



(in \$millions, except per share amounts and percentages)

	2016					2017					2018				
	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*
Reconciliation from GAAP Net Income to Adjusted EBITDA (Non-GAAP):															
GAAP Net Income (Loss) ⁽¹⁾	\$29	\$34	\$55	\$1	\$120	\$13	\$27	\$25	(\$84)	(\$19)	\$5	\$32	\$69	\$7	\$113
Add: Provision (benefit) for income taxes ⁽¹⁾	9	10	8	3	31	12	17	13	87	129	16	10	18	15	60
Add: Other expense (income), net	4	3	3	6	15	2	2	4	6	14	2	7	2	1	10
Add: Legal reserves and settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	5	5
Add: Stock-based compensation	19	23	22	22	85	19	28	26	25	96	29	31	29	28	118
Add: Amortization of intangible assets	8	8	8	8	32	8	8	8	8	32	8	8	8	10	34
Add: Depreciation ⁽²⁾	16	17	18	18	69	19	19	19	21	79	20	21	20	21	82
Adjusted EBITDA (Non-GAAP) ⁽³⁾	\$85	\$95	\$114	\$58	\$352	\$73	\$101	\$95	\$63	\$331	\$80	\$109	\$146	\$87	\$422
Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Income:															
GAAP Net Income (Loss) ⁽¹⁾	\$29	\$34	\$55	\$1	\$120	\$13	\$27	\$25	(\$84)	(\$19)	\$5	\$32	\$69	\$7	\$113
Add: Stock-based compensation	19	23	22	22	85	19	28	26	25	96	29	31	29	28	118
Add: Legal reserves and settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	5	5
Add: Amortization of intangible assets	8	8	8	8	32	8	8	8	8	32	8	8	8	10	34
Add: (Gain)/Loss on investments	-	-	-	-	-	-	-	2	-	2	-	-	(1)	-	(1)
Subtract: Income tax effect of Non-GAAP adjustments ⁽⁴⁾	7	9	7	8	31	5	10	11	14	40	5	8	6	10	29
Add: Income tax impact related to 2017 Tax Cuts and Jobs Act ⁽¹⁾	-	-	-	-	-	-	-	-	73	73	5	(5)	2	(2)	-
Non-GAAP Net Income ⁽⁵⁾	\$49	\$56	\$78	\$23	\$206	\$35	\$53	\$50	\$8	\$144	\$42	\$58	\$101	\$38	\$240
Reconciliation from GAAP Earnings per Share (EPS) to Non-GAAP EPS:															
GAAP Diluted Shares Outstanding ⁽⁶⁾	147	147	147	146	147	145	141	139	139	141	140	140	141	141	140
GAAP Diluted Earnings (Loss) per Share	\$0.20	\$0.23	\$0.37	\$0.01	\$0.82	\$0.09	\$0.19	\$0.18	(\$0.60)	(\$0.14)	\$0.04	\$0.23	\$0.49	\$0.05	\$0.81
Non-GAAP Diluted EPS ⁽⁷⁾	\$0.33	\$0.38	\$0.53	\$0.16	\$1.40	\$0.24	\$0.38	\$0.36	\$0.06	\$1.02	\$0.30	\$0.41	\$0.72	\$0.27	\$1.71
Ex-Foreign Exchange Reconciliation:															
GAAP Consolidated Revenue growth	(3)%	(3)%	1%	2%	(1)%	6%	8%	4%	2%	5%	2%	2%	4%	8%	4%
Foreign exchange impact ⁽⁸⁾	(2)%	0%	(2)%	(2)%	(1)%	(1)%	(2)%	0%	2%	(1)%	5%	2%	(1)%	(1)%	1%
Non-GAAP Consolidated Revenue growth before fx effect	(1)%	(3)%	3%	4%	0%	7%	10%	4%	(0)%	6%	(3)%	(0)%	5%	9%	3%
Adjusted EBITDA growth (Non-GAAP)	(33)%	(23)%	(12)%	(33)%	(24)%	(14)%	6%	(17)%	9%	(6)%	10%	8%	54%	38%	27%
Foreign exchange impact ⁽⁸⁾	(2)%	0%	(3)%	(1)%	(1)%	(2)%	(5)%	1%	4%	(1)%	7%	5%	(2)%	(3)%	1%
Non-GAAP Adjusted EBITDA growth before fx effect	(31)%	(23)%	(9)%	(32)%	(23)%	(12)%	11%	(18)%	5%	(5)%	3%	3%	56%	41%	26%
Reconciliation of GAAP Cash Flow from Operating Activities to Non-GAAP Free Cash Flow:															
Cash flow provided by (used in) operations	\$124	\$238	(\$88)	\$46	\$321	\$134	\$221	(\$135)	\$18	\$238	\$174	\$186	\$14	\$31	\$405
Subtract: Capital expenditures	17	19	21	16	72	18	17	15	15	64	15	16	15	16	61
Free Cash Flow (Non-GAAP) ⁽⁹⁾	\$107	\$219	(\$109)	\$30	\$249	\$116	\$204	(\$150)	\$3	\$174	\$159	\$170	(\$1)	\$15	\$344



