

THOMSON REUTERS

# EDITED TRANSCRIPT

TripAdvisor Inc at RBC Capital Markets TIMT Conference

EVENT DATE/TIME: NOVEMBER 13, 2018 / 3:55PM GMT



## CORPORATE PARTICIPANTS

**Ernst J. Teunissen** *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

## CONFERENCE CALL PARTICIPANTS

**Mark Stephen F. Mahaney** *RBC Capital Markets, LLC, Research Division - MD and Analyst*  
**Shweta R. Khajuria** *RBC Capital Markets, LLC, Research Division - Assistant VP*

## PRESENTATION

**Mark Stephen F. Mahaney** *RBC Capital Markets, LLC, Research Division - MD and Analyst*

I'm Mark Mahaney with RBC, Head of Internet Research here.

(foreign language)

Ernst Teunissen. That was my best Dutch I could come up with.

---

**Ernst J. Teunissen** *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

(foreign language) Mark.

(foreign language)

---

**Mark Stephen F. Mahaney** *RBC Capital Markets, LLC, Research Division - MD and Analyst*

I learned a few swearwords in Dutch too, but I won't use those here.

---

**Ernst J. Teunissen** *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

I want to hear those.

---

**Mark Stephen F. Mahaney** *RBC Capital Markets, LLC, Research Division - MD and Analyst*

All right. Ernst is the CFO of TripAdvisor. Thrilled to have him. We only have 30 minutes, only 5 minutes at the end for Q&A.

I don't know what the new thing is at TripAdvisor. I think the new thing is this EBITDA growth and greater-than-expected. And I think the profitability that you've been able to extract from both Non-Hotel and from the Hotel segment, particularly from the Hotel segment. So just talk about that and how sustainable it is.

---

**Ernst J. Teunissen** *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. Great. Thanks, Mark, and good morning, everyone. Clearly, this year, a big focus for us has been in improving our margin in the Hotel business, in particular. We have seen a few years with margin erosion in our Hotel business. Has been a big focus. Not so much on the Non-Hotel side. On the Non-Hotel side, our focus is continuing to capture the opportunity in the marketplace, continue to drive our revenue, continue to build our platform. On the Hotel side, we have seen a number of drivers, interesting drivers, this year for profitability.

The first one is marketing efficiency. We pulled back on some of the least profitable spend that we had on our online marketing across Google, Facebook, other channels, and that's been very effective. The loss of revenue resulting from it has been less than we originally anticipated. The team has done a really good job in finding more efficiencies with losing some revenue and losing some shoppers is the reason why our shopper count was down year-over-year this quarter, but with fantastic impact on the bottom line. You saw a doubling of our margins year-over-year in our Hotel business, and that is, to a large extent, driven by this very successful for us. We're going to get the benefit of that into next year because we have progressively been improving the efficiency of our marketing throughout the year. So the front half of next year, we are going to have a tailwind from that. It's going to be a temporary headwind to shoppers also in the front half of next year, but a huge help to our EBITDA next year as well as we start to lap that somewhere mid-next year. So that has been an important driver of profitability, successful campaign. We're very happy with that.

The second has been continued improvement to our revenue per shopper or the downstream conversion of our shoppers. Remember, 18



months, 12 months ago, we started changing our user experience to make our user experience much more conducive to price shopping. Change our sort, change how we presented prices to our users. Started to advertise that through TV, branded campaigns around TripAdvisor as a place to price comparison, and that's paying off. You saw this quarter that we grew revenue per shopper on desktop by 10%, mobile at 25%. We think pretty impressive growth numbers, and we've done that mostly on the back of getting more of the people that are already on TripAdvisor to engage with price comparison and click off to our partners. And so we think that's a nice validation of that paying off. You asked about profitability and I bring this up. Why? Well, to the extent we improve revenue per shopper for all the shoppers coming in on free channels, that drops straight to the bottom line.

The third area has been growing some new ad products for Hotel. Sponsor placements is something we launched earlier in the year. It's an ability for hotels to get found better on TripAdvisor, to get a sponsor placement that is top of the sort, which we offer directly to hotels and large chains, independents. It's been proven to be a popular product that we've been growing throughout the year. It's still a small product, but it has some legs and we think other advertising-based products for Hotel, leveraging the large audience we have has some opportunities. So that's been a nice addition to revenue and profitable revenue for us this year as well in hotels.

