

# Q4 and Full Year 2020 Investor Presentation

February 18, 2021



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Non-GAAP Measures. This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding Tripadvisor's definitions and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure are included in the earnings release reporting our fourth quarter and full year 2020 financial results and supplemental financial information, which are available on the Investor Relations section of our website: [www.tripadvisor.com](http://www.tripadvisor.com), and in the "Non-GAAP Reconciliations" section of this document. These non-GAAP measures are intended to supplement, and are not a substitute for comparable GAAP measures. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

Industry / Market Data. Industry and market data used in this presentation have been obtained from industry publications and sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

We are a  
global travel  
guidance  
company

Tripadvisor helps travelers around the world  
unleash the full potential of every trip



# The world's largest travel platform

Massive global demand for differentiated travel content <sup>(1)</sup>



**463M**

avg. monthly unique visitors in 3Q19 <sup>(2)</sup>



**~70%**

% of users on mobile



**884M**

reviews and opinions



**214M**

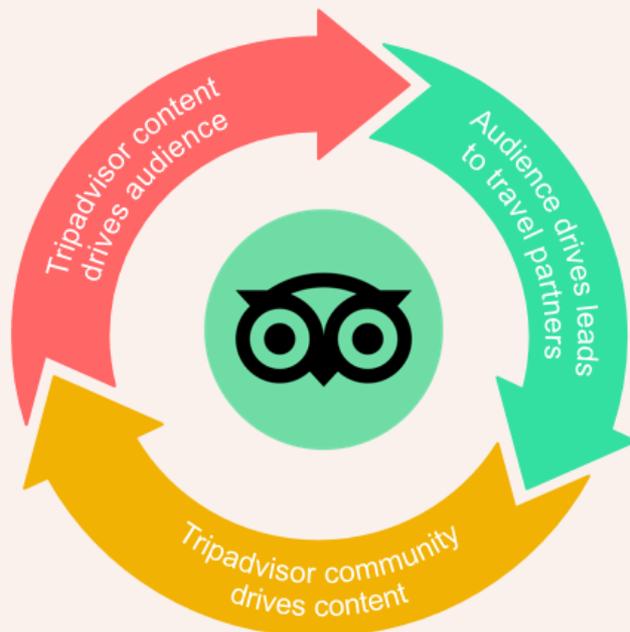
candid traveler photos



**49**

markets

Tripadvisor's global travel platform



Significant supply footprint across a spectrum of travel products <sup>(1)</sup>



**2.3M**

Accommodations <sup>(3)</sup>



**1.3M**

Travel activities and experiences listings



**4.2M**

Restaurant listings



**500+**

Airlines



**30K+**

Cruises

<sup>(1)</sup> Tripadvisor internal log files; unless otherwise noted, all numbers as of Q4 2020

<sup>(2)</sup> Tripadvisor internal log files

<sup>(3)</sup> Includes approximately 1.5M hotels, inns, B&Bs, and specialty lodging, as well as 779K rental listings

