

**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): August 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))

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

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.

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2019, TripAdvisor, Inc. issued a press release announcing its preliminary financial results for the three and six months ended June 30, 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-and-presentations>. 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.

Exhibit Number	Description
99.1	Press Release of TripAdvisor, Inc. dated August 7, 2019.
99.2	Prepared remarks by TripAdvisor, Inc.’s management, dated August 7, 2019.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRIPADVISOR, INC.

By: _____
/s/ ERNST TEUNISSEN
Ernst Teunissen
Chief Financial Officer

Dated: August 7, 2019

TripAdvisor Reports Second Quarter 2019 Financial Results

NEEDHAM, MA, August 7, 2019 — TripAdvisor, Inc. (NASDAQ: TRIP) today announced financial results for the second quarter ended June 30, 2019.

“We delivered strong second quarter and first half 2019 profitability amidst ongoing investments aimed at future growth”, said Chief Executive Officer Steve Kaufer. “We are operating with increased customer focus, and we are laying the foundation to deepen customer relationships with our platform and monetize our significant influence in travel.”

Second Quarter 2019 Summary

(In millions, except percentages and per share amounts)	Three months ended June 30,		% Change
	2019	2018	
Total Revenue	\$ 422	\$ 433	(3)%
Hotels, Media & Platform	\$ 254	\$ 272	(7)%
Experiences & Dining	\$ 125	\$ 98	28%
Other	\$ 43	\$ 63	(32)%
GAAP Net Income	\$ 34	\$ 32	6%
Total Adjusted EBITDA (1)	\$ 128	\$ 109	17%
Hotels, Media & Platform	\$ 108	\$ 85	27%
Experiences & Dining	\$ 7	\$ 16	(56)%
Other	\$ 13	\$ 8	63%
Non-GAAP Net Income (1)	\$ 64	\$ 58	10%
Diluted Earnings per Share:			
GAAP	\$ 0.24	\$ 0.23	4%
Non-GAAP (1)	\$ 0.45	\$ 0.41	10%
Cash flow from operating activities	\$ 181	\$ 186	(3)%
Free cash flow (1)	\$ 160	\$ 170	(6)%

(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.

Chief Financial Officer Ernst Teunissen added, “First half results keep us on track to deliver double-digit consolidated adjusted EBITDA growth this year.”

Second Quarter 2019 Operational and Financial Highlights

- **Total Revenue** was \$422 million, a 3% decrease year-over-year. We estimate that excluding changes in foreign currency Total Revenue growth was approximately flat year-over-year.
- **GAAP Net Income** grew 6% to \$34 million, while **Non-GAAP Net Income** grew 10% to \$64 million. GAAP Net Income and Non-GAAP Net Income were impacted by a cumulative income tax expense of \$15 million recorded during the three months ended June 30, 2019. We recorded this expense in response to a June 7, 2019, three-judge panel opinion issued from the Ninth Circuit Court of Appeals in *Altera Corp. v. Commissioner*, which reversed a United States Tax Court decision regarding the treatment of share-based compensation expense in a cost sharing arrangement.
- **Total Adjusted EBITDA** grew 17% to \$128 million, and **Total Adjusted EBITDA margin** increased by 5% year-over-year to 30%. We estimate that excluding year-over-year changes in foreign currency Total Adjusted EBITDA grew approximately 22%.
- **Hotels, Media & Platform segment revenue** was \$254 million, a 7% decrease year-over-year. **Hotels, Media & Platform segment Adjusted EBITDA** grew 27% to \$108 million, and **Hotels, Media & Platform segment Adjusted EBITDA margin** improved to 43%, a 12% increase compared to Q2 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 Adjusted EBITDA grew approximately 31%.

