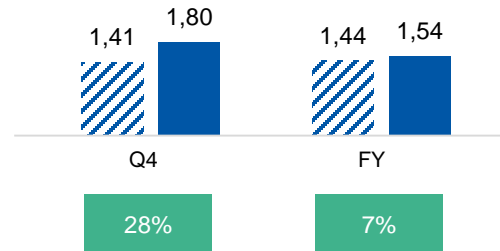


Qualified Referrals (mm)



- Qualified Referrals in Q4 2018 were negatively impacted by a reduction in our Advertising Spend and product optimizations

RPQR¹ (€)

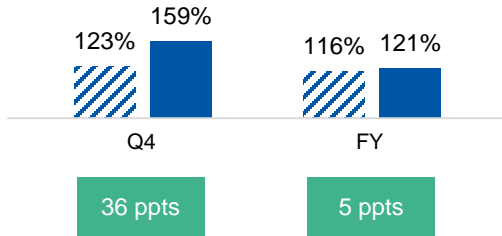


- RPQR significantly improved in Q4 2018
- Mainly impacted by the optimization and recalibration of our Advertising Spend and platform optimizations

KPI – Americas

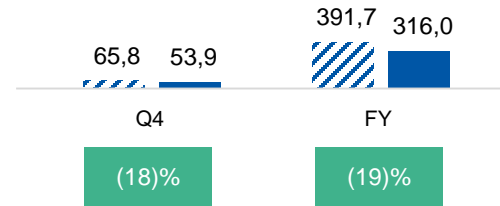
2017 2018 YoY

ROAS (%)

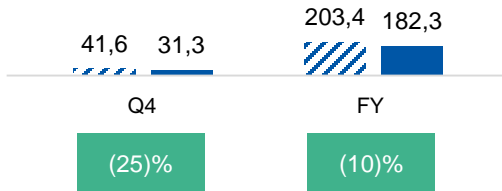


- ROAS significantly improved in Q4 2018
- Primarily driven by optimization and recalibration of our Advertising Spend and to lesser extent by slightly improved levels of commercialization vs. Q4 2017

Referral Revenue (€mm)

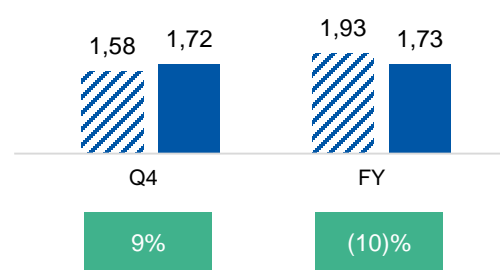


Qualified Referrals (mm)



- Qualified Referrals in Q4 2018 were negatively impacted by a reduction in our Advertising Spend and product optimizations

RPQR¹ (€)

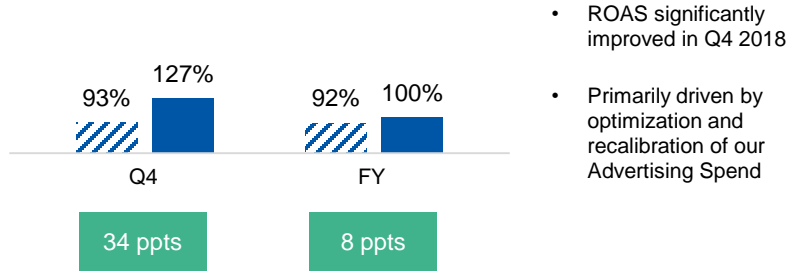


- RPQR improved in Q4 2018, impacted by optimization and recalibration of our Advertising Spend, platform optimizations and slight improvement in commercialization
- Negatively impacted by unfavorable country mix shift towards lower RPQR locales and devaluation of certain Latin American currencies