---

## QUESTIONS AND ANSWERS

### **Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Super. On the marketing efficiency. So then the one of the obvious questions is why are you spending so inefficiently on marketing in the past? But I don't mean to single you out or I just did. I have sensed this with other companies too. My guess is that there was maybe a little bit of an effort to pay up for growth and it led to some not irrational, but somewhat less efficient marketing spend. Any more color on where you took -- what were those inefficient marketing channels?

---

### **Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

So the additional challenge of marketing efficiency for a meta channel like ours is that we have indirect feedback loops or secondary feedback loops to our auction. So what do we mean with that? If you buy, which we historically would do just based on, hey, I buy a traffic -- a user on Google and I know how many clicks I can generate with that user on our site and, therefore, when I get paid. That's sort of first-order impact and you can base which we did historically. They assure advertising algorithms or your purchase algorithms on Google based on that. By user, they click 3x on my site, so that's my revenue easy math. But then a secondary feedback loop kicks in afterwards, which is if that's not really high converting traffic for our partners, so they don't generate booking for our partners, that was negative pressure on our auction. Conversely, if they actually are very highly converted traffic, it puts upward pressure on our auction. So what we start to do with just more sort of information and signals about downstream conversion for our partners, we start to orient our algorithms for buying traffic much more towards our expectation of downstream impact for our partners, bookings generated for our partners. And if you start doing that, obviously, you will see pockets where you bidding before based on just clicks that looks more profitable than they were and vice versa. And so we've been able to, with this new bidding algorithms, to change how we buy some of these traffic, and that's generated some additional opportunity for us.

---

### **Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Okay. Super. Let's keep going here. One concern -- can you just address the concern, you cut back on marketing and it will have follow-on impacts in the first half of next year. But what about the -- how do you grow again if you are cutting back on marketing?

---

### **Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

The big opportunity for us is through revenue per shopper. And so I cited 10% growth on desktop, 25% growth on mobile. The opportunity that we have is yes, growing shoppers over time. That's an opportunity that we, you too, want to tap into. We already have 130 million, 150 million shoppers, unique shoppers on our site every month. Nice to be growing that. But the bigger, bigger opportunity, and we highlighted that as a metric this quarter, is the bigger opportunities get more of those people that are already on our site to actually engage with price comparison and click off through our partners. And so despite the fact this quarter that we saw, because of the marketing pullback negative shopper growth this quarter year-over-year, the number of people actually that we passed on to partners increased. So qualified shoppers actually increased. That's the bigger opportunity for us because the minority of shoppers on our site in any given day is actually clicking off to a partner. It's actually engaging with the price comparison. So where does that growth come from in the core auction? Becoming more and more relevant for price comparison for our users. Being better and better at that and

getting more and more bookings generated for our partners, and we think there is a runway still there to be had. And then I highlighted the ad products, sponsor placements and others. That's a growth opportunity for us. So we look at the Hotel business. We see there is industry-wide growth in online Hotel and we think we can capture part of that growth, and we look to grow our Hotel business over time.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

When you talk about the runway for revenue per shopper, how do you guess how long that runway is? And are there any benchmarks in the industry you look to say that's where we could go to?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

Yes, our revenue per user in any way you want to look at it and try to compare that with other players in travel with OTAs, or other players, it's low and that is because historically, so many of our users were there primarily to do research and to check out reviews, to check out photos. And so we have a disproportionately like a multiple opportunity to get more people to engage with price comparison. How quickly we can tap into that, we just have to prove out over time, but there is a runway there. There is a serious runway, not just a few percentage points.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

And in sponsor placements, can you talk about where the -- what the adoption rate is now and where do you think that can go to?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

So we're still early days in terms of to how many of the hotel population we have exposures to, but we're ramping it. We're ramping the sales effort. This can have between OR verticals, this product has real legs. So we've publicly said this could be, over time, so for 100 million-plus type of business between restaurants and hotels and other opportunities that we have. So we think this is a nice business line that has a very nice economics as well because we typically leverage a sales force that's already existing or we have a sales force that is targeted towards hotel already because we've been selling them other products. And so over time, we think this could be a robust business across the TripAdvisor portfolio. It's still early days, we just launched it in hotels and it's now larger than it was when we started, and hopefully we will be larger still next year. And next year, we are going to benefit from all the growth that we have achieved, the runway we've achieved this year.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Business has changed somewhat over the last couple of years, and you've really build-out this Non-Hotel segment, plants itself to some of the parts valuation approach. There are 3 segments within that, can we go through that? Attractions, rentals and restaurants. And I guess one question is, will there be another segment in there besides those 3 in the next 3 to 5 years? Let me start off with that.

