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TRVG.OQ - Q2 2026 Trivago NV Earnings Call

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CORPORATE PARTICIPANTS

Johannes Thomas *Trivago NV - CEO and Management Board Member*

Wolf Schmuhl *Trivago NV - Chief Financial Officer, Managing Director - Finance and Legal, Member of the Management Board*

CONFERENCE CALL PARTICIPANTS

Naved Khan *B. Riley Securities, Inc - Equity Analyst*

Dae Lee *J.P. Morgan Securities LLC - Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen. Thank you for standing by, and welcome to the trivago second-quarter earnings call 2026. I must advise you the call is being recorded today, Wednesday, August 5, 2026. We are pleased to be joined on today's call by Johannes Thomas, trivago CEO and Managing Director; and Wolf Schmuhl, trivago CFO and Managing Director.

The following discussion, including responses to your questions, reflects management's view as of Tuesday, August 4, 2026, only, unless expressly stated otherwise, in which case it reflects management's view as of today, Wednesday, August 5, 2026, 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 second quarter 2026 operating and financial review and trivago'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 reconciliations of non-GAAP measures to the most comparable GAAP measures discussed today in trivago's operating and financial review, which is posted on trivago's investor relations website at ir.trivago.com.

You are encouraged to periodically visit trivago's investor relations website for important content. Finally, unless otherwise stated, all comparisons on this call will be against results for the comparable period of 2025.

With that, let me turn the call over to Johannes.

Johannes Thomas - *Trivago NV - CEO and Management Board Member*

Good morning and thank you for joining our Q2 2026 earnings call. This quarter marked three years since Jasmine, Andrej, and I returned to trivago with the ambition to turn around the company. At that time, trivago was not at a good place.

We had come out of the pandemic weaker than other players in our space. Our product was no longer competitive, and our brand had suffered from years of underinvestment. We refocused the company on its core proposition, saving travelers time and money, and on bringing trivago back to the top of travelers' minds. That work keeps paying off.

In Q2, we delivered our sixth consecutive quarter of double-digit year-over-year total revenue growth, exceeding our expectations on both top and bottom line. Total revenue grew 21% year over year, and we achieved a positive adjusted EBITDA, marking our first positive second quarter since 2023. To put this in context, the first half of the year is our investment period, while the second half is where we expect to earn the majority of our profits.

Reaching profitability already in Q2, while substantially cutting our first half adjusted EBITDA loss, shows how much our earnings profile has strengthened as we head into our strongest season. We achieved this and our continued growth despite foreign exchange headwinds and geopolitical pressures weighing on our Rest of the World segment.

Let me share a few strategic highlights of the quarter. Brand traffic referral revenue growth once again substantially outpaced our total referral revenue growth, demonstrating that we are growing through the channels that are strategically and financially most attractive to us. Our product converts significantly better with conversion rate up 64% since Q2 2023, improving our unit economics.

Building on our member strategy and growing member base, CRM-related channels now give us new ways to engage travelers with no dedicated marketing investment required. Referral revenue from CRM channels has more than doubled compared to last year, exceeding our internal expectation in pace and relevance.

trivago Book & Go continues to scale in our marketplace, tripling compared to the previous year, and we are pleased to have onboarded Expedia as a supply partner on this part of our platform. These strong operational and strategic developments give us the confidence to raise our full-year guidance.

For 2026, we now expect total revenue growth in the mid-teens percentage range and adjusted EBITDA of around EUR30 million. We are also narrowing our path to a target adjusted EBITDA margin of 10% by 2028.

Our long-term strategy is playing out. In 2025, our theme was Turning the Tide, reflecting our commitment to making our turnaround a reality. This year, under the theme Optimized Momentum, Pushing Frontiers, we are building on that foundation. We aim to strike the right balance between growth and marketing discipline while continuing to innovate at the leading edge of our field.

