

Company Name: trivago N.V. (TRVG)

Event: Cowen and Company 45th Annual Technology, Media & Telecom Conference

Date: May 31, 2017

<<Kevin Kopelman, Analyst, Cowen & Company>>

All right. I think we're going to get started. Hi, everyone. Thanks for being here at the 45th Annual Cowen TMT Conference in New York. I'm Kevin Kopelman. I cover online travel space for Cowen. We're excited today to welcome Axel Hefer, CFO of trivago; and also Matthias Tillmann from trivago Investor Relations and Finance.

trivago is one of the fastest-growing companies in online travel. They are on pace to grow revenue about 50% to EUR1.1 billion this year. We estimate that they will generate about EUR9 billion in bookings for their advertisers. The Company is based in Dusseldorf, Germany. Axel joined trivago in early 2016. Before that, he was CFO and COO of the e-commerce company Home24 AG; and, before that, in private equity.

So I have a few questions here, but I also encourage all of you in the audience to ask questions as well. And I think we have a microphone that we'll be passing around. So with that, I'll kick it off. Axel, welcome.

<<Axel Hefer, Managing Director & Chief Financial Officer>>

Thank you.

<<Kevin Kopelman, Analyst, Cowen & Company>>

It's been a big year for trivago. You guys recently became the biggest – or the largest hotel search brand, worldwide. Can you just kick it off by telling us or describing how trivago fits into the online travel ecosystem today, especially relative to the big online travel agent companies? And then also how you see the Company evolving, where you see it going over the next five years or so?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

Sure. From a consumer perspective, what we do is that we help you to find out what kind of accommodation you're looking for, for a specific trip. Help you to find availability for that accommodation, and then gave you transparency where you can actually book that property at the best price. When you think about it from an industry structure perspective, the way we look at it is that there is a search layer that is actually serving exactly that functionality, helping users to navigate through all the different offerings, which is currently consisting of predominantly two players. One player is a generalist; I'll just call it Google. The other is a more specialized search company, which is trivago.

When you then go to the next layer, you've got the booking layer; so companies that actually interact with consumers to make a booking. And there you have got the large OTAs, so booking.com, Expedia. You've got providers of vacation rental, like HomeAway. And you've got private accommodation like an Airbnb. You have got hotel chains: Hilton, Marriott, et cetera. And then of course you have quite individual hotels that are in that layer as well.

And as in all Internet businesses, it is not that clear, so everybody is interacting with every layer, so to make it a bit more complex. But to simplify for the booking layer, the search layer is the performance marketing channel when they talk about it. And so we provide to the consumer a search functionality; and to the booking layer, a source of highly prequalified traffic.

When you look at that market structure as of today, if you just look at the different spend levels of the large hotelier players, for example, the generalist search player is very strong. So we estimate they are roughly seven to eight times our size in that vertical. And so in a way – but we been gaining shares for the last 10 years in that layer.

What is now changing? Fast-forwarding five to ten years, regard to whatever – to the future. There has been obviously a rise of both vacation rental and alternative accommodation, and we think that will continue. And that will not only continue because the core segments will grow, but also because the usage will become more and more diverse so that more and more people will – before they go on a trip, not decide upfront whether they are looking for an hotel or a private accommodation or vacation rental, but will actually decide in their search process. And as a consequence, the search for the right accommodation for your next trip will, from a consumer perspective, become more complex. And as a result of value that you can create as a search company will go up, from our perspective.

So that's the important change. The other important change that will happen is on the hotel chain side. We think that the hotel chains will have to become more active in performance marketing, and compete more aggressively for online traffic compared to what they do today. And the third change that we see in that industry landscape is that individual hotels will become more active as well. And so, why is that? Individual hotel, in a way, is online more competitive than it has been off-line. If you just think back 30 years ago, 40 years ago, whatever the right time is, when you were going to an online travel agency and said, okay, I want to go to Dusseldorf. You would have said, okay, there is a Hilton; there is a small hotel, no chain affiliation; another small hotel. And the immediate reaction, at least of me in the past would have been, okay, I've been to a Hilton; I know what I get.

