Q1 2014 Results

May 2014
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 Annual Report on Form 10-K, 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 second quarter 2013 financial results, which is available on the Investor Relations section of our website: www.tripadvisor.com. 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.
Who We Are
Our mission

Help travelers around the world plan and have the perfect trip
We are the World’s Largest Travel Website

Key Facts

- Headquartered in Newton, MA
- 39 countries; 22 languages
- 810K+ hotels & accommodation pages
- 600K vacation rentals listings
- 2.2M+ restaurant & 420K+ attractions
- Valuable lead source to OTAs, hoteliers and businesses

Travel Community Stats

- Loyal & engaged travel community drives powerful network effects
- 260M+ unique monthly visitors
- 150M+ user-generated reviews & opinions
- 100+ traveler contributions per minute
- Price comparison, personalization, friend content, traveler photos, room tips and forums

Revenues

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
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<tbody>
<tr>
<td>$300</td>
<td>$400</td>
<td>$500</td>
<td>$600</td>
<td>$800</td>
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</table>

22% CAGR

Adjusted EBITDA

<table>
<thead>
<tr>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
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</thead>
<tbody>
<tr>
<td>$100</td>
<td>$150</td>
<td>$200</td>
<td>$250</td>
<td>$300</td>
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</table>

14% CAGR

1 Google Analytics, worldwide data, average monthly unique users during Q1 2014
2 Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income please see slide 20.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.
Deep, Rich User-Generated Content

Conrad Maldives Rangali Island

1,388 traveler photos

Professional photos

1,395 traveler photos

885 reviews from our community

Write a Review

Traveler rating

Excellent  696
Very good  111
Average  53
Poor  14
Terrible  11

See reviews for

Families  140
Couples  550
Solo  11
Business  5

Rating summary

Location
Sleep Quality
Rooms
Value
Cleanliness

See which rooms travelers prefer - 134 traveler tips

885 reviews sorted by Date Rating

“PARADISE IN EARTH ..”

Reviewed September 2, 2013

Real Paradise on Earth! Great facilities, superb restaurant facilities especially Ithaa Underwater Restaurant. We visited island during our honeymoon and had a marvelous and luxurious stay! Extremely friendly and helpful stuff.

Marilina-Fania

Contributor

15 reviews
4 hotel reviews
1 helpful vote

Was this review helpful? Yes 1

Problem with this review?

Double
Driving Powerful Network Effects

- Community drives content
- Content drives audience
- Audience drives leads
- On the trip
- Research

Community

Content drives audience

Audience drives leads
What We Do
We Help Travelers Choose

Rich Travel Content
150M+ reviews & opinions; Candid photos; Friend Content

Price Comparison
Compare room prices from 100+ sites

On the Trip
Content on 2.6M+ restaurants, attractions and activities; Top-ranked mobile apps

1 Distimo study of mobile app downloads in the travel sector for the period of January 1, 2012 to March 31, 2014, based on downloads and device installs
We Help Clients Prosper

Audience
Rich, fresh user content on 3.4M+ businesses drives 260M+ UVs per month

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

Profit
Cost-per-click, Display and Subscription / Transaction ad opportunities drive bookings

1 Google Analytics, worldwide data, average monthly unique users during Q1 2014
Global Scale and Robust Travel Platform

- **39** Points of Sale
- **260M** Average Monthly Unique Users
- **150M** Reviews & Opinions
- **110M** Mobile Uniques
- **Global Reach**
- **Community**
- **Content**
- **Mobile**
- **22** Languages
- **100** Contributions per minute
- **4M** Places to stay, eat, & explore
- **100M** App Downloads

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1. Google Analytics, worldwide data, average monthly unique users during Q1 2014
2. TripAdvisor log files, March 31, 2014. Mobile uniques includes tablet and phone and is measured on an average monthly basis
3. TripAdvisor log files, March 31, 2014. App downloads and/or initializations of TripAdvisor, City Guides, SeatGuru, Jetsetter and GateGuru measured on a cumulative basis.
Key Operating Priorities – “Speed Wins”

