

Angela Opening Remarks:

Good morning and welcome to Tripadvisor's fourth quarter and full year 2024 financial results call. Joining me today are Matt Goldberg, President & CEO, and Mike Noonan, CFO.

Earlier this morning we filed and made available our earnings release. In that release you will find reconciliations of non GAAP financial measures to the most comparable GAAP financial measures discussed on this call.

Before we begin, I'd like to remind you that this call may contain estimates and other forward looking statements that represent management's views as of today, February 20, 2025. Tripadvisor disclaims any obligation to update these statements to reflect future events or circumstances. Please refer to our earnings release, as well as our filings with the SEC for information concerning factors that could cause actual results to differ materially from these forward looking statements.

With that, I'll turn the call over to Matt.

Matt Goldberg, CEO

Thanks Angela, and good morning everyone.

Across Tripadvisor Group we finished 2024 strong, with results that exceeded our expectations on both the top and bottom line for the fourth quarter and the full year. In Q4, consolidated revenue grew 5% to \$411 million, a result of healthy improvement in growth sequentially across all segments. Adjusted EBITDA was \$73 million, or 18% of revenue. For the full year, revenue reached \$1.8 billion and adjusted EBITDA was \$339 million.

In 2024, we delivered meaningful progress against our strategic priorities and strengthened our revenue and EBITDA mix. Importantly, for the first time, all three segments positively contributed to Group profit, and now more than half of our revenue is coming from our growth marketplaces at Viator and TheFork, which together delivered \$52 million of incremental adjusted EBITDA versus the prior year. The Experiences category is increasingly becoming the strategic and financial center of gravity of the Group, as we continue to position our unique assets to extend our leadership in this large and fast-growing market.

Viator's segment results reflect our ability to grow market share by leveraging our scale, with GBV reaching nearly \$4.2 billion in 2024. On the demand side, we continued on our journey to deliver profitable, above-market growth, with revenue growth reaching 14% for the year and accelerating to 16% in Q4. Direct booking volume on the Viator point of sale grew nearly 30% for the full year, which speaks to the consistent improvements we are making on unit economics as we continue to scale. We put more attention on driving marketing efficiency, while investing in critical areas of the consumer-facing product to increase conversion and loyalty. We continue to focus on our mobile app, which was Viator's fastest growing channel with booking volume up more than 80% for the full year. On the supply side, the number of operators on our platform grew more than 15%, a testament to the value we provide them. Our supply advantage is a critical asset in driving our third-party partner revenue, which grew more than twice the rate of the overall segment in 2024.

At **Brand Tripadvisor**, we made significant progress on our engagement-led strategy while navigating quarterly variability driven by our legacy offerings, most notably hotel meta. The momentum in our strategy and our conviction strengthened throughout the year — supported by the tangible progress we saw across key metrics. For example, monthly active

users (MAUs) stabilized for the year and grew in our core geographies – a reversal from declines in prior periods. Global monthly active members, an important indicator of engagement, grew mid-single digits in 2024 and accelerated in each successive quarter. Monthly active members in the U.S., where we've focused most of our testing and experimentation, grew at twice the global rate. Each of these engagement improvements are driven by product changes, enhancements, and features that result in more persistent loyalty with our users, which we believe serves as the foundation for turning Tripadvisor back to near-term growth.

Our dining marketplace, **TheFork** segment grew revenue a healthy 18% to \$181 million and delivered full year profitability for the first time in its history, representing an adjusted EBITDA improvement of \$19 million over last year. This performance highlights meaningful strategic progress and an important inflection point in the financial trajectory of this business. TheFork is positioned as the leading brand in the European dining market, serving more than 70 million diners and driving nearly 2 billion Euros of restaurant spend in 2024.

Turning to 2025, we enter the year with encouraging momentum and sharpened focus. Our plan positions the Group on a multi-year path to sustainable revenue and adjusted EBITDA growth across each segment. We expect to drive the majority of our revenue and an increasing portion of our profit from our growth marketplaces at Viator and TheFork, while Tripadvisor stabilizes and improves its financial profile throughout the year on its return to full year growth in 2026. This year we also expect our Experiences revenue to be the largest contributor of revenue to the Group for the first time. This progress is consistent with our strategic vision that the experiences category has become increasingly central to travel planning, and we are uniquely positioned to benefit from its durable secular tailwinds.

