

Angela Opening Remarks:

Good morning and welcome to Tripadvisor's first quarter 2025 financial results call. Joining me today are Matt Goldberg, President & CEO, and Mike Noonan, CFO.

Earlier this morning we filed and made available our earnings release. In that release you will find reconciliations of non GAAP financial measures to the most comparable GAAP financial measures discussed on this call.

Before we begin, I'd like to remind you that this call may contain estimates and other forward looking statements that represent management's views as of today, May 7, 2025. Tripadvisor disclaims any obligation to update these statements to reflect future events or circumstances. Please refer to our earnings release, as well as our filings with the SEC for information concerning factors that could cause actual results to differ materially from these forward looking statements.

With that, I'll turn the call over to Matt.

Matt Goldberg, CEO

Thanks Angela, and good morning everyone.

I wanted to kick off by acknowledging that last week we closed our merger transaction with Liberty TripAdvisor Holdings, in which we effectively purchased all of our shares held by Liberty TripAdvisor and no longer have a controlling shareholder. We also finalized our conversion to Nevada, a proposal that was approved by shareholders in 2023. As we pass this milestone, we couldn't be more energized about where we're heading and how we'll continue to build on the progress of our transformation path. This means not only delivering near-term financial results, but also focusing on the biggest opportunities to differentiate and drive long-term growth, margin improvements, and shareholder return.

Across the Group, our vision is to be the most trusted source for travel and experiences, and we've been steadily executing a strategy to diversify our portfolio, optimize our legacy offerings, and shift our mix to our growth marketplaces. We see a number of opportunities ahead where we believe we are uniquely positioned to drive meaningful value ahead, including:

- Scaling our **marketplaces**, starting with **Experiences** where we will accelerate our momentum as a holistic global platform;
- Delivering on our **travel guidance** strategy by leaning into our trusted brand, authentic content, high intent audiences, and data to stabilize our **Hotel** category;
- Extending our leadership position in the dynamic European **Dining** market;
- Leveraging our unique assets to establish ourselves as the premier **AI**-driven personalized recommendation platform across categories for any destination;
- And a **capital return framework** that delivers ongoing value for our shareholders.

And now turning to our performance for the first quarter. Our financial results exceeded our expectations, with consolidated revenue of \$398 million, representing 1% growth, or approximately 3% growth in constant currency, driven by our marketplace businesses. Viator and TheFork continued to deliver underlying growth rates in the mid teens, with steady improvements in profitability – a direct result of our ongoing execution strategy of balancing growth, profitability, and market share. Consolidated adjusted EBITDA was \$44 million, or 11% of revenue, which also exceeded our expectations.

Since our last update, we've continued to make meaningful progress against our strategic priorities in the **Experiences** category, as evidenced by the results in our **Viator segment**. Our bookings growth, revenue scale, and profitability progression reflects our disciplined approach to optimize our marketing channels, as we grow our active customer base and gain market share in key geographies. Our market position is strong—booked experiences grew 15%, and revenue grew 10%, or approximately 12% in constant currency to \$156 million. The adjusted EBITDA loss of \$18 million represented an 8 point improvement in margin. These financial results were driven by strong operational execution that drove higher conversion, increased marketing efficiencies, and a larger, more relevant supply base for travelers.

On the customer side, we continue to prioritize making the traveler experience on Viator the most easy-to-use, highest converting, and best-in-class experience in the market. We're accelerating our velocity of experimentation, and rolling out product improvements that are driving higher customer engagement, more relevant recommendations, and a more seamless booking flow, resulting in an uplift in conversion. Our ongoing focus on the mobile app is driving faster bookings growth than other surfaces and continued progression of our unit economics, the result of an increasingly loyal user base and a growing portion of our bookings mix returning to our platform through direct channels.