- **Experiences & Dining segment revenue** grew 28% to \$125 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 33%.
- **Other revenue** decreased 32% to \$43 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 \$966 million and there was no outstanding debt as of June 30, 2019.
- **Cash flow from operating activities** for the three months ended June 30, 2019, was \$181 million, a 3% decrease year-over-year, reflecting the timing of payments and collections year-over-year. **Free cash flow** for the three months ended June 30, 2019 was \$160 million, a 6% decrease year-over-year reflecting the timing of payments and collections, in addition to increased capital expenditures year-over-year.

Second Quarter 2019 Revenue by Source:

(In millions, except percentages)	Three months ended June 30,		% Change
	2019	2018	
Hotels, Media & Platform			
TripAdvisor-branded hotels	\$ 211	\$ 231	(9)%
TripAdvisor-branded display and platform	43	41	5%
Experiences & Dining	125	98	28%
Other (1)	43	63	(32)%
Total Revenue	\$ 422	\$ 433	(3)%

(1) Other consists of the combination of our Rentals, Flights/Cruises/Car Rentals, 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, August 8, 2019, at 8:30 a.m., Eastern Time, to discuss TripAdvisor's second 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 5094105) until August 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 (NASDAQ:TRIP), the world's largest travel platform*, helps 490 million travelers each month** make every trip their best trip. Travelers across the globe use the TripAdvisor site and app to browse more than 795 million reviews and opinions of 8.4 million accommodations, restaurants, experiences, airlines and cruises. Whether planning or on a trip, travelers turn to TripAdvisor to compare low prices on hotels, flights and cruises, book popular tours and attractions, as well as reserve tables at great restaurants. TripAdvisor, the ultimate travel companion, is available in 49 markets and 28 languages.

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

* Source: Jumpshot for TripAdvisor Sites, worldwide, April 2019

** Source: TripAdvisor internal log files, average monthly unique visitors, Q3 2018

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

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Revenue	\$ 422	\$ 433	\$ 798	\$ 811
Costs and expenses:				
Cost of revenue	27	24	48	44
Selling and marketing (1)	180	217	357	416
Technology and content (1)	74	68	148	135
General and administrative (1)	45	46	88	88
Depreciation	23	21	46	41
Amortization of intangible assets	7	8	15	16
Total costs and expenses	356	384	702	740
Operating income	66	49	96	71
Total other income (expense), net	2	(7)	5	(8)
Income before income taxes	68	42	101	63
Provision for income taxes	(34)	(10)	(41)	(27)
Net income	<u>\$ 34</u>	<u>\$ 32</u>	<u>\$ 60</u>	<u>\$ 36</u>

Earnings per share attributable to common stockholders:

Basic	\$ 0.24	\$ 0.23	\$ 0.43	\$ 0.26
Diluted	<u>\$ 0.24</u>	<u>\$ 0.23</u>	<u>\$ 0.43</u>	<u>\$ 0.26</u>

Weighted average common shares outstanding:

Basic	139	138	139	139
Diluted	141	140	141	140

(1) Includes stock-based compensation expense as follows:

Selling and marketing	\$ 6	\$ 5	\$ 11	\$ 11
Technology and content	\$ 14	\$ 13	\$ 27	\$ 26
General and administrative	\$ 12	\$ 13	\$ 22	\$ 24

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

	June 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 901	\$ 655
Short-term marketable securities	65	15
Accounts receivable and contract assets, net of allowance for doubtful accounts of \$22 and \$21, respectively	270	212
Prepaid expenses and other current assets	35	33
Total current assets	1,271	915
Property and equipment, net of accumulated depreciation of \$275 and \$240, respectively	262	253
Operating lease right-of-use assets	75	-
Intangible assets, net of accumulated amortization of \$155 and \$140, respectively	102	118
Goodwill	754	756
Deferred income taxes, net	1	27
Other long-term assets	101	98
TOTAL ASSETS	\$ 2,566	\$ 2,167
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 13	\$ 15
Deferred merchant payables	346	164
Deferred revenue	98	63
Accrued expenses and other current liabilities	181	151
Total current liabilities	638	393
Deferred income taxes, net	12	21
Other long-term liabilities	341	282
Total Liabilities	991	696
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: 138,525,158 and 137,158,010, respectively		
Shares outstanding: 126,468,470 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	1,081	1,037
Retained earnings	1,106	1,043
Accumulated other comprehensive income (loss)	(65)	(62)
Treasury stock-common stock, at cost, 12,056,688 and 12,056,688 shares, respectively	(547)	(547)
Total Stockholders' Equity	1,575	1,471
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,566	\$ 2,167