Our Group strategy for experiences is clear: we will enhance our competitive advantage by taking a holistic approach to the category, leveraging the full scope of our assets and shared capabilities to build on our leadership position. This includes the leading OTA at Viator, the largest global travel audience at Tripadvisor, and the depth and breadth of supply spanning nearly 400,000 bookable products from more than 65,000 operators globally, all fueled by a powerful data asset. Our teams at Viator and Brand Tripadvisor will accelerate their work together by taking advantage of our differentiators such as our first party data, scale advantage, trusted global brands, and supply relationships.

For 2025, our strategic focus at **Viator** starts with delivering the leading customer experience in the category to drive our conversion and loyalty. Last year we prioritized our investment in product, user experience, and data to deliver improvements in search, navigation, and product matching, helping travelers more easily find experiences that perfectly meet their needs. As we continue our investment in product and data, we expect to see ongoing improvements in conversion, repeat rates, and customer satisfaction.

We'll continue to increase marketing efficiency by optimizing our marketing channels, attracting and converting high intent customers, and delivering better landing pages and other funnel improvements along the customer journey. We have many assets to leverage, including our cross-brand signals, relevant content, and merchandising tools, which together will deliver a better shopping experience to fuel ongoing improvements in our unit economics.

Turning to our supply, we will continue our focus on building the world's best experiences catalog, expanding choice in key destinations and filling geographic and category gaps to better serve our customers. We will continue to enhance our tools to help suppliers participate in our marketplace and optimize their bookings. Given the importance supply plays in the traveler's value proposition, we expect investment in supply to benefit conversion and bookings across all points of sale over time.

Finally, these investments will also benefit our ability to grow our third-party partnerships. We value our distribution partnerships as a key channel to reach incremental, profitable demand that would otherwise be difficult to access directly. By extending the features and functionality of our partner API, we expect to enhance existing partnerships, unlock new relationships and continue to grow our third party channel at high rates.

Turning now to the **Brand Tripadvisor** segment, where we expect 2025 to be the year we shift our trajectory and stabilize our financial profile. We've progressed our transformation methodically over the past few years, managing the known structural challenges of our legacy business, while setting the foundation for the future. In 2023, we focused on establishing the right leadership talent and aligning the organization. Last year, we delivered new product features, developed capabilities to scale our product, stabilized our audience and improved our engagement metrics. This year, we have continued to align our cost

structure to heighten our focus on the areas where we have a high level of conviction to scale financial outcomes.

As a starting point, we will focus on accelerating experiences growth across Tripadvisor branded surfaces. With hundreds of millions of visitors to our site every month, we have the opportunity to convert more travelers to bookers with improvements including enriched guidance through more visual browsing, checkout enhancements, and more relevant recommendations. We'll build marketing campaigns around the experiences category as we continue to drive awareness among our large and growing base of travelers looking to plan experiences. We'll also work across the Group to tap growing demand for experiences on Tripadvisor, across underpenetrated geographies and verticals.

Second, we'll continue to drive adoption of our mobile app, where we provide comprehensive trip planning tools, trusted guidance and seamless multi-category booking capabilities. We plan to expand our hotel booking offering in our app and ramp the availability of bookable hotels, focusing on conversion and rewards. We're leveraging AI to facilitate improved guidance and more relevant suggestions through personalized sort and our recently launched chat-based AI travel assistant, which surfaces personalized information and helps travelers take action faster. We expect to see our product improvements continue to drive growth in active app users and scale our booking revenue across categories.

And third, we'll differentiate and expand awareness of the benefits of our membership offering, which focuses on rewarding our most engaged travelers with personalized offers and the ability to earn and redeem awards across their bookings. We're also testing new content formats to drive traveler engagement that make contributions on our platform easier, such as tips, lists, and community interactions.

To scale these initiatives, we will invest in measurable, full-funnel marketing at Brand Tripadvisor, which we believe will drive financial impact this year, while strengthening our trusted brand. Our testing over the last year has given us confidence in our ability to expand awareness of the products yielding deeper engagement and higher monetization, diversify our acquisition channels, and drive more direct traffic and mobile adoption.

Now, turning to our dining marketplace, and TheFork segment, where we will continue to build on our leadership position in the European dining market, while improving our financial profile. In 2025, we'll further leverage the operating efficiencies we achieved last year and accelerate our product innovation, driving balanced growth across both our diner and restaurant offerings.