- **Talent**: Attract, build and retain a world class team
- **Technology**: Build flexible, scalable architecture
- **Product**: Develop products travelers love
- **Monetization**: Scale and optimize profitable business lines for the long-term
Top-Ranked Travel Apps in the World

22 Languages

100M App Downloads

110M Monthly Uniques

44% % of Total Traffic

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1 Distimo study of mobile app downloads in the travel sector for the period of January 1, 2012 to March 31, 2014, based on downloads and device installs.

2 Average monthly unique users on mobile devices for Q1 2014, according to TripAdvisor log files.

3 During Q1 2014, according to TripAdvisor log files; includes tablet and smartphone traffic.
Opportunity: Mobile

- Price Comparison
- Point me there; Near Me Now
- Social tie-in, Native Apps
- Personal Guide
- Reduce Friction
Other Key Areas of Growth & Investment

**Business Listings**

- 810K+ hotels & accommodations in our database looking to leverage our global travel audience
- Enhanced exposure through special offers, announcements and mobile upgrade
- New! TripConnect platform allows independent hotels to bid for leads and send automated review solicitation emails to guests post-stay

**Vacation Rentals**

- Large, highly-fragmented and inefficient market
- Subscription or Transaction-based listings gives flexibility for owners; 600K property listings and growing
- Leverage TRIP’s massive global audience researching accommodations
- Ecommerce-enabled properties with online payment options

**International / China**

- Online travel market growing 30% per year and is the world’s largest outbound travel market
- Expect >650M internet users by 2015 – still less than 50% penetration
- Fast mobile adoption & attractive social component

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1. Boston Consulting Group, The Internet’s New Billion: Digital Consumers in Brazil, Russia, India, China and Indonesia, Sept 2010
Opportunity:
Help More Partners Reach More Travelers

NEW IN Q2!! :

- OTAs
- Hotel Chains
- Airlines
- Independent Hoteliers
- Restaurants & Attractions

Business Listings
TripConnect
Financial Results
Revenue by Product

Click-Based | Display-Based | Sub & Other

Q1-10 | $125 | 5% | 15% | 80% | Q2-10 | $139 | 5% | 13% | 82% | Q3-10 | $106 | 7% | 17% | 76% | Q4-10 | $149 | 7% | 14% | 81% | Q1-11 | $169 | 7% | 11% | 81% | Q2-11 | $181 | 8% | 12% | 79% | Q3-11 | $138 | 9% | 11% | 72% | Q4-11 | $184 | 10% | 13% | 79% | Q1-12 | $197 | 11% | 11% | 77% | Q2-12 | $213 | 11% | 11% | 79% | Q3-12 | $169 | 11% | 14% | 73% | Q4-12 | $230 | 13% | 13% | 74% | Q1-13 | $247 | 14% | 12% | 74% | Q2-13 | $255 | 14% | 12% | 68% | Q3-13 | $213 | 15% | 17% | 74% | Q4-13 | $281 | 11% | 15% | 15%
Revenue by Geography

$M

Q2-10 $125, Q3-10 $139, Q4-10 $106, Q1-11 $149, Q2-11 $169, Q3-11 $181, Q4-11 $184, Q1-12 $184, Q2-12 $197, Q3-12 $213, Q4-12 $169, Q1-13 $230, Q2-13 $247, Q3-13 $255, Q4-13 $213, Q1-14 $281

Geography:
- NA
- EMEA
- APAC
- LATAM

Q2-10: NA 65%, EMEA 36%, APAC 6%, LATAM 32%
Q3-10: NA 65%, EMEA 36%, APAC 6%, LATAM 32%
Q4-10: NA 60%, EMEA 35%, APAC 6%, LATAM 32%
Q1-11: NA 59%, EMEA 35%, APAC 6%, LATAM 32%
Q2-11: NA 57%, EMEA 35%, APAC 6%, LATAM 32%
Q3-11: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q4-11: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q1-12: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q2-12: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q3-12: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q4-12: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q1-13: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q2-13: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q3-13: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q4-13: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Q1-14: NA 55%, EMEA 55%, APAC 6%, LATAM 32%
Adjusted EBITDA