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

So definitely, as we look at the next few years, experiences and restaurants are the 2 big ones that we focus on for our growth. There are other verticals out there, but these are the 2 that we currently are looking at as big additional drivers for our growth. There are 3 verticals in our Non-Hotel segment today. As you pointed out, experiences, restaurants and rentals happy to go through.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Okay. Let's start up with the rentals and just because recently there is a little bit of softness. But is there a particular reason why can't be just as robust as the other 2 going out 3 to 5 years? Is there a reason why that isn't as attractive as the other 2?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

So each of these verticals has different dynamics like competitors, competitive dynamics, who else is going off the space, what's our headstart with them. We look across that and say in terms of TAM, market share, untapped market share, how far are we ahead? We look at the experiences business in particular and say, "wow, we have a great headstart there." If there are 2 barriers to entry and one is around supply and the other one is around demand, we think those 2, we have actually some pretty interesting cards. And that is the area where we invest in most at the moment in terms of trying to stay ahead and drive that business. Restaurant business is actually 2 businesses for us. One is our reservation business around LaFourchette and TheFork in Europe, some really strong positions in large European markets. And then there is advertising products to restaurants on TripAdvisor. That's a nice growing business as well. And so between experiences and restaurants, we look at the industry structure and the TAM, and we say, "wow, that's a huge opportunity for

us." Rentals is a pretty competitive market with a couple of really big players gaining market share and making a lot of investment. It's an important product for us to have. It's a nice product for us to have. We can offer it to through a tab to our users. It's a profitable business line for us but it's not the area where we invest. We choose our balance elsewhere.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

I'm particularly interested in the experiences area. I kind of view this as almost the final frontier for online travel, and so can you just spend a little time waxing eloquently about that? How big you think the TAM is? How do you -- that sounds like a really hard area to scale up, but if you can, there should be really nice economics to come out of that. So just spend a little bit of time on the assets that you have to go after experiences. Can you do it organically? Do you have to do acquisitions? How do you become, and I think you are -- you probably are the leader in total amount of experiences revenue bookings. How do you go from here and be 3x the size?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

In terms of TAM, our focus, right, has size at \$100 billion-plus. I think they're saying \$130 billion in a few years. It's a big market. It's a lot out there. And the feature of it today is that the vast majority of bookings that happen are offline. And so it's maybe the Hotel industry. Some years ago, that the industry is still people just walk up to a tour or they call and that's how they make a booking. So there's a huge opportunity to bring these part of the market online, big, big opportunity. And so if you look at supply aggregation and acquisition, it is making sure that the supply is bookable on platform like TripAdvisor or Viator. But then also what we're doing with the acquisition of Bokun is being able to provide software to these suppliers to actually enable their e-commerce as well. And so getting more supply in front of folks is a huge priority. If you look at the current TripAdvisor tab of things to do, a single-digit percentage of everything you see there is actually bookable. I mean, it's like getting bookable supply to grow hugely important, and that's a statistic that we publish every quarter. Our growth in bookable supply, and you have seen that, that is growing very robustly quickly. Big effort that we're putting into that. So that's a huge driver for us, and the Bokun acquisition is helping us with that. And so we look at one of the core metrics of our business is how much of the supply that is already viewable on TripAdvisor is now going to be made bookable, and that's a big push. On the demand side, for us the opportunity has been, one, we've historically skewed very much towards English-speaking. And this year, we're making a big push into being more relevant for non-English speaking users. So for our German site, our French site, our Spanish site, et cetera, et cetera, or our Dutch, Mark, which you probably follow. And that's a big push this year. So getting moving it from a predominantly English-speaking market approach to a much more international market approach. Historically, when we bought Viator, the revenue was very Viator brand-centric. The biggest growing channel that we have is our TripAdvisor brand, and our big advantage there is we have so many users already actually looking on TripAdvisor at things to do. Not just on TripAdvisor, on TripAdvisor's looking at things to do and we have to put more and more supply in front of these folks and getting them the experience of booking this. So those are some of the few break it down, some of the areas of growth that we see in this marketplace. If we can get that \$100 billion-plus market if we remove them fully online. We publicly said we see experiences as our next billion-dollar revenue line. There's no reason why we shouldn't be able to achieve that.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Experiences is now at what revenue run rate?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

Yes, so we haven't broken that out. Last year, at the end of last year, we said that it was roughly half of our Non-Hotel revenues. It's obviously growing faster than Rentals. We'll update at some point what the relative shares are of these businesses, but gives you a ballpark.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Non-Hotel revenue was what last year?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

You can look it up. I'm not going to put a fine point on it.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Okay. Got it. All right. The Restaurants area, just a little bit more about that. What you see is the TAM and your opportunity there?

**Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer***

Yes, restaurant is, like I said, it's 2 different businesses. The reservation business is much more of a local and much more geographically defined competitive environment. And so you see in certain markets the competitive environment in different markets. We've chosen with LaFourchette, the TheFork brand, to focus mostly around European markets. And we have, we are a market leader in France, Italy, Spain. We have pretty strong positions. We are present in a bunch of other European markets, Australia, and have a lot of growth in those markets. Still, we skew very much with the larger cities. We have an opportunity to go to smaller cities, and so there's growth in that model in itself. And we face some local competition in those markets, but we have a pretty strong position. And so that market has some growth opportunity. Harder to gauge in terms of TAM is the restaurant advertising market. We have over 4 million restaurants on our TripAdvisor site. We're going out to a small subsection of them right now with advertising products, but that has some legs that can grow. We have our restaurant user base is very under monetized historically. We have had some integration with reservation providers that is relatively small dollars, and so we think this advertising product that we're now promoting for TA Restaurants could be actually a significant market. So the TAM there is, as I said, across all these different advertising opportunities, the verticals, \$100 million plus type of opportunity for us at TripAdvisor.

---

**Mark Stephen F. Mahaney *RBC Capital Markets, LLC, Research Division - MD and Analyst***

TripAdvisor has always been a very global company, substantial percentage of your revenues are overseas. Any particular markets that are doing well now in any particular laagered markets?

---

**Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer***

So if you look long-term and strategically, of course, we have our eyes on the Asia Pacific market and Latin American markets, how do we grow in those marketplaces over the long-term, but the U.S. is still a very important market for us. Europe, the EU is a very important market. Those are the largest markets for us by far, but we look at Asia and Latin America for long-term growth.

---

**Mark Stephen F. Mahaney *RBC Capital Markets, LLC, Research Division - MD and Analyst***

Okay. Mobile monetization gap, I just wanted 2 more questions. Mobile monetization gap, I think it's been closing nicely. Just go through that and how long. I don't know if that's a challenge or not I think it's just a natural reality of across the bunch of Internet companies. But anyway, do your ability to close that gap over time?

---

**Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer***

Yes, so our mobile monetization for Hotel is about 40% of the desktop user. And that has been improving, but as you point out, there's just some natural barrier. People are going to book their 1-week vacation to Spain on desktop in all likelihood. But their hotel tomorrow in Boston, they may actually book on the phone and that's what we see. So there is a secular trend that we see towards more people becoming more comfortable booking on the phone. We see even a secular trend of the AOVs going up on the phone as well but people getting more comfortable booking larger things on the phone. But there is a natural, as you say, a natural barrier to it, but we think we are actually some way away still from the potential. We're still improving it every quarter quite a bit. I said 25% RPS improvement on mobile last quarter year-over-year. We see it some around way to go and where that can end up exactly is hard to say at this point, but we think there is some runway from the 40% that we're doing.

---

**Mark Stephen F. Mahaney *RBC Capital Markets, LLC, Research Division - MD and Analyst***

A few years ago, I think all in, you've kind of increased the transactions ability of the site. You went down the instant booking path, toggled with it a little bit. Standing -- looking at the business now, do you think there is a chance to once again work more deeply vertically integrate into the transactions, not just in hotels but in other categories? How important is that to the growth strategy?

---

**Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer***

Yes, so if you what our Experiences business, we are a transaction oriented platform. We are full-fledged OTA in the Experiences business. We're like that in Rentals. We have that for our Restaurants reservation business as well. And so in many of these verticals, we are actually in the transacting [business], we are OTAs. In Hotels, not so much. Will that be different over time? Maybe. We will put the growth of Experiences and Restaurants. We'll get more of our users being used to transacting on TripAdvisor. Maybe that's an opportunity for the future of our Hotel as well, but not in the near term.

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Maybe one last big picture question. If you think there is one major misunderstanding in the public markets about TripAdvisor today, what do you think that is?

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

I think there's been a misunderstanding in the last quarters, but hopefully that has been clarified around what we're really doing with the profitability of the business and what underlying, improvements that we've been making to our bookings per shopper over the last year. And I think this quarter nicely brought out that, with the revenue per shopper being up that we are making. Some very nice improvements to our fundamentals of how we monetize our shoppers. And the profit picture, I think, is a lot clearer in this quarter as well. So I think that was underestimated and hopefully was put on a better footing now. I think the second thing that sometimes get overlooked is just the power of the community and the network and the sheer size of volume of the users that we have. We just launched a new 2.0 of our community and our content, the social feed, which will bring the interaction that is possible and with that long-term the engagement of our users to a completely new level, we believe. That's exciting. And the power of that brand and the power of the content and the freshness of the content I think sometimes gets overlooked in the ebbs and flows of the quarterly results.