So that is something that I would actually favor and give killay attribute additional benefit to that brand. Because I didn't have the chance to really look at all the details of the properties and really compare and understand them. With now the market moving online, of course there is a lot more transparency. What style of hotel it is; the trivago rating that we provide, which gives you a high level of comfort that it is actually a good

or a bad hotel – whether it's a good or bad hotel, the facilities that you can see, et cetera. In a way, your risk is going down to go for an independent hotel. And as a consequence, they are structurally more competitive, in a way, online versus off-line. And we think that they will more and more become active online as well.

<<Kevin Kopelman, Analyst, Cowen and Company>>

Can we dig in a little bit to just the competitive landscape? And particularly in the search layers you are talking about, what is it that trivago has been able to provide, and what's your strategy been that's allowed you to surpass all of the other sort of dedicated travel search brands? And then how do you see trivago comparing to the generalist search player and the kind of value add that you guys are bringing?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

I think there is one very simple reason, which is focus. We are extremely focused and we decided 10 years ago that we only want to do one thing. It was in the very early days of the Company, we've been doing many different things and trying out different things: so hotels, rental cars, reviews – a lot of different things. We then made the conscious decision in 2008 that we want to focus on the challenge in online travel that we see as the greatest, which is – what is the right accommodation? Which is a lot more complex, and where you need a lot more support to find the right place than in most of the other verticals.

And that focus is extremely powerful, and it's powerful along a couple of dimensions. It gives you, in a way, a competitive advantage. The first advantage obviously is you have a very focused product. You only do one thing. So for that one thing you can actually be better. You don't need to have any side conditions that you need to look at. In terms of marketing, the brand is very focused as well. Focused brands and focused messages are much easier to communicate, are much more efficient to communicate as in advertisements, particularly TV advertisement, people don't want to see your advertisement. They want to see baseball or football, et cetera. So you have to be very clear and crisp in the message that you want to convey. And the shorter it is, the better and the more efficient your advertisement.

And the last thing is probably the most important: only if you are very, very focused, it is clear to every employee in your company what the general direction of the Company is. And as a consequence, you can take decisions in a very decentralized manner and can benefit from the capabilities and the experience of a lot of people. And by managing a company that way, you are much faster in adapting and in implementing many, many small changes; so automatically recalibrating to the changing market environment. But that is only possible if you are very focused; otherwise, people don't know what to optimize for.

<<Kevin Kopelman, Analyst, Cowen and Company>>

And just kind of – just a follow-up on that. You've got this very focused brand, focused strategy. How do you think about – so, let's say some competitors see what you're doing or go after it – and try to go after it in the same way and re-create trivago, essentially. How do you think about your competitive moat and what keeps you on top as others try to emulate your strategy?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

I think when you think about it philosophically, if you are in a competitive market environment and you do something well, then at some point in time somebody will try to do the same. And that's completely normal. And I think it's nothing that you should worry about and that you should focus too much of your attention on. I think you just need to accept it. What is more important, though, is that you make sure that you continuously come up with new things, and that you continuously optimize on what you do and challenge the status quo, so in a way that you don't slow down but keep your pace.

And by doing that, you can ensure that you always have a better product and a superior value proposition to your users, even if certain features or certain strategies are copied by other players in the market.

<<Kevin Kopelman, Analyst, Cowen and Company>>

So just kind of backing up or going a different direction. What are you seeing in the travel environment more broadly today? We're almost in June, so kick off summer – how's the travel market?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

It's a good question. We are probably not the best company to ask because we are growing so fast that the underlying trend is, for us, more difficult to see than for a lot of other companies. And so, from what we see, we don't really see any change in the travel market. But then, again, with 68% growth, you wouldn't see a 2% change in the underlying market.

<<Kevin Kopelman, Analyst, Cowen and Company>>

Okay, let's talk about your advertisers. Obviously your model is you are sending the customer off to your booking partners. Over the last few years, Priceline and Expedia have been gaining share on the platform. How do you see that playing out? And can you talk about your initiatives with – also with chains and independent hotels to grow that part of the business?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

Yeah. So the revenue distribution that you are referring to is a bit different in our business than it is in a lot of other businesses. So it's not like in a manufacturing

business, where you design a specific product for a specific customer; and if he then drops out, you can't sell that product anymore. For us it's slightly different. We've got our users that come to trivago because we help them to navigate through all the different offers. And then they are referred to on their choice where they want to book. And so that is either the best offer, which for us is always in the most prominent position. Or if there are many offers at the same price, they might should choose to go for their OTA of choice or whoever is most visible.

