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TRVG.OQ - Q4 2025 Trivago NV Earnings Call

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## CORPORATE PARTICIPANTS

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

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## PRESENTATION

### Operator

Good day, ladies and gentlemen. Thank you for standing by, and welcome to the trivago Q4 earnings call 2025. I must advise you the call is being recorded today, Wednesday, February 4, 2026. We are pleased to be joined on the call today by Johannes Thomas, trivago's CEO and Managing Director; and Wolf Schmuhl, trivago's CFO and Managing Director. The following discussion, including responses to your questions, reflects management's view as of Tuesday, February 3, 2026, only, unless expressly stated otherwise, in which case, it reflects management's view as of today, Wednesday, February 4, 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 Q4 2025 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](http://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 2024.

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

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Good morning, and thank you for joining our Q4 2025 earnings call. We are thrilled to share the results of an exceptional year 2025, and our fourth consecutive quarter with double-digit year-over-year growth in Referral revenue and higher-than-expected profitability. For the full year 2025, we exceeded both our top and bottom-line expectations despite material FX-related headwinds, delivering 19% year-over-year total revenue growth and EUR15.8 million in adjusted EBITDA.

We closed the year with an exceptionally strong fourth quarter, achieving 27% year-over-year total revenue growth. In 2025, our strategic theme for the year was Turning the Tide, steering our focus on making our turnaround a reality.

In 2026, we are rallying behind the theme, Optimizing Momentum, Pushing Frontiers, striking the right balance between growth and marketing discipline while continuing to innovate at the leading edge of our space. Our long-term strategy is playing out. We are confident that our brand and product flywheels can continue to drive growth and profitability.

For 2026, we expect double-digit total revenue growth and are targeting at least EUR20 million of adjusted EBITDA. Despite strong comparables in the first half of the year, we anticipate our fifth consecutive quarter of double-digit total revenue growth in Q1 at higher profitability compared to previous year.

Let me now highlight a few developments of the past year that demonstrate our outstanding progress the trivago team has achieved since Andrej, our CPO; Jasmine, our CMO, and I returned to the company in mid-2023.

Our increased brand marketing investments since mid-'23 are paying off. Branded traffic revenue growth has outpaced top line revenue growth significantly in the recent years. We are seeing compounding effects and sustained attractive return on incremental brand marketing spend. Our core hotel search product continues to advance quickly.

In 2025, we have improved our conversion reaching 37% increase versus 2023, materially enhancing our unit economics. These gains are powered by AI and hundreds of experiments each quarter. We have evolved our member proposition, driving revenue from logged-in members to more than 25% of Referral revenue, a 93% increase in Q4 2025 compared to Q4 2023.

Our investments in empowering partners are translating into meaningful gains. Our partners reach more qualified leads than ever, and our transaction-based CPA model continues to exceed expectations.

More than 140 partners have adopted this operating model and over 25% of Referral revenue is now processed under this model. Referral revenue flowing through our higher-converting trivago Book & Go funnel has increased by 137% in Q4 2025 compared to Q4 2023.

Zooming out, we believe we are well positioned within a \$1.6 trillion travel market with hotels representing about \$500 billion of that opportunity. Our recent research shows that roughly half of travelers prioritize value for money and competitive prices. More than 40% of travelers compare prices between different booking sites.

Our deal-oriented value proposition is tailored to this need, giving us conviction that we have a substantial room to grow. Let me now recap our key success drivers behind each of our strategic pillars and outline our priorities for 2026. For additional detail, please refer to our investor presentation on [ir.trivago.com](http://ir.trivago.com), which further demonstrates our progress and the points I'm about to cover.

Our first strategic priority is to drive growth through brand marketing. Our brand engine continues to gain momentum. Our brand marketing team has run campaigns in 30 countries and have delivered success across all geographical segments in 2025.

Our AI-powered summer campaign featuring global icon and soccer coach, Jürgen Klopp, has proven very effective, and our winter campaign started with promising results. In the last quarter, we followed a different approach compared to previous year.