On the diner side, we'll focus on driving engagement and conversion through product improvements in our search, rankings, and bookings flow, including more personalized recommendations. We'll continue to balance marketing investment across social, performance marketing, brand awareness, and our diner rewards program to enhance growth and long-term customer retention.

On the restaurant side, we'll continue to improve our supply quality, scaling acquisition through more cost-effective product-driven strategies to improve the onboarding experience. We have invested in enhancing and modernizing our ERB software and we expect this to accelerate usage of the product, providing additional growth opportunities as we increase penetration in our existing and new supply base.

We are also pleased with the ramping of new partnerships, like the ones we recently announced with Mastercard and Vodafone that further diversify our revenue mix. These partnerships underscore the strength of our brand, and the opportunity to attract and retain new diners we don't reach elsewhere.

Finally, across all areas of the Group, we are leveraging our investments in data and AI to reinforce our unique and privileged position of trust. We believe our proprietary data, content assets, and trusted brands will help us create substantial value through new products and meaningful partnerships in a fast-moving landscape. We sit on a treasure trove of data across all categories, from the first party data of our large and growing logged in audiences, to strong signals of intent, engagement patterns, and conversion data across multiple marketplaces. Our teams have been quick to adapt to the pace of AI innovation, infusing it into our product, leveraging it in our operations to provide better service to our customers and operators, and delivering the most relevant insights and recommendations.

Across the AI landscape, we have been collaborating with a number of platforms to tap new incremental sources of traffic, as we test and learn more about audience engagement and conversion opportunities across our category marketplaces. We are also exploring the intersection of our differentiated content and AI agents to create a seamless way to discover and book on our platform. Our teams are innovating and experimenting to expand our reach through strategic partnerships with select leaders in this dynamic space.

In addition to the progress we've made across all areas of the business, we also made some important decisions related to capital allocation, and are on the path to effectively repurchasing a significant portion of shares through an agreement we announced with our controlling shareholder in December. Mike will talk more about this shortly, but I want to be clear: Once this transaction closes, likely in Q2, we will move to a new chapter for Tripadvisor Group with accelerating momentum and strategic flexibility.

2025 is a pivotal year for us, and despite making some hard choices recently, our teams are already well on their way executing with energy, discipline and focus. I want to thank all our employees for their ongoing commitment to our vision to be the most trusted source for travel and experiences.

With that, I'll turn the call over to Mike.

Mike Noonan, CFO

Thanks Matt and good morning. I'll start with a brief update on our new segment disclosures and revised P&L presentation then I'll review the quarter and full year, and later will provide our outlook for 2025 and Q1. As a reminder, all growth rates are relative to the comparable period in 2023, unless noted otherwise.

First, as part of our earnings release this morning, we provided a table that includes additional segment-level details, reflecting our adoption of the new segment expense disclosure guidelines. As part of this update, we used the opportunity to align our consolidated financials to the same line items, which we believe provides greater transparency between our segment and consolidated results.

Now, turning to results for the fourth quarter. **Consolidated revenue** was \$411 million, or 5% growth and at the high-end of our expectations. Consolidated adjusted EBITDA was \$73 million or 18% of revenue, and was higher than our expectations due to performance at both Brand Tripadvisor and Viator.

At **Viator**, revenue grew 16% to \$186 million, which represented 6 points of sequential growth. The number of experiences booked grew 20% and gross booking value, or GBV, grew 17% to approximately \$840 million, reflecting healthy travel demand in the quarter driven by the Viator point-of-sale, which grew faster than total segment experiences booked and GBV. As a reminder, total segment growth is a function of relative size, different growth and profit priorities across each point-of-sale. Our teams continue to leverage the strength of our brands to optimize our experiences offering globally, which we believe is an important differentiator in this category. On the Viator point-of-sale, repeat bookings growth once again outpaced new bookings growth, supporting the ongoing progression of Viator brand's unit economics as these bookings come at lower acquisition costs.

Viator adjusted EBITDA was \$20 million, or 11% of revenue, and was slightly better than expectations primarily due to a non-recurring credit to expenses related to indirect taxes.

At **Brand Tripadvisor**, revenue was \$204 million, a decline of 6%. **Branded hotels** revenue was \$125 million, a decline of 7%, and an improvement over Q3, which exceeded our expectations due to more favorable pricing in hotel meta. We saw sequential improvement

in both pricing and volume throughout the quarter, in particular in the paid channels. By geography, all regions strengthened throughout the quarter with the rest-of-world posting the strongest performance with modest growth year-over-year.

