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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 8, 2021**

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**TRIPADVISOR, INC.**

(Exact name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

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

**80-0743202**  
(IRS Employer  
Identification No.)

**400 1st Avenue**  
**Needham, MA 02494**  
(Address of Principal Executive Offices) (Zip Code)

**(781) 800-5000**  
Registrant's Telephone Number, Including Area Code

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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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(s)	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.

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

On November 8, 2021, Tripadvisor, Inc. issued a press release announcing its preliminary financial results for the three and nine months ended September 30, 2021. Tripadvisor, Inc. also posted a letter to shareholders 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 letter 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 Items 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 they 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	<a href="#">Press Release of Tripadvisor, Inc. dated November 8, 2021.</a>
99.2	<a href="#">Q3 2021 Letter to Shareholders dated November 8, 2021.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**SIGNATURES**

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.**

Date: November 8, 2021

By: \_\_\_\_\_ /s/ ERNST TEUNISSEN

**Ernst Teunissen**  
**Chief Financial Officer**

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### Tripadvisor Reports Third Quarter 2021 Financial Results

NEEDHAM, MA, November 8, 2021 — Tripadvisor, Inc. (NASDAQ: TRIP) today announced financial results for the third quarter ended September 30, 2021.

“We are pleased to see a continued pick-up in consumer travel demand as borders open and vaccinations are more widely administered,” said Chief Executive Officer Steve Kaufer. “We are seeing this benefit in our results—revenue increased to \$303 million, reflecting sequential growth of 29% and year over year growth of 101%, with strong performance from all segments. In addition to macro tailwinds, we believe that our customer experience, expansive reach, product offerings, and position in the market will drive sustained growth and strong customer loyalty. We are very excited about the progress we are making in our key initiatives with a focus on the long-term, even as we remain cautiously optimistic about near-term travel trends.”

Chief Financial Officer Ernst Teunissen added, “We drove continued improvements in our revenue, net income, and adjusted EBITDA. During the third quarter, as a result of our commitment to maintaining a more disciplined cost base, we achieved positive net income, while adjusted EBITDA increased to \$72 million expanding our margin to 24%. In addition to the impact increasing consumer travel had on our financial profile, we are equally as pleased to see the continued efforts our teams have made to deliver on key initiatives designed to drive future growth.”

#### Third Quarter 2021 Summary

(In millions, except percentages and per share amounts)	Three months ended September 30,		% Change
	2021	2020	
Total Revenue	\$ 303	\$ 151	101 %
Hotels, Media & Platform	\$ 172	\$ 80	115 %
Experiences & Dining	\$ 114	\$ 53	115 %
Other	\$ 17	\$ 18	(6) %
GAAP Net Income (Loss)	\$ 1	\$ (48)	n.m.
Total Adjusted EBITDA (1)	\$ 72	\$ 15	380 %
Hotels, Media & Platform	\$ 51	\$ 4	1175 %
Experiences & Dining	\$ 10	\$ 1	900 %
Other	\$ 11	\$ 10	10 %
Non-GAAP Net Income (Loss) (1)	\$ 23	\$ (23)	n.m.
Diluted Earnings (Loss) per Share:			
GAAP	\$ 0.01	\$ (0.36)	n.m.
Non-GAAP (1)	\$ 0.16	\$ (0.17)	n.m.
Cash flow used in operating activities	\$ (64)	\$ (31)	106 %
Free cash flow (1)	\$ (79)	\$ (42)	88 %

n.m. = not meaningful

- (1) “Total Adjusted EBITDA”, “Total Adjusted EBITDA margin”, “Non-GAAP Net Income (Loss)”, “Non-GAAP Diluted Earnings (Loss) 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.

**Monthly unique users** – During the third quarter of 2021, average monthly unique users on Tripadvisor-branded websites increased to approximately 76% of 2019’s comparable period, in comparison to approximately 70% and 55% of 2019’s comparable periods during the second and first quarters of 2021, respectively. This was driven by vaccine progress, various government restrictions being gradually lifted, albeit unevenly, and consumer travel demand’s improving recovery.

**Revenue** – Q3 2021 total revenue of \$303 million increased 101% year-over-year and was approximately 71% of the comparable period in 2019 (pre-COVID-19 timeframe), which showed improvement versus Q2 2021.