I'm proud of how our teams drive this momentum, leveraging the best of AI in our product, in our marketing, and in how we work, making us more impactful as an organization. We are confident that this, alongside our brand and product flywheels, can continue to drive growth and profitability.

With that, let me walk you through the progress we made against each of our three strategic priorities this quarter. These priorities have been in place since 2023, and that consistency is deliberate. We set a clear strategy, and we have executed against it quarter after quarter. For additional detailed illustrations, please also refer to our investor presentation on ir.trivago.com.

Our first strategic priority is to drive growth through brand marketing. Our brand engine continues to compound. Branded traffic referral revenue growth once again substantially outpaced our total referral revenue growth, meaning our growth is coming disproportionately from the channel that matters most to us long-term. We see branded traffic as more lasting. Travelers return to us directly rather than through paid channels, and this is where compounding effects of our brand investments show up.

Through this, we also aim to further diversify our channel mix and improve the resilience of our business. We remain disciplined in how we deploy performance marketing investments. We continuously optimize our paid channels for their marginal contribution and adjust our attribution and investment strategy accordingly.

In recent months, we have further leveled up how we measure and think about these investments, sharpening our incrementality and elasticity testing. Referral revenue from SEO traffic sources is only accounting for a low-single-digit share of our referral revenue.

One topic we haven't touched on much before is how our growth funnel is compounding. Our brand investments bring a growing base of travelers to trivago. Our member initiatives turn a meaningful share of them into signed-up profiled members, and every single sign-up gives us a direct line to travelers throughout their planning and booking journey.

From there, our CRM activities, such as email and push notifications, let us reach them through channels we own at no dedicated marketing costs. CRM is still rather small in terms of revenue, but it is becoming a relevant profit contributor, with revenue more than doubling compared to last year.

Together, this funnel drives higher retention and revenue at structurally better margins, a meaningful building block on our path to greater profitability. Our second strategic priority is to enhance our core hotel search experience so travelers can book with confidence, saving time and money. Our product teams have maintained a high testing velocity, improving the user journey, lifting conversion, and strengthening our unit economics.

Since Q2 2023, our product conversion rate has increased by 64%, demonstrating how much better our product experience and marketing mix have become. This also makes trivago a more attractive channel for our partners, who we believe gain access to more incremental and higher-intent travelers.

This quarter, we enhanced the hotel search experience even further to better align with what we know travelers actually expect. Less friction and more reason to trust what they see. We aligned our desktop and mobile experience more closely, surfaced more relevant listings on every screen, and simplified the path from search to booking. This is the foundation on which our entire product roadmap is built on.

AI Highlights and AI Review Summaries are now a core part of how travelers compare hotels on trivago. We have continuously advanced both further. A new per-paragraph format with key elements highlighted and paired with the most relevant images make our AI-generated Review Summaries easier to scan and more visually appealing.

We have also improved the quality and ranking of our Hotel Highlights for more than 500,000 hotels. They are now context-aware, giving travelers a more personalized experience based on what they are looking for. These are just a few examples of how we aim to help people search and decide with more confidence on trivago.

Our member proposition continues to strengthen, and our member base keeps growing. We are turning more and more anonymous visitors into profiled members who have a better reason to return, and our three-month retention rate of new members demonstrates this progress. It's up 24% since Q1 2023. Before intercompany eliminations, logged-in members generate more than 30% of referral revenue. The more we know our users, the more we can do for them and the more we can engage with them.

trivago Book & Go continues to scale rapidly, and its share of bookings on our platform has roughly tripled compared to last year, making it one of the top players in our marketplace. In the recent months, we onboarded several new advertisers to Book & Go, including Expedia as a supply partner.

Most importantly, we integrated Book & Go more natively into our platform to achieve a more seamless user experience and higher downstream conversion, building on the technology we gained through the Holisto acquisition last year. We continue to bring teams and technologies closer together to maximize the value we create for our users and partners.

