



## Tripadvisor Announces Pricing of \$300 Million Convertible Notes Offering

March 23, 2021

NEEDHAM, Mass., March 23, 2021 /PRNewswire/ -- Tripadvisor, Inc. (Nasdaq: [TRIP](#)) ("Tripadvisor") today announced that it has priced an offering of \$300 million aggregate principal amount of convertible notes due 2026 (the "Notes") in a private offering. Tripadvisor also granted to the initial purchasers of the Notes an option to purchase up to an additional \$45 million aggregate principal amount of the Notes within a 13-day period beginning on, and including, the initial closing date. The offering of the Notes and the capped call transactions described below are expected to be completed on or about March 25, 2021, subject to customary closing conditions.



The Notes will be senior unsecured obligations of Tripadvisor and will be guaranteed by each of its domestic subsidiaries that guarantees Tripadvisor's credit facility. Tripadvisor intends to use a portion of the net proceeds from the offering to fund the net cost of entering into the capped call transactions described below. Tripadvisor intends to use the remainder of the net proceeds from this offering for general corporate purposes, which may include repayment of debt, including the redemption of its 2025 Senior Notes prior to maturity. Net proceeds may be temporarily invested prior to use. If the initial purchasers exercise their option to purchase additional notes, then Tripadvisor intends to use a portion of the additional net proceeds to fund the cost of entering into additional capped call transactions as described below.

The Notes will bear interest at the rate of 0.250% per annum. The Notes will mature on April 1, 2026, unless earlier repurchased or converted. The initial conversion rate for the Notes is 13.5483 shares of Tripadvisor's common stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$73.81 per share of Tripadvisor's common stock), which represents an approximately 37.50% conversion premium over the last reported sale price of \$53.68 per share of Tripadvisor's common stock on The Nasdaq Global Select Market on March 22, 2021.

Prior to the business day immediately preceding January 15, 2026, the Notes will be convertible only upon satisfaction of certain conditions and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. Tripadvisor will satisfy any conversion elections by paying or delivering, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election. Separately, the Notes will be redeemable, in whole or in part, at Tripadvisor's option at any time, and from time to time, on or after April 1, 2024 and on or before the 30th scheduled trading day immediately before the maturity date upon the satisfaction of certain conditions.

In connection with the pricing of the Notes and upon any exercise of the option by the initial purchasers to purchase additional notes, Tripadvisor expects to enter into privately negotiated capped call transactions with one or more dealers, which may include certain initial purchasers or their respective affiliates and/or other financial institutions (the "counterparties"). The capped call transactions are expected to offset the potential dilution to the common stock upon any conversion of notes and/or offset any cash payments Tripadvisor is required to make in excess of the principal amount of converted notes, as the case may be, with such offset subject to a cap.

Tripadvisor expects that, in connection with establishing their initial hedge of the capped call transactions, the counterparties or their respective affiliates will purchase shares of Tripadvisor's common stock and/or enter into various derivative transactions with respect to Tripadvisor's common stock concurrently with, or shortly after, the pricing of the Notes, including potentially with certain investors in the Notes. These activities could increase (or reduce the size of any decrease in) the market price of the common stock or the Notes at that time. In addition, the counterparties or their respective affiliates may modify their hedge positions by

entering into or unwinding various derivatives with respect to Tripadvisor's common stock and/or purchasing or selling shares of common stock or other securities of Tripadvisor in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so during any observation period relating to a conversion of the Notes). This activity could also cause or prevent an increase or a decrease in the market price of the common stock or the Notes, which could affect the ability of noteholders to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, could affect the number of shares of Tripadvisor's common stock and value of the consideration that noteholders will receive upon conversion of the Notes.