Note: Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income please see slide 22. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.
## Net Income & Cash Flow

$M, except earnings per share

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<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
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<tbody>
<tr>
<td></td>
<td>Q1-14</td>
<td>Q4-13</td>
</tr>
<tr>
<td>GAAP Net income</td>
<td>$68</td>
<td>$20</td>
</tr>
<tr>
<td>Non-GAAP net income</td>
<td>$80</td>
<td>$30</td>
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<tr>
<td>GAAP EPS</td>
<td>0.47</td>
<td>0.14</td>
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<tr>
<td>Non-GAAP EPS</td>
<td>0.54</td>
<td>0.21</td>
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<td>Operating cash flow</td>
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<td>$71</td>
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<tr>
<td>Free Cash Flow</td>
<td>$89</td>
<td>$55</td>
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<tr>
<td>Cash, cash equivalents &amp; marketable securities</td>
<td>$745</td>
<td>$671</td>
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</table>

1 TripAdvisor defines “non-GAAP net income” as net income before expenses related to stock-based compensation and amortization of intangible assets and non-recurring expenses, net of related tax effects.

2 TripAdvisor defines “non-GAAP net income per diluted share” as non-GAAP net income divided by non-GAAP weighted average diluted shares outstanding, which included dilution from options and warrants per the treasury stock method and include all weighted average shares relating to RSUs in shares outstanding for Non-GAAP net income per diluted share.

3 TripAdvisor defines “free cash flow” as net cash provided by operating activities less capital expenditures, which are purchases of property and equipment, including amortization of internal-use software development costs.
## 2014 Acquisitions

<table>
<thead>
<tr>
<th>Acquisition</th>
<th>Date</th>
<th>Purpose</th>
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<tr>
<td>La Fourchette</td>
<td>May 2014</td>
<td>Restaurants, International</td>
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<tr>
<td>Vacation Home Rentals</td>
<td>May 2014</td>
<td>Vacation Rentals</td>
</tr>
<tr>
<td>tripbod</td>
<td>May 2014</td>
<td>Travel Expert Network, Tours</td>
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## Non-GAAP Reconciliations

### Adjusted EBITDA and OIBA Reconciliation

<table>
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<tr>
<td>Adjusted EBITDA (1)</td>
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<td>$262</td>
<td>$322</td>
<td>$351</td>
<td>$109</td>
<td>$113</td>
<td>$104</td>
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<td>Depreciation (2)</td>
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<td>13</td>
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<td>20</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>30</td>
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<tr>
<td>Amortization of intangible assets</td>
<td>11</td>
<td>14</td>
<td>15</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Stock-based compensation</td>
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<td>8</td>
<td>17</td>
<td>29</td>
<td>14</td>
<td>10</td>
<td>11</td>
<td>13</td>
<td>48</td>
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<tr>
<td>Spin-off costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>GAAP Operating Income</td>
<td>$125</td>
<td>$168</td>
<td>$226</td>
<td>$273</td>
<td>$296</td>
<td>$88</td>
<td>$94</td>
<td>$84</td>
<td>$28</td>
<td>$294</td>
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<tr>
<td>Other interest income (expense), net</td>
<td>(4)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(10)</td>
<td>(3)</td>
<td>(2)</td>
<td>(2)</td>
<td>(2)</td>
<td>(9)</td>
</tr>
<tr>
<td>Other, net (2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(2)</td>
<td>(1)</td>
<td>(4)</td>
<td>(1)</td>
<td>(2)</td>
<td>2</td>
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<td>(1)</td>
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<tr>
<td>Income before income taxes</td>
<td>119</td>
<td>166</td>
<td>224</td>
<td>272</td>
<td>282</td>
<td>84</td>
<td>90</td>
<td>84</td>
<td>26</td>
<td>284</td>
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<td>Provision for income taxes</td>
<td>47</td>
<td>64</td>
<td>85</td>
<td>94</td>
<td>87</td>
<td>22</td>
<td>23</td>
<td>28</td>
<td>6</td>
<td>79</td>
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<tr>
<td>GAAP Net income</td>
<td>72</td>
<td>102</td>
<td>139</td>
<td>178</td>
<td>195</td>
<td>62</td>
<td>67</td>
<td>56</td>
<td>20</td>
<td>205</td>
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<tr>
<td>GAAP Net income (loss attributable to noncontrolling interest)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>87</td>
<td>87</td>
<td>20</td>
<td>205</td>
</tr>
<tr>
<td>GAAP Net income attributable to TripAdvisor, Inc.</td>
<td>$72</td>
<td>$102</td>
<td>$139</td>
<td>$178</td>
<td>$194</td>
<td>$62</td>
<td>$67</td>
<td>$56</td>
<td>$20</td>
<td>$205</td>
</tr>
</tbody>
</table>

