

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): May 7, 2019**

**TRIPADVISOR, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35362**  
(Commission  
File Number)

**80-0743202**  
(I.R.S. Employer  
Identification No.)

**400 1st Avenue**  
**Needham, MA 02494**  
(Address of principal executive offices)

**02494**  
(Zip code)

**(781) 800-5000**

**Registrant's telephone number, including area code**

**Not Applicable**

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock	TRIP	NASDAQ

**Item 2.02. Results of Operations and Financial Condition.**

On May 7, 2019, TripAdvisor, Inc. issued a press release announcing its preliminary financial results for the quarter ended March 31, 2019. TripAdvisor, Inc. also posted prepared remarks from Stephen Kaufer, President and Chief Executive Officer, and Ernst Teunissen, Chief Financial Officer, on the “Investor Relations” section of its website at <http://ir.tripadvisor.com/events/cfm>. The full text of this press release and the prepared remarks are furnished as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K.

Pursuant to General Instruction B.2. to Form 8-K, the information set forth in this Item 2.02 and Exhibit 99.1 and 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press Release of TripAdvisor, Inc. dated May 7, 2019.</a>
99.2	<a href="#">Prepared remarks by TripAdvisor, Inc.’s management, dated May 7, 2019.</a>

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## TripAdvisor Reports First Quarter 2019 Financial Results

NEEDHAM, MA, May 7, 2019 — TripAdvisor, Inc. (NASDAQ: TRIP) today announced financial results for the first quarter ended March 31, 2019.

“In Q1, we grew profit and while investing in and growing our strategically important Experiences and Restaurants businesses”, said Chief Executive Officer Steve Kaufer. This year we are focused on product improvements and supply growth to drive an even more engaged customer base and long-term revenue on our platform.”

Chief Financial Officer Ernst Teunissen added, “Q1 results were in line with our expectations and we remain on track to deliver full-year double-digit consolidated adjusted EBITDA growth.” “Our new segment structure reflects our differentiated revenue and profit focus by segment, while leveraging unique assets and investing across a number of areas aimed at long-term, profitable growth.”

The following summarizes first quarter 2019 results under our new segment reporting structure. For additional information on our segments, please see the narrative below captioned "Changes in Segment Information."

### *First Quarter 2019 Summary*

(In millions, except percentages and per share amounts)	Three months ended March 31,		% Change
	2019	2018	
Total Revenue	\$ 376	\$ 378	(1)%
Hotels, Media & Platform	\$ 254	\$ 253	0%
Experiences & Dining	\$ 80	\$ 62	29%
Other	\$ 42	\$ 63	(33)%
GAAP Net Income	\$ 26	\$ 5	420%
Total Adjusted EBITDA (1)	\$ 89	\$ 80	11%
Hotels, Media & Platform	\$ 105	\$ 77	36%
Experiences & Dining	\$ (24)	\$ (4)	(500)%
Other	\$ 8	\$ 7	14%
Non-GAAP Net Income (1)	\$ 51	\$ 42	21%
Diluted Earnings per Share:			
GAAP	\$ 0.18	\$ 0.04	350%
Non-GAAP (1)	\$ 0.36	\$ 0.30	20%
Cash flow from operating activities	\$ 182	\$ 174	5%
Free cash flow (1)	\$ 165	\$ 159	4%

(1) “Adjusted EBITDA”, “Non-GAAP Net Income”, “Non-GAAP Diluted Earnings per Share”, and “Free cash flow” are non-GAAP measures as defined by the U.S. Securities and Exchange Commission (the “SEC”). Please refer to “Non-GAAP Financial Measures” below for definitions and explanations of these non-GAAP financial measures, as well as tabular reconciliations to the most directly comparable GAAP financial measures.

### *First Quarter 2019 Operational and Financial Highlights*

- **Total Revenue** was \$376 million, a 1% decrease year-over-year. We estimate that excluding changes in foreign currency, Total Revenue grew approximately 2%.
- **GAAP Net Income** grew 420% to \$26 million, while **Non-GAAP Net Income** grew 21% to \$51 million.
- **Total Adjusted EBITDA** grew 11% to \$89 million, and **Total Adjusted EBITDA margin** increased by 3% year-over-year to 24%. We estimate that excluding year-over-year changes in foreign currency Total Adjusted EBITDA grew approximately 18%.

- **Hotels, Media & Platform segment revenue** was \$254 million, which was flat year-over-year. **Hotels, Media & Platform segment Adjusted EBITDA** grew 36% to \$105 million, and **Hotels, Media & Platform segment Adjusted EBITDA margin** improved to 41%, a 11% increase compared to Q1 2018, primarily due to increased efficiency of direct selling and marketing expenses. We estimate that excluding year-over-year changes in foreign currency Total Hotels, Media & Platform Segment Revenue and Adjusted EBITDA grew approximately 3% and 43%, respectively.
- **Experiences & Dining segment revenue** grew 29% to \$80 million, while **Experiences & Dining segment Adjusted EBITDA** reflected increased strategic investments to drive long-term growth initiatives. We estimate that excluding year-over-year changes in foreign currency Total Experiences & Dining Segment Revenue grew approximately 35%.
- **Other revenue** decreased 33% to \$42 million, primarily driven by the elimination of some marginal and unprofitable revenue within some non-TripAdvisor branded offerings, which reduced revenue and increased profitability.
- **Cash and cash equivalents and short-term marketable securities** was \$811 million and there was no outstanding debt as of March 31, 2019.
- **Cash flow from operating activities** for the three months ended March 31, 2019, was \$182 million, an increase of \$8 million, or 5%, year-over-year. **Free cash flow** for the three months ended March 31, 2019, grew 4% to \$165 million.