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

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Operating activities:				
Net income	\$ 34	\$ 32	\$ 60	\$ 36
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	21	46	41
Amortization of intangible assets	7	8	15	16
Stock-based compensation expense	32	31	60	61
Deferred tax expense (benefit)	8	(2)	17	(3)
Other, net	3	10	6	11
Changes in operating assets and liabilities, net of effects from acquisitions	74	86	159	198
Net cash provided by operating activities	181	186	363	360
Investing activities:				
Capital expenditures, including internal-use software and website development	(21)	(16)	(38)	(31)
Purchases of marketable securities	(30)	-	(69)	(1)
Sales of marketable securities	-	3	-	45
Maturities of marketable securities	5	3	20	5
Acquisitions and other investments, net of cash acquired	-	(23)	-	(23)
Net cash used in investing activities	(46)	(33)	(87)	(5)
Financing activities:				
Repurchase of common stock	-	(96)	-	(100)
Proceeds from 2015 credit facility	-	-	-	5
Payments to 2015 credit facility	-	-	-	(235)
Proceeds from Chinese credit facilities	-	2	-	2
Payments to Chinese credit facilities	-	(10)	-	(10)
Proceeds from exercise of stock options	1	3	1	3
Payment of withholding taxes on net share settlements of equity awards	(4)	(6)	(26)	(18)
Other financing activities, net	(1)	-	(3)	-
Net cash used in financing activities	(4)	(107)	(28)	(353)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	(15)	(2)	(9)
Net increase (decrease) in cash, cash equivalents and restricted cash	130	31	246	(7)
Cash, cash equivalents and restricted cash at beginning of period	771	635	655	673
Cash, cash equivalents and restricted cash at end of period	<u>\$ 901</u>	<u>\$ 666</u>	<u>\$ 901</u>	<u>\$ 666</u>

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

	Three Months Ended		% Change
	June 30, 2019	June 30, 2018	
Revenue:			
Hotels, Media & Platform	\$ 254	\$ 272	(7)%
Experiences & Dining	125	98	28%
Other (1)	43	63	(32)%
Total revenue	\$ 422	\$ 433	(3)%
Adjusted EBITDA:			
Hotels, Media & Platform	\$ 108	\$ 85	27%
Experiences & Dining	7	16	(56)%
Other (1)	13	8	63%
Total Adjusted EBITDA (2)	\$ 128	\$ 109	17%
Adjusted EBITDA Margin:			
Hotels, Media & Platform	43%	31%	
Experiences & Dining	6%	16%	
Other (1)	30%	13%	
Total Adjusted EBITDA Margin (2)	30%	25%	
Net Income (3)	\$ 34	\$ 32	
Net Income Margin	8%	7%	

	Six Months Ended		% Change
	June 30, 2019	June 30, 2018	
Revenue:			
Hotels, Media & Platform	\$ 508	\$ 524	(3)%
Experiences & Dining	206	161	28%
Other (1)	84	126	(33)%
Total revenue	\$ 798	\$ 811	(2)%
Adjusted EBITDA:			
Hotels, Media & Platform	\$ 212	\$ 162	31%
Experiences & Dining	(17)	12	n.m.
Other (1)	22	15	47%
Total Adjusted EBITDA (2)	\$ 217	\$ 189	15%
Adjusted EBITDA Margin:			
Hotels, Media & Platform	42%	31%	
Experiences & Dining	(8)%	7%	
Other (1)	26%	12%	
Total Adjusted EBITDA Margin (2)	27%	23%	
Net Income (3)	\$ 60	\$ 36	
Net Income Margin	8%	4%	