**Cost performance** – Total operating expenses were \$287 million, up 46% year-over-year, increasing in all categories and primarily driven by the following:

- Cost of revenue was \$23 million, up 77% year-over-year, primarily due to increased direct costs from credit card payment and other revenue-related transaction costs in correlation with the increase in revenue.
- Selling and marketing costs were \$148 million, up 111% year-over-year, due to an increase in our SEM and other online traffic acquisition spend generally across all our segments and businesses in response to increasing consumer travel demand as travel and leisure activity restrictions ease and the travel sector recovers.
- Technology and content costs were \$52 million, up 13% year-over-year.
- General and administrative costs were \$37 million, up 6% year-over-year.

**Profitability** – Q3 2021 consolidated net income of \$1 million, improved from the net losses in Q2 2021 and Q3 2020, primarily driven by an increase in revenue. This was partially offset by an increase in selling and marketing expenses in response to increasing consumer travel demand as travel and leisure activity restrictions eased during the quarter. Q3 2021 adjusted EBITDA of \$72 million, was higher than Q2 2021 and Q3 2020, primarily driven by the factors noted above.

**Cash & Liquidity** – As of September 30, 2021, the Company had \$682 million of cash and cash equivalents, an increase of \$264 million from December 31, 2020.

### Third Quarter 2021 Revenue by Source

(In millions, except percentages)	Three months ended September 30,		% Change
	2021	2020	
Hotels, Media & Platform			
Tripadvisor-branded hotels	\$ 143	\$ 67	113 %
Tripadvisor-branded display and platform	29	13	123 %
Experiences & Dining	114	53	115 %
Other	17	18	(6) %
Total Revenue	<u>\$ 303</u>	<u>\$ 151</u>	101 %

### 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, November 9, 2021, at 8:30 a.m., Eastern Time, to discuss the Company’s third quarter 2021 operating results, as well as 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 9957637) until November 16, 2021 and the webcast will be accessible at <http://ir.tripadvisor.com/events-and-presentations> for at least twelve months following the conference call.

## About Tripadvisor

Tripadvisor, the world's largest travel guidance platform\*, helps hundreds of millions of people each month\*\* become better travelers, from planning to booking to taking a trip. Travelers across the globe use the Tripadvisor site and app to discover where to stay, what to do and where to eat based on guidance from those who have been there before. With more than 988 million reviews and opinions of nearly 8 million businesses, travelers turn to Tripadvisor to find deals on accommodations, book experiences, reserve tables at delicious restaurants and discover great places nearby. As a travel guidance company available in 43 markets and 22 languages, Tripadvisor makes planning easy no matter the trip type.

The subsidiaries of Tripadvisor, Inc. (NASDAQ:TRIP), own and operate a portfolio of travel media brands and businesses, operating under various websites and apps, including the following websites: [www.bokun.io](http://www.bokun.io), [www.cruisecritic.com](http://www.cruisecritic.com), [www.flipkey.com](http://www.flipkey.com), [www.thefork.com](http://www.thefork.com), [www.helloreco.com](http://www.helloreco.com), [www.holidaylettings.co.uk](http://www.holidaylettings.co.uk), [www.housetrip.com](http://www.housetrip.com), [www.jetsetter.com](http://www.jetsetter.com), [www.niumba.com](http://www.niumba.com), [www.seatguru.com](http://www.seatguru.com), [www.singleplatform.com](http://www.singleplatform.com), [www.vacationhomerentals.com](http://www.vacationhomerentals.com), and [www.viator.com](http://www.viator.com).

\* Source: SimilarWeb, unique users de-duplicated monthly, September 2021

\*\* Source: Tripadvisor internal log files

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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Revenue	\$ 303	\$ 151	\$ 661	\$ 488
<b>Costs and expenses:</b>				
Cost of revenue (1)	23	13	54	42
Selling and marketing (1)	148	70	343	249
Technology and content (1)	52	46	161	166
General and administrative (1)	37	35	121	129
Depreciation and amortization	27	30	85	94
Impairment of goodwill	—	3	—	3
Restructuring and other related reorganization costs	—	—	—	42
Total costs and expenses	287	197	764	725
Operating income (loss)	16	(46)	(103)	(237)
<b>Other income (expense):</b>				
Interest expense	(12)	(13)	(34)	(22)
Interest income	—	1	1	3
Other income (expense), net	(1)	—	(2)	(9)
Total other income (expense), net	(13)	(12)	(35)	(28)
Income (loss) before income taxes	3	(58)	(138)	(265)
(Provision) benefit for income taxes	(2)	10	19	48
Net income (loss)	<u>\$ 1</u>	<u>\$ (48)</u>	<u>\$ (119)</u>	<u>\$ (217)</u>
<b>Earnings (loss) per share attributable to common stockholders:</b>				
Basic	\$ 0.01	\$ (0.36)	\$ (0.87)	\$ (1.61)
Diluted	\$ 0.01	\$ (0.36)	\$ (0.87)	\$ (1.61)
<b>Weighted average common shares outstanding:</b>				
Basic	138	134	137	135
Diluted	144	134	137	135