Our third strategic priority is to help our partners realize their full potential on our platform. Our partner mix has become structurally more resilient. Before intercompany eliminations, the share of referral revenue from all others advertisers has grown from 20% in Q2 2023 to 35% in Q2 2026, reflecting a broader and more diverse base of advertisers succeeding on our platform.

Our transaction-based CPA model has been a key driver of this shift, exceeding our expectation in both adoption and performance. By shifting complexity of bid optimization and risk exposure away from our partners, we believe we are helping advertisers compete more effectively, which strengthens the long-term health of our marketplace.

Beyond our three strategic priorities, I want to share the strong progress we are making on AI adoption at trivago. Last time, I described our ambition for our roughly 600 core talents to operate with the impact of 6,000. That ambition is showing up in our internal AI adoption numbers. Our latest internal AI survey found 93% of our talents now use AI daily, up from 63% a year ago, and 86% say it makes a real, measurable difference in their output.

On average, our talents are saving 55 minutes a day, up from 36 minutes last year. Our investment reflects the same trend. In the first seven months of 2026, we spent more than five times as much on AI tooling and tokens for our teams as we did across all of 2025. We believe our size also puts us in a sweet spot, and recent research from Ramp supports this.

Looking at more than 21,000 US companies, the economists found that AI adoption peaks at companies around our size with a technical talent composition similar to ours. We see a real advantage in this. We are big enough to build cutting-edge infrastructure and small enough to keep a culture built on curiosity and speed.

Saving time and becoming more efficient is great, but we believe the real leverage lies elsewhere. Each of us is becoming dramatically more capable, making better decisions, building products, and scaling reliable systems faster. Our ambition is to become an AI native company where agentic systems take on more of the execution and our people focus on direction, judgment, and craft.

While we're excited about this progress, we remain disciplined about where our growing investment in this technology creates real value. We're educating our talents, we develop mission-focused AI playbooks for our teams, and are building our own infrastructure, drawing on open-source models wherever they let us move just as fast at lower cost.

I'm confident in how trivago can compete from here. We have the direction, the momentum, and talents who are eager to learn and execute faster than anyone else in our space.

With that, I'll hand over to our CFO, Wolf, for a more detailed financial review.

Wolf Schmuhl - *Trivago NV - Chief Financial Officer, Managing Director - Finance and Legal, Member of the Management Board*

Thank you, Johannes, and good morning, everyone. Q2 marked another strong quarter for trivago, and we are delighted that we exceeded our internal year-over-year expectations for both total revenue growth and profitability. We achieved a 21% year-over-year increase in total revenue while shifting more towards profitability, despite tough prior-year comparables.

Our brand strategy, together with significantly improved unit economics by conversion uplifts, underpin our balanced approach of driving top-line growth while improving profitability. These developments reinforce our confidence in targeting a 10% adjusted EBITDA margin by 2028.

In our view, the current share price continues to understate trivago's long-term earnings potential, and we will continue our buyback program as we see it as a disciplined and high-return use of capital. As of July 31, 2026, we have repurchased around 700,000 ADS for around $3.5 million.

Let's review our second-quarter results, as well as our full-year 2026 and midterm outlook. Unless otherwise indicated, all comparisons for 2026 are on a year-over-year basis. In the second quarter, total revenue reached EUR168.4 million, representing year-over-year growth of 21%.

Americas grew 16% and Developed Europe 14% in referral revenue year over year, both exceeding our expectations, driven by growth in branded channel traffic, compounding brand effects, and improved marketing efficiency. Rest of World referral revenue declined 11% year over year, impacted by FX headwinds of approximately 7% and geopolitical pressures in the Middle East, including airspace restrictions and elevated oil prices.

Throughout the quarter, we took a tactical approach in these markets, adjusting bidding, spend, and targets locally. The situation in the Middle East remains fluid and creates near-term uncertainty, and we will manage our exposure dynamically as it evolves.