n.m. = not meaningful

- (1) Other consists of the combination of our Rentals, Flights/Cruises/Car Rentals, 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 and better enables management and investors to compare financial results between periods as these costs may vary independent of core business performance. 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, if any;
- 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 unaudited 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 unaudited 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 unaudited 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 unaudited 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		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Reconciliation of GAAP Net Income to Adjusted EBITDA (Non-GAAP):				
GAAP Net Income	\$ 34	\$ 32	\$ 60	\$ 36
Add: Provision for income taxes	34	10	41	27
Add: Other expense (income), net	(2)	7	(5)	8
Add: Depreciation and amortization of intangible assets	30	29	61	57
Add: Stock-based compensation expense	32	31	60	61
Adjusted EBITDA (Non-GAAP)	<u>\$ 128</u>	<u>\$ 109</u>	<u>\$ 217</u>	<u>\$ 189</u>
Revenue (GAAP)	\$ 422	\$ 433	\$ 798	\$ 811
Net Income margin (GAAP)	8%	7%	8%	4%
Adjusted EBITDA margin (Non-GAAP) (1)	30%	25%	27%	23%
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:				
GAAP Net Income	\$ 34	\$ 32		
Add: Stock-based compensation expense	32	31		
Add: Amortization of intangible assets	7	8		
Subtract: Income tax effect of Non-GAAP adjustments (2)	9	8		
Add: Income tax impact related to 2017 Tax Cuts and Job Act (3)	-	(5)		
Non-GAAP net income	<u>\$ 64</u>	<u>\$ 58</u>		
GAAP diluted shares	141	140		
GAAP Net Income per diluted share	\$ 0.24	\$ 0.23		
Non-GAAP net income per diluted share (4)	0.45	0.41		
Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):				
Net cash provided by operating activities (GAAP)	\$ 181	\$ 186		
Subtract: Capital expenditures	21	16		
Free cash flow (Non-GAAP)	<u>\$ 160</u>	<u>\$ 170</u>		
Revenue Before Effects of Foreign Exchange:				
Total Revenue (GAAP)	\$ 422	\$ 433		
Estimated effects of foreign exchange	11			
Non-GAAP Total revenue before effects of foreign exchange	<u>\$ 433</u>			
<i>Year/Year Growth (5)</i>		0%		
Adjusted EBITDA Before Effects of Foreign Exchange:				
Total Adjusted EBITDA (Non-GAAP)	\$ 128	\$ 109		
Estimated effects of foreign exchange	5			
Total Adjusted EBITDA before effects of foreign exchange (Non-GAAP)	<u>\$ 133</u>			
<i>Year/Year Growth (5)</i>		22%		

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Hotels, Media & Platform Segment Revenue Before Effects of Foreign Exchange:				
Total Hotels, Media & Platform Segment Revenue (GAAP)	\$ 254	\$ 272		
Estimated effects of foreign exchange	6			
Non-GAAP Total Hotels, Media & Platform segment revenue before effects of foreign exchange	\$ 260			
<i>Year/Year Growth (5)</i>		(4)%		

Hotels, Media & Platform Segment Adjusted EBITDA Before Effects of Foreign Exchange:				
Total Hotels, Media & Platform Segment Adjusted EBITDA (GAAP)	\$ 108	\$ 85		
Estimated effects of foreign exchange	3			
Non-GAAP Total Hotels, Media & Platform Segment Adjusted EBITDA before effects of foreign exchange	\$ 111			
<i>Year/Year Growth (5)</i>		31%		

Experiences & Dining Segment Revenue Before Effects of Foreign Exchange:				
Total Experiences & Dining Segment Revenue (GAAP)	\$ 125	\$ 98		
Estimated effects of foreign exchange	5			
Non-GAAP Total Experiences & Dining segment revenue before effects of foreign exchange	\$ 130			
<i>Year/Year Growth (5)</i>		33%		

- (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 a benefit for income taxes related to the 2017 Tax Act Transition Tax of \$5 million recorded during the three months ended June 30, 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. Q2 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)

In the second quarter and first half of 2019, we drove strong consolidated profit growth, expanded Hotels, Media & Platform segment ("HM&P") profit and profit margins and delivered rapid Experiences & Dining ("E&D") segment bookings and revenue growth.