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Okay. Super. Okay. I'll open up to questions. Maybe if you would like to ask anything? Going once. Going twice? Shweta?

**Shweta R. Khajuria RBC Capital Markets, LLC, Research Division - Assistant VP**

So how do you think about the concentration for strong Booking and Expedia? And I think Steve mentioned on the call that it's a long way, it's going to be that way probably in the long-term currently this year. How do you view that, especially as 2 of OTAs are optimizing around your marketing efforts as well?

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

Yes. First of all, the 2 large groups of OTAs, the Bookings Holdings and Expedia, they are great partners for us and we work with them very effectively and well, and they are valued customers of ours. And we hope that they continue to be so for a long-term. We collaborate very actively around our core auction and making sure that we provide them with the best possible traffic and quality of traffic. And so we hopefully will continue that relationship over the long term. At the same time, we're also growing a number of other parts of our business and revenues of our business that are less dependent on these 2 groups. So we are growing on Hotel, we just talked about it. The revenue there is not dependent on Expedia or the booking group. We're growing our advertising products on Hotel that we talked about, our sponsor placement products. Those again are targeted at Restaurants directly, so we are doing a number of things to also diversify towards other revenue streams, and we actively do that and the high-growth areas of our business are those areas.

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Do you talk about Facebook as a marketing channel? I think you touched on it earlier. I know it's been at times a toggle for the company. Where do you think? Is it become more interesting for you about the same as in the past?

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

Yes, we advertise on Facebook. It's a good channel for us. Not as large as Google is. And I would say it's more stabilized this year in terms of the share it took for us, and it's a good channel. That's not as big as Google for us.

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

And then last question. What's the biggest use case, surprising use case for TripAdvisor? Why do you think people -- TripAdvisor has changed a lot over the last couple of years. I think there's probably some really fast-growing channels within it, apps within it, features within it that people aren't aware about or aren't aware of. What do you think those are?

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

So the new product that we're rolling out now, the new interface, which we call our social feed, what is really going to be a great about that is it allows you actually to tap into experts, friends and the trips that they have made. And so in the past, you could look at research, more anonymous research done by others. And what we are introducing now is a much more interactive way of, if I traveled to Milan a



year ago, Mark, and you can access that as my friend. You can access that now and say, "hey, who have my friends or my contacts has been to Milan? Hey, Ernst was in Milan." I want to learn what he is recommending in Milan or what's his experiences was. I want to see the video he put up of his trip in Milan. And so that use case of wanting to tap in not just in generic content, but in content recommended by experts and friends is what we're introducing with our new social feed, combined with much more engaging video content than just static picture content, and that is the use case that people are getting, are very used now to social media and having access to content from their friends. We are offering that now on TripAdvisor, but in a way that is different from what those platforms are doing. If you go to Instagram, you see a lot of stuff that your friends were doing yesterday, but it's much more difficult to access things that they were doing a year ago. And in travel, of course, what is really relevant is what I did maybe a year ago in Milan, not so much what I did yesterday in Boston to you. And so what we are offering is what we call the relevant time rather than immediate time. Being able to tap into social, but in a time frame that is relevant for travel, which may be what happened a year ago or 6 months ago with your friends. It's a great product, have a look at it, and we think that is a use case that is going to be very useful.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

And this, I get it completely and makes sense, a ton of sense, you think naturally about tapping into your friends, your feed on Trip rather than something as big as on Facebook, I get that. How long will it take you to realize what this is really gaining traction with your users?

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

We are just rolling it out right now, right? So we'll have to see with a lot of beta testing. We think it's a great product. We think it will have great traction, but we'll have to prove this out over time. This is incremental so this is not, instead of something else or cannibalistic in any way, this is just incremental engagement that we are hoping to generate with this much richer experience for our users.

---

**Mark Stephen F. Mahaney RBC Capital Markets, LLC, Research Division - MD and Analyst**

Yes, makes a ton of sense. Ernst Teunissen from TripAdvisor. Thank you.

---

**Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer**

Thank you, Mark.

---

#### DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Briefs are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT BRIEFS REFLECTS THOMSON REUTERS'S SUBJECTIVE CONDENSED PARAPHRASE OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT BRIEF. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2018 Thomson Reuters. All Rights Reserved.