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

Cost of revenue	\$ —	\$ —	\$ 1	\$ 1
Selling and marketing	\$ 4	\$ 4	\$ 13	\$ 12
Technology and content	\$ 12	\$ 12	\$ 35	\$ 32
General and administrative	\$ 13	\$ 12	\$ 40	\$ 35

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

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 682	\$ 418
Accounts receivable and contract assets, net of allowance for credit losses of \$32 and \$33, respectively	198	83
Income taxes receivable	52	50
Prepaid expenses and other current assets	28	22
<b>Total current assets</b>	<b>960</b>	<b>573</b>
Property and equipment, net of accumulated depreciation of \$441 and \$386, respectively	220	240
Operating lease right-of-use assets	43	54
Intangible assets, net of accumulated amortization of \$215 and \$206, respectively	69	86
Goodwill	846	862
Non-marketable investments	38	40
Deferred income taxes, net	37	10
Other long-term assets, net of allowance for credit losses of \$5 and \$5, respectively	99	104
<b>TOTAL ASSETS</b>	<b>\$ 2,312</b>	<b>\$ 1,969</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 22	\$ 18
Deferred merchant payables	123	36
Deferred revenue	39	28
Accrued expenses and other current liabilities	179	160
<b>Total current liabilities</b>	<b>363</b>	<b>242</b>
Long-term debt	832	491
Finance lease obligation, net of current portion	66	71
Operating lease liabilities, net of current portion	33	46
Deferred income taxes, net	2	10
Other long-term liabilities	222	223
<b>Total Liabilities</b>	<b>1,518</b>	<b>1,083</b>
Stockholders' equity:		
Preferred stock, \$0.001 par value	—	—
Authorized shares: 100,000,000		
Shares issued and outstanding: 0 and 0		
Common stock, \$0.001 par value	—	—
Authorized shares: 1,600,000,000		
Shares issued: 144,177,649 and 140,775,221, respectively		
Shares outstanding: 125,333,035 and 121,930,607, 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	1,297	1,253
Retained earnings	270	389
Accumulated other comprehensive income (loss)	(51)	(34)
Treasury stock-common stock, at cost, 18,844,614 and 18,844,614 shares, respectively	(722)	(722)
<b>Total Stockholders' Equity</b>	<b>794</b>	<b>886</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,312</b>	<b>\$ 1,969</b>



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

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>Operating activities:</b>				
Net income (loss)	\$ 1	\$ (48)	\$ (119)	\$ (217)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	27	30	85	94
Stock-based compensation expense	29	28	89	80
Deferred income tax expense (benefit)	2	(1)	(26)	5
Provision for expected credit losses	(2)	1	1	19
Impairment of goodwill	—	3	—	3
Other, net	3	4	10	10
Changes in operating assets and liabilities, net of effects from acquisitions and other investments:	(124)	(48)	3	(174)
<b>Net cash provided by (used in) operating activities</b>	<b>(64)</b>	<b>(31)</b>	<b>43</b>	<b>(180)</b>
<b>Investing activities:</b>				
Capital expenditures, including internal-use software and website development	(15)	(11)	(40)	(46)
Other investing activities, net	1	(2)	(1)	—
<b>Net cash provided by (used in) investing activities</b>	<b>(14)</b>	<b>(13)</b>	<b>(41)</b>	<b>(46)</b>
<b>Financing activities:</b>				
Repurchase of common stock	—	—	—	(115)
Proceeds from issuance of 2026 Senior Notes, net of financing costs	—	—	340	—
Purchase of capped calls in connection with 2026 Senior Notes	—	—	(35)	—
Proceeds from issuance of 2025 Senior Notes	—	500	—	500
Payment of financing costs for the issuance of 2025 Senior Notes	—	(10)	—	(10)
Proceeds from 2015 credit facility	—	—	—	700
Payment of financing costs related to 2015 credit facility	—	—	—	(4)
Payments to 2015 Credit Facility	—	(700)	—	(700)
Proceeds from exercise of stock options	—	—	8	—
Payment of withholding taxes on net share settlements of equity awards	(10)	(1)	(39)	(18)
Payments of finance lease obligation	(2)	(1)	(5)	(4)
<b>Net cash provided by (used in) financing activities</b>	<b>(12)</b>	<b>(212)</b>	<b>269</b>	<b>349</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	4	(7)	4
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(93)</b>	<b>(252)</b>	<b>264</b>	<b>127</b>
Cash, cash equivalents and restricted cash at beginning of period	775	698	418	319
Cash, cash equivalents and restricted cash at end of period	<u>\$ 682</u>	<u>\$ 446</u>	<u>\$ 682</u>	<u>\$ 446</u>