Hotel performance marketing optimizations throughout last year and in Q1 this year continue to enhance profitability year-over-year in 2019. In Q2, we generated \$34 million of GAAP net income and grew consolidated adjusted EBITDA 17% to \$128 million. We estimate that excluding changes in foreign currency, consolidated adjusted EBITDA grew approximately 22%. First half results keep us on track to deliver double-digit consolidated adjusted EBITDA growth this year.

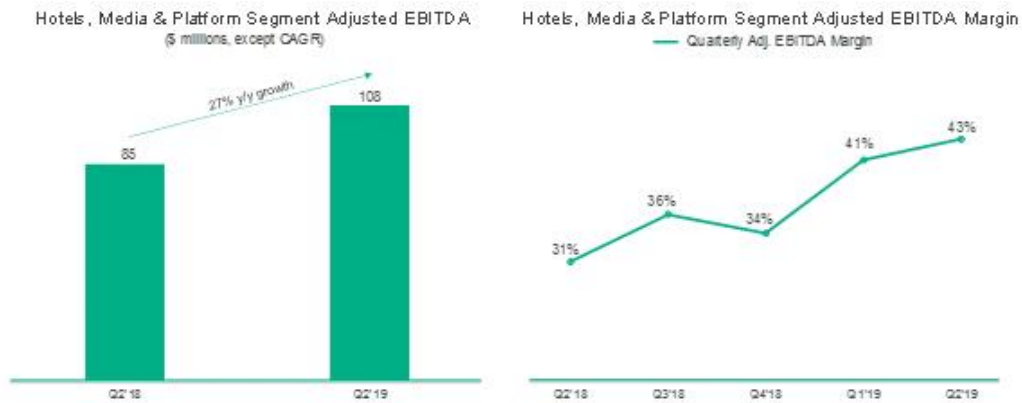
TripAdvisor is a powerful global offering built on people-powered information and a trusted brand. We help consumers discover, explore and experience their world. This year, we are operating with enhanced customer focus and we are executing a number of initiatives to deepen customer engagement and monetize our platform's significant influence. Member growth has accelerated, and we are in the early days of developing more authentic, impactful TripAdvisor brand marketing. We grew supply in hotels, experiences and restaurants, giving consumers greater selection and more convenience when planning and booking their trip. For partners, we beta-launched additional media advertising offerings and we are laying the foundation for a world-class media advertising platform to capture our fair share of the >\$400 billion digital media advertising market.

We are pleased with our 2019 progress towards our growth objectives.

Hotels, Media & Platform Segment Update

Q2 was another quarter of improved HM&P profitability and we made favorable early progress on foundational initiatives to deliver sustained, profitable growth.

HM&P adjusted EBITDA grew 27% to \$108 million, driven by significantly reduced year-over-year selling & marketing expense. HM&P adjusted EBITDA margin expanded by 12 percentage points year-over-year to 43%. Notably, we experienced only a single-digit percentage revenue impact despite strong margin improvement.



Q2 HM&P revenue declined 7%, including 9% lower TripAdvisor-branded Hotels (“Hotels”) revenue. We estimate that excluding year-over-year changes in foreign currency, HM&P revenue declined by 4%, and HM&P adjusted EBITDA grew by 31%. Q2 profit slightly exceeded our expectations while revenue lagged due to softer-than-anticipated demand trends. Hotels revenue decreased primarily due to performance marketing optimizations throughout last year and, to a lesser extent, adverse changes in foreign currency and lower SEO revenue. We attribute our SEO trends to Google increasingly pushing its own hotel products in search results, a practice we anticipate will receive increased focus from regulators moving forward. Performance was partially offset by strong hotel sponsored placements growth.