### Changes in Segment Information

During the first quarter of 2019, as part of our continuous review of the business, we evaluated our operations and realigned the reportable segment information which our chief operating decision maker, or CODM, regularly assesses to evaluate performance for operating decision-making purposes, including evaluation and allocation of resources. The CODM for the company is our Chief Executive Officer.

As a result of this realignment, effective for the quarter ended March 31, 2019, the Company has the following reportable segments:

- The Hotels, Media & Platform segment includes TripAdvisor-branded hotel metasearch auction-based revenue, transaction revenue from our hotel instant booking feature, TripAdvisor-branded display-based advertising revenue, subscription-based advertising and media advertising placements revenue; all TripAdvisor-related brand advertising expenses (primarily television advertising), and technical infrastructure and other costs supporting the TripAdvisor platform, all of which were previously included in our legacy Hotel segment. We will disclose Hotels, Media & Platform revenue by source as follows: (1) TripAdvisor-branded hotels; and (2) TripAdvisor-branded display and platform.
- The Experiences & Dining segment includes our Experiences and Restaurant businesses and will be reported on an aggregate basis.

All remaining business units have been combined into and reported as “Other”, which includes Rentals, Flights/Cruise, SmarterTravel, and TripAdvisor China. All direct general and administrative costs are included in the applicable segments and business units; however, all corporate general and administrative costs are included in the Hotels, Media & Platform reportable segment.

All prior period segment disclosure information in this Exhibit 99.1 has been reclassified to conform to the current reporting structure. These reclassifications had no effect on our unaudited condensed consolidated financial statements in any period. We have also posted comparative figures by recasting summary historical results for the quarters ended and years ended December 31, 2018 and 2017, respectively, on a segment basis in our Supplemental Financial Information file on the Events & Presentations section of our Investor Relations website at <http://ir.tripadvisor.com/events-and-presentations>.

### First Quarter 2019 Revenue by Source:

(In millions, except percentages )	Three months ended March 31,		% Change
	2019	2018	
Hotels, Media & Platform			
TripAdvisor-branded hotels	\$ 216	\$ 217	0%
TripAdvisor-branded display and platform	38	36	6%
Experiences & Dining	80	62	29%
Other (1)	42	63	(33)%
Total Revenue	\$ 376	\$ 378	(1)%

(1) Other consists of the combination of our Rentals, Flights/Cruises, SmarterTravel and TripAdvisor China business units.

## Conference Call

TripAdvisor posted prepared remarks and supplemental financial information on the Investor Relations section of TripAdvisor's website at <http://ir.tripadvisor.com>. TripAdvisor will host a conference call tomorrow, May 8, 2019, at 8:30 a.m., Eastern Time, to discuss TripAdvisor's first quarter 2019 operating results, as well as other forward-looking information about TripAdvisor's business. Domestic callers may access the earnings conference call by dialing (877) 224-9081 (International callers, dial (224) 357-2223). Investors and other interested parties may also go to the Investor Relations section of TripAdvisor's website at <http://ir.tripadvisor.com/> for a live webcast of the conference call. Please access the website at least 15 minutes prior to the call to register, download, and install any necessary audio software. A replay of the conference call will be available on TripAdvisor's website noted above or by phone (dial (855) 859-2056 and enter the passcode 1868976) until May 15, 2019 and the webcast will be accessible at <http://ir.tripadvisor.com/events-and-presentations> for at least twelve months following the conference call.

## About TripAdvisor

TripAdvisor, the world's largest travel site\*, enables travelers to unleash the full potential of every trip. With over 760 million reviews and opinions covering the world's largest selection of travel listings worldwide – covering approximately 8.3 million accommodations, airlines, experiences, restaurants and cruises – TripAdvisor provides travelers with the wisdom of the crowds to help them decide where to stay, how to fly, what to do, where to eat and how to cruise. TripAdvisor also compares prices from more than 200 hotel booking sites so travelers can find the lowest price on the hotel that's right for them. TripAdvisor-branded sites are available in 49 markets, and are home to the world's largest travel community of 490 million average monthly unique visitors\*\*, all looking to get the most out of every trip. TripAdvisor: Know better. Book better. Go better.

The subsidiaries and affiliates of TripAdvisor, Inc. (NASDAQ:TRIP) own and operate a portfolio of websites and businesses, including the following travel media brands: [www.airfarewatchdog.com](http://www.airfarewatchdog.com), [www.bokun.io](http://www.bokun.io), [www.bookingbuddy.com](http://www.bookingbuddy.com), [www.cruise critic.com](http://www.cruise critic.com), [www.familyvacationcritic.com](http://www.familyvacationcritic.com), [www.flipkey.com](http://www.flipkey.com), [www.thefork.com](http://www.thefork.com) (including [www.lafourchette.com](http://www.lafourchette.com), [www.eltenedor.com](http://www.eltenedor.com), and [www.restorando.com](http://www.restorando.com)), [www.holidaylettings.co.uk](http://www.holidaylettings.co.uk), [www.holidaywatchdog.com](http://www.holidaywatchdog.com), [www.housetrip.com](http://www.housetrip.com), [www.jetsetter.com](http://www.jetsetter.com), [www.niumba.com](http://www.niumba.com), [www.onetime.com](http://www.onetime.com), [www.oyster.com](http://www.oyster.com), [www.seatguru.com](http://www.seatguru.com), [www.smartertravel.com](http://www.smartertravel.com), [www.tingo.com](http://www.tingo.com), [www.vacationhomerentals.com](http://www.vacationhomerentals.com), and [www.viator.com](http://www.viator.com).