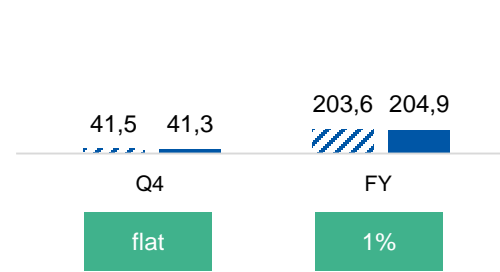
KPI – Rest of World

2017 2018 YoY

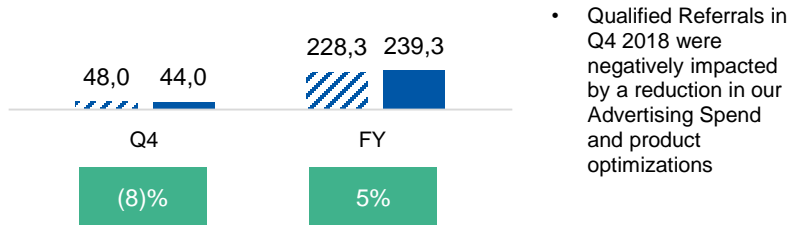
ROAS (%)



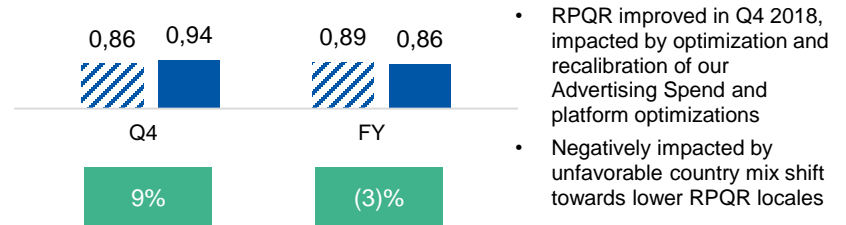
Referral Revenue (€mm)



Qualified Referrals (mm)



RPQR¹ (€)



Q4 2018 Summary



Continued to **optimize and recalibrate** Advertising Spend, resulting in **strong profitability improvement**



Benefitted from **stable and improved** marketplace dynamics vs. Q4 2017 when some of our largest advertisers had conducted **significant testing activities**



Referral Revenue **relatively resilient in Developed Europe**, despite significant reductions in Advertising Spend reflecting our **strong brand**



Strategic focus on alternative accommodation continues, as we steadily increased the supply to **1.5mm units of alternative accommodation**

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Guidance for 2019

Adjusted EBITDA

- FY 2019 **Adj. EBITDA**¹ expected to be between **€50mm – €75mm**

Total Revenue

- **Total Revenue** expected to **decline in H1², significantly more in Q1 than in Q2**
- **In H2, Total Revenue** expected to **return to growth²**

Appendix

Consolidated Financials FY 2018, trivago N.V.

in €k	FY 2018	FY 2017	Abs Δ vs. FY'17	Δ vs. FY'17
Referral revenue	899,822	1,020,333	(120,511)	(11.8)%
Other revenue	14,994	15,050	(56)	(0.4)%
Total revenue	914,816	1,035,383	(120,567)	(11.6)%
Cost of revenue	5,435	5,930	(495)	(8.3)%
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.6%</i>		
Selling and marketing	804,653	946,925	(142,272)	(15.0)%
<i>% of Total revenue</i>	<i>88.0%</i>	<i>91.5%</i>		
Technology and content	66,904	52,232	14,672	28.1%
<i>% of Total revenue</i>	<i>7.3%</i>	<i>5.0%</i>		
General and administrative	54,326	47,444	6,882	14.5%
<i>% of Total revenue</i>	<i>5.9%</i>	<i>4.6%</i>		
Amortization of intangible assets	1,684	3,220	(1,536)	(47.7)%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>0.3%</i>		
Operating income (loss)	(18,186)	(20,368)	2,182	(10.7)%
Net interests and other expenses	(1,300)	2,555	(3,855)	(150.9)%
<i>% of Total revenue</i>	<i>(0.1)%</i>	<i>0.2%</i>		
Income taxes	1,392	(4,764)	6,156	(129.2)%
<i>% of Total revenue</i>	<i>0.2%</i>	<i>(0.5)%</i>		
Income (loss) from equity method investment	63	—	63	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
Net income (loss)	(20,815)	(13,049)	(7,766)	59.5%
<i>% of Total revenue</i>	<i>(2.3)%</i>	<i>(1.3)%</i>		
Net (income) loss attributable to non-controlling interest	—	568	(568)	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>0.1%</i>		
Net income (loss) attributable to trivago N.V.	(20,815)	(12,481)	(8,334)	66.8%
<i>% of Total revenue</i>	<i>(2.3)%</i>	<i>(1.2)%</i>		

