



Q1 2016 Results

May 2016

Safe Harbor

Forward-Looking Statements. Our presentation today, including the slides contained herein, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts or guarantees of future performance and are based on management's assumptions and expectations, which are inherently subject to difficult to predict uncertainties, risks and changes in circumstances. The use of words such as "intends," "expects," "may," "believes," "should," "seeks," "intends," "plans," "potential," "will," "projects," "estimates," "anticipates" or similar expressions generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements, and any statements that refer to expectations, beliefs, plans, predictions, projections, forecasts, objectives, assumptions, models, illustrations, profiles or other characterizations of future events or circumstances are forward-looking statements, including without limitation statements relating to future revenues, expenses, margins, performance, profitability, cash flows, net income/(loss), earnings per share, growth rates and other measures of results of operations (such as, among others, EBITDA or adjusted EBITDA) and future growth prospects for TripAdvisor's business. Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others, those discussed in the "Risk Factors" section of our Quarterly Report on Form 10-Q, as amended. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this presentation, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on forward-looking statements.

Non-GAAP Measures. This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure are included in the press release reporting our first quarter 2016 financial results, which is available on the Investor Relations section of our website: www.tripadvisor.com, and in the "Non-GAAP Reconciliations" section of this document. These non-GAAP measures are intended to supplement, not substitute for, GAAP comparable measures. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

Industry / Market Data. Industry and market data used in this presentation have been obtained from industry publications and sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

Our Mission

Help travelers around the world plan and book the perfect trip



“Remarkable natural wonder!”



Review by toxdiva

See all 3,451 reviews of Antelope Canyon

Addressing Huge & Growing Market Opportunity

350M

Reviews & opinions



340M

Monthly unique users¹



1.8M

Accommodations²



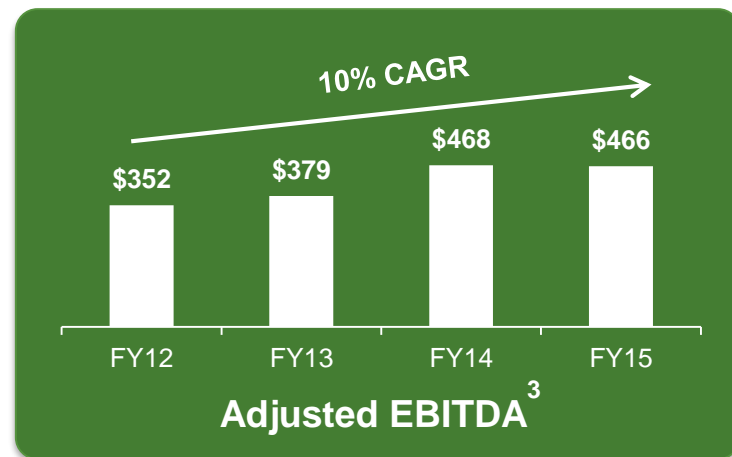
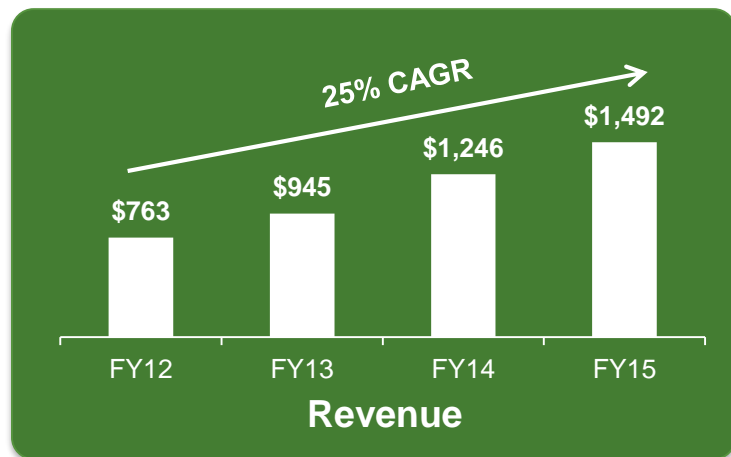
4.0M

Restaurants



655K

Attractions



(1) TripAdvisor internal log files, average monthly unique users during Q1 2016.

(2) Includes 1M hotels, inns, and Bed & Breakfasts, as well as 775K vacation rental listings.