### Non-GAAP Net Income Reconciliation

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Non-GAAP Net income</td>
<td>$82</td>
<td>$114</td>
<td>$153</td>
<td>$198</td>
<td>$218</td>
<td>$73</td>
<td>$76</td>
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<tr>
<td>Stock-based compensation</td>
<td>6</td>
<td>6</td>
<td>8</td>
<td>17</td>
<td>29</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>$11</td>
<td>$14</td>
<td>$15</td>
<td>$7</td>
<td>$6</td>
<td>$1</td>
<td>$2</td>
</tr>
<tr>
<td>Spin-off costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax effect of non-GAAP adjustments (3)</td>
<td>$7</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>GAAP Net income (loss attributable to noncontrolling interest)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GAAP Net income attributable to TripAdvisor, Inc.</td>
<td>$72</td>
<td>$102</td>
<td>$139</td>
<td>$178</td>
<td>$194</td>
<td>$62</td>
<td>$67</td>
</tr>
</tbody>
</table>

### Non-GAAP Share Count Reconciliation

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP Diluted Shares Outstanding</td>
<td>133,461</td>
<td>133,461</td>
<td>133,461</td>
<td>135,551</td>
<td>141,878</td>
<td>145,067</td>
<td>146,029</td>
</tr>
<tr>
<td>Additional restricted stock units</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>686</td>
<td>537</td>
<td>412</td>
<td>823</td>
</tr>
<tr>
<td>GAAP Diluted Shares Outstanding</td>
<td>133,461</td>
<td>133,461</td>
<td>133,461</td>
<td>134,865</td>
<td>141,341</td>
<td>144,655</td>
<td>145,454</td>
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</table>

### Non-GAAP Earnings Per Share

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<tbody>
<tr>
<td>Diluted Non-GAAP EPS</td>
<td>$1.04</td>
<td>$1.04</td>
<td>$1.04</td>
<td>$1.46</td>
<td>$1.54</td>
<td>$0.50</td>
<td>$0.52</td>
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</table>

### Revenue growth ex-Foreign Exchange Reconciliation

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<tbody>
<tr>
<td>Non-GAAP Revenue growth</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>Foreign exchange impact</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>GAAP Revenue growth</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

(1) Adjusted EBITDA is defined as net income (loss) plus: (i) provision for income taxes; (ii) other (income) expense, net; (iii) depreciation of property and equipment, including internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation; and (vi) non-recurring expenses.

(2) Includes internal use software and website development amortization.

(3) Represents the reduction in the income tax benefit recorded for all periods presented based on our effective tax rate, adjusted for non-GAAP items.
Thank You