But it is within the results of the competitiveness of the different advertisers on our platform; competitiveness and obviously return on investment levels that they are bidding for. So if there are certain advertisers gaining share, that means that either they have become more competitive vis-a-vis the others, or that they have invested more and reduced their profitability target. What we are doing, though, we are providing advertisers some tools to make sure that the gap in competitiveness is not becoming too big, because that obviously wouldn't be healthy for our overall value proposition.

We, for example, provide our advertisers the opportunity, if they wish to do so, to bid on their behalf. Which has, for them, the benefit of that we can look at all data, rather than whether – if they bid on their own, they can just look at the individual data. So it is, everything else being equal, slower to see certain trends in there. And so that is something that we are providing and where we see increasing acceptance from the advertisers. We are providing an optimized check-out process which we call express booking, which again, we optimize across all the advertisers that use it.

So in particular for smaller advertisers, that can be very interesting because they don't need to optimize themselves, but they can just benefit from the bundling of the volume of multiple advertisers. And, overall, that is of course a focus of us to make sure that advertisers as competitive as possible because only if they are – everybody is very competitive, you have very high liquidity in the marketplace and you have got sufficient pressure on everybody to move up to their individual return on investment target.

<<Kevin Kopelman, Analyst, Cowen & Company>>

What do you think has held back the hotels to date from competing more effectively on the trivago platform?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

I think it is a bit different, hotel chain by hotel chain, so it's very difficult to generalize there. But everything else being equal, I think it is not – it is just a part of their business; whereas for the online OTAs, obviously it is the core of their business. And as a consequence, there has been a different focus on certain key areas like bidding technology, but also optimization of the conversion on the site, and potentially also on the management focus and the aggressiveness and participating in the marketplace.

For the smaller hotels, I think it is slightly different. If you believe the Focus Right numbers, the market is only to one-third penetrated. And so there, just from anecdotal evidence – so asking individual hoteliers there, there is still a lot of hotels that don't really have online as a part of their core business, but it's more like an adjacent business where you can sell some idle capacity and where the owners don't really have to deal with it, day by day. With that obviously changing, the market penetration going from one-third to half to whatever, 60%, that will of course tip, at some point in time, for more and more hotels. And they will focus more and more on it; and, as a result, become more and more active.

<<Kevin Kopelman, Analyst, Cowen & Company>>

And what do you see from kind of an attitude perspective with the hotel advertisers? We just saw an article this weekend talking about hotels getting more aggressive about marketing outside of the OTAs. Do you think hotels see trivago as one of the ways to do that? Or how has it been, relationship-wise?

<<Axel Hefer, Managing Director & Chief Financial Officer>>

So what is very important to us is that we are absolutely neutral. We don't favor any individual advertisers. It is purely an auction, and driven by the individual bids, and then obviously by the price that they provide to the consumers. And we don't participate in the booking process. So we don't want to own that consumer and that transaction. And so as a result, for us, it is neutral who actually – or where the consumer actually books. And so because of that, we take a different position in the whole ecosystem than an OTA, where the OTA obviously owns the consumer and can have different interests – can have, economically, an incentive to have you book a certain hotel or not another hotel. And so as a result, from an hotel perspective, we are a neutral channel where they own the customer relationship; which is, from our perspective, different to going through an OTA.

<<Kevin Kopelman, Analyst, Cowen & Company>>

Okay, I just want to stop for a second, and see if there's any questions in the audience. We have one. And then, I'm not sure – do we have a microphone? Maybe we don't. Yes, all right.

<<Axel Hefer, Managing Director & Chief Financial Officer>>

It should work.

Q&A

<Q>: Can you just address broadly how you think AI might change broadly the industry, and how you guys think about it relative to your positioning?

<A – Axel Hefer>: It is very important, as everywhere. And I think there is – the impact is greatest on the overall search technology and on the way how you will process reviews. So a reason why you are reading today 20, 40, 100 reviews is because you want to extract information. So very few people actually read reviews because they enjoy it. But it is – if you want to have the information, you want to get signals – okay, is the pool good? Is the location good? Is the hotel overall good, et cetera.