That said, Rest of World represented just 18% of our Q2 referral revenue, so the impact on the total referral revenue was limited. Our revenue base is well-diversified, which makes us structurally more resilient to localized macro pressures. For the second quarter, we reported a net loss of EUR5.2 million.

At the same time, we delivered a positive adjusted EBITDA of EUR1.1 million, ahead of our internal expectations and marking the first time since 2023 that we have achieved this milestone already in the second quarter.

Operational expenses increased by EUR26.9 million year over year, totaling EUR174.2 million for the second quarter. This was mainly due to a EUR14.3 million increase in selling and marketing, resulting from higher investment in both brand and performance marketing channels made over the course of the quarter and incremental expenses resulting from the consolidation of trivago DEALS.

Advertising spend increased by EUR8.3 million or 18% in Developed Europe, EUR6.2 million or 14% in Americas, and decreased by EUR2.3 million or 9% in Rest of World. Despite further scaling of our marketing investments this quarter, global ROAS rose from 119.0% in Q2 last year to 121.8% in Q2 this year.

Americas delivered a notable ROAS improvement, climbing from 116.9% in Q2 2025 to 125.3% in Q2 2026. While Developed Europe experienced a slight decline from 122.1% to 121.0% due to strong brand investments. And Rest of World softened from 117.1% to 115.9%. By the end of Q2 2026, we held EUR114.5 million in cash and cash equivalents and no long-term debt, underscoring our exceptional financial position.

Our third quarter is off to an encouraging start. We will continue scaling our brand marketing investments, though at a more moderated pace than in prior years, leveraging compounding brand effects to sustain the momentum of increased profitability in 2026. In addition, we are now consolidating trivago DEALS without the previous one-month reporting lag, eliminating the timing differences which impacted our consolidated financial statements since the third quarter of 2025 until the first quarter of 2026.

We anticipate sustaining our growth trajectory with steadily improving profitability, targeting a 10% adjusted EBITDA margin by 2028. For 2026, we are increasing our full-year guidance to mid-teens percentage year-over-year total revenue growth and an adjusted EBITDA of around EUR30 million.

With that, let's open the line for questions. Operator, we are now ready to take the first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Naved Khan, B. Riley Securities.

Naved Khan - *B. Riley Securities, Inc - Equity Analyst*

Great. Thank you very much. A couple of questions from me. And great execution here, guys. I like the fact that you guys now are guiding to 10% and put a date on that -- 2028. How should we be thinking about your ability to grow the top line as you kind of march towards that 10% target by 2028? Give us your thoughts on that.

And then the second question I have is, in terms of the trivago Book & Go, it's now around 35% in terms of share. How high do you think the share can go? And also curious why Expedia opted to participate in that. They have their own brand and just trying to understand why they would opt towards to participate in Book & Go.

Wolf Schmuhl - *Trivago NV - Chief Financial Officer, Managing Director - Finance and Legal, Member of the Management Board*

Hi, Naved. Thanks for your question. So let me take the first one. How do we think about the top-line development and combined with the 10% adjusted EBITDA margin that we call out for 2028. First of all, we were comfortable to setting this target because the sum of trends that we already observe independently contributed to this new target.

We see the compounding effects from our brand flywheel. We see an improved product, which led to conversion rate improvements of around 64%. And all these factors gave us confidence in order to call this out. And in terms of top line, we are still planning to grow above market, and this is how we look at it at the moment.

Johannes Thomas - *Trivago NV - CEO and Management Board Member*

I can comment on Book & Go. And maybe, Naved, the further we go into the year, we will give guidance on next year on top line, but that's what we feel confident sharing right now. I think it will be very interesting how our member strategy turns out, how we create stickiness with users. And I think we are second year into this. We see encouraging results, and we want to see how this unfolds before we give more top-line guidance as well.

On the Book & Go side I think what's important here that we continue expanding it across markets. It's 16 markets now that we have launched the product in. And the question on Expedia is that they just want additional visibility and when you join our Book & Go product, they are basically visible with their own brand. And then with their inventory, they are also visible with our branded channel.