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

	Three Months Ended		% Change
	September 30, 2021	September 30, 2020	
<b>Revenue:</b>			
Hotels, Media & Platform	\$ 172	\$ 80	115 %
Experiences & Dining	114	53	115 %
Other	17	18	(6) %
<b>Total revenue</b>	<b>\$ 303</b>	<b>\$ 151</b>	<b>101 %</b>
<b>Adjusted EBITDA:</b>			
Hotels, Media & Platform	\$ 51	\$ 4	1175 %
Experiences & Dining	10	1	900 %
Other	11	10	10 %
<b>Total Adjusted EBITDA (1)</b>	<b>\$ 72</b>	<b>\$ 15</b>	<b>380 %</b>
<b>Adjusted EBITDA Margin:</b>			
Hotels, Media & Platform	30 %	5 %	
Experiences & Dining	9 %	2 %	
Other	65 %	56 %	
<b>Total Adjusted EBITDA Margin (1)</b>	<b>24 %</b>	<b>10 %</b>	
<b>Net Income (Loss) (2)</b>	<b>\$ 1</b>	<b>\$ (48)</b>	
<b>Net Income (Loss) Margin</b>	<b>0 %</b>	<b>(32) %</b>	

	Nine Months Ended		% Change
	September 30, 2021	September 30, 2020	
<b>Revenue:</b>			
Hotels, Media & Platform	\$ 417	\$ 287	45 %
Experiences & Dining	209	150	39 %
Other	35	51	(31) %
<b>Total revenue</b>	<b>\$ 661</b>	<b>\$ 488</b>	<b>35 %</b>
<b>Adjusted EBITDA:</b>			
Hotels, Media & Platform	\$ 81	\$ 25	224 %
Experiences & Dining	(26)	(56)	(54) %
Other	16	13	23 %
<b>Total Adjusted EBITDA (1)</b>	<b>\$ 71</b>	<b>\$ (18)</b>	<b>n.m.</b>
<b>Adjusted EBITDA Margin:</b>			
Hotels, Media & Platform	19 %	9 %	
Experiences & Dining	(12) %	(37) %	
Other	46 %	25 %	
<b>Total Adjusted EBITDA Margin (1)</b>	<b>11 %</b>	<b>(4) %</b>	
<b>Net Income (Loss) (2)</b>	<b>\$ (119)</b>	<b>\$ (217)</b>	
<b>Net Income (Loss) Margin</b>	<b>(18) %</b>	<b>(44) %</b>	

n.m. = *not meaningful*

(1) 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.

(2) This amount reflects our consolidated GAAP Net Income (Loss) for the periods presented. Tripadvisor does not calculate or report net income (loss) 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, 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 (loss), non-GAAP net income (loss) 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 (benefit) for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, long-lived assets and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; 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. 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.

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 (loss) and our other GAAP results.

Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;

- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation or other stock-settled obligations;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect certain income and expenses not directly tied to the ongoing core operations of our business, such as legal reserves and settlements and restructuring and other related reorganization costs;
- 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 (loss)” 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 or significant legislation that impacts tax, such as the CARES 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; (5) restructuring and other related reorganization costs; and (6) 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 (loss) 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 ongoing core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance.

Tripadvisor defines “non-GAAP net income (loss) per diluted share”, or non-GAAP diluted EPS, as non-GAAP net income (loss) 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 ongoing core operations of our businesses. Tripadvisor calculates non-GAAP diluted EPS using weighted average diluted shares determined under GAAP.

