

**Angela Opening Remarks:**

Good afternoon and welcome to Tripadvisor's second quarter 2025 financial results call. Joining me today are Matt Goldberg, President & CEO, and Mike Noonan, CFO.

Earlier this afternoon 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, August 7, 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 afternoon everyone. We're pleased with our Q2 performance. Group revenue grew 7%, or 5% in constant currency, to \$529 million, at the upper end of our range. Adjusted EBITDA of \$107 million or 20% of revenue exceeded our expectations. In a few minutes, Mike will provide more details on our financial performance and our view of the back half of the year. But first, I want to provide some context about where we're heading.

We've made progress to transform Tripadvisor Group, as evidenced in the shift in our portfolio mix. Our revenue composition has changed meaningfully and is now majority driven by our growth marketplaces at Viator and TheFork. Over the last 12 months they represented nearly 60% of our revenue, growing at an 18% CAGR and contributed more than \$75 million of adjusted EBITDA, versus two years ago for the comparable time period when they represented less than half of our revenue and an adjusted EBITDA loss of \$61 million.

At the same time, at Brand Tripadvisor we've reinforced our core assets, even as we navigate long-standing headwinds to our legacy revenue streams. Tripadvisor's trusted brand, content, proprietary data and insights continue to be valuable assets for the Group as we address the ongoing needs of travelers in a dynamic and evolving travel ecosystem.

As we look ahead, we see an opportunity to build on our momentum by sharpening our focus on Experiences, the fastest-growing category in travel. Exploring cultural attractions, local tours and outdoor experiences has become the most important part of the trip. We believe this is a long-term durable consumer trend. But the category is still fragmented and has low awareness. And as a Group we are better positioned than anyone to win in Experiences given our highly trusted consumer brands, differentiated product offerings powered by proprietary data, and deep and unique supply, with AI embedded at our core.

We operate not one, but two trusted brands in the category, with Tripadvisor serving broad, multi-category demand and Viator focusing squarely on the Experiences vertical. To capture even more of the market, we see an opportunity to shift away from optimizing for individual brand strategies and operate with an eye towards deeper coordination. This enables us to leverage our Group-wide assets across our marketing channels, customer traffic, supply relationships, product, data, and technology to drive both growth and efficiency.

We've started to see examples of how this aligned approach delivers real business results. This quarter we began testing marketing optimization across Tripadvisor and Viator. As part of this effort, we've been exploring ways we can vary our investment by geography and channel, taking advantage of the relative strength of each brand, market by market, to drive the greatest impact across the Group. While still early, these tests have yielded performance gains over our historical brand-centered approach that we are confident can scale.

Similarly, as we begin to ramp up our testing velocity, insights from Viator's high-performing booking funnel are improving the user experience and conversion on the Tripadvisor point of sale. Tripadvisor's global audience data and demand signals are helping us target high intent audiences that drive conversion at Viator. And we are leveraging Tripadvisor's global audience data to better identify where and how to grow Viator's supply footprint.

We expect experiments like these to translate to market-leading efficiencies at scale. As we compound our wins, align our brand and marketing approach, and coordinate our R&D and supply investments, we unlock more value at the Group level. Our combined offering to travelers is unique — inspiration, planning, booking, and re-engagement — enhancing monetization and creating value for our partners. Over time, we expect this to drive additional operating leverage and strategic advantage.

As we focus on growing our leadership position in Experiences, we'll also benefit from our group-wide adoption of AI. This technology is redefining how travelers explore, plan, and book their journeys, offering more intelligent and personalized experiences. We are not only successfully integrating AI into our products, we are actively shaping how AI will define the future of travel. From personalized recommendations to enhanced customer support and productivity across our teams, AI is enabling us to build better experiences, faster.

We're already bringing this vision to life across our business. For Brand Tripadvisor, AI is powering more intelligent search and discovery and helping travelers navigate our vast amount of content more easily. At Viator, we are rolling out the use of AI to refine the relevance of search results, improving booking initiation and conversion. At TheFork, we're testing conversational AI to help diners quickly find the right restaurant match and expand our partner base. These enhancements are making our platforms smarter, stickier, and better tuned to the needs of our users.

Our trusted brands, proprietary data, and scale also make us a critical partner in the emerging AI search ecosystem – from ChatGPT to Perplexity to traditional search engines evolving their offerings. We recognize that the way consumers will discover and access online sites in the future is changing and are positioning ourselves to serve them effectively. Our longstanding expertise in SEO and content optimization gives us a head start as the lines blur between traditional and AI search. And we have been rapidly adapting our products and marketing to drive more direct traffic, engagement and mobile app use.