Comments

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

Consolidated Financial Information FY 2018, trivago N.V.

in €k	FY 2018	FY 2017	Abs Δ vs. FY'17	Δ vs. FY'17	
Referral revenue	899,822	1,020,333	(120,511)	(11.8)%	1
Other revenue	14,994	15,050	(56)	(0.4)%	2
Total revenue	914,816	1,035,383	(120,567)	(11.6)%	
Cost of revenue excl. SBC	5,251	5,815	(564)	(9.7)%	
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.6%</i>			
Selling and marketing excl. SBC	801,380	943,411	(142,031)	(15.1)%	
<i>% of Total revenue</i>	<i>87.6%</i>	<i>91.1%</i>			
Advertising spend excl. SBC	731,478	884,685	(153,207)	(17.3)%	3
<i>% of Total revenue</i>	<i>80.0%</i>	<i>85.4%</i>			
Other s&m excl. SBC	69,902	58,726	11,176	19.0%	4
<i>% of Total revenue</i>	<i>7.6%</i>	<i>5.7%</i>			
Technology and content excl. SBC	61,644	48,618	13,026	26.8%	5
<i>% of Total revenue</i>	<i>6.7%</i>	<i>4.7%</i>			
General and administrative excl. SBC	42,341	38,662	3,679	9.5%	6
<i>% of Total revenue</i>	<i>4.6%</i>	<i>3.7%</i>			
Depreciation add-back	11,370	7,802	3,568	45.7%	
<i>% of Total revenue</i>	<i>1.2%</i>	<i>0.8%</i>			
Adjusted EBITDA	15,570	6,679	8,891	133.1%	
<i>% of Total revenue</i>	<i>1.7%</i>	<i>0.6%</i>			
Share-based compensation (SBC)	20,702	16,025	4,677	29.2%	
<i>% of Total revenue</i>	<i>2.3%</i>	<i>1.5%</i>			
EBITDA	(5,132)	(9,346)	4,214	(45.1)%	
<i>% of Total revenue</i>	<i>(0.6)%</i>	<i>(0.9)%</i>			
Depreciation and amortization	13,054	11,022	2,032	18.4%	
<i>% of Total revenue</i>	<i>1.4%</i>	<i>1.1%</i>			
Net interests and other expenses	1,300	(2,555)	3,855	(150.9)%	
<i>% of Total revenue</i>	<i>0.1%</i>	<i>(0.2)%</i>			
Income taxes	1,392	(4,764)	6,156	(129.2)%	
<i>% of Total revenue</i>	<i>0.2%</i>	<i>(0.5)%</i>			
(Income) / loss from equity method investment	(63)	—	(63)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
Net income (loss)	(20,815)	(13,049)	(7,766)	59.5%	
<i>% of Total revenue</i>	<i>(2.3)%</i>	<i>(1.3)%</i>			
Net (income) loss attributable to non-controlling interest	—	568	(568)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>0.1%</i>			
Net income (loss) attributable to trivago N.V.	(20,815)	(12,481)	(8,334)	66.8%	
<i>% of Total revenue</i>	<i>(2.3)%</i>	<i>(1.2)%</i>			

Comments

- 1 Referral revenue decreased by 12% YoY due to revenue decline in Americas of 19% YoY and in Developed Europe of 11% YoY
- 2 Other revenue slightly decreased due to the deconsolidation of myhotelshop in December 2017 which was partly offset by the increase in our subscription revenue
- 3 Advertising spend YoY decreased by 23%, 19% and 7% in Americas, Developed Europe and RoW
- 4 Other selling and marketing expenses increased by 19% YoY driven by higher investments in advertisement production as well as increase in personnel costs
- 5 Technology and content expense increased by 27% YoY mainly driven by increased personnel costs, increased costs for IT service providers and depreciation and office costs related to the new campus
- 6 General and administrative expense increased by 10% YoY driven by increased personnel and recruiting cost