With AI that, of course, can be automated. And when you look at our site, you can see part of that through the trivago score, which is basically taking all the qualitative information that is out there on the Internet; analyzing it; and then extracting a score that helps you just to have the same information much, much faster with a lot less distraction in the very optimized booking process. And so that is something that – where the development has only started. But with a better and better AI technology that will definitely continue and become more and more granular and help you to access more and more granular data in an automated manner, in a way.

<Q>: [Question Inaudible]

<Q – Kevin Kopelman>: Let me just repeat that for the webcast. So the question is to discuss the desktop and mobile strategy. With other search engines having some difficulty monetizing on mobile, what's the disparity? How do you address it? And then voice search.

<A – Axel Hefer>: So, on mobile versus desktop, I think to a certain extent that that discussion is slightly misleading. Because the thing that is really important is whether you can keep your user across devices, and not so much which device he eventually uses to research or to book. So what is hurting you as a business, if somebody is starting on mobile but is then not finishing his search on desktop – or not finishing it on mobile, but is then starting again; and then with that new start is actually not starting on your platform. Why am I saying that? If you are user-centric, which we are, then it doesn't really make sense to allow you to have different bidding dimensions. Because by doing that, in a way, you need to look at the different devices as different businesses, because people can bid differently.

You have got different economics. You might have a different number of advertisers on it. And you have a different result as a consequence. And that is actually – that is, to a certain extent, harmful to your overall business because you, as a user, don't have a consistent user experience anymore. So to give you an example, if you go home in the afternoon or in the evening and search for a weekend trip with your wife, if you take our approach, you can actually stop the search. And you – the only thing you need to remember what you were looking for, and where roughly in the results list the hotel that you liked was.

You don't need to remember the name of the hotel, nothing else. That's it. So you can go home, you go in front of your desktop computer, you have the same hotel, you find it very easily. Again, you're still in the trivago ecosystem, and then you click out and then

you make your booking. If you've got to a very different, different product and a very different result page there, then obviously that doesn't work anymore. So the hurdle for you to get what you want is much, much higher, so you need to remember which hotel you really liked. And given that you now already know what you want, the chances that you start somewhere else to then do the ultimate booking is much, much higher.

So that is something that I think has helped us a lot to take a slightly different perspective there, to increase the mobile share significantly to the number that we reported was that in June 2016 we had more than 50% mobile traffic. Of course, mobile continues to grow. But the – if you just look at the different conversions that are slightly misleading because it is not user-centric, and the cross-device matching is still not perfect. That was the first question.

<Q – Kevin Kopelman>: That was the first question. The second one was...

<Q>: [Question Inaudible]

<Q – Kevin Kopelman>: Was about voice search.

<A – Axel Hefer>: Yes, so on voice search, in a way, voice is an interface. As you have the browser, or to a certain extent people are using Google as an interface, voice is another interface that is coming up. Messaging is another interface that is coming up. So, in a way, for a search – as a search company, you need to be agnostic and how you get the search query. What the interface is, in a way, doesn't really matter, because you get a handover and then the search only starts. So what you just technically need to make and ensure is that you see your interface layer and your search layer is actually connected in a modular way, so that you can actually hook into any interface that might come up in the future.

And so in a way it is an opportunity because it makes it easier and easier to search for hotels. And I think it will just help the online penetration and accelerate that trend there, so we would see that as opportunity.

<Q – Kevin Kopelman>: Any question?

<Q>: [Question Inaudible]

<Q – Kevin Kopelman>: So the question is, what are the biggest learnings for you as you have watched TripAdvisor roll out instant book, positive and negative?

<A – Axel Hefer>: So the TripAdvisor instant book was, in the beginning, slightly different than what we would provide with an express booking to our advertisers as a product. And I think that the big difference is that it's giving up their neutral position that you are having in the overall search process, because there are differences in monetization and economics depending which offer the user selects. And so as a



consequence, of course there is the risk that you favor too much the offers that you monetize better on.

That's one thing that I think you need to be very care – from our perspective, we would have been very careful about, to leave that neutral position. But I think, to me, the biggest learning is really to make sure that you really stay focused. It's difficult to judge, from our perspective, because of course we don't have that much data. But if you are a combination of too many business models at the same time and try to have too many business models at the same time in one website, it is confusing to the consumer. It is confusing to your employees.

I think it's confusing to everybody. And as a result, it is very, very tough to make that work. And I would say that that is probably, from the outside, is one of the key learnings I would take from that.