Non-GAAP net income (loss) and non-GAAP diluted EPS have some of the same limitations as Adjusted EBITDA. In addition, non-GAAP net income (loss) does not include all items that affect our GAAP net income (loss) 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 ongoing 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 ongoing 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 ongoing 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				Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2019	September 30, 2021	September 30, 2020
<b>Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):</b>						
<b>GAAP Net Income (Loss)</b>	\$ 1	\$ (40)	\$ (48)	\$ 50	\$ (119)	\$ (217)
Add: Provision (benefit) for income taxes	2	(6)	(10)	23	(19)	(48)
Add: Other (income) expense, net	13	11	12	(5)	35	28
Add: Depreciation and amortization	27	28	30	32	85	94
Add: Impairment of goodwill	—	—	3	—	—	3
Add: Restructuring and other related reorganization costs	—	—	—	—	—	42
Add: Stock-based compensation expense	29	32	28	29	89	80
<b>Adjusted EBITDA (Non-GAAP)</b>	<u>\$ 72</u>	<u>\$ 25</u>	<u>\$ 15</u>	<u>\$ 129</u>	<u>\$ 71</u>	<u>\$ (18)</u>
<b>Revenue (GAAP)</b>	\$ 303	\$ 235	\$ 151		\$ 661	\$ 488
<b>Net Income (loss) margin (GAAP)</b>	0 %	(17)%	(32)%		(18)%	(44)%
Adjusted EBITDA margin (Non-GAAP) (1)	24 %	11 %	10 %		11 %	(4)%
<b>Reconciliation from GAAP Net Income (Loss) and GAAP Net Income (Loss) per diluted share to Non-GAAP net income (loss) and Non-GAAP net income (loss) per diluted share:</b>						
<b>GAAP Net Income (Loss)</b>	\$ 1		\$ (48)			
Add: Stock-based compensation expense	29		28			
Add: Impairment of goodwill	—		3			
Add: Amortization of intangible assets	5		6			
Add: (Gain)/Loss on investment	(1)		(1)			
Subtract: Income tax effect of Non-GAAP adjustments (2)	11		8			
Subtract: Income tax benefit related to CARES Act (3)	—		3			
<b>Non-GAAP net income (loss)</b>	<u>\$ 23</u>		<u>\$ (23)</u>			
<b>GAAP diluted shares</b>	144		134			
<b>GAAP Net Income (loss) per diluted share</b>	\$ 0.01		\$ (0.36)			
Non-GAAP net income (loss) per diluted share (4)	\$ 0.16		\$ (0.17)			
<b>Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):</b>						
<b>Net cash provided by (used in) operating activities (GAAP)</b>	\$ (64)		\$ (31)			
Subtract: Capital expenditures	15		11			
<b>Free cash flow (Non-GAAP)</b>	<u>\$ (79)</u>		<u>\$ (42)</u>			

(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 (benefit) for the periods presented.

(3) Represents an income tax benefit of \$3 million recorded in connection with the passage of the CARES Act, pertaining to the income tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback, recorded during the three months ended September 30, 2020.

(4) Tripadvisor defines "non-GAAP net income (loss) per diluted share" as non-GAAP net income (loss) divided by GAAP diluted shares.

## 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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Q3 2021

# Letter to Shareholders

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	Q3 2021	Q3 2020	Q3 2019
<b>Revenue</b>	<b>\$303M</b>	<b>\$151M</b>	<b>\$428M</b>
□ Q3 2021 performance demonstrates continued relative U.S. strength as well as a broadening recovery	101% Y/Y (29)% Y/2Y		
<b>Net Income / (Loss)</b>	<b>\$1M</b>	<b>\$(48)M</b>	<b>\$50M</b>
□ Q3 2021 Net Income (Loss) improved primarily due to revenue improvement			
<b>Adjusted EBITDA (1)</b>	<b>\$72M</b>	<b>\$15M</b>	<b>\$129M</b>
□ Generated positive adjusted EBITDA and more than doubled margin <sup>(2)</sup> in Q3 2021 vs. Q2 2021			

(1) Adjusted EBITDA is a non-GAAP profit measure and is defined as net income (loss) plus: (1) provision (benefit) for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, intangible asset, and long-lived asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) non-recurring expenses and income.

(2) Adjusted EBITDA margin is a non-GAAP profit measure and is defined as Adjusted EBITDA divided by Revenue.