\* Source: Jumpshot for TripAdvisor Sites, worldwide, February 2019

\*\* Source: TripAdvisor internal log files, average monthly unique visitors during season peak in Q3 2018

**TripAdvisor, Inc.**  
**SELECTED FINANCIAL INFORMATION**  
**Condensed Consolidated Statements of Operations**  
(in millions, except per share amounts)  
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenue	\$ 376	\$ 378
Costs and expenses:		
Cost of revenue	21	20
Selling and marketing (1)	178	198
Technology and content (1)	73	67
General and administrative (1)	42	42
Depreciation	23	20
Amortization of intangible assets	8	8
Total costs and expenses	345	355
Operating income	31	23
Other income (expense), net	2	(2)
Income before income taxes	33	21
Provision for income taxes	(7)	(16)
Net income	\$ 26	\$ 5
Earnings per share attributable to common stockholders:		
Basic	\$ 0.19	\$ 0.04
Diluted	\$ 0.18	\$ 0.04
Weighted average common shares outstanding:		
Basic	138	139
Diluted	141	140
(1) Includes stock-based compensation expense as follows:		
Selling and marketing	\$ 5	\$ 6
Technology and content	\$ 12	\$ 12
General and administrative	\$ 10	\$ 11

**TripAdvisor, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in millions, except number of shares and per share amounts)  
(Unaudited)

	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 771	\$ 655
Short-term marketable securities	40	15
Accounts receivable and contract assets, net of allowance for doubtful accounts of \$23 and \$21, respectively	236	212
Prepaid expenses and other current assets	35	33
<b>Total current assets</b>	<b>1,082</b>	<b>915</b>
Property and equipment, net of accumulated depreciation of \$252 and \$240, respectively	257	253
Operating lease right-of-use assets	73	—
Intangible assets, net of accumulated amortization of \$147 and \$140, respectively	109	118
Goodwill	754	756
Deferred income taxes, net	20	27
Other long-term assets	100	98
<b>TOTAL ASSETS</b>	<b>\$ 2,395</b>	<b>\$ 2,167</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 11	\$ 15
Deferred merchant payables	263	164
Deferred revenue	101	63
Accrued expenses and other current liabilities	155	151
<b>Total current liabilities</b>	<b>530</b>	<b>393</b>
Deferred income taxes, net	22	21
Other long-term liabilities	336	282
<b>Total Liabilities</b>	<b>888</b>	<b>696</b>
Stockholders' equity:		
Preferred stock, \$0.001 par value	—	—
Authorized shares: 100,000,000		
Shares issued and outstanding: 0 and 0		
Common stock, \$0.001 par value	—	—
Authorized shares: 1,600,000,000		
Shares issued: 138,256,630 and 137,158,010, respectively		
Shares outstanding: 126,199,942 and 125,101,322, respectively		
Class B common stock, \$0.001 par value	—	—
Authorized shares: 400,000,000		
Shares issued and outstanding: 12,799,999 and 12,799,999, respectively		
Additional paid-in capital	1,046	1,037
Retained earnings	1,072	1,043
Accumulated other comprehensive loss	(64)	(62)
Treasury stock-common stock, at cost, 12,056,688 and 12,056,688 shares, respectively	(547)	(547)
<b>Total Stockholders' Equity</b>	<b>1,507</b>	<b>1,471</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,395</b>	<b>\$ 2,167</b>



**TripAdvisor, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in millions)  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Operating activities:</b>		
Net income	\$ 26	\$ 5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment, including amortization of internal-use software and website development	23	20
Amortization of intangible assets	8	8
Stock-based compensation expense	27	29
Deferred tax expense	9	—
Other, net	5	—
Changes in operating assets and liabilities, net of effects from acquisitions	84	112
<b>Net cash provided by operating activities</b>	<b>182</b>	<b>174</b>
<b>Investing activities:</b>		
Capital expenditures, including internal-use software and website development	(17)	(15)
Purchases of marketable securities	(40)	(1)
Sales of marketable securities	—	41
Maturities of marketable securities	15	3
<b>Net cash (used in) provided by investing activities</b>	<b>(42)</b>	<b>28</b>
<b>Financing activities:</b>		
Repurchase of common stock	—	(4)
Proceeds from 2015 credit facility	—	5
Payments to 2015 credit facility	—	(235)
Payment of withholding taxes on net share settlements of equity awards	(23)	(12)
Other financing activities, net	(1)	—
<b>Net cash used in financing activities</b>	<b>(24)</b>	<b>(246)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	6
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>116</b>	<b>(38)</b>
Cash, cash equivalents and restricted cash at beginning of period	655	673
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 771</b>	<b>\$ 635</b>

**TripAdvisor, Inc.**  
**Segment Information**  
(in millions, except percentages)  
(Unaudited)

	Three Months Ended		Y / Y Growth
	March 31, 2019	March 31, 2018	
<b>Revenue:</b>			
Hotels, Media & Platform	\$ 254	\$ 253	0%
Experiences & Dining	80	62	29%
Other (1)	42	63	(33)%
<b>Total revenue</b>	<b>\$ 376</b>	<b>\$ 378</b>	<b>(1)%</b>
<b>Adjusted EBITDA (2):</b>			
Hotels, Media & Platform	\$ 105	\$ 77	36%
Experiences & Dining	(24)	(4)	(500)%
Other (1)	8	7	14%
<b>Total Adjusted EBITDA</b>	<b>\$ 89</b>	<b>\$ 80</b>	<b>11%</b>
<b>Adjusted EBITDA Margin (2):</b>			
Hotels, Media & Platform	41%	30%	
Experiences & Dining	(30)%	(6)%	
Other (1)	19%	11%	
<b>Total Adjusted EBITDA Margin</b>	<b>24%</b>	<b>21%</b>	
<b>Net Income (3)</b>			
Net Income (3)	\$ 26	\$ 5	
Net Income Margin	7%	1%	

(1) Other consists of the combination of our Rentals, Flights/Cruises, SmarterTravel and TripAdvisor China business units.