(3) Adjusted EBITDA defined 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 asset and intangible asset impairments, and (7) other non-recurring expenses

Addressing Huge & Growing Market Opportunity

TOTAL WORLDWIDE
TRAVEL SPEND¹

\$1.3T

TOTAL WORLDWIDE
ONLINE TRAVEL
SPEND²

\$492B

TRIPADVISOR 2015 REVENUE

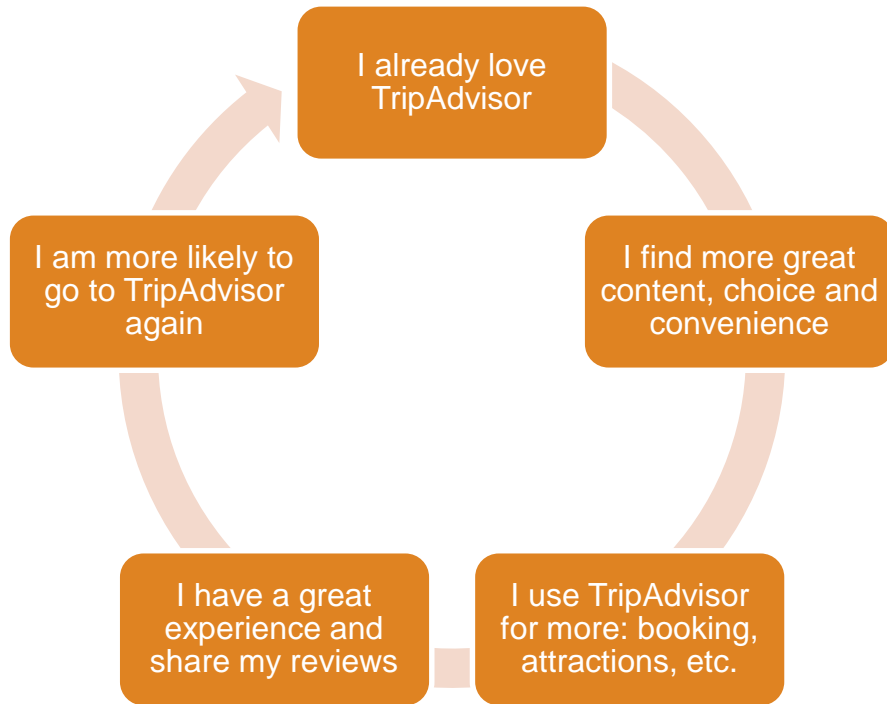
\$1.5B

- Massive and growing \$1.3T global market opportunity
- Bookings moving to online; ad dollars following
- Content & community drives brand loyalty and influence on travel commerce
- Users looking for one-stop-shopping experience
- Mobile enhances long-term growth opportunities

1) Estimated 2015 total travel market size. PhoCusWright Global Online Travel overview, Third Edition (July 2014).
2) Estimated 2015 global online travel market size. PhoCusWright Global Online Travel overview, Third Edition (July 2014).

TripAdvisor Flywheel: What are we Aiming to Achieve?

User Experience Cycle



TripAdvisor Economic Engine



1) Currently experiencing growth headwinds from ongoing transition to Instant Booking