## Letter to Shareholders

We are pleased with our Q3 results. As vaccination rates continued to increase and countries reopened, we saw solid recovery in our business, and our results improved meaningfully versus the second quarter. In addition to macro improvements in travel, our results also highlight the resilience of our diversified offerings, our strong operating leverage, and steady prudent cost management.

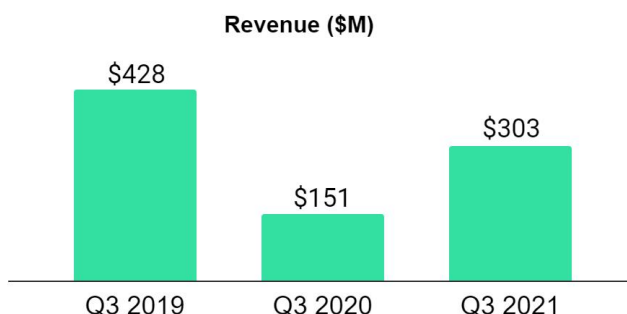
Total revenue of \$303 million was 71% of Q3 2019 levels, reflecting a year-over-year increase of 101%, and a quarter-over-quarter increase of 29%. Net income (loss) improved \$41 million versus Q2 2021 to \$1 million. Adjusted EBITDA was \$72 million, an improvement of \$57 million year-over-year and \$47 million quarter-over-quarter. Adjusted EBITDA margin improved to 24% from 10% a year ago and 11% last quarter.

The recent easing of travel restrictions in the U.S. and Europe continues to provide optimism for the recovery of leisure travel. In the last few months, governments in the U.S. and Europe have announced the removal of certain restrictions, which are expected to accelerate travel's recovery, both domestically and internationally. While all of this should be viewed positively, we would also note that the Delta variant did cause a modest step back in our recovery trajectory in September, which is reflective of the non-linear path we've seen so far this year.

In our key strategic initiatives, we made strong progress. As we'll cover later in the letter, our Experiences revenue grew strongly quarter-over-quarter and as a percent of 2019 (pre-Covid-19 period), reflecting our focus and competitive position in this business. As we noted publicly last month, we have also made progress on the evolution of our Tripadvisor Plus subscription offering, and are currently testing our new Vacation Funds feature.

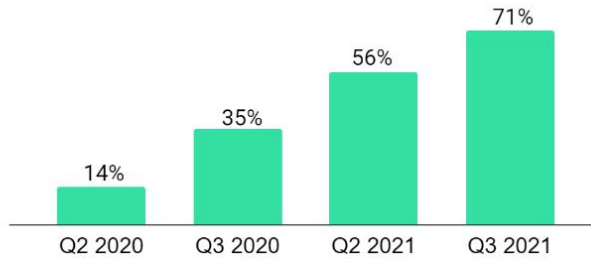
## Q3 2021 Consolidated Financial Results

**Revenue recovery broadened in Q3.** Q3 2021 total revenue was \$303 million, representing a year-over-year increase of 101% and a 29% increase versus Q2 2021, which is well beyond typical seasonality. At approximately 71% of 2019's comparable period, Q3 2021 revenue performance improved by 15-percentage points versus Q2 2021, which performed at 56% of 2019's comparable period.



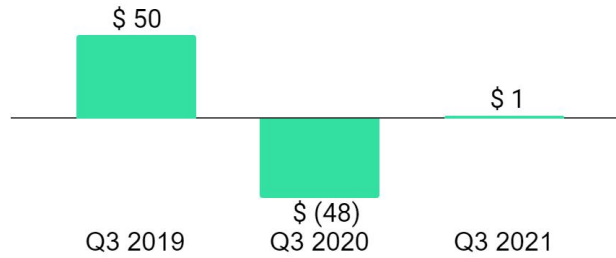
Consolidated revenue in the months of July, August, and September for 2021 was approximately 71%, 74%, and 68%, respectively, of 2019's comparable periods and exceeded all pandemic impacted months from last year.

Quarterly Revenue as a % of 2019



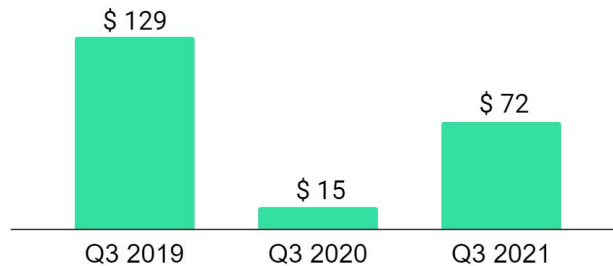
**Q3 profitability and liquidity position highlights our strong operating leverage and continued prudent cost management.** Q3 2021 consolidated net income turned positive to \$1 million, up from a \$48 million loss in Q3 2020, driven primarily by revenue improvement, partially offset by increased variable marketing expenses.