We leaned into LATAM markets, which have a different peak seasonality, and invested in other key markets where we identified exceptional opportunities that we chose to exploit. We're consistently improving brand marketing efficiency and have expanded into new brand marketing channels. We remain disciplined and invest behind what we see is working.

In 2026, we will continue to increase brand marketing spend, primarily in the markets we have focused on in the recent years. However, the pace of growth in brand spend will be substantially lower than in the past years as we are now getting closer to our target brand marketing investment levels.

Our priority will shift from entering new markets to further optimizing existing ones. Unlike prior years, when profitable regions subsidized newly activated markets to a greater extent, we expect the slower growth in incremental brand marketing spend, combined with compounding effects of the past investments to make us progressively more profitable in 2026 and beyond.

Our second strategic priority is to enhance our hotel search and price comparison experience. In 2025, we significantly increased the number of tests run on our platform, delivering meaningful product improvements and conversion rate gains.

Advanced machine learning and LLMs have enabled us to develop and scale AI-powered features that are broadly adopted by our users. Our AI highlights and AI review summaries are changing how people discover and evaluate hotels in every search on trivago today. Our AI-driven natural language search allows travelers to search hotels in entirely new ways.

We launched our AI Smart Search in Q4 2024, becoming the first hotel search platform to offer this capability. It's an advanced free-text search powered by large language models that lets users find hotels using natural conversational queries.

Since the launch, we have steadily increased its visibility, continuously refined both the UX as well as the underlying logic. As a result, we are seeing growing user adoption. Our member proposition continues to strengthen as well, which we expect to improve retention. The key drivers behind this success are the exclusive rates that our partners provide to our members and our enhanced ability to personalize search results.

Looking ahead to 2026, we will maintain our relentless focus on improving our core product. We see clear upside in further increasing conversion through high-velocity testing. We will continue to invest in AI-powered features that are central to offering a superior hotel search experience. We aim to lead on price perception, offering great deals and making them easy for users to find.

We will also stay focused on expanding our member base. In addition, we will double down on trivago Book & Go, which we aim to integrate more deeply in our user platform's journey with a goal to facilitate a more seamless booking experience that further elevates conversion rates for our partners and trivago.

Our third strategic priority is to empower our partners to realize their full potential on our platform. Our transaction-based CPA model has seen broad adoption among small and mid-sized partners. These partners often lack resources and data scale needed to optimize bids and exposure effectively in our auction.

By shifting risk and optimization complexity away from bidding, the CPA model helps smaller partners compete more effectively in our marketplace. Going forward, we will continue to deliver highly qualified users to our partners, equip them with even better tools and increase our efforts to help them optimize their rates on trivago.

In particular, we will focus on working with our partners to deliver more exclusive deals to our members. Finally, let me share my enthusiasm on the evolution of AI. I see this as a huge opportunity for our business and shareholders.

Our vision is to operate with 600 people as if we were 6,000. We are fast, nimble team adopting AI in every possible way, using it to amplify our marketing impact with previously unimaginable features for our users, and boost our team's productivity day by day. In short, we are doing far more without expanding our workforce.

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

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**Wolf Schmuhl** - Trivago NV - Managing Director & Chief Financial Officer

Thank you, Johannes, and good morning, everyone. We are excited to report that the fourth quarter reflected our profitable growth trajectory with a year-over-year total revenue growth of 27%. For the full year, we achieved total revenue growth of 19% year-over-year, a net income of EUR11.2 million and an adjusted EBITDA of EUR15.8 million, despite FX-related headwinds.

Our brand strategy as well as our continuous product improvements led to an all-time high in our conversion rate, which significantly improved our unit economics. Let's review our fourth quarter results and our 2026 outlook. Unless otherwise indicated, all comparisons for 2025 are on a year-over-year basis.

In the fourth quarter, our total revenue reached EUR120 million, representing a 27% increase compared to the same period in 2024. We are pleased to note this marks our fifth consecutive quarter of total revenue growth.