Looking ahead, we expect HM&P adjusted EBITDA growth in both Q3 and Q4 (though contributions from marketing optimizations lessen versus the first half) and we target returning to HM&P revenue growth in Q4.

A few factors influence this view. First, we expect Hotel performance marketing expenses will be meaningfully lower than last year again in Q3, which will help year-over-year profit but not revenue. This year-over-year expense difference, and therefore revenue impact, will narrow in Q4. We will fully lap associated revenue headwinds in Q1 2020, and expect to soon be in a position to grow revenue from these channels. Second, following modest SEO revenue growth in 2018, we expect a headwind to SEO revenue in 2019. Third, we expect additional second half Display and platform revenue growth as we execute early wins along our media advertising growth strategy.

Overall, with HM&P profitability much improved, we are executing initiatives to accelerate HM&P revenue growth beyond 2019. Our efforts center on four areas:

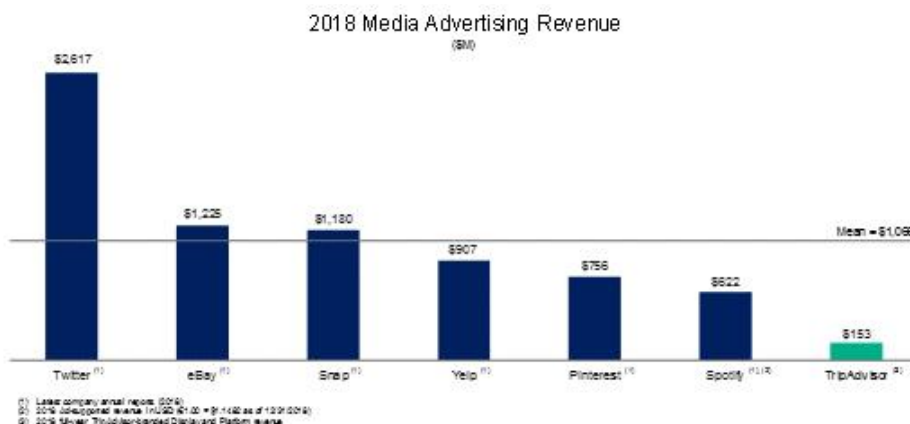
- 1) Scaling media advertising revenue;
- 2) Driving consumer product enhancements that grow membership and cultivate long-term loyalty;
- 3) Executing impactful TripAdvisor brand advertising; and
- 4) Expanding hotel B2B product offerings.

We outline these key areas in more detail below.

First, we have huge media advertising growth potential. Q2 TripAdvisor-branded display and platform revenue grew 5%, and we are laying the groundwork to drive faster growth on a world-class media advertising platform.

Efforts so far this year have involved synthesizing TripAdvisor’s robust data for audience building and more effective ad targeting. We also beta-launched content sponsorship opportunities in the first half of the year with both new and existing clients. Throughout 2019 and 2020, we aim to increase quality inventory, develop more high-impact ad units and implement the technology and delivery infrastructure needed to activate and serve a bigger, broader client base.