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

in €mm	FY 2018	FY 2017	Abs Δ vs. FY'17	Δ vs. FY'17
Net income/(loss)	(20.8)	(13.0)	(7.8)	60.0%
Income from equity method investment	0.1	—	0.1	n.m.
Income/(loss) before equity method investment	(20.9)	(13.0)	(7.9)	60.8%
Expense/(benefit) for income taxes	1.4	(4.8)	6.2	(129.2)%
Income/(loss) before income taxes	(19.5)	(17.8)	(1.7)	9.6%
Add/(less):				
Interest expense	1.8	0.0	1.8	n.m.
Gain on deconsolidation of entity	—	(2.0)	2.0	n.m.
Other, net	(0.5)	(0.6)	0.1	(16.7)%
Operating income/(loss)	(18.2)	(20.4)	2.2	(10.8)%
Depreciation	11.4	7.8	3.6	46.2%
Amortization of intangible assets	1.7	3.2	(1.5)	(46.9)%
EBITDA	(5.1)	(9.3)	4.2	(45.2)%
Share-based compensation	20.7	16.0	4.7	29.4%
Adjusted EBITDA	15.6	6.7	8.9	132.8%

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

in €k	FY 2018	FY 2017
Cost of revenue	184	115
Selling and marketing	3,273	3,514
Technology and content	5,260	3,614
General and administrative	11,985	8,782
Share-based compensation	20,702	16,025

Consolidated Financials Q4 2018, trivago N.V.

in €k	Q4 2018	Q4 2017	Abs Δ vs. Q4'17	Δ vs. Q4'17
Referral revenue	162,389	177,246	(14,857)	(8.4)%
Other revenue	4,389	4,297	92	2.1%
Total revenue	166,778	181,543	(14,765)	(8.1)%
Cost of revenue	1,001	1,575	(574)	(36.4)%
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.9%</i>		
Selling and marketing	116,738	165,752	(49,014)	(29.6)%
<i>% of Total revenue</i>	<i>70.0%</i>	<i>91.3%</i>		
Technology and content	17,273	14,104	3,169	22.5%
<i>% of Total revenue</i>	<i>10.4%</i>	<i>7.8%</i>		
General and administrative	11,549	15,291	(3,742)	(24.5)%
<i>% of Total revenue</i>	<i>6.9%</i>	<i>8.4%</i>		
Amortization of intangible assets	421	422	(1)	(0.2)%
<i>% of Total revenue</i>	<i>0.3%</i>	<i>0.2%</i>		
Operating income (loss)	19,796	(15,601)	35,397	n.m.
Net interests and other expenses	65	2,502	(2,437)	(97.4)%
<i>% of Total revenue</i>	<i>—%</i>	<i>1.4%</i>		
Income taxes	8,220	(3,503)	11,723	n.m.
<i>% of Total revenue</i>	<i>4.9%</i>	<i>(1.9)%</i>		
Income (loss) from equity method investment	22	—	22	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
Net income (loss)	11,663	(9,596)	21,259	n.m.
<i>% of Total revenue</i>	<i>7.0%</i>	<i>(5.3)%</i>		
Net (income) loss attributable to non-controlling interest	—	28	(28)	n.m.
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>		
Net income (loss) attributable to trivago N.V.	11,663	(9,568)	21,231	n.m.
<i>% of Total revenue</i>	<i>7.0%</i>	<i>(5.3)%</i>		

Comments

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

Consolidated Financial Information Q4 2018, trivago N.V.