Plan, Compare, and Book on TripAdvisor



Completing Global Instant Booking Launch in 1H 2016

2H 2015

1H 2016

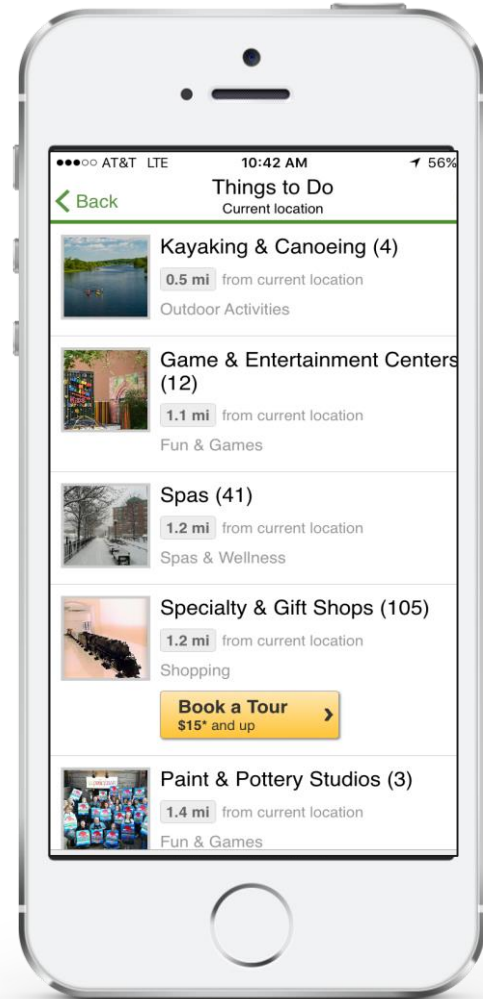
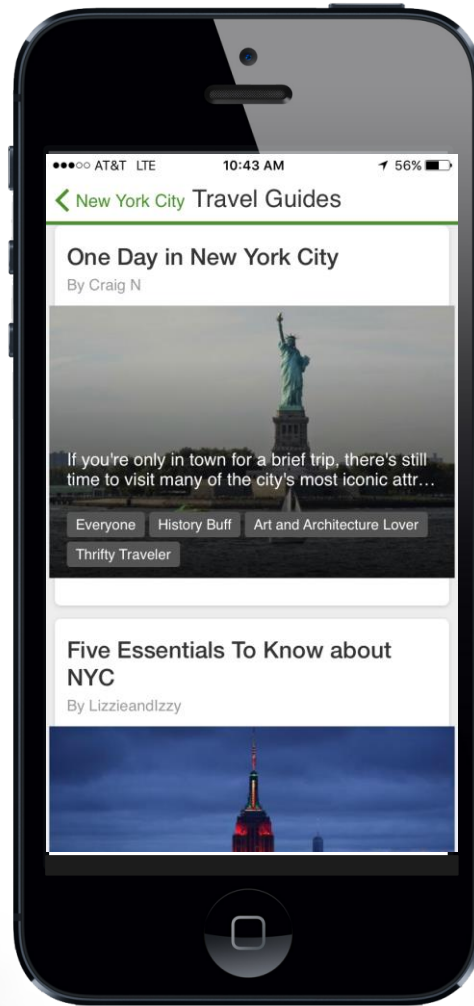
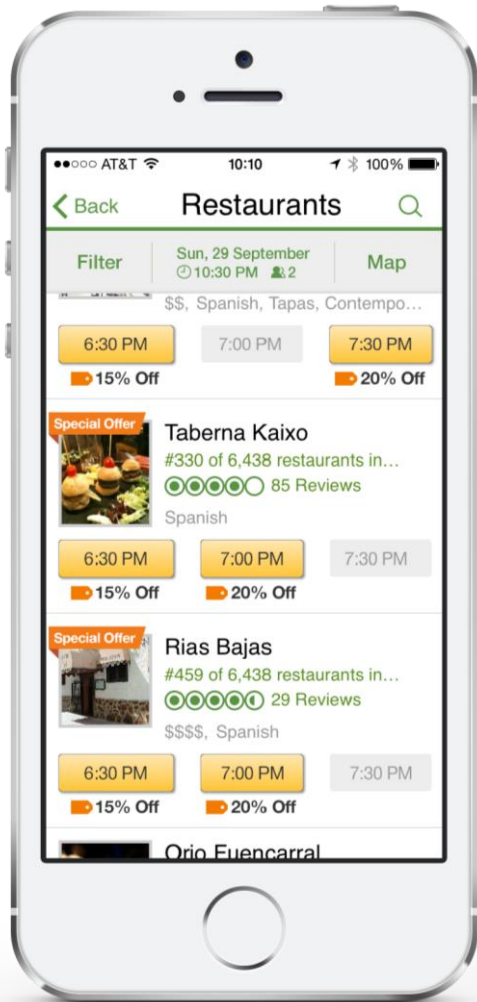
US, UK and Canadian rollout



Rollout to the rest of Europe, APAC and LATAM

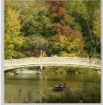


TripAdvisor on Mobile Devices is the Perfect Travel Companion




Non-Hotel Segment: More Moments to Delight More Users

Attractions




Central Park
#1 of 902 things to do in New York City
★★★★☆ 55,021 Reviews
Sights & Landmarks, Nature & Parks