We believe our long-term prospects in this area are extremely underappreciated. Emarketer forecasts the digital advertising market to grow 14% annually and reach \$479 billion by 2022. TripAdvisor’s media advertising revenue, at only \$153 million in 2018, has long under-indexed relative to our large, global audience and significant commerce influence in the \$1.7 trillion travel market. Other internet platforms with a fraction of TripAdvisor’s monthly audience, and much less influence, demonstrate the opportunity in this area:



Industry trends are in our favor. Media dollars continue to migrate from traditional channels, like television and printed circulars, to digital. Google and Facebook have been the largest beneficiaries; however, in recent years, advertisers have increasingly sought brand-safe, non-competitive platforms with specific domain expertise and influence in attractive areas, such as retail, technology, music or travel. TripAdvisor can give advertisers access to a high-intent, global travel audience, enabling them to target and optimize campaigns and improve ad performance. We intend to offer clients a more modern, high-powered advertising suite spanning native, video and programmatic solutions, vectors that industry analysts estimate are growing by 20-30% per year. Given our media assets and opportunity ahead and, we aim to at least double Display and platform revenue over the next three to five years. We are extremely excited by our media revenue growth potential.

Second, we are ramping consumer product enhancements that increase habit and both grow and serve TripAdvisor members.

TripAdvisor is uniquely positioned to deliver consumers a more comprehensive, useful, intuitive travel product experience than any other brand. This year, we have more rapidly turned consumer feedback

into product improvements. For example, in Q2 we upgraded our “Saves” and “Trips” planning features, improved mobile maps, and tested many more features that are intrinsically habit forming. At 417 million average monthly unique visitors in Q2, TripAdvisor remains the world’s largest travel community. Given our global scale, our focus is on deepening engagement with our platform. We have seen early progress. For example, new member growth has accelerated this year and we plan to enhance growth efforts in the second half. Focused efforts have also helped monetization, as hotel metasearch revenue generated by members improved nicely year-over-year.

Our internal data shows that TripAdvisor members visit directly 5x more, cross-shop 4x more, come back to the site 3x more and generate more revenue than the average TripAdvisor user. Throughout the balance of 2019 and into 2020, we are constructing – and will scale – initiatives to make TripAdvisor membership more valuable and deepen member engagement on our platform. These initiatives include improving cross-device visibility and honing AI-driven prediction algorithms to anticipate member needs to deliver more relevant, personalized content; further upgrading and enhancing our CRM approach; determining which type of loyalty program makes sense for our community; and completely reimagining the TripAdvisor app. We have a lot of exciting work ahead.

Third, we are focused on delivering more impactful TripAdvisor brand advertising.

In Q2, we completed a comprehensive brand reappraisal. Working with a cross-section of stakeholders, consumers, travelers and partners, results indicated attractive potential to turn TripAdvisor, already a well known global consumer brand with strong consumer equity in travel information, into one that is ‘known well’ for addressing travelers’ many pain points throughout the travel journey. We recently selected a new global media buying agency and throughout the balance of 2019, we will develop an integrated brand strategy and new creative enabling our consumers to see more inspiring, more impactful TripAdvisor branding across an array of mediums. Importantly, we expect to accomplish this within our existing brand advertising budget – not only in 2019, but also moving forward – as we believe our brand dollars can be even more effective as we reach and engage consumers on a deeper level. Accomplishing this will accrue monetization benefits, platform-wide.

Lastly, over the longer-term, we aim to expand our B2B product suite that can help partners leverage TripAdvisor’s global platform to grow their businesses.

Hotel sponsored placements ad revenue grew by strong double-digits in Q2 and we re-aligned sales efforts to explore and deliver additional offerings that enable hoteliers to generate even more value on our platform.

In summary, Q2 was another quarter of impressive HM&P profitability and we are focused on executing initiatives to grow HM&P revenue.

Experiences & Dining Segment Update

Accelerated E&D investments this year are growing bookable inventory, driving bookings and setting a foundation to increasingly monetize our influence across more travel categories.

Our teams are increasingly collaborating on customer-focused product initiatives. For instance, our Experiences, CoreX and Restaurants teams have been collaborating to provide dynamic recommendations on experiences and restaurants based on the time of day, local expertise and nearby

options. We made notable strides providing personalized, highly relevant, location-specific recommendations, as well as curated lists to help consumers make informed, last-minute decisions in-destination on their mobile device. We also expanded payment options and made mobile tickets instantly available within mobile wallet apps. We are pleased with our progress, and see ample growth opportunity as we cross-sell our spectrum of travel products.