Net Income / (Loss) \$M



Q3 2021 Adjusted EBITDA was \$72 million and improved by \$57 million year-over-year, driven primarily by revenue improvement against our stable fixed cost base, partially offset by increased variable marketing expenses. We believe we have positioned the business for operating leverage as travel demand and our revenue recovers further.

Adjusted EBITDA (\$M)

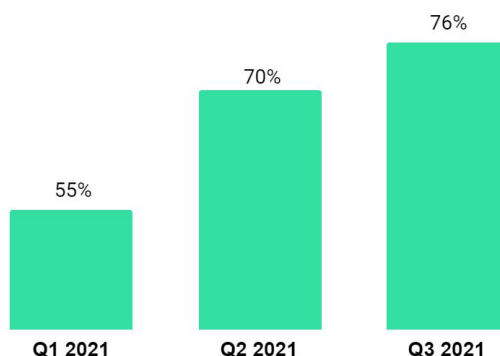


Additionally, we maintained ample liquidity. We had \$682 million of cash and cash equivalents as of September 30, 2021.

## Business Update

**Monthly unique users improved in Q3 and were largely in line with our revenue recovery.** Overall average monthly unique users on Tripadvisor-branded websites in Q3 were approximately 76% of 2019's comparable period, up from approximately 70% in Q2, and 55% in Q1.

Average Monthly Unique Users as a Percentage of 2019's Comparable Period  
*(per Tripadvisor log files)*



Monthly unique users were generally stable throughout the quarter. Strong traffic on our site remains a leading indicator of consumers' desire to travel, which is why we are pleased to see these improving quarterly trends.

From a geographic perspective, we saw European monthly users as a percentage of 2019 catch up to the U.S. in Q3, with Rest-of-World still behind in the recovery.

Taking a look across business segments, we continued to see signs of a broad return to travel during the quarter.

### Hotel, Media & Platform (HM&P)

Revenue in our HM&P segment was \$172 million, reflecting year over year growth of 115%. As a percent of 2019 revenue levels, HM&P reached 72%, an increase from 61% in Q2 and 35% in Q1.

- Within the quarter, monthly revenue progression for July, August and September was approximately 73%, 75%, and 69%, respectively.
- Total hotel auction revenue as a percent of 2019 levels increased in Q3, to 76% of 2019 levels. Geographically, U.S. hotel metasearch auction revenue exceeded 2019 levels despite a modest stepback in September which we attribute to the Delta variant. In Europe, auction revenue in Q3 increased significantly to 66% of 2019 revenue, a sequential increase of almost 30 points.
- The remaining revenue within Tripadvisor-branded hotels (Hotel B2B services) also improved vs Q2, but lagged the pace of recovery in the hotel auction.
- In Tripadvisor-branded display and platform, revenue as a percentage of 2019 levels reached 71% of 2019 levels in Q3, up from 58% in Q2 and 37% in Q1.

### Experiences & Dining (E&D)

Revenue in our E&D segment was \$114 million, reflecting year over year growth of 115%. As a percent of 2019 levels, we demonstrably exceeded internal expectations by reaching 81% of 2019 revenue in Q3.

### Experiences



Experiences revenue reached 75% of 2019 levels during Q3. This was led by the Viator point of sale, which roared back to approximately 100% of 2019 revenue levels. In October, we saw further improvement on all Experiences points of sale, delivering combined booking levels that now exceed 2019.

We are very pleased with the progress we are making in our Experiences business this year, as we take full advantage of recovering markets and of our strong competitive position. This year, we have successfully adapted to a market that skews more domestic and more mobile by honing our offering accordingly. Given our historically strong position for booking Experiences for international trips, we are optimistic that the projected upcoming growth in international travel will further propel growth in our Experiences business.

We also continued to improve our merchandising this quarter, raising our on-site conversion consistently. We are also testing, with excellent results so far, a new option for suppliers called Accelerate, which improves a client's visibility on our site to help drive incremental bookings. Additionally, new customer acquisition remains a top priority in the travel recovery. To that effect we continued to lean into paid traffic acquisition, at a positive ROI based on our demonstrated lifetime value, while improving our performance of free channels and repeat usage.