(2) Please refer to "Non-GAAP Financial Measures" below for definitions of these non-GAAP financial measures, as well as reconciliations to the most directly comparable GAAP measure.

(3) This amount reflects our consolidated GAAP net income for the periods presented. TripAdvisor does not calculate or report net income by segment.

## Non-GAAP Financial Measures

To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with GAAP in our press release and related conference call or webcast, we also report certain non-GAAP financial measures. A “non-GAAP financial measure” refers to a numerical measure of a company’s historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in such company’s financial statements. We may use the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP net income, non-GAAP net income per diluted share, free cash flow, non-GAAP revenue before effects of foreign exchange, and Adjusted EBITDA before effects of foreign exchange, as well as other measures.

The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP and should not be considered measures of TripAdvisor’s liquidity. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to our GAAP financial measures reflect the exclusion of certain items, as defined in our non-GAAP definitions below, which are recurring and will be reflected in our financial results for the foreseeable future. In addition, these measures may be different from non-GAAP financial measures used by other companies, even where similarly titled, limiting their usefulness for comparison purposes and therefore should not be used to compare TripAdvisor’s performance to that of other companies. We endeavor to compensate for the limitation of the non-GAAP financial measures presented by also providing the most directly comparable GAAP measures and descriptions of the reconciling items and adjustments to derive the non-GAAP financial measures.

We believe these non-GAAP financial measures provide investors and analysts with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key measures used by management to operate and analyze our business over different periods of time.

We define our non-GAAP financial measures as below:

TripAdvisor defines “Adjusted EBITDA” as Net Income (Loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived assets and intangible asset impairments; (7) legal reserves and settlements; and (8) non-recurring expenses and income. These items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful. During the fourth quarter of 2018, the Company revised its Adjusted EBITDA definition to exclude legal reserves and settlements, as the Company believes these costs are not directly tied to the core operations of our businesses. The Company believes that excluding these amounts better enables management and investors to compare financial results between periods as these costs may vary independent of business performance. This revision to our Adjusted EBITDA definition did not have a material impact on our segment or non-GAAP financial results for any period prior to the three months and year ended December 31, 2018, and therefore no reclassifications have been made to conform the prior periods to the current period presentation. This revision had no effect on GAAP results in any period.

TripAdvisor defines “Adjusted EBITDA margin” as Adjusted EBITDA divided by revenue.

Adjusted EBITDA and Adjusted EBITDA margin are key operating performance measures used by our management and board of directors to understand and evaluate the financial performance of our business as a whole and our individual business segments, and on which internal budgets and forecasts are based and approved. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted EBITDA and Adjusted EBITDA margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors and allows for another useful comparison of our performance with our historical results from prior periods.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income and our other GAAP results.

Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation or other stock-settled obligations;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect certain income and expenses not directly tied to the core operations of our business, such as legal reserves and settlements;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us; and
- Other companies, including companies in our own industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

TripAdvisor defines “non-GAAP net income” as GAAP net income (loss) excluding, net of their related tax effects (which excludes the impact of significant one-time changes resulting from tax legislation such as the U.S. Tax Cuts and Jobs Act of 2017 (the “2017 Tax Act”): (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) goodwill, intangible asset, and other long-lived asset impairments; (4) legal reserves and settlements; and (5) certain gains, losses, and other non-recurring income or expenses that we do not believe are indicative of our ongoing operating results. We believe non-GAAP net income is an operating performance measure which provides investors and analysts with useful supplemental information about the financial performance of our business, as it incorporates our condensed consolidated statement of operations, taking into account depreciation, which management believes is an ongoing cost of doing business, but excluding the impact of certain expenses, infrequently occurring items and items not directly tied to the core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance. During the fourth quarter of 2018, the Company revised its non-GAAP net income definition to exclude legal reserves and settlements, as the Company believes these costs are not directly tied to the core operations of our businesses. The Company believes this change better enables management and investors to compare financial results between periods as these costs may vary independent of business performance. This revision to our non-GAAP net income definition did not have a material impact on our segment or non-GAAP financial results for any period prior to the three months and year ended December 31, 2018, and therefore no reclassifications have been made to conform the prior periods to the current period presentation. This revision had no effect on GAAP results in any period.

TripAdvisor defines “non-GAAP net income per diluted share”, or non-GAAP diluted EPS, as non-GAAP net income divided by GAAP diluted shares. We believe non-GAAP diluted EPS is useful to investors because it represents, on a per share basis, our condensed consolidated statement of operations, taking into account depreciation, which we believe is an ongoing cost of doing business, as well as other items which are not allocated to the operating businesses such as interest expense, interest income, income taxes and foreign exchange gains or losses, but excluding the effects of certain expenses not directly tied to the core operations of our businesses. TripAdvisor calculates non-GAAP diluted EPS using GAAP diluted shares determined under the treasury stock method.

Non-GAAP net income and non-GAAP diluted EPS have some of the same limitations as Adjusted EBITDA. In addition, non-GAAP net income does not include all items that affect our net income and GAAP diluted EPS for the period. Therefore, we think it is important to evaluate these measures along with our condensed consolidated statements of operations.

TripAdvisor defines “free cash flow” as net cash provided by operating activities less capital expenditures, which are purchases of property and equipment, including capitalization of internal-use software development costs. We believe this financial measure can provide useful supplemental information to help investors better understand underlying trends in our business, as it represents the operating cash flow that our operating businesses generate, less capital expenditures but before taking into account other cash movements that are not directly tied to the core operations of our businesses, such as financing activities, foreign exchange or certain investing activities. Free cash flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, it is important to evaluate free cash flow along with the condensed consolidated statements of cash flows.