This growth was driven by yet another quarter of strong year-over-year double-digit Referral revenue growth of 20% in Americas, 16% in Rest of World and 15% in Developed Europe. We achieved this despite FX-related headwinds of approximately 5% globally.

The growth was primarily driven by increased branded channel traffic in response to our ongoing brand marketing investments. Strong creatives and a diversification of our branded marketing channels create further potential to scale and reduce our dependency on search engines.

During the fourth quarter, we reported a net income of EUR14.5 million and achieved a better-than-expected adjusted EBITDA of EUR11.3 million. Operational expenses increased by EUR26 million, totaling EUR113 million for the fourth quarter. This was mainly due to a EUR19.7 million increase in selling and marketing, resulting from higher brand marketing investments made over the course of the quarter and incremental expenses resulting from our acquisition of trivago DEALS, formerly Holisto.

Advertising spend increased by EUR9.8 million or 43% in Americas, EUR4.3 million or 31% in Rest of World, and EUR3.8 million or 18% in Developed Europe, driven largely by increased brand marketing investments in all trivago core segments.

Due to the scaling of our brand marketing investments in this quarter, global ROAS decreased from 162.9% in the prior year to 147.9% in 2025. We observed a reduction in ROAS year-over-year across all trivago core segments during the fourth quarter with Americas decreasing from 159.6% in 2024 to 137.5% in 2025, Rest of World decreasing from 148.3% in 2024 to 131% in 2025 and Developed Europe from 176% in 2024 to 173.8% in 2025.

As of December 31, 2025, we held EUR130.9 million in cash and cash equivalents and no long-term debt, underscoring our exceptional financial position. Although we are facing tough comps in Q1 and Q2 2026, we are off to an encouraging start in line with our expectations.

We will maintain cost discipline and keep our headcount stable by leveraging AI. We will further scale our brand marketing investments, but on a lower level compared to previous years, and make use of compounding brand effects in order to gradually increase profitability in 2026.

For 2026, we expect double-digit percentage total revenue growth and an adjusted EBITDA of at least EUR20 million.

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

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## QUESTIONS AND ANSWERS

### Operator

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

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### Naved Khan - B. Riley Securities Holdings Inc - Equity Analyst

So my first question is just a little bit of clarification on the guidance. So for the double-digit growth in 2026, how should we think about the growth in Referral revenues because you do have some contribution from the Holisto acquisition?

Should we expect Referral revenue to also grow in the double digits? And then maybe a related question is, pre-COVID, I think you had around over EUR800 million in Referral revenue, and you had kind of set out an aspiration goal of getting back to those kind of levels. Do you still expect to get back to where you were pre-COVID levels? And I think the EBITDA margin around the time was around 6%. So how should we think about that over the kind of medium term?

And then maybe just a clarification on the brand advertising channel. I think you talked about kind of finding a new opportunity. Can you just elaborate on that a little bit, if it's offline or online? And what's the opportunity to scale that channel?

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**Wolf Schmuhl** - *Trivago NV - Managing Director & Chief Financial Officer*

Naved, here's Wolf. Thanks for your question. So let me start with your first question and clarify on how we want to give guidance from now. We decided and we also mentioned it in the last earnings call that from now on, we will only give guidance on total revenue. Why do we do this?

We think it's more meaningful because when you look at Referral revenue as a proxy for the development of trivago Core, this is from our perspective not meaningful anymore because you will have a distorted picture because -- and this is also described in our 6-K.

If you look only at the Referral revenue, because we presented after intercompany elimination. And therefore, the part that is related to trivago DEALS is not included. And it will be added as other revenue, and then you end up with a total revenue, which gives a meaningful picture from our perspective.

And another important point, which is important in this context is that the more trivago Book & Go will gain traction in the future, the more this picture that you miss when you only look at Referral revenue will be distorted. We will only give guidance on the total revenue and so on a consolidated level.

And yeah, here we are with a double-digit top line growth. And what maybe one other point that I would like to mention is, or what I can say is, that we saw an encouraging start in January, in line with our expectation for Q1, which is double-digit top line growth and improved profitability. That's it on the first question.