(in \$millions, except percentages)

	2016					2017					2018				
	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*
Reportable Segments - Revenue:															
Consolidated Revenue	\$352	\$391	\$421	\$316	\$1,480	\$372	\$424	\$439	\$321	\$1,556	\$378	\$433	\$458	\$346	\$1,615
Growth % (y/y)	(3)%	(3)%	1%	2%	(1)%	6%	8%	4%	2%	5%	2%	2%	4%	8%	4%
Hotel Segment Revenue	303	316	320	252	1,190	314	326	312	244	1,196	299	313	305	240	1,157
Growth % (y/y)	(5)%	(8)%	(6)%	(3)%	(6)%	4%	3%	(3)%	(3)%	1%	(5)%	(4)%	(2)%	(2)%	(3)%
TripAdvisor-branded click-based and transaction	189	201	206	154	750	211	214	195	137	756	189	199	194	139	722
Growth % (y/y)	(13)%	(15)%	(10)%	0%	(10)%	12%	6%	(5)%	(11)%	1%	(10)%	(7)%	(1)%	1%	(4)%
TripAdvisor-branded display based advertising and subscription	68	72	73	69	282	65	74	76	77	292	71	80	81	77	308
Growth % (y/y)	11%	6%	1%	(3)%	4%	(4)%	3%	4%	12%	4%	9%	8%	7%	0%	5%
Other hotel revenue	46	43	41	29	158	38	38	41	30	148	39	34	30	24	127
Growth % (y/y)	12%	13%	3%	(17)%	3%	(17)%	(12)%	0%	3%	(6)%	3%	(11)%	(27)%	(20)%	(14)%
Non-Hotel Segment Revenue	49	75	101	64	290	58	98	127	77	360	79	120	153	106	458
Growth % (y/y)	14%	21%	35%	31%	27%	18%	31%	26%	20%	24%	36%	22%	20%	38%	27%
Percent of Consolidated Revenue by Source:															
TripAdvisor-branded click-based and transaction	54%	51%	49%	49%	51%	57%	51%	45%	43%	49%	50%	46%	42%	40%	45%
TripAdvisor-branded display based advertising and subscription	19%	19%	17%	22%	19%	17%	17%	17%	24%	19%	19%	18%	18%	22%	19%
Other hotel revenue	13%	11%	10%	9%	10%	10%	9%	9%	9%	9%	10%	8%	7%	7%	8%
Non-hotel	14%	19%	24%	20%	20%	16%	23%	29%	24%	23%	21%	28%	33%	31%	28%
GAAP Net Income (Loss): ⁽¹⁾⁽¹⁰⁾															
GAAP Net Income (Loss)	\$29	\$34	\$55	\$1	\$120	\$13	\$27	\$25	(\$84)	(\$19)	\$5	\$32	\$69	\$7	\$113
Growth % (y/y)	(54)%	(41)%	(26)%	(67)%	(39)%	(55)%	(21)%	(55)%	n.m.	n.m.	(62)%	19%	176%	n.m.	n.m.
GAAP Net Income (Loss) margin	8%	9%	13%	0%	8%	3%	6%	6%	(26)%	(1)%	1%	7%	15%	2%	7%
Reportable Segments - Adjusted EBITDA:															
Total Adjusted EBITDA ⁽³⁾	\$85	\$95	\$114	\$58	\$352	\$73	\$101	\$95	\$63	\$331	\$80	\$109	\$146	\$87	\$422
Growth % (y/y)	(33)%	(23)%	(12)%	(33)%	(24)%	(14)%	6%	(17)%	9%	(6)%	10%	8%	54%	38%	27%
Hotel Segment Adjusted EBITDA	106	105	99	66	380	88	84	51	63	286	88	89	99	79	356
Growth % (y/y)	(20)%	(16)%	(18)%	(31)%	(19)%	(17)%	(20)%	(48)%	(5)%	(25)%	0%	6%	94%	25%	24%
Non-Hotel Segment Adjusted EBITDA	(21)	(10)	15	(8)	(28)	(15)	17	44	0	45	(8)	20	47	8	66
Growth % (y/y)	(320)%	(400)%	67%	0%	(367)%	29%	n.m.	193%	n.m.	n.m.	47%	18%	7%	n.m.	47%
Percent of Total Adjusted EBITDA:															
Hotel	125%	111%	87%	114%	108%	121%	83%	54%	100%	86%	110%	82%	68%	91%	84%
Non-Hotel	(25)%	(11)%	13%	(14)%	(8)%	(21)%	17%	46%	0%	14%	(10)%	18%	32%	9%	16%
Adjusted EBITDA Margin by Segment: ⁽¹¹⁾															
Total	24%	24%	27%	18%	24%	20%	24%	22%	20%	21%	21%	25%	32%	25%	26%
Hotel	35%	33%	31%	26%	32%	28%	26%	16%	26%	24%	29%	28%	32%	33%	31%
Non-Hotel	(43)%	(13)%	15%	(13)%	(10)%	(26)%	17%	35%	0%	13%	(10)%	17%	31%	8%	14%

n.m. = not meaningful



(in \$millions, except Revenue per Hotel Shopper and percentages)