# Significant influence on the global travel market

**\$546B**

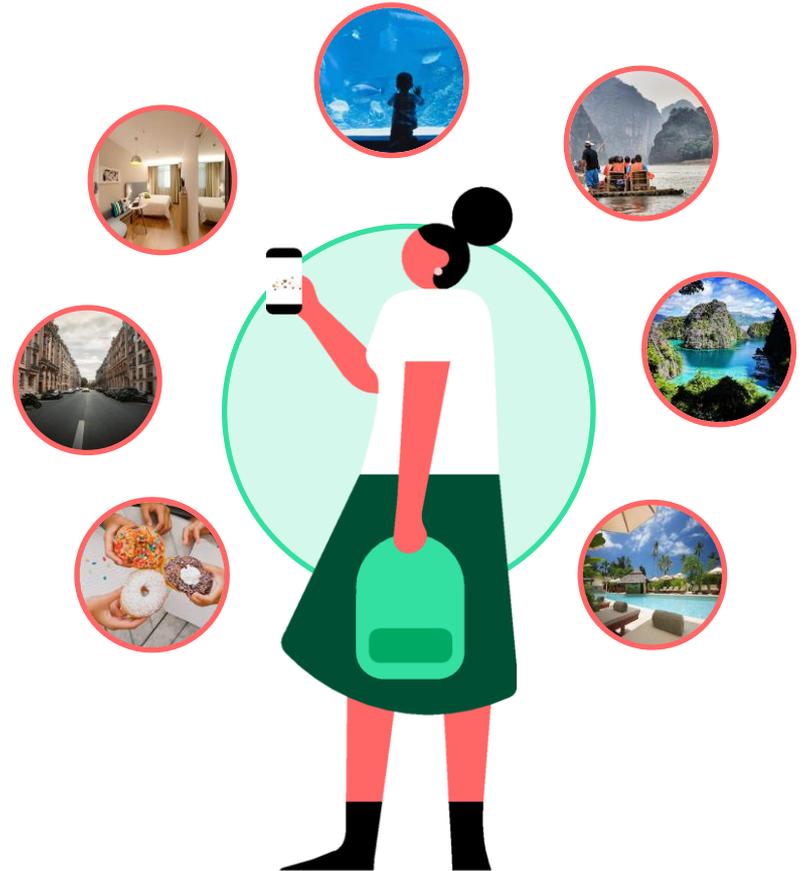
*Annual travel expenditures influenced*

**2.2B**

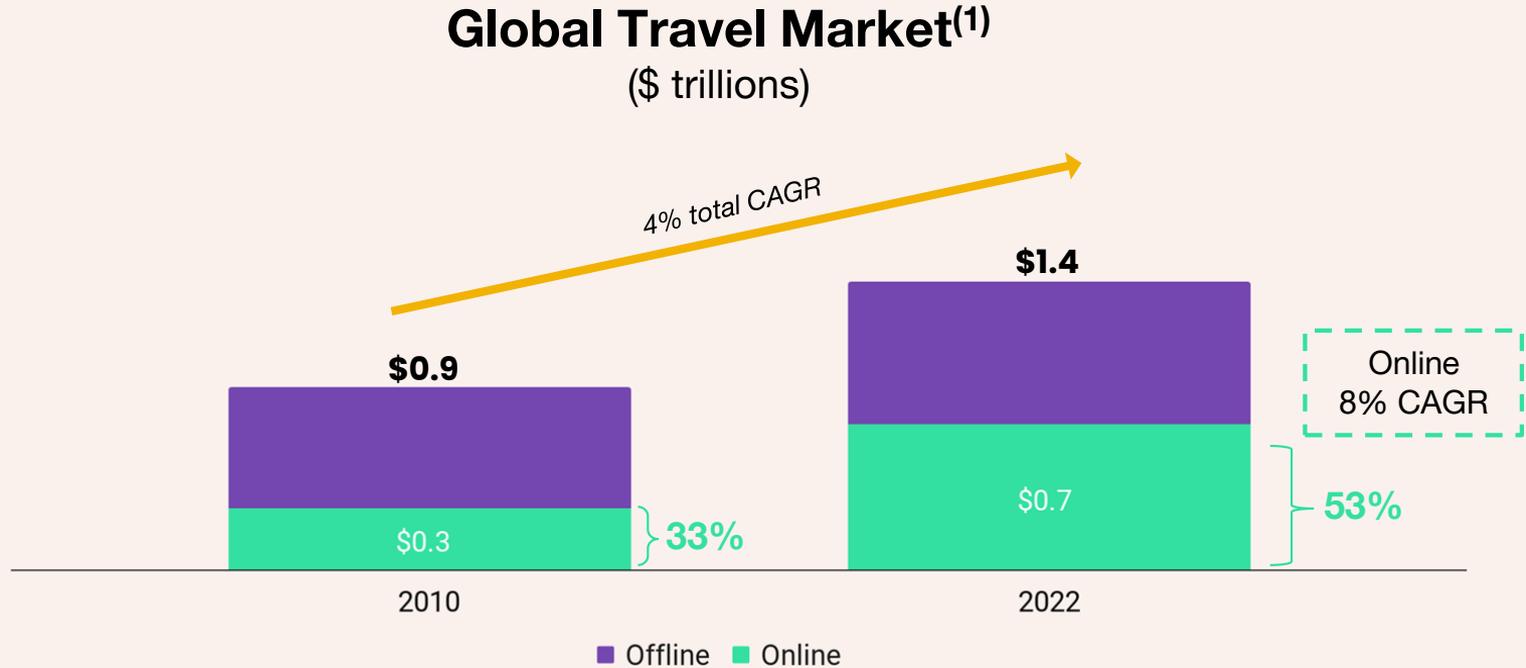
*Vacation nights influenced*

**433M**

*Annual trips influenced*



# Addressing long-term travel market opportunity that is shifting online



(1) Phocuswright estimates as of February 2021

# Multiple areas of diverse, long-term growth potential



## Hotels

Click-based advertising for OTAs and hoteliers to capture bookings;

Hotel sponsored placements; launched additional B2B solutions