For suppliers, in Q2 we launched self-service “Special Offers” for international tour and activities operators, enabling them to offer discounts and secure even more bookings during summer peak travel months. Experiences’ bookable supply growth accelerated to 107% year-over-year, reaching 250,000, and an increased percentage of affordable options (e.g., events, tickets, and unique experiences) to give consumers more things to do at attractive price points.



In Restaurants, product, supply and marketing investments are delivering strong growth as well. In Q2, LaFourchette’s seated diner and bookable restaurant growth accelerated again to 37% and 28%, respectively. LaFourchette offers 65,000 bookable restaurants across 16 countries. Conversion improved on the mobile app – our largest channel – in part from this additional supply choice as well as from product enhancements and successful marketing promotions. On the media revenue side, Restaurants ads and premium subscription offerings contributed diversified growth by leveraging existing sales channels.

E&D revenue grew 28% in Q2. We estimate that excluding changes in foreign currency, E&D revenue grew approximately 33%, which was in step with bookings growth across these businesses. Experiences quarterly revenue patterns can be seasonal and can fluctuate due to the timing of bookings and consumption. We view Q2’s accelerated supply additions and solid bookings as key indicators of long-term growth. Looking ahead, we anticipate E&D revenue growth will taper in the second half as we lap hyper-growth last year on our TripAdvisor channel in Experiences and in Restaurant media advertising, while our investments drive platform expansion and build future strength.

Another positive long-term indicator remains the sheer size of our market opportunity. Phocuswright estimates that global travel activities is a \$159 billion market that is currently 80% offline. PwC estimates the global restaurant market reached \$1.6 trillion in 2018 and expects its growth to accelerate through 2022. We want to reinforce our market-leading position now and remain far from profit-taking mode. We could choose to operate this segment closer to enterprise-level profit margins today; however, we believe investing in platform expansion to capture market share and long-term growth is the best way to maximize future profits and shareholder value.

“Other” Update

Other revenue decreased 32% to \$43 million in Q2, primarily driven by the elimination of some marginal and unprofitable revenue within some non-TripAdvisor branded offerings since the middle of last year, which reduced revenue and increased profitability. Other Adjusted EBITDA grew \$5 million.

Additional Consolidated Q2 Financial Information

Q2 GAAP Net Income grew 6% to \$34 million, while Non-GAAP Net Income grew 10% to \$64 million. GAAP Net Income and Non-GAAP Net Income were impacted by a cumulative income tax expense of \$15 million recorded during the three months ended June 30, 2019. We recorded this expense in response to a June 7, 2019, three-judge panel opinion issued from the Ninth Circuit Court of Appeals in *Altera Corp. v. Commissioner*, which reversed a United States Tax Court decision regarding the treatment of share-based compensation expense in a cost sharing arrangement.

In addition, we are in the process of evaluating France’s recently enacted digital services tax, which was signed into law in July. Financial impacts are not currently included in our 2019 outlook; however, early indications are that it is unlikely to be significant to our 2019 financial results.

Outlook

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.

We reiterate our expectation of double-digit consolidated adjusted EBITDA growth this year. We expect adjusted EBITDA growth in the second half to step down from the 15% growth we delivered in the first half, and we expect consolidated revenue and adjusted EBITDA growth to accelerate in Q4 versus Q3.

We believe that leveraging our strong global platform and executing with enhanced customer focus will enable us to accelerate consolidated revenue growth in 2020 and progress towards three to five year financial objectives outlined in our previous quarter’s prepared remarks.

TripAdvisor’s second quarter 2019 earnings press release is available on the Investor Relations section of the TripAdvisor website at 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 August 7, 2019, which is available on the Investor Relations section of our website at ir.tripadvisor.com and the SEC’s website at 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 consolidated adjusted EBITDA guidance to projected consolidated 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 earnings 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 August 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.

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.