	2016					2017					2018				
	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*
Traffic & TripAdvisor-branded Click-based and Transaction Revenue per Hotel Shopper Metrics ^(a):															
Average Monthly Unique Visitors ⁽¹²⁾⁽¹⁵⁾	338	351	388	326	n/a	387	414	455	381	n/a	432	457	490	390	n/a
Growth % (y/y)	20%	14%	11%	11%	n/a	14%	18%	17%	17%	n/a	12%	10%	8%	2%	n/a
Average Monthly Unique Hotel Shoppers ⁽¹³⁾⁽¹⁵⁾	137	139	153	120	n/a	153	157	168	128	n/a	153	154	160	113	n/a
Growth % (y/y)	10%	3%	3%	8%	n/a	11%	13%	10%	7%	n/a	0%	(1)%	(5)%	(11)%	n/a
Total Average Monthly Unique Hotel Shoppers for the Quarter ⁽¹³⁾⁽¹⁵⁾	411	416	458	359	1,645	458	470	504	383	1,814	460	463	479	340	1,742
Growth % (y/y)	10%	3%	3%	8%	6%	11%	13%	10%	7%	10%	0%	(1)%	(5)%	(11)%	(4)%
TripAdvisor-branded Click-based and Transaction Revenue per Hotel Shopper ⁽¹⁴⁾⁽¹⁵⁾	\$0.46	\$0.48	\$0.45	\$0.43	\$0.46	\$0.46	\$0.46	\$0.39	\$0.36	\$0.42	\$0.41	\$0.43	\$0.41	\$0.41	\$0.41
Growth % (y/y)	(21)%	(19)%	(12)%	(7)%	(15)%	0%	(4)%	(13)%	(16)%	(9)%	(11)%	(7)%	5%	14%	(2)%

(a) During Q3 2018 we improved our counting methodology for hotel shoppers, and have re-casted figures back through the beginning of 2017 for both hotel shoppers and revenue per hotel shopper. This change did not have a material impact on these trends. Please see the endnotes section (number 15) for more information regarding the calculation of our key business metrics.

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 and analyzing our business.

(1) Includes an estimated 2017 Tax Cuts and Job Act transition tax expense of \$2 million, \$5 million and \$67 million for the three months ended September 30, 2018, March 31, 2018, and December 31, 2017, respectively; a transition tax benefit of \$5 million for the three months ended June 30, 2018; as well as a tax benefit of \$2 million and a tax expense of \$6 million related to the remeasurement of deferred taxes for the three months ended December 31, 2018 and December 31, 2017, respectively.

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

(3) *Adjusted EBITDA.* A non-GAAP measure which is 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 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 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 Adjusted EBITDA definition did not have a material impact to our segment or non-GAAP measures for any period prior to the year three months and ended December 31, 2018, 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.

(4) *Income Tax Effect of Non-GAAP Adjustments.* The non-GAAP adjustments described 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.

(5) *Non-GAAP Net Income.* Defined 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 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 to our segment or non-GAAP measures for any period prior to the three months and year ended December 31, 2018, 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.

(6) *GAAP Diluted Shares Outstanding.* Includes potential dilutive effect of common equivalent shares as if the Company had generated net income for the three months and year ended December 31, 2017 when calculating non-GAAP diluted EPS given the Company had non-GAAP net income; but a GAAP net loss in those periods.

(7) *Non-GAAP Diluted EPS.* Defined as non-GAAP net income divided by GAAP diluted shares. We believe non-GAAP 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. During the second quarter of 2016, the Company began calculating non-GAAP net income per diluted share using GAAP diluted shares determined under the treasury stock method. All historical periods have been conformed to the current calculation method. This change did not have a material effect on our previously reported non-GAAP net income per diluted share calculations in prior periods.

(8) *Foreign Exchange Impact.* Calculated on a constant currency basis by excluding the estimated effects of foreign exchange on revenue and expenses by translating actual revenue and expenses for the current year three months ended using the prior period 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.

(9) *Free Cash Flow.* A non-GAAP measure which is defined 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.

(10) The Company does not calculate or report net income by segment.

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

(12) *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.

(13) *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.

(14) *Revenue per Hotel Shopper.* Revenue per hotel shopper is a key 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 average unique monthly hotel shoppers for the period.

(15) *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. Our measures of user growth and user engagement may differ from estimates published by third parties or from similarly-titled metrics of our competitors due to differences in methodology.

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