So it's basically giving them incrementality. That's the belief. So they have the benefit of incremental visibility, and we have the benefit of offering this on a more broad scale as we prospectively believe this can be more attractive for members as well to, on a long-term basis, book more consistently through the Book & Go channel so you have a convenient experience.

And this growth quickly, it tripled its share over the course of the year. I'm not sure if you said a percentage number, we are not sharing an absolute percentage number of size. It's a relevant part of the all other segment, but not the majority. This is maybe what we can share here, and it's one of several drivers of the all other segment. The all other segment has been growing because of a combination of things.

It's a ton of accommodation player being more active in our space, the direct segment becoming more competitive from changes we have done around our hotel details pages, which we shared last quarter and the previous quarter, I believe, where we make them more competitive in our marketplace.

They don't have a search results list like Booking or Expedia, and we basically improve the experience and make them more competitive so the direct players have leaned in more and also enjoy bigger share in our marketplace. And that's it around Book & Go and the dynamics with the all other segment.

Does that answer your question?

Naved Khan - *B. Riley Securities, Inc - Equity Analyst*

Yeah. I want to correct myself. I think the 35% is to all other, not just Book & Go, which is a part of it, but do you think this 35% can continue to climb higher? Where do you see it over the medium term? That's a follow-up question on that.

And then the second part of this is, are you also seeing Google implement changes in Europe? I think they've been required to do that and is that a tailwind for you or are they still not implementing those changes?

Johannes Thomas - *Trivago NV - CEO and Management Board Member*

Yeah. So, I think very good questions on the all others. How this develops, we are kind of agnostic to that. If it's around 35%, we think our marketplace is more balanced. We see it's very elastic if different players are acting on our marketplace. So that's what we see as much more healthy than it used to be when I think back in the times.

So it depends on what the different market participants decide where this goes. So we don't control this. And it's definitely, I think, rather unhealthy if this goes below 30%. Everything between 30% and 40% we perceive as a healthy distribution. So where it is, we feel quite good about that.

And then your question on Google, it's a very good one, and we have not seen Google implementing a solution into their general search results case. You're pointing to the DMA case probably. So that is something we expect. You have probably heard that in July 2026, the commission has found Google non-compliant and fined them EUR890 million because of self-preferencing in search, among other things.

And they also explicitly named hotels among the verticals that Google favored. So I think overall, we have been quite vocal about this case, and this validates it. Also, the claim we have filed, this directionally supports the case of the claim we have been filing in May against Google. And what we expect Google to react on this is because the commission also emphasized if Google is not reacting in 30 days, they face daily penalties up to 5% of global turnover.

So there is a continued fine that Google would expect. So we expect Google to react. We have seen Google testing new versions that appear to be compliant, so we will see how this goes. And then will this be a tailwind? We always said there's lots of different changes on search results. It's very hard to predict what's a tailwind, what's a headwind. It's generally volatile.

I think it's a structural tailwind. So when I say structural, I think strategic long-term. They are not self-preferencing their own product anymore. So we have a more fair playing field where we can compete on eye level. And that's good for us because we believe we have a better product for consumers, and I think that's generally positive to see. And if they continue to deliver on compliance, I think that's important to us, and we are keen to see how this will develop.

Naved Khan - *B. Riley Securities, Inc - Equity Analyst*

Great. Appreciate the color. Thank you, guys.

Operator

Doug Anmuth, JPMorgan.

Dae Lee - *J.P. Morgan Securities LLC - Analyst*

Great. Thanks for taking the questions. This is Dae on for Doug. First one, on your 10% adjusted EBITDA margin target that is being brought forward, what are the key building blocks that is giving you confidence to move that higher? Is it more of the channel mix that you are seeing benefit from, or is it more of the conversion lift or marketing discipline that is giving you the confidence?