Book a Tour
\$7* and up



The Metropolitan Museum of Art
#2 of 902 things to do in New York City
★★★★☆ 27,013 Reviews
Travelers' Choice 2015
Shopping, Sights & Landmarks, Museums


Tickets & Tours
\$25* and up



Top of the Rock Observation Deck
#3 of 902 things to do in New York City



Restaurants




Gramercy Tavern
★★★★☆ 2,219 Reviews
American, Pub
179 mi
\$\$\$\$

Hours Today: 12:00 PM - 11:00 PM
Opens in 4 min

Find a table



Vacation Rentals



NY Midtown 45 - Luxurious
1 Bed, 1 Bath, Sleeps 4
181 mi

Property Details

- 1 Bedroom
- 1 Bathroom
- Sleeps 4

From **\$245** per night

Make Inquiry



Began launching instant booking for attractions on iOS and Android during Q1

Key Operating Priorities – “Speed Wins”



User Experience

Continuously create and improve products that travelers love



Attractive Platform for Partners

Enable more partners to drive more value from TripAdvisor platform



Long-term Growth

Opportunistically re-invest today for long-term

Driving Valuable Leads for Partners

Audience

Rich, fresh user content on 6.5M businesses drives 340M unique users per month¹



Leads

Large source of qualified shoppers looking for accommodations, attractions, restaurants & flights



Profit

Click-, transaction-, display- and subscription-based advertising opportunities drive bookings



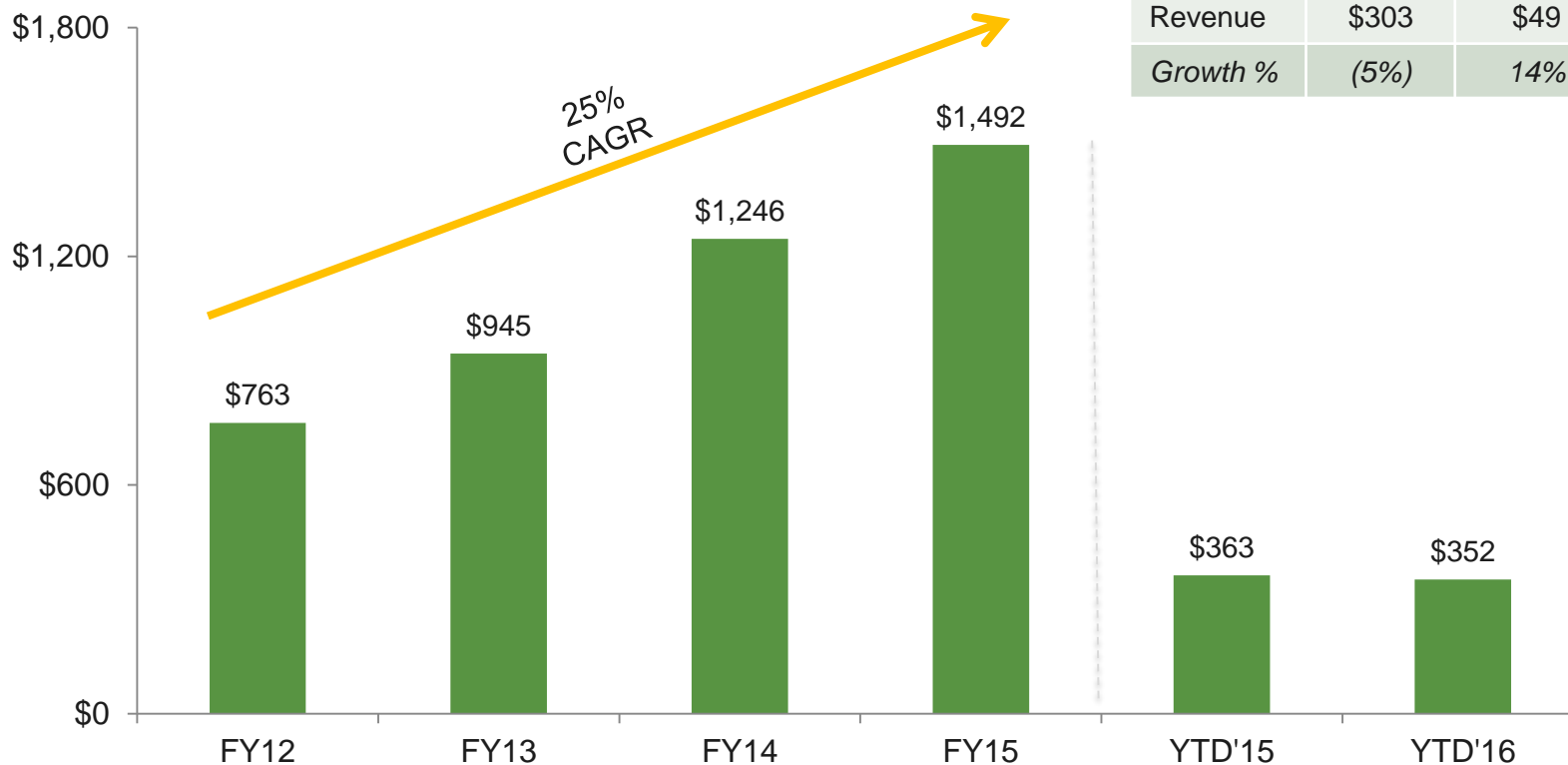
1) TripAdvisor internal log files, average monthly unique users during Q1 2016.