<Q – Kevin Kopelman>: So I'll just jump in with a question here. Price comparison is obviously one of the reasons people are using trivago, and one of your core propositions. Can you just talk about the pricing landscape? What kind of disparities do you see between offers for hotels? How has that changed? And I know there've been some regulatory developments on that front in Europe, and has that had any impact? If you can just give us an overview there.

<A – Axel Hefer>: So – yes, absolutely. I think, overall, the price differences are much greater than you might think. We did an analysis last year for the IPO. And the difference, on average, across our platform between the lowest advertiser – the cheapest advertiser and the most expensive advertiser, was 19%, so very significant price differences. Having said that, in certain markets, obviously that number is a bit lower. And so the larger – or the more the concentrated the supply, so then the higher the market share of hotel chains is, the easier it is actually for the hotels to control that and to manage that number down.

So that is one important point to keep in mind, I think, in terms of trend. There is no significant trend despite the increased flexibility and particularly in Europe through the legislation change – so there is no significant change there. There are some changes, but it's not that there is through the legislation now a completely different market.

<Q – Kevin Kopelman>: Can you talk about the marketing strategy? What's been the – what's the trivago formula? We see you on TV. But you also have a big just overall budget at this point. How do you think about different ad channels, and how do you see returns developing?

<A – Axel Hefer>: Yes. So When we decided in 2008 that we only want to focus on accommodation, we made another very important decision. And that decision was that we want to be the starting point of each user's search for the ideal accommodation. And at that point in time, we relied very, very heavily on organic search traffic from the large search engines, which we saw as a risk; and on purpose, basically, diversified away from

that. And if you now look at our numbers, it is a very, very small share of our overall traffic that is still coming through organic search channels.

So one in a way has been the big-picture challenge for us, we as a very small specialist, providing a better product, but being a lot less well-known than the large generalists, need to convince people and users to try it out for the first time, to experience it; to understand what value we actually offer, in addition to using other search tools or going direct; and by experiencing it, becoming a loyal user. And that obviously has been – for that, TV has been very, very important. Performance marketing channels are important as well, but TV has been very important. And we started in 2009 in Germany with TV campaigns. And for all the markets that we are – that we – then after that launched, we went in with TV very, very early.

When you now look at the TV concept that we are using, the TV concept is very much explaining the value proposition of the product. And that is as a result of the still low usage of specialized search overall. So we are still at the beginning of people really understanding what the value proposition is, and actively using it. And that's why, for this stage of the market or our own development, this kind of explanatory, educational advertisement works actually very well.

The second thing that is important to say is that we actually never viewed TV as – although we call it branded advertisement, but we always treated it as a performance marketing channel. When we did it in the beginning, we analyzed very systematically what impact can we see? What can we measure? How can we define parameters that help us to manage the business going forward? And we are always driven by the efficiency of the advertisement spend. And we don't really manage by reach or by overall dollars, et cetera.

As a result, in the fourth quarter, remember we discussed that we spent actually less on TV in America than we originally planned for. That is very typical, because we set an efficiency target and an overall budget target. And so that efficiency, if we can spend more or less, then we deviate obviously from our expectations. But for us, that is very important that we always look at the performance of the advertisement. And that we don't focus too much on the absolute dollars spent. To us sometimes you need to be willing to not spend something to be in a better bargaining position the week after, so that evens out across 55 market.

<Q – Kevin Kopelman>: And can you talk about online video versus TV? How good has online video been for you as a format to get a message?

<A – Axel Hefer>: It is newer. It is more recent; and we are testing a lot on online video. To be honest, I mean we've not – we don't have the same level of experience on online video? And we are still much more calibrating how to manage it compared to TV, where we've been active a lot longer in a lot more markets, and we're just a lot more advanced. So I think we're just early in our own learning and development there.

<Q – Kevin Kopelman>: And I think you called out Japan, India, and Russia as being particularly strong within the newer markets. What is it – why has trivago kind of resonated there so well? Or what are you seeing in those markets in particular?

<A – Axel Hefer>: It's more – the reason why we – they were standing out was that these were markets that moved recently from what we call testing phase to scaling phase. Whenever we enter a market, we first test what actually works in that market. Is the content good enough? Do we have the right inventory that users are looking for? Is the – are the creatives that we are planning for that market, are they working? What are the right channels? What's national versus regional? What kind of audience works best to start with, et cetera? So there are a lot of things that you need to test before you really invest large dollars if you don't want to waste a lot of money.