Internally, AI is a catalyst for operational efficiency. We're deploying foundational AI tooling across the enterprise to streamline workflows and increase automation. From content moderation to customer service, we're seeing early productivity gains that we intend to scale.

Let me now shift to a few reflections on the most recent quarter.

**First, in Experiences**, we've solidified our market position in North America and believe we are well positioned to drive growth and profit globally. In Q2, experiences booked grew 15% and Viator's adjusted EBITDA more than tripled – strong signals that we are delivering value to our customers, suppliers, and partners.

On the customer side, Viator's marketing and product flywheel is taking hold—we're targeting high-intent travelers, delivering an improved user experience for them, and converting them to bookers. We continue to make tangible gains that remove friction to the shopping experience and drive more travelers to stay, try, and buy. This includes more personalized landing pages, sort, and availability that are resulting in meaningful improvements in bounce rates, booking initiation rates, and conversion. Our R&D efforts are also yielding more direct use – on the Viator point of sale, bookings from direct traffic, including the app, are outpacing other marketing sources.

Turning to supply, we continue to lead the category in our breadth, depth, and quality of available experiences. We're widening our moat, expanding supply across categories and markets through a variety of operator focused initiatives such as optimized lead generation, targeted sales and marketing campaigns. As we onboard new attractions and operators on our platform, we are delivering higher bookings in the first month, a signal that our demand-driven supply acquisition approach is working.

Now shifting to our **European dining offering**. TheFork delivered a strong quarter, demonstrating both operational discipline and continued momentum. Revenue grew 28%, or 22% in constant currency, to \$54 million with healthy performance across both B2C and B2B channels. Adjusted EBITDA margin more than doubled year over year, reflecting the leverage in the model as we continue to drive growth while managing fixed costs.

On the diner side, our marketing investments are focused on optimizing the balance between new diner acquisition and repeat engagement. TheFork's mix of performance marketing, brand, and loyalty programs are working together effectively. Bookings on TheFork network grew in the low teens, while total bookings grew 9%. App adoption continues to deepen—nearly 80% of our bookings now come through the app and from repeat diners, a reflection of both product stickiness and cohort quality.

On the restaurant side, we continue to expand our offering and drive growth in B2B SaaS and other revenue streams. B2B revenue more than doubled year over year, driven by a growing portion of our restaurant base adopting our premium ERB subscription tier. Total subscription revenue continues to increase as a share of overall mix, a testament to the value provided by our product and service offering.

We also continue to make progress in partnerships, recently launching exclusive dining experiences with Mastercard across Europe. The partnership provides Mastercard holders and TheFork diners exclusive priority access to tables at top-tier restaurants and unique, curated dining experiences such as behind-the-scenes kitchen or cellar tours led by renowned chefs. The progress we've made in partnerships is a testament to our brand and offering in European dining.

Finally, at Brand Tripadvisor, our **travel planning and guidance platform**, Q2 revenue was \$242 million. Adjusted EBITDA was \$66 million, or 27% of revenue.

As we've transitioned this business over the last two years, we've invested prudently to deliver a steady cadence of product improvements to engage our highest value travelers. These are the customers who come to us directly, log in as members, download our app, increasingly book with us, and leave high quality reviews. We see opportunities ahead to narrow our focus to the areas of this strategy that allow us to fully leverage Tripadvisor as a powerful, cross-category demand and discovery platform.

While we continue to see pressure on our legacy revenue, we've made visible progress in our engagement strategy, driving more members directly to our app, which is the fastest growing part of our audience. We like the economics of these members: while still a small portion of our total volume, as they scale, they will reduce our reliance on paid channels and their ARPU continues to grow by double-digits year over year.

To deliver more value for our app users, we also recently rolled out improvements to hotel shopping and our free membership in the U.S. Designed to be the most flexible rewards program in the travel industry, Tripadvisor Rewards recognizes and rewards travelers for planning, contributing, and booking on Tripadvisor. The more travelers interact with the app, the more benefit they receive. Trip Cash accumulates while planning, booking, and offering guidance to other travelers, rewarding their role in the community as well as their bookings across both hotels and experiences.

As we close, I want to reiterate why we believe Tripadvisor Group is exceptionally well-positioned to win in the evolving travel landscape.