Financial Results

Strong Revenue Growth Track-Record

Total Revenue

(\$M, except percentages)



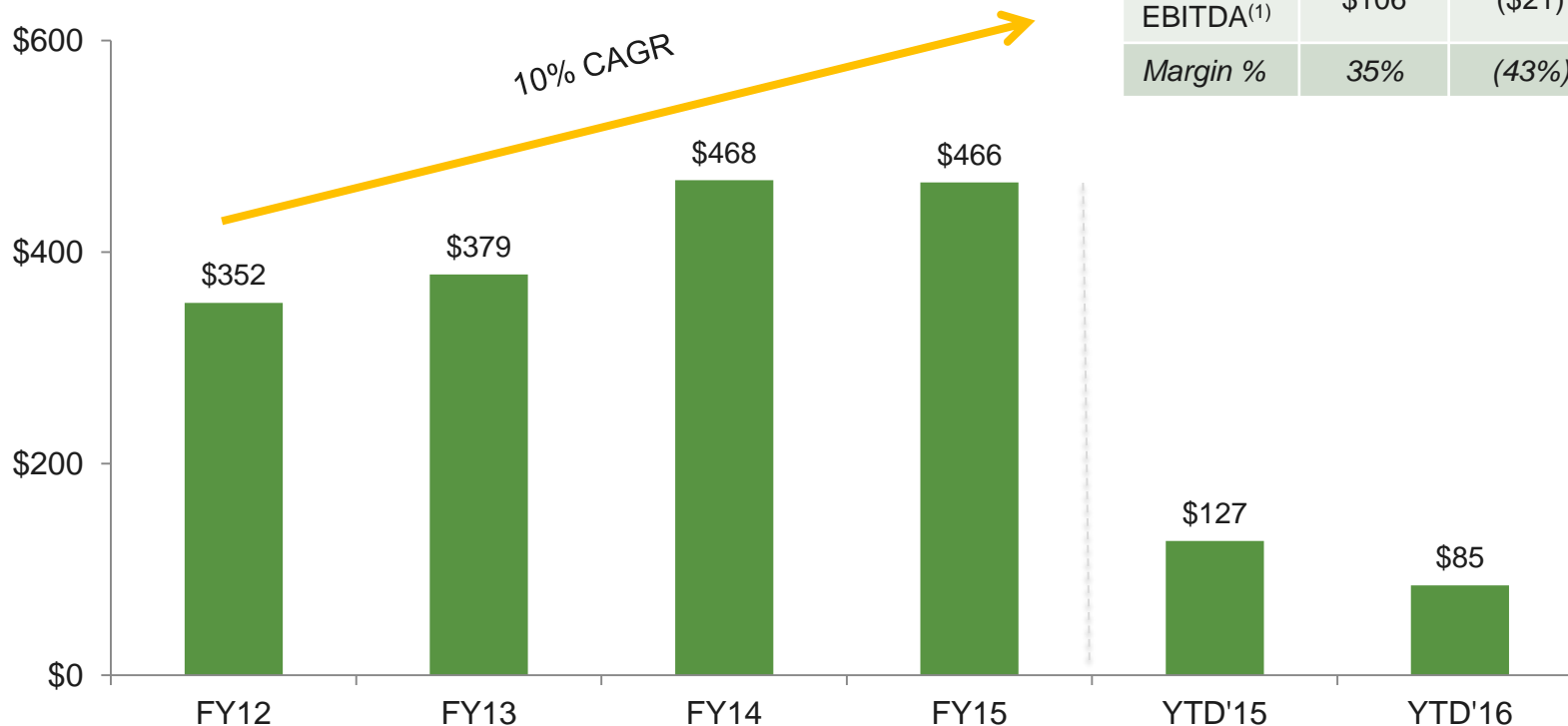
Segment Data – Q1'16

	Hotel	Non-Hotel
Revenue	\$303	\$49
Growth %	(5%)	14%

Strongly Profitable & Investing for Long-Term Growth

Adjusted EBITDA⁽¹⁾

(\$M, except percentages)



Segment Data – Q1'16		
	Hotel	Non-Hotel
Adjusted EBITDA ⁽¹⁾	\$106	(\$21)
Margin %	35%	(43%)

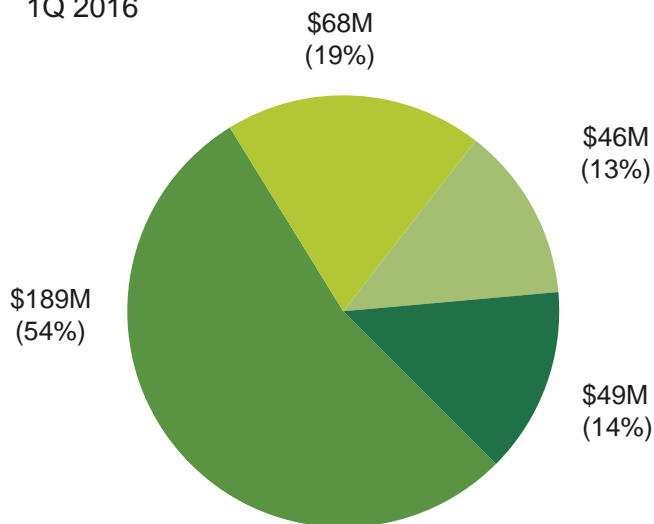