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Maybe I can talk about aspirations. And I think two things here. You mentioned 2019 numbers. It remains our aspiration to get as close as possible towards that. But it's not like a hard goal we want to achieve.

It's more an outcome of executing what we do in marketing. We are more disciplined in performance marketing, and we are not after just generating volumes. We are after driving branded traffic revenue growth, which means we are increasing our ad spend. We increased our marketing efficiency. We increased the impact of our creative, and we think we do still a substantial increase in brand marketing investment this year.

We will also see brand marketing investments in the next few years, but there will be a degressive curve. So the increased spend will kind of slow down, and then the revenue is more outcome because in terms of percentage -- in terms of profitability, we want to get to around 10% adjusted EBITDA share rather in the next few years. And from there, then decide, do we expand into new markets or do we further focus on expanding profitability and margins? And that's still open.

But I think in the short term, you should think about 2019 is the aspiration. Whether it's EUR800 million or EUR700 million, I think we will figure that out. We're not dogmatic about it. What's then important for us is to expand the bottom line, deliver a solid outcome and then

decide, do we continue to lean into growth? Or do we focus more on margin? And this decision is part dependent and we will take in a few years.

And then the brand marketing, I think I explained a bit the brand marketing strategy around the incremental spends being degressive and slowing down. I think this year, what you have seen in this quarter, the ROAS has been lower compared to previous year and even the previous year, the year before that. Typically, we had a higher ROAS in the fourth quarter. The major reason is that we've leaned into LatAm markets.

Latin American markets have a different seasonality, that peak seasonality is around these times. So it's basically a flipped peak seasonality in Europe. And in the US also, it's around July June, August and in Latin America, it's the opposite side. We have leaned into those markets. They used to be very successful.

Last year, we made a big leap in becoming more successful in these markets. And we doubled down this year in those markets in Q4. That's why you will see the ROAS is lower in terms of dynamics. And then we have also other markets where we saw opportunities and how you can think about that is, we are around the world talking to media stations and marketing outlets.

And when we see there's opportunity and being exposure available for an attractive price, we would take that opportunity and as we expect, a very attractive return on that. We have seen that in Q4. So we saw opportunities to lean into in other key markets, and we have done that as well. I think that's maybe how you can think about Q4, and what we did differently compared to previous years.

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

Excellent. Thank you very much, and keep up the good execution.

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Thank you.

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**Operator**

Doug Anmuth, JPMorgan.

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**Dae Lee** - *JPMorgan Chase & Co. - Analyst*

This is Dae Lee, on for Doug. First one, just talk a little bit about how you will characterize the health of global travel as we sit today? And are you expecting any impact from major sporting events, such as the Winter Olympics or the World Cup on your platform? And then secondly, where do you expect the most benefits to show up from the newer products like Book & Go and CPA model? And can these products drive further diversification in your advertiser base?

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Thanks for your question. Let me begin with -- I'll give you a quick overview on the travel trends we are currently seeing. So the development we are describing here is based on our internal data for Q4. And we see ADRs were positive in Rest of World, Americas, and Developed Europe were slightly negative. Length of stay was slightly up in all 3 segments, and ABV was positive in Developed Europe and Rest of World, and stable in Americas.

When we look at recent search interest based on our internal data for travel that starts in Q1 2026, the clicked ABV overall looks stable. Clicked ABV for Q1 in Developed Europe and Rest of World is positive. And for Americas, it's slightly negative. Share of search interest for four to five-star categories is stable on a global level.

And the average travel distance clicked during the fourth quarter remains positive year-on-year, while the mix of search requests for international travel destinations remain stable, except for trips by travelers from Americas, where we continue to see a shift more towards domestic trips by US travelers combined with double-digit declines in travel to the US from countries like Canada, Germany or France. So that's it on the travel trends.

Maybe the mega events, we have not modeled anything into neither positive nor negative impact around World Cup or Olympics. It's more a problem with many mega events overlapping each other. We don't see that. And they rather get more people to travel than less. So I think there's nothing we would call out here. We also don't see trends. We certainly see prices up during those periods in the effective cities, but that's probably no news.