TripAdvisor calculates our foreign exchange effect of revenue, or “non-GAAP revenue before effects of foreign exchange” on a constant currency basis by excluding the estimated effects of foreign currency exchange on revenue by translating actual revenue for the current year three months ended using the prior period foreign currency exchange rates. We believe this is a useful measure that facilitates management’s internal comparison to our historical performance because it excludes the effects of foreign currency volatility that is not indicative of our core operating results.

TripAdvisor calculates our foreign exchange effect of Adjusted EBITDA, or “Adjusted EBITDA before effects of foreign exchange,” on a constant currency basis, by excluding the estimated effects of foreign currency exchange by translating all amounts included in Adjusted EBITDA for the current year three months ended using the prior period foreign currency exchange rates. We believe this is a useful measure that facilitates management's internal comparison to our historical performance because it excludes the effects of foreign currency volatility that is not indicative of our core operating results.

Pursuant to the requirements of Regulation G, we present reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measure below.

**TripAdvisor, Inc.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(in millions, except per share amounts and percentages)  
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
<b>Reconciliation of GAAP Net Income to Adjusted EBITDA (Non-GAAP):</b>		
<b>GAAP Net Income</b>	\$ 26	\$ 5
Add: Provision for income taxes	7	16
Add: Other (income) expense, net	(2)	2
Add: Depreciation and amortization of intangible assets	31	28
Add: Stock-based compensation expense	27	29
<b>Adjusted EBITDA (Non-GAAP)</b>	<u>\$ 89</u>	<u>\$ 80</u>
<b>Revenue (GAAP)</b>	\$ 376	\$ 378
<b>Net Income margin (GAAP)</b>	7%	1%
Adjusted EBITDA margin (Non-GAAP) (1)	24%	21%
<b>Reconciliation from GAAP Net Income and GAAP Net Income per diluted share to Non-GAAP net income and Non-GAAP net income per diluted share:</b>		
<b>GAAP Net Income</b>	\$ 26	\$ 5
Add: Stock-based compensation expense	27	29
Add: Amortization of intangible assets	8	8
Subtract: Income tax effect of Non-GAAP adjustments (2)	10	5
Add: Income tax impact related to 2017 Tax Act (3)	-	5
<b>Non-GAAP net income</b>	<u>\$ 51</u>	<u>\$ 42</u>
<b>GAAP diluted shares</b>	141	140
<b>GAAP Net Income per diluted share</b>	\$ 0.18	\$ 0.04
Non-GAAP net income per diluted share (4)	\$ 0.36	\$ 0.30
<b>Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):</b>		
<b>Net cash provided by operating activities (GAAP)</b>	\$ 182	\$ 174
Subtract: Capital expenditures	17	15
<b>Free cash flow (Non-GAAP)</b>	<u>\$ 165</u>	<u>\$ 159</u>
<b>Revenue Before Effects of Foreign Exchange:</b>		
<b>Total Revenue (GAAP)</b>	\$ 376	\$ 378
Estimated effects of foreign exchange	11	
<b>Non-GAAP Total revenue before effects of foreign exchange</b>	<u>\$ 387</u>	
	<i>Year/Year Growth (5)</i>	2%
<b>Adjusted EBITDA Before Effects of Foreign Exchange:</b>		
<b>Total Adjusted EBITDA (Non-GAAP)</b>	\$ 89	\$ 80
Estimated effects of foreign exchange	5	
<b>Total Adjusted EBITDA before effects of foreign exchange (Non-GAAP)</b>	<u>\$ 94</u>	
	<i>Year/Year Growth (5)</i>	18%

Three Months Ended	
March 31, 2019	March 31, 2018

**Hotels, Media & Platform Segment Revenue Before Effects of Foreign Exchange:**

<b>Total Hotels, Media &amp; Platform Segment Revenue (GAAP)</b>	\$ 254	\$ 253
Estimated effects of foreign exchange	7	
<b>Non-GAAP Total Hotels, Media &amp; Platform segment revenue before effects of foreign exchange</b>	<u>\$ 261</u>	
<i>Year/Year Growth (5)</i>		3%

**Hotels, Media & Platform Segment Adjusted EBITDA Before Effects of Foreign Exchange:**

<b>Total Hotels, Media &amp; Platform Segment Adjusted EBITDA (Non-GAAP)</b>	\$ 105	\$ 77
Estimated effects of foreign exchange	5	
<b>Total Hotels, Media &amp; Platform Segment Adjusted EBITDA before effects of foreign exchange (Non-GAAP)</b>	<u>\$ 110</u>	
<i>Year/Year Growth (5)</i>		43%

**Experiences & Dining Segment Revenue Before Effects of Foreign Exchange:**

<b>Total Experiences &amp; Dining Segment Revenue (GAAP)</b>	\$ 80	\$ 62
Estimated effects of foreign exchange	4	
<b>Non-GAAP Total Experiences &amp; Dining segment revenue before effects of foreign exchange</b>	<u>\$ 84</u>	
<i>Year/Year Growth (5)</i>		35%

- (1) TripAdvisor defines "Adjusted EBITDA margin" as Adjusted EBITDA divided by revenue.
- (2) The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect on non-GAAP adjustments was calculated based on the individual impact that these items had on our GAAP consolidated income tax expense for the periods presented.
- (3) Represents an additional provision of \$5 million for income taxes related to a transition tax associated with the 2017 Tax Act recorded during the three months ended March 31, 2018.
- (4) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by GAAP diluted shares.
- (5) Represents constant currency growth, as a percentage, which is calculated by determining the change in current period revenues and Adjusted EBITDA figures over prior period revenues and Adjusted EBITDA figures, where current period figures are translated using prior period foreign currency exchange rates.