We have unique assets that bring together an unmatched combination of content and data, supply depth, and global reach across key categories at different points of the travel journey. Our brands are rooted in trust, relevance and authenticity, and millions of travelers rely on us to discover, plan, and book their trips. As the world continues to adopt AI, we are leveraging its full potential to drive our product development, strengthen our position in the ecosystem, and power our business. Together, these pillars—unique platform assets, brand trust, and AI embedded in everything we do—form the foundation of why we believe Tripadvisor Group is extremely well placed to achieve 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 afternoon. I'll start with a review of our financial performance, and later will provide our outlook for Q3 and the full year. As a reminder, all growth rates are relative to the comparable period in 2024, unless noted otherwise.

**Consolidated revenue in Q2** was in-line with expectations, at \$529 million, growth of 7%, or 5% in constant currency. Consolidated adjusted EBITDA of \$107 million, or 20% of revenue, exceeded expectations primarily due to more favorable marketing efficiencies at Viator.

At **Viator**, the number of experiences booked grew 15%, in-line with expectations for the quarter. We saw stable volume growth sequentially in our largest origin market, North America, and accelerating growth in Europe, reflecting healthy demand. We continue to observe strong volume growth in our third-party points-of-sale that is outpacing overall segment growth; healthy growth at the Viator point-of-sale that was relatively in-line with overall segment growth; and improvements in growth sequentially at the Tripadvisor point-of-sale.

Gross booking value (or GBV) grew 13%, or 10% on a constant currency basis, to approximately \$1.3 billion. Viator revenue grew 11% to \$270 million or approximately 9% on a constant currency basis. The difference between the growth in the number of experiences booked and constant currency revenue growth was primarily due to a higher mix of third-party merchant bookings relative to the second quarter of 2024. Merchant bookings generally have a lower average booking value, which impacts GBV growth relative to volume growth, and also have a lower implied take-rate, which impacts revenue growth relative to GBV growth. As a reminder, the bookings that come through third-party merchant channels are immediately profitable and are largely sourced from regions outside our core markets, which enable us to reach incremental travelers as we continue to scale.

As Matt noted, we see meaningful opportunities to deepen our operational coordination between our Viator and Tripadvisor brands in the experiences category. This extends across product, supply, and marketing investments as we focus on accelerating our growth, profitability, and competitive positioning with both brands in a way that will sustainably differentiate us in this category in the medium-to-long term.

**Viator adjusted EBITDA** of \$32 million, or 12% of revenue, represented a margin improvement of nearly 800 basis points. Leverage was driven by more efficient marketing spend, and continued strong repeat bookings growth on the Viator point-of-sale. App bookings remain strong and outpace other channels, resulting in continued share gain in the segment's total bookings mix. These trends continue to reinforce our confidence in the long-term margin opportunity for this business at scale.

At **Brand Tripadvisor**, Q2 revenue was \$242 million, a decline of 3%. **Branded Hotels** revenue of \$152 million, reflected growth of 1%, and a significant step up sequentially. Pricing during the quarter remained healthy and remained consistent in July, which reflects ongoing product optimizations that are driving higher-value clicks to our partners. Volume in paid channels was also healthy, in part due to an easier comparable period, while we continued to witness headwinds in free channels, consistent with recent trends.

**Media and advertising** revenue declined 13% to \$36 million. Declines were driven by overall traffic volume headwinds and advertising market dynamics both on and off platform.

**Experiences and dining** revenue was \$45 million, a decline of 7%. Experiences performance improved sequentially throughout the quarter driven primarily by conversion rate improvement. We expect to see performance continue to improve in the second half of the year as we remain focused on optimization opportunities that we discussed earlier. Although we expect to drive growth increasingly through paid channels, this revenue line will remain profitable as we continue to test, learn, and iterate our positioning of our collective assets in this category.

**Brand Tripadvisor adjusted EBITDA** was \$66 million, representing 27% of revenue. The deleverage is primarily driven by higher marketing expense as a percent of revenue as we saw greater mix of paid channels in our hotel and experiences offerings, which only was partially offset by lower personnel costs.

**At TheFork**, Q2 revenue was \$54 million, or 28% growth and 22% growth in constant currency. In our B2C offering, total bookings volume grew 9% overall, and 13% in TheFork's branded channel. Strong performance in our B2B subscription revenue continues to be driven by greater adoption of our higher priced premium plans. Our partnership with Vodafone that began ramping in the second half of last year is also contributing to the strong revenue

performance in the quarter. In the second half of this year, we expect our Mastercard partnership will begin to ramp, which is another example of furthering revenue diversification within TheFork.

**Adjusted EBITDA at TheFork** was \$9 million, or 16% of revenue, representing a margin improvement of nearly 900 basis points. Lower personnel costs was the most meaningful driver of leverage in the quarter.