(1) Adjusted EBITDA defined as net income (loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments, and (7) other non-recurring expenses.

Our Global Brand Drives Revenue Growth

(\$M, except percentages)

By Revenue Source

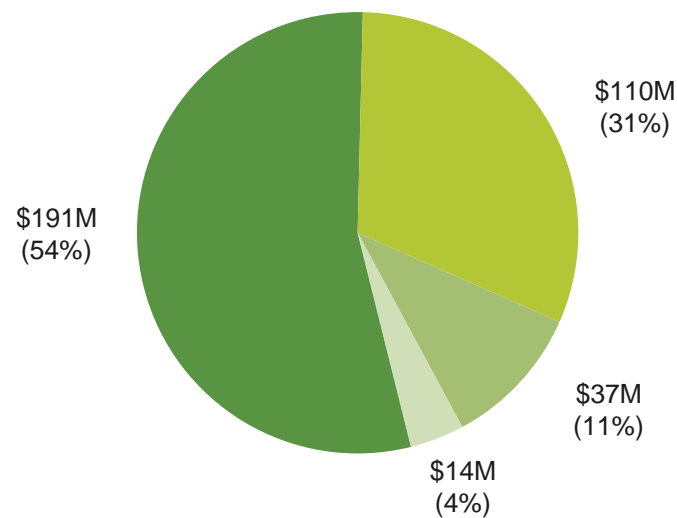
1Q 2016



- TripAdvisor-branded click-based & transaction
- TripAdvisor-branded display-based ad. & subscription
- Other hotel revenue
- Non-Hotel revenue