**Safe Harbor Statement**

Statements in this press release regarding management's future expectations, beliefs, intentions, goals, strategies, plans or prospects, including, without limitation, statements relating to TripAdvisor's future financial performance on both a GAAP and non-GAAP basis, and TripAdvisor's prospects as a comprehensive destination for hotels, experiences, and restaurants, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "could increase the likelihood," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. Investors are cautioned that statements in this press release, which are not strictly historical statements, including, without limitation, statements by our executive officers with respect to growth objectives, strategic investments, and statements regarding management's plans, objectives and strategies, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors detailed in TripAdvisor's filings with the SEC. As a result of such risks, uncertainties and factors, TripAdvisor's actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. TripAdvisor is providing the information in this press release as of this date and assumes no obligations to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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### **TripAdvisor, Inc. Q1 2019 Prepared Remarks**

*(All comparisons are against the same period of the prior year, unless otherwise noted; some calculations may not foot due to rounding)*

Q1 results were in line with our expectations and we remain on track to deliver full-year double-digit consolidated adjusted EBITDA growth. We are leveraging our unique assets and investing in several key areas to drive long-term, profitable growth. Some key Q1 financial highlights:

- Grew GAAP net income to \$26 million, and adjusted EBITDA by 11% to \$89 million. We estimate that excluding changes in foreign currency, adjusted EBITDA grew approximately 18%.
- Posted revenue of \$376 million, a 1% decrease year-over-year. We estimate that excluding year-over-year changes in foreign currency, revenue grew approximately 2%.
- Drove Hotel, Media & Platform segment adjusted EBITDA by 36% and expanded adjusted EBITDA margin to 41%, primarily from increased Hotel marketing efficiency. We estimate that excluding year-over-year changes in foreign currency, Hotel, Media & Platform segment adjusted EBITDA grew approximately 43%.
- Held Hotel, Media & Platform segment revenue steady. We estimate this segment grew approximately 3% excluding year-over-year changes in foreign currency, while spending significantly less on hotel performance marketing year-over-year.
- Delivered 29% Experiences & Dining segment revenue growth. We estimate that excluding year-over-year changes in foreign currency, Experiences & Dining segment revenue grew approximately 35%.

As outlined previously, we employ unique investment strategies across business lines given competitive advantages, industry dynamics and growth opportunities. Starting in Q1, we revised our segment reporting structure that we use for performance assessment, strategic decision-making and capital allocation. Please refer to our accompanying earnings release and Form 10-Q for detailed information regarding these changes, as well as our Supplemental Financial Information for 2018 and 2017 financials by quarter for the new segment structure.

Before we review our Q1 results, it's appropriate to review TripAdvisor's important place in the travel ecosystem and our rapid evolution towards becoming a comprehensive travel platform. This informs our strategic focus this year while we leverage our strengths to attack the growth opportunities ahead.

We serve global consumers that have come to expect more, on demand, all in one place. More information. More choice. More speed. More flexibility. More value. Compared to other purchases, travel places significant – and unique – demands on consumers' two most precious resources: time and money. Unlike in retail, a flawed travel experience cannot be returned, so choosing correctly is absolutely critical. We founded TripAdvisor in 2000 to give people the tools needed to make better travel decisions. Back then, TripAdvisor user reviews disrupted a world of glossy hotel photos and travel agent brochures. By addressing this previously unmet traveler need, we established a powerful, global consumer brand built on a strong foundation of community and trust.



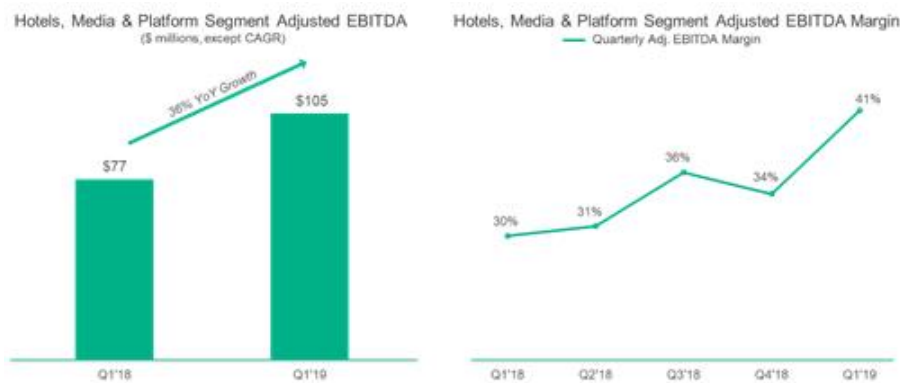
Today, nearly two decades later, TripAdvisor and its 760 million reviews and opinions (which grew 20% year-over-year) creates a positive influence across the travel ecosystem by matching consumers with great businesses and memorable travel experiences every day. While the 411 million average monthly unique users visiting TripAdvisor during Q1 was 5% lower year-over-year, primarily due to our hotel marketing optimizations, we expect that hotel shopper trends (i.e., the hotel component of our unique user demand that has been directly impacted by these optimizations) will improve later this year. We also note that Experiences demand – another key component of our monthly unique user figure – grew by double-digits in Q1. With our strong brand and ample scale, our focus is as much or more on improving quality and engagement as it is on growing our already large unique user base.

TripAdvisor remains a unique travel nexus, connecting people with information and businesses, and facilitating memorable experiences across a spectrum of travel categories. This year, we're honing our customer-centric approach to better serve both consumers and partners. On the consumer side, we're complementing product work with impactful brand marketing and initiatives that grow and engage members and drive loyalty. For partners, we're focused on platform improvements as well as launching more ways for them to promote their businesses and drive more economic opportunity on TripAdvisor. Over time, we believe these customer-centric efforts will reduce customer acquisition costs, increase our competitive advantage, and grow high-margin revenue across our verticals.