On the operator side, we're streamlining the onboarding process by providing new GenAI tools that reduce friction and improve the quality of listings for new operators signing up on the platform. We're also expanding our supply catalog to secondary and tertiary markets to enhance the breadth and depth of choice to meet the needs of consumers as their travel destination preferences evolve. Finally, our third-party partnerships continue to drive healthy, above-market growth, and allow us to serve incremental, difficult-to-reach travelers and geographies profitably.

We continue to work across the Group to leverage all our assets and capabilities to accelerate our global position in the Experiences category. Our teams are finding new ways to take advantage of the complementary relationship between Viator and Brand Tripadvisor, with its broad geographic reach, depth of content, proprietary traveler click-stream data and trusted brand. Given the strength of Tripadvisor's presence globally, we are also testing how and where to lean into marketing our brands optimally across geographies. Each brand serves different audiences in unique ways, but together, we are identifying incremental

growth opportunities as these teams collaborate across marketing, product, and supply to leverage expertise and drive our ambitions for the category.

Turning now to **travel planning and guidance**, and **Brand Tripadvisor**, where our first quarter results reflected the work we are doing across the platform to drive a better experience for travelers. Revenue was \$219 million, a decline of 8%, and adjusted EBITDA was \$65 million, or 30% of revenue, both exceeding our expectations, driven by more favorable pricing in hotel meta and prudent fixed cost management.

In Q1, we continued to scale product improvements that drove deeper engagement and improved financial outcomes. This is a direct result of our ongoing transformation work that puts the traveler at the center of an engagement-focused experience rather than optimizing for click arbitrage. In the most notable example this quarter, we made enhancements to the hotel shopping journey that prioritized the needs of the traveler, including surfacing more relevant information and better context for their accommodation search. This drove a shift from a funnel optimized for same-session click revenue to a traveler-centric experience optimized for engagement, cross-selling, booking flow, and longer term value. The result was a notable increase in traveler engagement, along with higher quality traffic and a meaningful conversion uplift for our partners, which in turn yielded pricing strength and gave us confidence to roll these changes out globally.

We also made the largest changes to our mobile app in the last 4 years, with an ambitious vision to deliver the world's best travel planning companion. We started by customizing and simplifying the onboarding flow, improving navigation, search, and destinations, and further integrating maps, trip planning, and a seamless "nearby" experience, all of which are key elements in planning and booking. We also rolled out an updated in-app hotel shopping experience that presents both booking and price comparison options, and we're seeing monetization improvements driven by better conversion, which isn't surprising given the importance of pricing for travelers as they plan and book their trips. While this is just the beginning, these changes are supported by a 'plan in the app' marketing campaign that is driving early positive trends in app growth, revenue and trip creations.

Finally, we continue to enhance the product experience by further integrating AI across all our surfaces, focusing on providing contextual and personalized recommendations made possible by our billions of content and user combinations. Our popular AI review summaries that highlight the provenance of real travelers are now available across hotels, restaurants

and attractions. Our AI travel assistant provides conversational, intelligent and dynamic recommendations based on traveler prompts. And we are leveraging AI to better detect fraud and moderate content, which enhances and protects our brand trust.

Looking ahead, our teams at Brand Tripadvisor are laser focused on an execution roadmap to scale product wins across Hotels, Experiences, and the app. This includes expanding our in-app booking capabilities in hotels, leaning further into our membership proposition, compounding conversion wins in experiences, and scaling our investment in marketing throughout the year to drive deeper engagement and monetization.

Turning now to our **European Dining offering, TheFork**. Revenue this quarter grew 12%, and 16% in constant currency, to \$46 million as we continue to diversify our revenue mix and drive monetization of our enhanced B2B software offering for restaurants. The adjusted EBITDA loss of \$3 million reflects normal seasonality, and a margin improvement of 100 basis points.