And then secondly, could you talk about some of the primary drivers behind Book & Go's strong growth that you're seeing right now? Do you feel like or do you have a preference in whether a user goes down that Book & Go funnel or the metasearch funnel?

Johannes Thomas - *Trivago NV - CEO and Management Board Member*

Thank you for the question. Maybe I repeat what Wolf said to make it clear. I think generally, and I said that in my remarks as well, one thing is through brand marketing, we bring more people on our platform. We see branded users are more sticky, have a higher probability to return than people coming from performance marketing channels.

So as we lean into that, down the line, you will have the effect that we mentioned that last time. We have stepped up brand marketing over the years with quite big steps. I believe last year ad spend went up 20%. This year, ad spend first half of the year went up around 10%. We continue to expect to bring up brand spend, but at lower magnitude than the previous years.

So just from increasing brand spend slower, we expect profitability to come into the bottom line from the compounding effect. And additionally, apart from brand marketing, and this is a major part of our equation, to your question on how to weigh these things.

And then the second one is conversion improvement, and that is a direct one. If you improve conversion rate by 1 percentage point this has a big impact on the bottom line so it's the second big building block.

And then what I mentioned around the member strategy, weshared members are 24% more sticky than they used to be back in the days. This signals we have a better member proposition that is more meaningful, and we believe increase the probability of users coming back. That's the third big building blockSo increase brand, increase conversion, and more stickiness of users.

And one thing we mentioned first time this time is our CRM revenue. This is a very easy one to think about that already has become much more relevant for us. We have now for members that make more than 30% of our referral revenue. We have the emails, and we can build a direct relationship and

there is a window of roughly two weeks where people take their decision, where to book, what hotel to book. The research stage certainly goes further back, but these two weeks are very important. And if we have a higher engagement through app notifications or emails, we don't have to rebuy users expensive through certain channels. We can get them through CRM, which does not have direct marketing costs. So that's a very easy one to think about how to bring profitability up among the two others I explained as well.

And we have seen and we have shared in our investor presentation, we have shared you a graph that show the operational trajectory we are seeing in all of these dimensions, and that makes us confident that we can achieve that.

And then Book & Go. Generally, travel is quite chaotic, have different touchpoints and how people book and how they jump between sites, how they pick flights first, hotel first, and when they book what is a quite chaotic process, and it usually involves or often involves several decision-makers. That's also what makes it chaotic.

And about Book & Go, you can think that some users have a preference, and our base belief is if you think about these 30% of members, maybe at some point 40%, these are the ones that will have a preference for Book & Go. But then there will be a segment that just appreciates the meta proposition. And by no means we plan to weaken our meta proposition.

We think this is our differentiating factor in our positioning, in our marketing, in our product, that we will not weaken by in any way. So we expect to be multi-partner. And our Book & Go is a funnel that facilitates it for those users who want to. So we maybe see 10%, 15%, 20% of our users in the future using Book & Go, but it's very hard to decide and understand which user has which preference at what point given the chaotic user journey that is just inherently there.

Dae Lee - *J.P. Morgan Securities LLC - Analyst*

Got it. Thank you.

LSEG DATA & ANALYTICS

Operator

(Operator Instructions) There are no further questions at this time. I will now turn the call back to Johannes for closing remarks.

Johannes Thomas - *Trivago NV - CEO and Management Board Member*

Yes. Thank you. Over the past three years, we have deliberately diversified our marketing mix and rebalanced our marketplace. The result is a structurally more resilient business, now delivering its sixth consecutive quarter of double-digit growth. From here, we remain focused on steering towards continued growth at higher profitability.

None of this would be possible without the team behind it. What stands out to me is the discipline and pace at which our talents are executing and learning. That's our greatest competitive advantage. I want to thank everyone for their commitment and dedication. To our partners and investors, thank you for your continued trust, and thank you all for joining today.

Operator

This concludes today's call. Thank you for attending. You may now disconnect.