By Geography

1Q 2016



- NA
- EMEA
- APAC
- LATAM

Net Income & Cash Flow

<i>(\$M, except Earnings per Share)</i>	Q1'16	Q4'15	Q1'15
GAAP Net income	\$27	\$3	\$63
Non-GAAP net income ¹	\$47	\$66	\$80
GAAP EPS	\$0.18	\$0.02	\$0.43
Non-GAAP EPS ²	\$0.32	\$0.45	\$0.54
Operating cash flow	\$120	\$74	\$99
Free Cash Flow ³	\$103	\$58	\$68
Cash, cash equivalents & marketable securities	\$709	\$698	\$642

- 1) TripAdvisor defines "non-GAAP net income" as GAAP net income excluding, net of their related tax effects: (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) certain gains, losses, and other expenses that we do not believe are indicative of our ongoing operating results; (4) goodwill, long-lived assets and intangible asset impairments and (5) other non-recurring expenses.
- 2) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by non-GAAP diluted shares. Non-GAAP diluted shares includes potential dilution from options calculated using the treasury stock method under GAAP plus weighted average shares for all outstanding RSUs.
- 3) 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.

Segment Financial Information

(\$M, except percentages)

	Q1'16	Q4'15	Q1'15	YoY % Change
Revenue:				
Hotel	\$303	\$260	\$320	(5%)
Non-Hotel	\$49	\$49	\$43	14%
Total Revenue	\$352	\$309	\$363	(3%)
Adjusted EBITDA¹:				
Hotel	\$106	\$95	\$132	(20%)
Non-Hotel	(\$21)	(\$8)	(\$5)	(320%)
Total Adjusted EBITDA	\$85	\$87	\$127	(33%)
Adjusted EBITDA Margin by Segment²:				
Hotel	35%	37%	41%	
Non-Hotel	(43%)	(16%)	(12%)	

1) Adjusted EBITDA defined 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 asset and intangible asset impairments, and (7) other non-recurring expenses.

2) TripAdvisor defines "Adjusted EBITDA margin by segment" as segment Adjusted EBITDA as a percentage of segment revenue.

Non-GAAP Reconciliations



(in millions, except per share amounts & percentages)

	2014					2015					2016
	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*	Q1
GAAP Net Income Reconciliation											
Adjusted EBITDA ^{(1), (2), (3)}	\$122	\$129	\$119	\$98	\$468	\$127	\$123	\$130	\$87	\$466	\$85
Depreciation ⁽⁴⁾	10	11	12	14	47	14	15	13	16	57	16
Amortization of intangible assets	2	3	6	7	18	7	9	10	10	36	8
Stock-based compensation	14	15	17	17	63	16	18	19	19	72	19
Non-cash charitable contribution ⁽³⁾	-	-	-	-	-	-	-	-	67	67	-
Other non-recurring expenses	-	-	-	-	-	-	2	-	-	2	-
GAAP Operating Income	96	100	84	60	340	90	79	88	(25)	232	42
Interest expense	(2)	(2)	(2)	(3)	(9)	(2)	(2)	(3)	(3)	(10)	(4)
Interest income and other, net	-	-	(7)	(2)	(9)	(2)	5	13	2	17	-
Income (loss) before income taxes	94	98	75	55	322	86	82	98	(26)	239	38
Provision (benefit) for income taxes	26	30	21	19	96	23	24	24	(29)	41	11
GAAP Net income	68	68	54	36	226	63	58	74	3	198	27
Non-GAAP Net income Reconciliation											
Non-GAAP Net income	\$80	\$81	\$71	\$52	\$284	\$80	\$79	\$78	\$66	\$302	\$47
Less: Stock-based compensation	14	15	17	17	63	16	18	19	19	72	19
Less: Amortization of intangible assets	2	3	6	7	18	7	9	10	10	36	8
Less: Non-cash charitable contribution ⁽³⁾	-	-	-	-	-	-	-	-	67	67	-
Less: Other non-recurring expenses	-	-	-	-	-	-	2	-	-	2	-
Plus: Gain on sale of business	-	-	-	-	-	-	-	17	3	20	-
Plus: Income tax effect of non-GAAP adjustments ⁽⁷⁾	4	5	6	8	23	6	8	8	30	53	7
GAAP Net income	\$68	\$68	\$54	\$36	\$226	\$63	\$58	\$74	\$3	\$198	\$27
Non-GAAP Share Count Reconciliation (in thousands)											
Non-GAAP Diluted Shares Outstanding	146,512	146,816	147,055	146,787	146,792	147,068	147,294	147,155	147,468	147,246	148,812
Additional restricted stock units ⁽⁵⁾	847	1,034	984	1,107	992	1,196	1,335	1,327	1,257	1,279	1,909
GAAP Diluted Shares Outstanding	145,665	145,782	146,071	145,680	145,800	145,872	145,959	145,828	146,211	145,967	146,903
Diluted Non-GAAP EPS	\$0.54	\$0.55	\$0.48	\$0.35	\$1.93	\$0.54	\$0.54	\$0.53	\$0.45	\$2.05	\$0.32
Ex-Foreign Exchange Reconciliation											
Non-GAAP Total Revenue growth before fx effect	21%	29%	38%	39%	32%	36%	35%	25%	12%	27%	(1%)
Foreign exchange impact ⁽⁶⁾	1%	2%	1%	(4%)	-	(7%)	(10%)	(8%)	(5%)	(7%)	(2%)
GAAP Total Revenue growth	22%	31%	39%	35%	32%	29%	25%	17%	7%	20%	(3%)
Adjusted EBITDA growth before fx effect	9%	10%	28%	98%	39%	15%	15%	26%	(2%)	14%	(31%)
Foreign exchange impact ⁽⁶⁾	3%	4%	(14%)	(10%)	(16%)	(11%)	(20%)	(17%)	(9%)	(14%)	(2%)
Adjusted EBITDA growth	12%	14%	14%	88%	23%	4%	(5%)	9%	(11%)	(0%)	(33%)