The progress we've made in enhancing the quality of the product we deliver to our restaurant base is driving significant monetization improvements, with Q1 revenue growth from software subscriptions of over 90%. This growth stems from adoption by our existing restaurant base as well as new restaurants, a clear signal of the strength of the value proposition we provide restaurants, and a testament of how our multi-year investment in product and technology is delivering results. Finally, the Vodafone partnership we signed in the second half of last year drove strong revenue growth in the first quarter and we expect our partnership with Mastercard to start driving incremental financial impact in the second half of this year as that partnership goes live to consumers this summer.

Across the Group and in each of our segments, we continue to chart our AI future, leveraging our data investments to reinforce our unique and privileged position in the travel ecosystem. We believe that authenticity and trust will become increasingly precious and highly valued in an AI future and we are well positioned among the travel incumbents along these dimensions. We have established ourselves competitively for the opportunity ahead by leveraging our distinctive assets: our trusted global brands, high quality data and content from authentic travel experiences, scaled global audiences, and deep and diverse partner relationships across all categories and operators. These capabilities allow us to position ourselves as a trusted AI intermediary for travelers and create substantial value through

rapid innovation in our own products and services, as well as by experimenting and learning through select partnerships. During the quarter, we added new strategic partnerships with Amazon Alexa and Microsoft Azure, with a growing pipeline of other opportunities.

We are also harnessing the potential of AI across the company, from customer service to engineering, content moderation and business analytics to marketing and supply acquisition. We are moving quickly, but thoughtfully, to create a culture where every one of our employees is obsessed with addressing evolving consumer preferences in the age of AI and embracing the tools available to serve them most effectively.

Finally, I want to turn to an important topic, the backdrop of macro uncertainty. We recognize that travel is not immune to slowing economic growth—consumers have important choices to make when their personal balance sheets are pressured. Our business performance has been durable thus far in 2025 and we are closely monitoring our data for leading indicators. For example, Experiences volume growth remains healthy both sequentially and year-over-year, but we are monitoring early signs of pressure in average booking value and cancellation rates. Our data has reflected some of the anecdotal themes following recent policy actions—for example, the US share of international travel from certain source markets is down, particularly from Canada, and share of domestic travel across regions is up. Still, we have not seen these translate into material changes to consumer travel intent or business impact to date. Consumers have largely defended discretionary spending in categories like travel, and especially experiences. Travel sentiment remains positive, with travelers continuing to plan leisure summer travel and putting experiences at the heart of their budgets. We believe we can benefit by serving travelers who are increasingly sensitive to price and choice—whether through price comparison or by offering the most diverse set of options in the Experiences category across all price points, close to home or abroad. From what we see today, it would be premature to make a call on where things are heading. We will continue to monitor and adapt to any potential near term changes in the landscape, but we are confident that travel remains a durable long term growth opportunity, and we are well positioned to capture the enduring demand for travel and experiences ahead.

With that, I'll turn the call over to Mike.

Mike Noonan, CFO

Thanks Matt and good morning. I'll start with a review of our financial performance, and later will provide our outlook for Q2 and the full year. As a reminder, all growth rates are relative to the comparable period in 2024, unless noted otherwise.

Consolidated revenue came in above our expectations, at \$398 million, or growth of 1%, and 3% in constant currency. Consolidated adjusted EBITDA of \$44 million or 11% of revenue, exceeded expectations due to the revenue outperformance at Brand Tripadvisor and lower than anticipated fixed costs, primarily in personnel and marketing.

At **Viator**, the number of experiences booked grew 15%, which was in-line with expectations for the quarter. Viator and third-party points of sale grew faster than the segment overall, offsetting performance at the Tripadvisor point of sale. Growth in our largest source market, North America, remained healthy and overall booking windows remained stable year-over-year with only some very recent narrowing occurring over the past month.

Our third-party channels have been growing very fast and remain an important strategic priority as Viator continues its journey on becoming the ubiquitous online platform in the category. The bookings that come through these channels are highly incremental and largely sourced from regions outside our core markets. While these bookings have a lower average booking value, they are immediately profitable and enable us to reach incremental travelers as we continue to scale.