Media and advertising revenue grew 3% to \$36 million. Growth in off platform revenue, which includes creative offerings and programmatic advertising, more than offset declines in traditional display advertising that correlates to traffic volume as well as the broader display advertising market, which is growing slower than other advertising formats.

Experiences and dining revenue was \$35 million, a decline of 8%. Performance in dining continues to reflect balancing the ongoing product-led transition to a self-service sales model. In experiences, revenue performance continues to be driven by Brand Tripadvisor's segment-specific marketing strategy and ROI targets as well as the impact of funnel optimization testing we embarked on last year. Importantly, experiences contribution profit margin remained healthy, reflecting stable paid marketing ROIs combined with a traffic mix profile that is predominantly free.

Other revenue was \$8 million, a decline of approximately \$2 million, primarily due to a business model shift in our vacation rentals offering to merchandise supply solely from partners.

Brand Tripadvisor adjusted EBITDA was \$53 million, representing 26% of revenue. Relative to our outlook in November, adjusted EBITDA was higher than our expectations due to stronger volumes in hotel meta and prudent fixed cost management across personnel, G&A and technology.

At TheFork, revenue was \$48 million, or 23% growth and 26% growth in constant currency, up sequentially 6 points or 11 points in constant currency. Growth was driven by strong performance in both booking volumes as well as pricing. In Q4, booking volumes grew 9% with solid growth rates across all of our channels. Strong ERB subscription revenue growth was driven by higher adoption of paid plans and reflective of the meaningful product investment made over the past several quarters that is translating to an improved value proposition for our restaurant partners. Additionally, Q4 performance benefited from the impact of partnerships with Vodafone and Mastercard, both of which initiated in the second

half of 2024. Adjusted EBITDA was in-line with expectations at breakeven for the quarter. The operating efficiencies we achieved in personnel and technology costs allowed us to make incremental investments in marketing that we believe will benefit growth in 2025.

Turning to **consolidated expenses for the quarter:**

Cost of revenue was 7% of revenue, consistent with last year.

Marketing was 37% of revenue, an increase of approximately 500 basis points due to growth in marketing spend at Viator and TheFork, which outpaced consolidated revenue growth.

Personnel increased 100 basis points to 36% of revenue including share-based compensation of approximately \$28 million. Absent share based compensation, personnel was 29% of revenue, flat year-over-year. The increase in share based compensation of \$4 million was primarily due to timing differences in vesting schedules for employee equity grants. The Q4 2023 run-rate was lower than usual due to a one-time acceleration of the vesting period of our 2020 company-wide equity grants to two years from four years, as disclosed during 2020.

Technology and G&A as a percent of revenue were flat year-over-year at 6% and 5%, respectively.

As I'll discuss in a moment, we incurred restructuring costs of \$21 million as a result of actions initiated in the fourth quarter.

Turning briefly to full year performance. Consolidated revenue was \$1.8 billion, or 3% growth. Revenue growth of 14% at Viator and 18% at TheFork was offset by an 8% revenue decline at Brand Tripadvisor. Our consolidated performance in 2024 illustrates our ongoing focus of diversifying our Group revenue mix that will fuel long-term revenue and profit growth. In 2024, Viator and TheFork contributed 56% of Group revenue, up from 50% in 2023 and 41% in 2022.

Full year consolidated adjusted EBITDA was \$339 million or 18% of revenue, representing very modest deleverage of less than 50 basis points. As with revenue, we see a growing diversification of our consolidated adjusted EBITDA as Viator and TheFork contributed an incremental \$52 million in 2024 versus 2023. Adjusted EBITDA growth at Viator and TheFork

was largely driven by marketing efficiencies at Viator and prudent personnel cost management at TheFork. Brand Tripadvisor delivered \$301 million in adjusted EBITDA, a year-over-year decline due to the aforementioned revenue performance in hotel meta combined with investments in data and AI that support our engagement-led strategy.

Now, turning to **cash and liquidity**. Q4 operating cash flow was negative \$2 million, and free cash flow was negative \$25 million, an improvement of \$10 million, driven by a refund from the previously described 2014-2016 IRS transfer pricing settlement and growth in deferred merchant payables, partially offset by interest payments and other working capital timing.