### **Dining**

Our Dining revenue improved significantly in Q3, exceeding 90% of 2019 levels as restaurants in most of the European countries re-opened for in-restaurant dining, a significant uptick from Q2 levels. We are heartened by the return in restaurant activity, as well as the continued evolution of our offerings. For example, we are seeing good uptake on TheFork Pay, which offers our diners the ability to pay via the app in participating restaurants. We are also excited about our new gift card offer, although it is in early stages. We see excellent opportunities for further improvement in this business as travel and dining return to normal.

As we look forward to 2022 for this segment, we are more convinced than ever that we have a significant value creation opportunity for our Viator and TheFork businesses. We continue to see an attractive growth profile, market opportunity, and competitive strength, and we are considering options to better crystallize their inherent value.

### **Tripadvisor Plus**

We remain tremendously excited about our new product category of travel subscriptions, and our first offering, Tripadvisor Plus. Since our original rollout in June, we've continued to iterate the offering, working to deliver value to both consumers and partners. As we announced in September, we are currently beta testing an iteration that moves from an instant savings model to one that enables travelers to earn cash, called Vacation Funds, that are available for the traveler the day after hotel check-in or tour/activity completion. Travelers can easily transfer these dollars to their bank account, or online wallet, or save them to spend on Tripadvisor on the current or a future trip.

Our continued iterations are reflective of our consumer-focused approach. Since its original roll-out, we've talked to travelers, partner hotels, and other service providers to create an enhanced offering that drives clear value for everyone. Working with hotels and addressing their considerations, such as their existing rate parity agreements, helps add significant supply to our offering, thereby giving travelers more choice and more opportunities to save. And for travelers coming to our site, removing the paywall to see savings on hotels allows us to present the program's benefits to everyone, not just subscribers to the program.

With the hundreds of millions of users coming to our site, we have a unique opportunity to leverage our reach, and we continue to believe in the potential significant revenue opportunity and value that Tripadvisor Plus provides to travelers.

### **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 are encouraged by the ongoing recovery trends in travel and the resilience of our business during 2021. We continue to believe leisure travel's eventual full recovery will be characterized by consumers feeling safe and confident to travel, and there has been notable progress on this front in 2021.



As we finish out the year, we expect our overall Q4 revenue and profit to be impacted by a typical seasonal step down versus Q3. So far in the current quarter, we see some positive pockets in the business. We estimate at this time that revenue levels as a percent of 2019 in October will reflect a modest improvement from September and, in particular, continued improvement in a return to 2019 levels in our Experiences and Dining segment. However, the pandemic-related challenges continue to add near-term uncertainty to the speed of our recovery, and we therefore remain cautious in our near-term outlook, not anticipating our Q4 revenue as a percent of 2019 to show a meaningful improvement versus Q3.

As we think about next year, we are optimistic about further travel recovery. We expect additional improvement as vaccination levels increase, countries reopen, and the leisure travel recovery broadens. We are also very optimistic about our priority focus areas, specifically travel subscriptions and our Experiences and Dining businesses. The growth, market opportunity, and our competitive position in travel is clear. As such, we will focus on how best to invest in teams and initiatives that we believe will drive long term customer and partner satisfaction, thereby enhancing our leading position in the travel ecosystem.

Finally in closing, today we announced that Steve Kaufer, co-founder and CEO of Tripadvisor, will step down in 2022 after 20+ years with the company. Steve will continue to lead the company until a successor is found. For additional details, please refer to the press release dated November 8, 2021.

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## Earnings Webcast

Tripadvisor management will host a conference call to discuss results as well as forward-looking information at 8:30 a.m. ET on November 9, 2021. The link to the live webcast, as well as the audio replay, will be made available on Tripadvisor's Investor Relations website at <http://ir.tripadvisor.com>.

A replay of the conference call will be available on the same website. A telephonic replay will be available for two weeks following the call at (855) 859-2056; passcode 9957637.

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## 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," "target," "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 consolidated adjusted EBITDA (including forecasted adjusted EBITDA), consolidated adjusted EBITDA margin, 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 November 9, 2021, which is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/> and the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Key Business Metrics**

We review a number of metrics, including unique visitors, hotel shoppers, and other metrics, 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.