### Hotels, Media & Platform Segment Update

Our ongoing strategic focus in our Hotels, Media & Platform segment is to grow profit while driving increased engagement with – and high-margin media advertising revenue from – the TripAdvisor platform.

We beat our Q1 profit objectives; we grew Hotels, Media & Platform adjusted EBITDA by 36% to \$105 million and expanded this segment's adjusted EBITDA margin by 11 percentage points year-over-year to 41%.



Q1 Hotels, Media & Platform segment revenue was flat compared to Q1 2018. We estimate that excluding year-over-year changes in foreign currency, Hotels, Media & Platform segment revenue and adjusted EBITDA grew by approximately 3% and 43%, respectively. We're hitting our internal marketing efficiency profit targets and delivering higher quality leads for our partners – further underscoring our success optimizing marketing investments over the past year. We observed softer than expected

international demand in Q1, and ongoing trends make us cautious about Q2 auction growth, though we continue to believe auction trends will improve in the second half of the year as we lap currency impacts and our marketing optimizations. Our Q1 performance has us on track for strong double-digit adjusted EBITDA growth in this segment this year while we leverage and invest behind unique media assets to diversify growth.

*TripAdvisor-branded Hotels (“Hotels”)* – Q1 Hotels revenue growth was flat year-over-year with trends similar to Q3 and Q4 2018 results – i.e., strong revenue per hotel shopper growth offset by reduced hotel shoppers from our successful efforts to improve product and marketing efficiency. Operationally, we were pleased to deliver auction conversion gains, mobile and desktop/tablet monetization growth and year-over-year growth in hotel-specific B2B offerings.

We further improved our comprehensive hotel shopping experience. This includes a more personalized hotel sort based on a consumer’s browsing behavior and more localized search results. We added over one million partner photos to improve properties-with-photos coverage and made 360-degree panoramas – a consumer-favorite – more easily discoverable. We on-boarded more than 100,000 new listings in our hotel business, up approximately 10% year-over-year, further expanding consumer choice.

We bolstered our leadership ranks by welcoming Kanika Soni as our new Hotels President. Kanika takes the reins of a Hotels business unit that regained solid financial footing over the past year and a half, and joins a passionate team that is operating with renewed customer focus. Her experienced leadership in driving great success with well-known customer-focused brands is the perfect fit as we navigate a dynamic competitive landscape. With Hotels profitability intact, our focus turns to navigating the business to sustainable, profitable growth.

*TripAdvisor-branded display and platform (“Display”)* – Display revenue growth accelerated to 6% year-over-year. We launched several new advertising placements in Q1, and are building more advertising units to help partners, large and small, reach TripAdvisor’s global audience.

In Core Experience (“CoreX”), we’ve made early progress on initiatives aimed at serving members and building direct and durable consumer relationships. The “New TripAdvisor” site gives consumers immersive video content, articles and a Trips co-planning feature. Further, recent consumer surveys show perception of TripAdvisor shifting to a place of active discovery and where users can “make things happen”. We also further strengthened the team by adding new leaders in membership & loyalty and advertising revenue, and will leverage TripAdvisor’s position as the world’s largest travel platform to reach global consumers at scale and execute our media advertising growth strategy.

We have started to broaden our television campaign. During Q1, we invested \$29 million in TripAdvisor-related brand advertising, primarily via television ads, and diversified this investment to also highlight TripAdvisor Experiences as the place to plan and book great things to do. We believe brand advertising creates a ‘halo’ effect across the business and we are excited to promote our holistic consumer offering across more mediums this year.

In summary, we’re pleased to deliver strong profitability in this segment and are excited about our long-term growth potential.

## Experiences & Dining Segment Update

As previewed in recent quarterly remarks, we've accelerated Experiences and Restaurants product, supply and marketing investments this year in order to drive attractive returns over a multiyear period.

Q1 Experiences & Dining segment revenue grew 29%. We estimate that excluding changes in foreign currency, Experiences & Dining segment revenue grew approximately 35%.

In Experiences, we're investing in product development and sales talent across the U.S., Europe and Asia-Pacific. We're also investing efficiently in performance marketing channels.

On the consumer product side, our 'Traveler Ranked' sort order now ranks experiences based on consumer engagement metrics like browsing behavior, traveler interest, photos, latest reviews and more. Further, we launched self-service cancellation via chatbot, making it easier for consumers to change their plans on-the-go and deepening our understanding of how consumers interact for various booking actions and thereby enabling us to improve their experience. We also expanded geographic reach, launched bookable experiences on our Taiwan, Hong Kong and international Chinese sites, and streamlined bookability in many markets. Newer category (e.g., events and tickets) growth is broadening overall selection and adding more lower-priced options that are driving booking frequency. In time, these products – coupled with an ever-improving, seamless experience – will drive a faster booking flywheel and help build the consumer habit of booking on TripAdvisor.

The number of bookings grew in the high-30s percent range year-over-year in Q1, with fastest growth coming from strategic ongoing focus areas: the TripAdvisor channel, mobile and non-English markets.

Our revamped supply platform now enables suppliers to create a listing, list bookable products, and solicit traveler reviews. These investments, in addition to our Bokun SaaS offering, helped us more than double the number of suppliers we work with year-over-year and grow bookable products by approximately 94% to 202,000.



In Restaurants, product, supply and marketing investments are also driving rapid growth. LaFourchette's seated diner growth accelerated to 32% year-over-year in Q1. Bookable restaurants growth accelerated as well, growing 27% to 61,000 bookable restaurants, primarily from our acquisition of Restorando, which adds bookable supply across eight Latin American countries and 18 major cities. We are excited to scale its talented product and engineering teams across our global restaurant bookings business.

On the TripAdvisor Restaurants side, restaurant media ads and premium subscription products again contributed diversified growth. Looking ahead, our global content, consumer demand and our relationships with approximately 700,000 registered restaurant owners present exciting opportunities to expand our product suite.