For the full year, operating cash flow was \$144 million and free cash flow was \$70 million. The year-over-year declines in operating cash flow and free cash flow were driven primarily by changes in working capital, and non-recurring cash outflows related to the 2014-2016 IRS transfer pricing settlement and other tax-related impacts.

We ended the year with approximately \$1.1 billion in cash and cash equivalents.

During the fourth quarter, we announced a planned merger agreement with Liberty TripAdvisor which will result in the retirement of approximately 27 million shares and the subsequent issuance of approximately 3 million shares to the LTRP preferred stockholders. As part of our agreement, we expect total outlays of approximately \$400 million in cash. We anticipate the transaction to close in Q2 2025. Details regarding the transaction can be found in the presentation we posted in December.

Now I'd like to turn to recent trends and our **outlook for the year**.

As Matt mentioned in his prepared remarks, our operating teams are focused on executing against a clear set of priorities in 2025 that we believe will position the Group for consistent revenue and adjusted EBITDA growth in the medium-term through continued diversification of our portfolio. Each segment is well-positioned to accelerate its strategic ambition this year that lays the foundation to deliver this financial profile.

- At Viator, we're investing to improve our product for both travelers and operators as well as strengthen the depth and breadth of our supply catalog, which we believe will

enable durable growth with sustained improvements in marketing efficiency that will drive ongoing margin progression.

- At Brand Tripadvisor, we'll continue to manage near-term trade offs between growth and profit with our strategy progression. In Q4 we initiated a broad restructuring plan that will keep personnel costs flat relative to 2024, while enabling an investment in marketing to begin scaling product-led growth initiatives across experiences, the app, and membership that leverage the product enhancements made last year.
- At TheFork, we will continue to leverage our investments in the product to drive growth while continuing to drive operating efficiencies to enable ongoing margin expansion.

Now to our outlook. **For 2025**, we expect **consolidated revenue** growth of 5% to 7%, and **adjusted EBITDA margin** of 16% to 18%.

- At Viator, we expect mid-to-high teens booking volume growth, which represents an acceleration from last year and reflects healthy underlying demand trends. For revenue, we expect growth in the low- to mid- teens, which incorporates approximately 2 points of FX headwinds at current rates.
- At Brand Tripadvisor, we expect an improvement year over year to low single-digit revenue declines. More specifically, we expect stronger year over year trends in the second half versus the first half due in part to the difficult first half year-over-year comps and the impact of our marketing investment.
- At TheFork, we expect revenue growth in the low double-digits, which incorporates approximately 5 points of FX headwinds. On a constant currency basis, we expect stable year over year revenue growth.
- For consolidated adjusted EBITDA, we expect Viator to nearly double adjusted EBITDA and TheFork to nearly triple. At Brand Tripadvisor, the revenue pressure from our legacy offerings will impact margins this year, but we continue to manage costs in order to fund incremental investments which we believe will set us up to accelerate both revenue and adjusted EBITDA growth in 2026.
- On a consolidated basis, this plan sets a clear path for the Group to accelerate revenue growth and a return to EBITDA growth in 2026.

Now, turning to **Q1 2025 guidance**. For **consolidated revenue**, we expect flat to low single digit declines, which includes currency and holiday timing headwinds of approximately 2 points of

growth. For **consolidated adjusted EBITDA**, we expect margins of approximately 5-7% of revenue.

- At Viator, we expect booking volume growth of 14%-16% and revenue growth of 9%-11%, which includes a revenue headwind of approximately 3 points due to holiday timing, and approximately 2 points due to FX.
- For adjusted EBITDA at Viator, we expect margin improvement of approximately 600 basis points.
- At Brand Tripadvisor, we've observed stable pricing sequentially quarter to date in hotel meta but expect revenue declines in the low double-digits due largely to a difficult comparison where we witnessed unusually robust pricing dynamics, which was unique to Q1 2024.
- For adjusted EBITDA at Brand Tripadvisor, we expect margins to decline by approximately 10 points primarily due to revenue declines and related impact to contribution profit.
- At TheFork, we expect revenue growth in the low-teens, which includes headwinds of approximately 5 points from currency and approximately 1 percentage point due to Easter and other calendar timing.
- For adjusted EBITDA at TheFork, we expect modest margin improvement of approximately 50 basis points.
- Adjusted EBITDA performance at both Viator and TheFork reflect typical seasonal investment in marketing spend.

With that, I'd like to turn the call back to the operator to begin Q&A.