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

**Cost of revenue** was 8% of revenue, which was consistent with last year.

**Marketing** costs were 41% of revenue, also consistent with last year. Leverage at Viator was offset by deleverage at Brand Tripadvisor due to the free/paid mix shift and a modest increase in marketing investment.

**Personnel** costs as a percent of revenue decreased by approximately 300 basis points to 28% of revenue including share-based compensation of approximately \$29 million. Absent share based compensation, personnel costs were lower by over 100 basis points.

**Technology** costs were 5% of revenue, consistent with last year.

**G&A** as a percent of revenue was lower by approximately 200 basis points, primarily due to a favorable update on a potential settlement of a regulatory matter with our vacation rentals business.

Now, turning to **cash and liquidity**. Q2 operating cash flow was \$202 million, and free cash flow was \$177 million. The year-over-year increase in operating cash and free cash flow was primarily related to last year's Q2 outflow of approximately \$140 million associated with the 2014-2016 IRS transfer pricing settlement we previously disclosed and finalized last year.

As we mentioned on our last call, in April we closed the Liberty TripAdvisor merger. In addition to the approximately \$330 million paid for the redemption of the Liberty TripAdvisor exchangeable debentures settled in Q1, in Q2 we paid approximately \$80 million in cash for

payment to LTRP preferred and common equity holders, and for other expenses associated with the transaction. The total cash outlay related to the transaction was \$411 million.

Also during the quarter, we repurchased 2.8 million shares at an average purchase price of \$14.22 per share, for a total amount of \$40 million. We will continue to pursue a structured approach to our repurchases. We expect to continue to utilize a portion of our future cash flow to repurchase shares as we see attractive prices in the market and a stable macro environment. We believe that our current cash profile and net leverage levels reflect a strong capital structure with appropriate cash for operating needs.

Total cash and cash equivalents was approximately \$1.2 billion. Our cash balance includes approximately \$350 million in Term Loan B proceeds raised in the first quarter, which we plan to use to pay down our outstanding convertible notes before their April 2026 maturity. Excluding deferred merchant payables of \$473 million and the \$350 million term loan, our remaining cash balance is approximately \$390 million.

Turning to our **outlook for Q3 and the full year**. As I discussed earlier, we are accelerating the operational coordination in our experiences offerings across Viator and Brand Tripadvisor. While these brands serve very different travelers and at different moments in the traveler journey, we are thinking much more holistically about how we leverage product, supply and marketing investments across both brands to better optimize growth, profitability, and market share in our core markets as well as new markets. As a result, we will continue to make investment decisions that we believe will benefit our combined experiences revenue growth. While certain decisions in paid channels may result in a shift of profit between Viator and Brand Tripadvisor, we expect any decisions in the second half of this year to be neutral on a consolidated adjusted EBITDA basis. This approach is reflected in our Q3 and full-year guidance.

**For Q3**, we expect consolidated revenue growth of 4% to 6% and adjusted EBITDA margin of between 19% and 21%. This implies the following for each brand:

- At **Viator**, we expect 16% to 18% growth in the number of experiences booked, and total segment revenue growth in the high-single digits. Our expectations for revenue growth relative to the growth in bookings is mainly impacted by a higher mix of third party merchant bookings as well as lower bookings growth we witnessed in June,

which impacts our recognized revenue in Q3. Bookings growth in July has improved relative to June, and we expect to see revenue growth reaccelerate in Q4. In Q3, we expect adjusted EBITDA margin of approximately 14% to 16%.

- At **Brand Tripadvisor**, we expect revenue declines of approximately 3% to 4%, mostly reflective of the ongoing free traffic headwinds impacting our channel mix that I mentioned earlier. We expect adjusted EBITDA margin of approximately 22% to 24%.
- At **TheFork**, we expect revenue growth of approximately 25% to 27%, which includes approximately 8 percentage points of currency benefit at current rates. We expect adjusted EBITDA margin to improve sequentially to the high-teens.

For the full year, we are maintaining our consolidated full year guidance provided last quarter, which was 5% to 7% revenue growth and 16% to 18% adjusted EBITDA margin. The revenue range assumes the impact of traffic headwinds at Brand Tripadvisor remains stable. This outlook does not change with the investment decisions we are making in experiences, which may impact each individual segment but not consolidated results.

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

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Thank you all for joining us on this afternoon's call.

We are looking forward to the back half of the year. We're pleased with the work our teams have tirelessly executed and continue to drive forward—and because of them, we're increasing momentum across our priorities. We look forward to our next update.