And so when we think that we've found in a way the secret sauce, then we move these markets to scaling phase where we start to invest very significant budgets behind what we then tested as an overall concept. And those are markets that we recently moved to that stage, and as a result that showed very, very strong growth; not only relative, but also in absolute numbers. But that is I think why what's differentiating them from the others, is more the move of – from one stage to the other, that is of course very positive for growth.

<Q – Kevin Kopelman>: Yes. In Q4 – okay, you know actually in Q4 2016, you ramped up your ad spend. Usually you spend a little bit less, and you've been seeing benefits from that. But you described it as a test. How far into that are you? As we look forward to Q4 2017, how much additional kind of investment are you now able to put into that quarter?

<A – Axel Hefer>: So historically we've spent very, very little, as you say, in the fourth quarter, and why? Because the fourth quarter is very expensive. And so you have the ramp up to the Christmas season. And so off-line but also online commerce companies obviously have their peak season there; whereas for us, there is a healthy booking level and volume in the fourth quarter but it is not the peak season. The peak season is earlier in the year. And so, we just didn't want to spend money there because it was too expensive.

And so, what we tested in the fourth quarter of 2016 was to see whether it actually would be beneficial to pay more, and to spend more, and accept a lower financial efficiency in return for being in your overall penetration at the steeper part of the diminishing return curve. And not dropping in the visibility as much as we have done in the past, and so coming with more visibility into the first quarter, which is an important quarter for us.

Looking at the numbers, we think that that was a good test, so we think that actually that worked out well for us. And as with everything that we do, if a test is successful, we will do more of it and see if more is also successful. And that's what you can expect from us.

<Q – Kevin Kopelman>: Okay. All right. I think Jeff had a question.

<Q>: [Question Inaudible]

<A – Axel Hefer>: So we don't disclose that number, but it is higher than last June. It continues to go up.

<Q>: [Question Inaudible]

<A – Axel Hefer>: Revenue was 50% in June 2016 for the first time. So there is a positive for the first time, and it continues to grow. But we don't continuously report that number. On the CPC, it's identical because we take the view on focusing on the user across all devices, as we discussed before, and as a result we don't allow different bids for different devices.

<Q – Kevin Kopelman>: Let's talk about – there's a lot to talk about; a couple minutes here. Let's talk about the algorithm, the new – the algorithm update. Just at a high level, it was the big featured topic this quarter. What did you change, and how's it impacting the business?

<A – Axel Hefer>: The big change in the algorithm happened in 2015 when we introduced the heightened level bidding and moved from pre-negotiated CPCs to really dynamic bids. And the reason why that was really a game-changer was that that allowed us to take an end-to-end perspective and not focus on our revenue in the short-term, but focus on the overall user value and focusing on the overall booking volume that was generated through our users. What we now did is taking that to the next level. So we now factor in, into our algorithms as well, what we consider the overall user experience across the trivago ecosystem. Which consists of us as a website, but also of the part of the – our advertisers' website that are used by our users.

So the landing page and then the booking find then way, between the landing page and the ultimate booking. And there, there are certain things that we don't think are in our users' interest and are not beneficial to the overall ecosystem, and those we discourage. And as a result, we had a better monetization through this discouragement in the fourth quarter and then the first quarter. And we now see that the advertisers are, of course, optimizing for the new incentives that we've been setting; and, step by step, changing their user experience for our users.

<Q – Kevin Kopelman>: A question on margins. You guys have had pretty lean overhead, targeting about 10% of revenue. Is that enough, especially with all the technological challenges and developments in the space? Are you investing enough in overhead, in engineers, and all that?

<A – Axel Hefer>: We think we do, and we plan for our overhead separately than the top line. If we grow faster than we anticipate, that fixed cost aggression is stronger. If we grow slower than we anticipate, that is higher. But for us, that is really detached. We invest what we think – in the overhead, what we think we need to be competitive in the years to come. And revenue is a separate discussion.

<<Kevin Kopelman, Analyst, Cowen & Company>>

Great. Well, thanks a lot, Axel. Great to have you here. Appreciate it.

<<Axel Hefer, Managing Director & Chief Financial Officer>>

Thank you.