Gross booking value, or GBV, grew 10%, or 12% on a constant currency basis, to approximately \$1.1 billion. The difference between the growth in the number of experiences booked and constant currency GBV growth was due to the decline in average booking value, which is a result of a higher mix of third-party bookings relative to the first quarter of 2024.

Viator revenue grew 10% to \$156 million or approximately 12% on a constant currency basis. In addition, we estimate the timing of holidays was nearly a 4 percentage point headwind to revenue growth in the quarter.

Viator adjusted EBITDA was a loss of \$18 million, and represented an 800 basis points margin improvement. Repeat bookings growth on the Viator point of sale once again outpaced new

bookings growth, and our cohort retention rates have remained consistent over the last few quarters, supporting the ongoing progression of Viator’s unit economics as these bookings come at lower acquisition costs. In addition, our direct channel, which includes our app bookings, continues to show strong growth and is increasing as a percent of our overall mix. These trends continue to strengthen our confidence in the long-term margin opportunity for this business at scale.

At **Brand Tripadvisor**, revenue was \$219 million, a decline of 8%. **Branded Hotels** revenue was \$148 million, a decline of 7%, and sequentially flat with Q4, exceeding our expectations due to more favorable pricing in hotel meta. Pricing remained strong as we exited last quarter, and grew year over year throughout Q1 in both the US and Europe, a reflection of healthy demand and recent product optimizations that Matt described earlier, which drove higher-value clicks to our partners. Pricing growth was offset by volume headwinds, which were expected and related to last year’s challenging compare in paid channels, as well as the product changes Matt discussed earlier, which traded off lower click volume for higher quality clicks. While still down year over year, in the US and Europe, revenue growth trends improved sequentially.

Media and advertising revenue declined 6% to \$31 million. Declines in traditional display and programmatic advertising revenue were driven by overall traffic volume dynamics, which offset growth in our off platform revenue, including creative offerings and programmatic advertising.

Experiences and dining revenue was \$30 million, a decline of 15%. B2B restaurant revenue declines were due to our product-led transition to a self-service sales model. Entering the year, we expected experiences revenue growth at Tripadvisor would be challenged in the first half due to lapping the short-term benefits we recognized last year in some product optimization testing as well as remaining consistent in our ROI targets for this point-of-sale. Importantly, the Brand Tripadvisor point of sale remains very profitable, with well over half of the revenue coming through direct channels. We expect to see improved performance as we exit the second quarter, through a combination of the lapping of these headwinds, along with our planned investment in product optimization and marketing.

Brand Tripadvisor adjusted EBITDA was \$65 million, representing 30% of revenue. Relative to our outlook in February, adjusted EBITDA was higher due to the stronger than anticipated

hotel meta performance, lower than expected cost of sales, and lower personnel and G&A costs. Year-over-year deleverage was due to lower revenue and contribution profit, which more than offset lower personnel and G&A costs.

At TheFork, revenue was \$46 million, or 12% growth and 16% growth in constant currency. Growth was driven by a healthy mix of solid booking volumes in our B2C offering, which grew 9% in TheFork’s direct channel, strong performance in our B2B subscription revenue, driven by higher adoption of higher-priced premium plans, and higher revenue from partnerships we announced last year. The increased penetration of higher priced plans in our B2B offering is a testament to the product and technology investments we made over the past few years, which have consistently translated into accelerating, profitable growth.

Adjusted EBITDA at TheFork was slightly better than expectations at a loss of \$3 million due to lower personnel and technology costs. Compared to last year, adjusted EBITDA benefited from lower personnel costs, which offset increases in cost of sales and marketing.

Turning to **consolidated expenses for the quarter**:

Cost of revenue was 7% of revenue, approximately 100 basis points higher due to higher transaction related costs at Viator and TheFork.

Marketing costs were 43% of revenue, an increase of approximately 200 basis points due to increased marketing spend to support growth.