in €k	Q4 2018	Q4 2017	Abs Δ vs. Q4'17	Δ vs. Q4'17	
Referral revenue	162,389	177,246	(14,857)	(8.4)%	1
Other revenue	4,389	4,297	92	2.1%	
Total revenue	166,778	181,543	(14,765)	(8.1)%	
Cost of revenue excl. SBC	955	1,545	(590)	(38.2)%	
<i>% of Total revenue</i>	<i>0.6%</i>	<i>0.9%</i>			
Selling and marketing excl. SBC	116,037	164,945	(48,908)	(29.7)%	
<i>% of Total revenue</i>	<i>69.6%</i>	<i>90.9%</i>			
Advertising spend excl. SBC	99,872	149,716	(49,844)	(33.3)%	2
<i>% of Total revenue</i>	<i>59.9%</i>	<i>82.5%</i>			
Other s&m excl. SBC	16,165	15,229	936	6.1%	3
<i>% of Total revenue</i>	<i>9.7%</i>	<i>8.4%</i>			
Technology and content excl. SBC	15,597	13,331	2,266	17.0%	4
<i>% of Total revenue</i>	<i>9.4%</i>	<i>7.3%</i>			
General and administrative excl. SBC	8,484	13,186	(4,702)	(35.7)%	5
<i>% of Total revenue</i>	<i>5.1%</i>	<i>7.3%</i>			
Depreciation add-back	2,880	2,803	77	2.7%	
<i>% of Total revenue</i>	<i>1.7%</i>	<i>1.5%</i>			
Adjusted EBITDA	28,585	(8,661)	37,246	n.m.	
<i>% of Total revenue</i>	<i>17.1%</i>	<i>(4.8)%</i>			
Share-based compensation (SBC)	5,488	3,715	1,773	47.7%	
<i>% of Total revenue</i>	<i>3.3%</i>	<i>2.0%</i>			
EBITDA	23,097	(12,376)	35,473	n.m.	
<i>% of Total revenue</i>	<i>13.8%</i>	<i>(6.8)%</i>			
Depreciation and amortization	3,301	3,225	76	2.4%	
<i>% of Total revenue</i>	<i>2.0%</i>	<i>1.8%</i>			
Net interests and other expenses	(65)	(2,502)	2,437	(97.4)%	
<i>% of Total revenue</i>	<i>—%</i>	<i>(1.4)%</i>			
Income taxes	8,220	(3,503)	11,723	n.m.	
<i>% of Total revenue</i>	<i>4.9%</i>	<i>(1.9)%</i>			
(Income) / loss from equity method investment	(22)	—	(22)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
Net income (loss)	11,663	(9,596)	21,259	n.m.	
<i>% of Total revenue</i>	<i>7.0%</i>	<i>(5.3)%</i>			
Net (income) loss attributable to non-controlling interest	—	28	(28)	n.m.	
<i>% of Total revenue</i>	<i>—%</i>	<i>—%</i>			
Net income (loss) attributable to trivago N.V.	11,663	(9,568)	21,231	n.m.	
<i>% of Total revenue</i>	<i>7.0%</i>	<i>(5.3)%</i>			

Comments

- 1 Referral revenue decreased by 8% YoY due to revenue YoY decline in Americas and Developed Europe by 18% and 4% respectively
- 2 Advertising spend decreased by 37% YoY in Americas and 35% YoY in Developed Europe and by 27% YoY in RoW
- 3 Other selling and marketing expenses increased by 6% YoY driven by higher investments in advertisement production
- 4 Technology and content expense increased by 17% YoY driven by increased personnel costs mainly due to social security expenses and increased cost for IT service providers
- 5 General and administrative expense decreased by 36% YoY due to reduction in professional fees and other expenses

Reconciliation of non-GAAP Financial Measures Q4 2018, trivago N.V.

in €mm	Q4 2018	Q4 2017	Abs Δ vs. Q4'17	Δ vs. Q4'17
Net income/(loss)	11.7	(9.6)	21.3	n.m.
Income from equity method investment	0.0	—	—	n.m.
Income/(loss) before equity method investment	11.6	(9.6)	21.2	n.m.
Expense/(benefit) for income taxes	8.2	(3.5)	11.7	n.m.
Income/(loss) before income taxes	19.9	(13.1)	33.0	n.m.
Add/(less):				
Interest expense	0.8	0.0	0.8	n.m.
Gain on deconsolidation of entity	—	(2.0)	2.0	n.m.
Other, net	(0.9)	(0.5)	(0.4)	80.0%
Operating income/(loss)	19.8	(15.6)	35.4	n.m.
Depreciation	2.9	2.8	0.1	3.6%
Amortization of intangible assets	0.4	0.4	—	—%
EBITDA	23.1	(12.4)	35.5	n.m.
Share-based compensation	5.5	3.7	1.8	48.6%
Adjusted EBITDA	28.6	(8.7)	37.3	n.m.