Non-GAAP Reconciliations - Endnotes

The Company believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

(1) Includes charitable contributions to The TripAdvisor Charitable Foundation which were funded in cash of \$8 million and accrued ratably during the year ending December 31, 2014, which was not excluded for non-GAAP purposes.

(2) Represents a non-cash charitable contribution to The TripAdvisor Charitable Foundation which was settled in company stock and therefore excluded for non-GAAP purposes, of which \$6 million was accrued ratably during the nine months ended September 30, 2015 under GAAP with the intention of settling in cash and then reclassified as non-GAAP during Q4 2015 to reflect the non-cash nature of the final settlement.

(3) *Depreciation*. Includes internal use software and website development amortization.

(4) *Adjusted EBITDA*. Defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including amortization of internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation and other stock-settled obligations; (vi) goodwill, long-lived asset and intangible asset impairments; and (vii) other non-recurring expenses.

(5) *Adjusted EBITDA Margin by Segment*. Defined as Segment Adjusted EBITDA divided by Segment Revenue.

(6) *Unique Visitors*. Total traffic growth, or growth in monthly visits from unique visitors, is reflective of our overall brand growth. Additionally, we track and analyze sub-segments of our traffic and their correlation to revenue generation and utilize data regarding hotel shoppers as a key indicator of revenue growth.

(7) *Hotel Shoppers*. The term "hotel shoppers" refers to visitors who view either a listing of hotels in a city or a specific hotel page. The number of hotel shoppers tends to vary based on seasonality of the travel industry and general economic conditions, as well as other factors outside of our control. Total average monthly unique hotel shoppers for the quarter is the sum of the monthly average unique hotel shoppers in a given period.

(8) *Revenue per Hotel Shopper*. Revenue per hotel shopper is our primary performance metric. It is designed to measure how effectively we monetize or convert hotel shoppers into revenue. Revenue per hotel shopper is calculated by dividing total TripAdvisor-branded click-based and transaction revenue by the total unique monthly hotel shoppers for the period.

(9) *Income Tax Effect of Non-GAAP Adjustments*. The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect of non-GAAP adjustments represents the difference between GAAP and Non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments) and excludes discrete tax items.

(10) *Additional Restricted Stock Units*. Includes all weighted average shares relating to RSUs for Non-GAAP diluted shares outstanding, which is inconsistent with the treasury stock method under GAAP.

(11) *Foreign Exchange Impact*. Calculated on a constant currency basis, by excluding the effects of foreign exchange by translating actual revenue or expenses for the current reporting period ended using the prior year reporting period average exchange rates for settlement currencies other than the U.S. dollar.

* Year to date totals reflect data as reported and is not necessarily a summation of the quarterly data.



Thank You