And then what you asked around Book & Go and CPA, you can see in the share and the partner mix that our mix has become more healthy in the course of the last two, three years after pandemic, which is more -- it's back to where it has been 2019.

And we think that's a good level. And part of this development is that I think, in particular, maybe if you compare both, CPA has bigger impact in making partners more competitive. And Book & Go over the course also increased in impact. But it's still compared to CPA, I think, a smaller impact.

Book & Go, I think we shared it has grown 137% Q4 '25 compared to Q4 2023. And this trajectory you see also in the investor presentation has been a trajectory that also happened into 2025 and coming -- during 2024 and 2025. We expect this trend to continue and this will further support driving up conversions for our partners and for trivago as a whole. And that will contribute to that as well.

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**Operator**

Stephen Ju, UBS.

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**Unidentified Participant**

This is Vanessa, calling in for Stephen. So you previously mentioned Holisto now in trivago DEALS could provide white label booking engine services, particularly for small and medium-sized OTAs and potentially hotel chains. I was just hoping if we could get an update on this opportunity.

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

I think I touched on it a bit in my remarks and in the previous question. So what this means is, we facilitate the booking for our partners. Our priority is not and might be an opportunity in the future is that we kind of power full tech stacks of other OTAs or so on. That's not a priority for us. What we focus on this Book & Go being a channel that completes the booking on trivago on behalf of our partners.

And on behalf of trivago DEALS or the underlying product Holisto has been operating in the past. And that is developing very well in our platform, and with the main goal of driving conversion. And we outlined that conversion has been up 37% compared to 2023, which means marketing is more effective, which means user satisfaction is a lot higher and that, I think, will be the payoff year and not kind of a separate business line that we are after.

**Operator**

Wei Fang, Mizuho Securities.

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**Wei Fang** - *Mizuho Securities USA LLC - Analyst*

Congrats on the solid growth as well. I just want to double-click on the commentary you're saying you're getting much closer to your plan like brand marketing level, right? And does that mean you will need to maybe shift a little bit of your traffic strategy to some of the other channels on the way? Just wanted to see if you can comment on that.

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Thank you for your question. I'm not sure if I fully got it. But if you think about how we increase our brand investment, I think I have touched on it before, our strategy is to keep increasing this year substantially and the years ahead, but with less incremental growth than previous years. I think we generally -- what I mentioned is that we have also worked -- that we have also been successful in other brand market and new or additional brand marketing channels, if you are after that.

So in the past, we had a strong focus on linear TV. And over the past two years, we have tried a lot of new channels from streaming to podcasts to social media, all kinds of new channels that have emerged, and really, we're now able to scale because technologically, they evolve very well.

And we have diversified into channels. And today, we are less dependent on linear TV. And when it comes to broader marketing channels, we have been very disciplined in performance marketing. As we know, the attractive and the profitable traffic that we get that has stickiness and then also gives us lifetime value is branded traffic; when people come to us directly and they have our brand in mind, compared to performance marketing channels where you have a touch point and then don't have so much stickiness.

So we have reduced dependencies on performance marketing channels or on search channels over the course of the year, which was an important step as well, and we will continue to be disciplined on those channels. And I think on the brand channel, we have become more diversified, which was also an objective to get confidence that we have avenues to grow in brands and with a high elasticity when we incrementally invest.

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**Operator**

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

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**Johannes Thomas** - *Trivago NV - Chief Executive Officer, Managing Director - Communication, Strategy, Partnerships and Talents and Culture, Member of the Management Board*

Thank you. I'm proud to be on this journey with such a strong team, and I want to say thanks a lot to everyone at trivago for making our turnaround a reality. Our shareholders can be confident that we will remain focused on sustaining our momentum and be disciplined in executing on our strategy. Thank you to our partners and investors for your continued trust and support, and we look forward to sharing further updates in our next quarterly call. Thanks a lot.

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**Operator**

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

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