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

in €k	Q4 2018	Q4 2017
Cost of revenue	46	30
Selling and marketing	701	807
Technology and content	1,676	773
General and administrative	3,065	2,105
Share-based compensation	5,488	3,715

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

in €k	FY 2018	FY 2017
Net income/(loss)	(20,815)	(13,049)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):		
Depreciation	11,370	7,802
Amortization of intangible assets	1,684	3,220
Impairment of internal-use software and website development	1,437	—
Share-based compensation	20,702	16,025
Deferred income taxes	(1,449)	(4,851)
Foreign exchange (gain) loss	587	(217)
Bad debt expense	630	78
Non-cash charge, contribution from Parent	—	107
Gain on deconsolidation of entity	—	(2,007)
Loss on sale of fixed assets	605	—
Gain from equity method investment	(19)	—
Change in operating assets and liabilities		
Accounts receivable, including related party	(14,412)	(29,734)
Prepaid expense and other assets	11,127	(10,434)
Accounts payable	(18,012)	13,590
Accrued expenses and other liabilities	3,150	9,183
Deferred revenue	(773)	3,863
Taxes payable/receivable, net	(396)	(2,097)
Net cash provided by/(used in) operating activities	(4,584)	(8,521)
Acquisition of business, net of cash acquired	—	(673)
Cash divested from deconsolidation	—	(249)
Capital expenditures	(24,779)	(17,364)
Proceeds from sale of fixed assets	634	—
Net cash used in investing activities	(24,145)	(18,286)
Payments of initial public offering costs	—	(4,038)
Dividends paid to NCI	—	(158)
Net proceeds from issuance of common stock	161	42
Tax payments for shares withheld	—	(3,062)
Net cash provided by/(used in) financing activities	161	(7,216)
Effect of exchange rate changes on cash	(24)	(1,259)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(28,592)	(35,282)
Cash and cash equivalents at beginning of the period	192,900	228,182
Cash and cash equivalents at end of period	164,308	192,900

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Comments

- 1 Net loss of €20.8 million driven by net loss in the first half of 2018
- 2 Change in operating assets and liabilities leading to a decrease in Cash and cash equivalents as Accounts receivable increased by €14.4 million mainly due to delayed payments from advertisers and decreasing Accounts payable of €18.0 million
- 3 Capital expenditures increased year-over-year mainly driven by capital expenditures related to the new campus

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Consolidated Statement of Cash Flows Q4 2018, trivago N.V.

in €k	Q4 2018	Q4 2017
Net income/(loss)	11,663	(9,596)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in):		
Depreciation	2,880	2,803
Amortization of intangible assets	421	422
Impairment of internal-use software and website development	292	—
Share-based compensation	5,488	3,715
Deferred income taxes	5,821	(2,861)
Foreign exchange (gain) loss	247	(44)
Bad debt expense	310	(486)
Non-cash charge, contribution from Parent	—	107
Gain on deconsolidation of entity	—	(2,007)
Loss on sale of fixed assets	215	—
Gain from equity method investment	22	—
Change in operating assets and liabilities		
Accounts receivable, including related party	4,585	27,728
Prepaid expense and other assets	2,827	(7,058)
Accounts payable	(16,192)	(10,713)
Accrued expenses and other liabilities	(269)	5,356
Deferred revenue	(1,454)	(422)
Taxes payable/receivable, net	1,844	1,148
Net cash provided by/(used in) operating activities	18,700	8,092
Acquisition of business, net of cash acquired	—	—
Cash divested from deconsolidation	—	(249)
Capital expenditures	(2,603)	(5,750)
Proceeds from sale of fixed assets	549	—
Net cash used in investing activities	(2,054)	(5,999)
Payments of initial public offering costs	—	—
Dividends paid to NCI	—	—
Net proceeds from issuance of common stock	150	1
Tax payments for shares withheld	—	—
Net cash provided by/(used in) financing activities	150	1
Effect of exchange rate changes on cash	43	(184)
Net increase/(decrease) in cash, cash equivalents and restricted cash	16,839	1,910
Cash and cash equivalents at beginning of the period	147,469	190,990
Cash and cash equivalents at end of period	164,308	192,900