Personnel costs decreased by approximately 200 basis points to 36% of revenue including share-based compensation of approximately \$28 million, and was due primarily to this year’s cost reductions at Brand Tripadvisor. Absent share based compensation, personnel costs were also lower by approximately 200 basis points.

Technology costs were flat at 6% of revenue, while **G&A** as a percent of revenue was lower by 300 basis points due to an accrual for a potential regulatory matter of approximately \$10 million in Q1 of 2024.

Now, turning to **cash and liquidity**. Q1 operating cash flow was \$102 million, and free cash flow was \$83 million. During the first quarter, we raised \$350 million in an add-on to our existing term loan B. We expect to use the proceeds to pay down our convertible notes due April 1, 2026. In connection with the merger with Liberty TripAdvisor Holdings, or LTRP, announced in December of 2024, we loaned LTRP approximately \$327 million for the redemption of its exchangeable debentures. Total cash and cash equivalents at quarter end, including these activities, was \$1.2 billion.

Subsequent to the quarter end, we closed the LTRP merger. As a result, we retired approximately 27 million shares, issued approximately 3 million shares and paid \$42.5 million in cash to the LTRP preferred stockholders and \$20 million in cash to the LTRP shareholders. In addition, we canceled the loan to LTRP that was used to redeem the exchangeable debentures as I just noted. The net reduction in shares is approximately 23.8 million, or approximately 17% of shares. Total cash outflow is approximately \$393 million, with the majority of this being paid in Q1, and the remainder to be paid in Q2.

Post-transaction and post pay-down of our convertible notes, cash balance is expected to be approximately \$700 million, which includes our deferred merchant payables of \$365 million at March 31, 2025.

Now that we have closed the Liberty TripAdvisor transaction, we will restart our share repurchase program under our existing authorization, which has about \$200 million remaining. We will pursue a more structured approach going forward with a target of maintaining our current cash profile and net leverage levels, which we believe is the right approach given our operating needs and considering the current macro environment. This implies we will utilize a portion of our future cash flow to repurchase shares as we see attractive prices in the market and a stable macro environment.

Now I'd like to turn to recent trends and our **outlook for Q2 and the full year**. We have continued to see stable travel demand trends in April and our guidance for the quarter largely assumes these trends continue. However, we recognize that the macroeconomic environment has become more uncertain, which could negatively impact our business. We will continue to monitor the travel environment for any changes.

Starting with our second quarter outlook.

- We expect consolidated revenue growth of between 5% and 8% and adjusted EBITDA margin of approximately 16% to 18%.
- At Viator, we expect mid-teens growth in the number of experiences booked, revenue growth of approximately 9% to 11%, and adjusted EBITDA margin in the mid- to high-single digits. This revenue growth rate assumes a prudent assumption on pricing and cancel rates given some of the recent trends we're monitoring as per Matt's earlier comments.
- At Brand Tripadvisor, we expect a sequential improvement in revenue of flat to 2% declines year-over-year, and adjusted EBITDA margin of approximately 26% to 28%.
- At TheFork, we expect revenue growth to accelerate sequentially to 26% to 28%, which includes approximately 6 percentage points of currency benefit at current rates. We expect adjusted EBITDA margin to pick up sequentially to approximately mid-teens.

Turning to the full year, we are pleased with Q1 performance and Q2 is off to a solid start. However, we believe it is premature to adjust our full-year guidance at this time given the uncertain macroeconomic environment. Therefore, we are maintaining our consolidated full year guidance provided last quarter, which was 5% to 7% revenue growth and 16% to 18% adjusted EBITDA margin.

With that, I'd like to turn the call back to the operator to begin Q&A.

Thank you all for joining us on this morning's call.

We remain excited about our plans for the year. I want to thank all our teams for their relentless focus and execution. We've made significant progress – in our segment strategies, and on Group-wide collaboration. We look forward to the opportunities ahead as we continue to build out our position across experiences and travel. See you at the next update.