## Display and Platform

Enables advertising partners to promote their brands in a contextually relevant manner;

Investing in a compelling direct-to-consumer offering



## Experiences

Enables consumers to research and book nearly 400K bookable products on 1.3M activities and attractions



## Dining

Travelers and locals can research and book restaurants in select geographies

Offer sponsored placements for restaurants to amplify their business



## Other

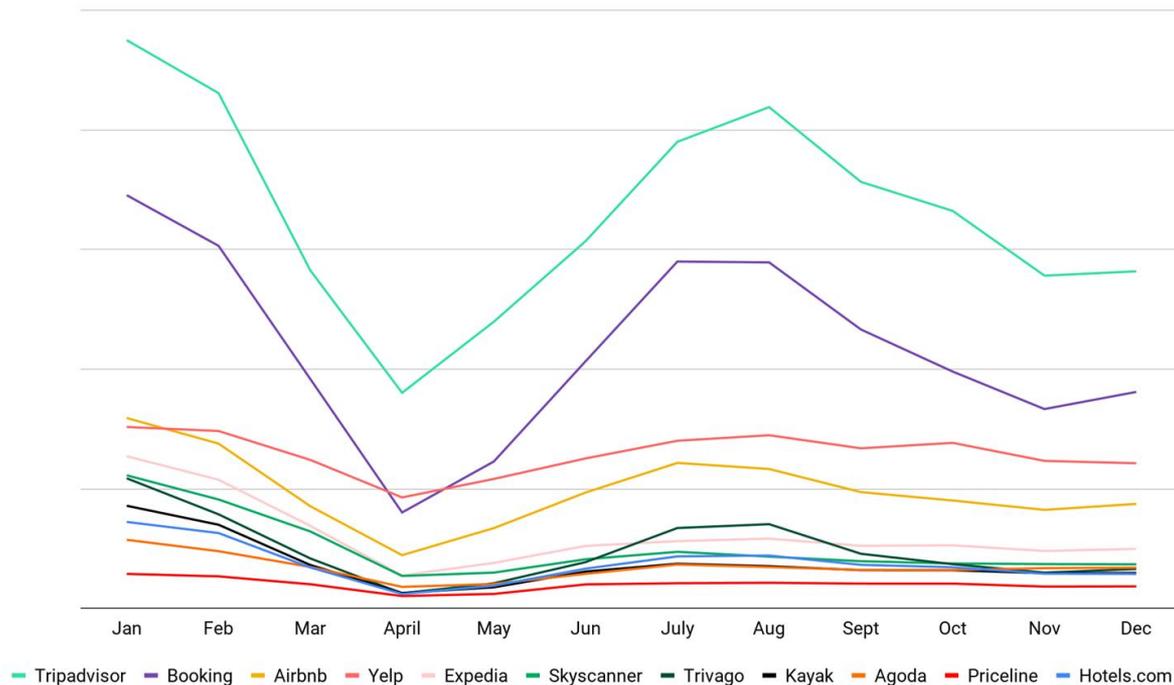
A collection of strategic offerings, including vacation rentals, flights, cruises, cars