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Comments

- 1 Cash flow from operating activities mainly driven by Net income of €11.7 million in Q4 2018
- 2 Change in operating assets and liabilities leading to a decrease in Cash and cash equivalents as decline in Accounts receivable of €4.6 million was over-compensated by a decline in Accounts payable of €15.9 million
- 3 Capital expenditures declined year-over-year after move into new campus

Consolidated Balance Sheet FY 2018, trivago N.V.

in €k	As of December 31, 2018	As of December 31, 2017	
Cash and cash equivalents	161,871	190,201	1
Restricted cash	122	103	
Accounts receivable, less allowance	55,961	43,062	2
Accounts receivable, related party	39,655	39,063	
Tax receivable	281	2,092	
Prepaid expenses and other current assets	8,346	18,758	
Total current assets	266,236	293,279	
Property and equipment, net	162,001	114,471	3
Other long-term assets	6,148	6,955	
Intangible assets, net	171,609	173,294	
Goodwill	490,529	490,455	
Total assets	1,096,523	1,078,454	
Accounts payable	33,656	51,307	4
Income taxes payable	1,221	3,428	
Deferred revenue	7,863	8,941	
Accrued expenses and other current liabilities	18,181	14,711	
Total current liabilities	60,921	78,387	
Deferred income taxes	46,856	48,305	
Other long-term liabilities	134,489	97,787	5
Class A common stock	1,887	1,855	
Class B common stock	191,880	191,880	
Reserves	751,262	730,431	
Contribution from parent	122,307	122,307	
Accumulated other comprehensive loss	(89)	(180)	
Accumulated deficit	(212,990)	(192,318)	
Total stockholders' equity attributable to trivago N.V.	854,257	853,975	
Noncontrolling interest	—	—	
Total stockholders' equity	854,257	853,975	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,096,523	1,078,454	

Comments

- 1 Decrease in Cash and cash equivalents was mainly driven by net cash used in investing activities primarily for the new campus
- 2 Accounts receivable from non-related parties increased to €56.0 million mainly due to delayed payments from advertisers
- 3 Increased net Property and equipment due to the new campus
- 4 Accounts payable decreased to €33.7 million mainly driven by the decline in Advertising Spend
- 5 Other long-term liabilities increased primarily due to build-to-suit lease accounting for new campus

Reconciliation of quarterly non-GAAP Financial Measures 2017 - 2018

in €mm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Net income/(loss)	7.7	(3.4)	(7.7)	(9.6)	(21.8)	(20.7)	10.1	11.7
Income/(loss) from equity method investment	—	—	—	—	—	—	0.1	—
Income/(loss) before equity method investment	7.7	(3.4)	(7.7)	(9.6)	(21.8)	(20.7)	10.0	11.6
Expense/(benefit) for income taxes	4.7	0.3	(6.3)	(3.5)	(7.4)	(6.6)	7.1	8.2
Income/(loss) before income taxes	12.4	(3.1)	(14.0)	(13.1)	(29.1)	(27.3)	17.1	19.9
Add/(less):								
Interest expense	—	—	—	—	—	0.3	0.7	0.8
Gain on deconsolidation of entity	—	—	—	(2.0)	—	—	—	—
Other, net	0.1	0.1	(0.3)	(0.5)	(0.1)	0.4	0.1	(0.9)
Operating income/(loss)	12.5	(3.0)	(14.3)	(15.6)	(29.2)	(26.6)	17.9	19.8
Depreciation	1.5	1.7	1.9	2.8	2.4	3.1	3.0	2.9
Amortization of intangible assets	2.0	0.4	0.4	0.4	0.4	0.4	0.4	0.4
EBITDA	16.0	(0.9)	(12.0)	(12.4)	(26.4)	(23.1)	21.2	23.1
Share-based compensation	3.3	4.1	4.9	3.7	4.5	5.4	5.4	5.5
Adjusted EBITDA	19.3	3.2	(7.1)	(8.7)	(21.9)	(17.7)	26.6	28.6