We operate Experiences and Restaurants offerings with a long-term profit horizon. Investments during Q1 – our seasonally lowest revenue quarter – resulted in a \$24 million adjusted EBITDA loss. Long-term, however, we foresee very attractive, hotel OTA-like profit margin potential as we build out these marketplaces and drive the consumer booking flywheel. Phocuswright estimates the Travel Activities market is \$159 billion today growing to \$183 billion by 2020, with Tours and Activities accounting for \$129 billion. We're playing to win. We already play a leading role in bringing these categories online and we believe investing in platform expansion and revenue growth today is the best way to maximize profits and shareholder value creation down the road.

### **Other Update**

All other businesses, including our legacy 'Other hotel' revenue source, as well as Flights (from our legacy 'Click-based and transaction' revenue) and Rentals (from our legacy 'Non-Hotel' segment) are combined and reported within Other. Other revenue decreased 33% to \$42 million in Q1, primarily driven by the elimination of some marginal and unprofitable revenue within some non-TripAdvisor branded offerings, which reduced revenue and increased profitability. These businesses complement our overall strategic objective to deliver more value to consumers and travel partners. However, given their relatively small scale, we expect forward commentary on this grouping will be limited.

### **Outlook**

*We have updated our annual outlook commentary to reflect our new segment reporting. As a reminder, we endeavor to be as accurate as possible with our forward-looking commentary; however, a number of factors outside of our control can limit our visibility into future financial performance and can cause our results to vary materially from our current expectations.*

Our new segment structure reflects our differentiated revenue and profit focus by segment. Given the reporting changes this quarter, we want to tie together our forward-looking commentary under the new reporting structure as well as provide some additional middle to long-term color.

- For 2019, we reiterate our expectation of double-digit consolidated adjusted EBITDA growth.

We also provide the following color based on our new segment structure. In 2019, we expect to:

- Drive strong double-digit adjusted EBITDA growth for the Hotels Media & Platform segment. We also expect revenue trends to improve in the second half versus the first half.

- Generate positive absolute-dollar adjusted EBITDA in 2019 in the Experiences and Dining segment, though lower than 2018 given our accelerated investment priorities. These investments will enable us to capture revenue and profit potential in 2020 and beyond. As we've consistently outlined, our focus is on growth as opposed to maximizing near-term profit.
- Maintain Other adjusted EBITDA at a similar level to 2018.

Our differentiated position in the \$1.7 trillion travel landscape is key to our long-term growth strategy. If we are successful, in three to five years we believe we can:

- Return to double-digit growth in both consolidated revenue and adjusted EBITDA.
- Grow Hotel, Media & Platform segment while maintaining very healthy adjusted EBITDA margin.
- Achieve a significantly larger Experiences & Dining segment with attractive profit margins and adjusted EBITDA contribution.

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TripAdvisor's first quarter 2019 earnings press release is available on the Investor Relations section of the TripAdvisor website at <http://ir.tripadvisor.com/>. The earnings release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the U.S. Securities Exchange Commission, or SEC, on May 7, 2019, which is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/> and the SEC's website at [www.sec.gov](http://www.sec.gov).

#### Forward-Looking Statements:

These prepared remarks contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The following words, when used, are intended to identify forward-looking statements: "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "should," "will," and similar expressions which do not relate solely to historical matters. We caution investors that any forward-looking statements in these prepared remarks, or which management may make orally or in writing from time to time, are based on management's beliefs and on assumptions made by, and information currently available to, management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements are more fully described in Part I. Item 1A. "Risk Factors" of our Annual Report on Form 10-K. Moreover, we operate in a rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise.

Investors should also refer to our quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as we file them with the SEC and to other materials we may furnish to the public from time

to time through current reports on Form 8-K or otherwise, for a discussion of risks and uncertainties that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements.

#### Use of Non-GAAP Financial Measures:

These prepared remarks may include references to non-GAAP measures, such as adjusted EBITDA (including forecasted adjusted EBITDA), free cash flow, and constant currency measurements, such as, non-GAAP revenue before effects of foreign exchange, and adjusted EBITDA before effects of foreign exchange, which are considered non-GAAP financial measures as they are not prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). These non-GAAP financial measures are not prepared under a comprehensive set of accounting rules and, therefore, should only be reviewed alongside results reported under GAAP.

We encourage investors to review our earnings press release as it contains important information about our financial results, including tabular reconciliations to the most directly comparable GAAP financial measure, definitions, limitations and other related information about these non-GAAP financial measures. We have not reconciled adjusted EBITDA guidance to projected GAAP net income (loss) because we do not provide guidance on GAAP net income (loss) or the reconciling items between adjusted EBITDA and GAAP net income (loss), as a result of the uncertainty regarding, and the potential variability of, certain of these items. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

The earning press release in addition to other supplemental financial information is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/>. The earnings press release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the SEC on May 7, 2019, which is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/> and the SEC’s website at [www.sec.gov](http://www.sec.gov).

#### Key Business Metrics:

We review a number of metrics, including unique visitors, hotel shoppers, and revenue per hotel shopper, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across our large user base around the world. For example, a single user may have multiple member accounts or browse the internet on multiple browsers or devices, some users may restrict our ability to accurately identify them across visits, and we are not always able to capture user information on all of our platforms. As such, the calculations of our active users may not accurately reflect the actual number of people or organizations using our platform. Our metrics are also affected by applications that automatically contact our servers for regular updates with no discernible user action involved, and this activity can cause our system to count the users associated with such applications as active users on the day or days such contact occurs. As such, the calculation of some of the metrics presented may be affected as a result of this activity. We regularly review our process and may adjust how we calculate our internal metrics to improve their accuracy.