Concurrent with this offering of Notes, Liberty TripAdvisor Holdings, Inc. ("Liberty TripAdvisor"), Tripadvisor's controlling stockholder, is offering \$300 million aggregate principal amount of Exchangeable Senior Notes due 2051 (the "Exchangeable Notes"), or up to \$330 million aggregate principal amount of Exchangeable Notes if the initial purchasers in that offering exercise their over-allotment option to purchase additional Exchangeable Notes in full, in a transaction exempt from the registration requirements of the Securities Act in reliance upon Rule 144A thereunder. Each Exchangeable Note will be exchangeable into shares of Tripadvisor common stock held by Liberty TripAdvisor, cash or a combination thereof, at Liberty TripAdvisor's election, at an initial exchange rate of 14.3299 shares of Tripadvisor's common stock, which is equivalent to an initial exchange price of approximately \$69.78 per share. Neither offering is contingent on the successful completion of the other.

In connection with the concurrent offering by Liberty TripAdvisor, Tripadvisor believes Liberty TripAdvisor has entered into a repurchase agreement with an affiliate of Certares Management LLC ("Certares") pursuant to which Certares has agreed to waive its put right with respect to its Series A Preferred Stock of Liberty TripAdvisor, Liberty TripAdvisor will repurchase from Certares a portion of shares of its Series A Preferred Stock in Liberty TripAdvisor with a combination of cash from a portion of the net proceeds of Liberty TripAdvisor's concurrent offering of debentures and with shares of Tripadvisor common stock owned by Liberty TripAdvisor, and Liberty TripAdvisor will have a call option commencing March 27, 2024 to call and repurchase the Series A Preferred Stock of Liberty TripAdvisor.

In connection with the repurchase of a portion of the Liberty TripAdvisor Series A Preferred Stock from Certares, Tripadvisor believes Liberty TripAdvisor will be transferring shares of Tripadvisor common stock to Certares. Certares, as a holder of Tripadvisor shares, will not be a party to the lock-up restrictions in connection with this offering. However, pursuant to such repurchase agreement, Tripadvisor believes Certares will be subject to restrictions on the transfer of such shares for a period of six months from the date of the pricing of the concurrent offering of Exchangeable Notes. In connection with that offering, Tripadvisor believes Liberty TripAdvisor will agree that it will not waive the restrictions on Certares' ability to transfer such common stock for a period of 60 days from the date of the purchase agreement relating to the concurrent offering without the consent of the initial purchasers in that offering.

The Notes and related guarantees are being offered only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes and related guarantees. Any offers of the Notes and related guarantees are being made only by means of a private offering memorandum. The Notes and related guarantees have not been registered under the Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from registration requirements.

## **About Tripadvisor**

Tripadvisor, the world's largest travel guidance platform\*, helps hundreds of millions of people each month\*\* become better travelers, from planning to booking to taking a trip. Travelers across the globe use the Tripadvisor site and app to discover where to stay, what to do and where to eat based on guidance from those who have been there before. With more than 884 million reviews and opinions of 7.9 million businesses, travelers turn to Tripadvisor to find deals on accommodations, book experiences, reserve tables at delicious restaurants and discover great places nearby. As a travel guidance company available in 49 markets and 28 languages, Tripadvisor makes planning easy no matter the trip type.

## **Forward-Looking Statements**

Statements regarding the offering and the expected use of proceeds therefrom are "forward-looking statements" and are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed in such forward-looking statements. These risks and uncertainties include, but are not limited to, the ability to complete the offering on favorable terms, if at all, and general market conditions (including the COVID-19 pandemic and related economic impact) which might affect the offering. Additional information concerning these and other important risks and uncertainties can be found in Tripadvisor's filings with the SEC, including under the captions "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Tripadvisor's Annual Report on Form 10-K for the year ended December 31, 2020, as filed on February 19, 2021. Tripadvisor undertakes no obligation to update any forward-looking statements to reflect subsequent events or circumstances.

\* Source: SimilarWeb, unique users de-duplicated monthly, December 2020

\*\* Source: Tripadvisor internal log files

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