Tripadvisor  
has remained  
the #1 travel  
guidance  
platform  
throughout 2020

With **more traffic** than  
Booking.com, Airbnb, Yelp,  
Expedia, Skyscanner, Trivago,  
Kayak, Agoda, Priceline and  
Hotels.com

## Travel Sites Globally in 2020<sup>(1)</sup>

De-duplicated unique users



(1) Source: SimilarWeb, unique users de-duplicated monthly

# We made significant progress in 2020 along our One Tripadvisor consumer vision

- Repositioned brand: **There's Good Out There**
- **Launched Travel Safe** to help consumers to make more informed decisions
- Aligning consumer experience for **planning considered trips**
- Beta-launched **Direct-to-Consumer offering**, Tripadvisor Plus, and see significant growth potential as we deliver more value to Tripadvisor members





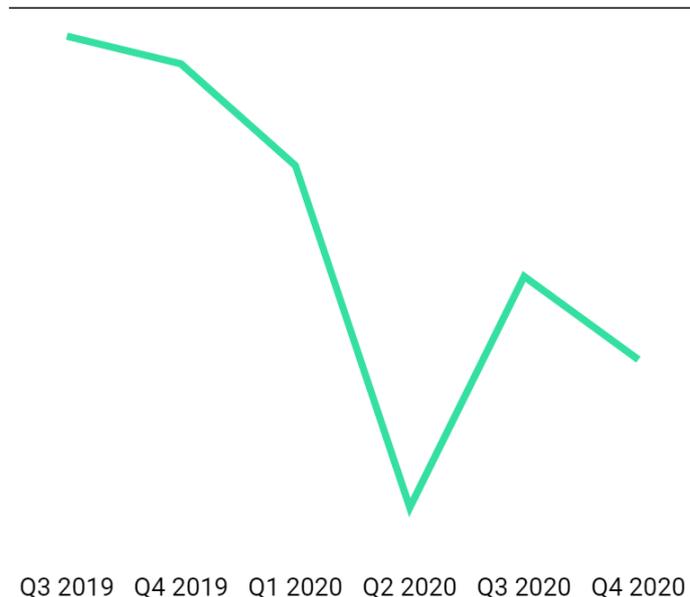
# Financial overview

# 4Q20 Update: Monthly consumer trends demonstrate uneven recovery

## Recent monthly unique visitor trends demonstrate recovery from the Q2 lows:

- October, November and December monthly unique users were approximately 68%, 58%, and 59%, of 2019's comparable periods, respectively
- This compares very favorably to April, which was 33% of last year's comparable period

## Average Monthly Unique Visitors <sup>(1)</sup> (Illustrative year-over-year % performance)



(1) Tripadvisor internal log files

# 4Q20 Update: Revenue and profitability impacted by pandemic

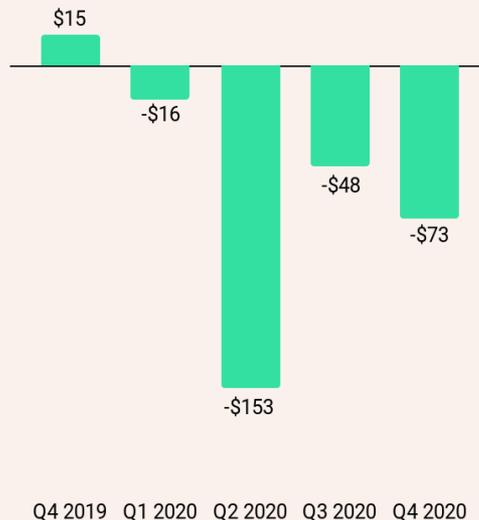
## Consolidated Revenue

(\$ millions)



## Consolidated Net Income (Loss)

(in \$millions)



## Consolidated Adjusted EBITDA <sup>(1)</sup>

(in \$millions)



(1) Consolidated Adjusted EBITDA is our 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, long-lived asset and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) other non-recurring expenses and income

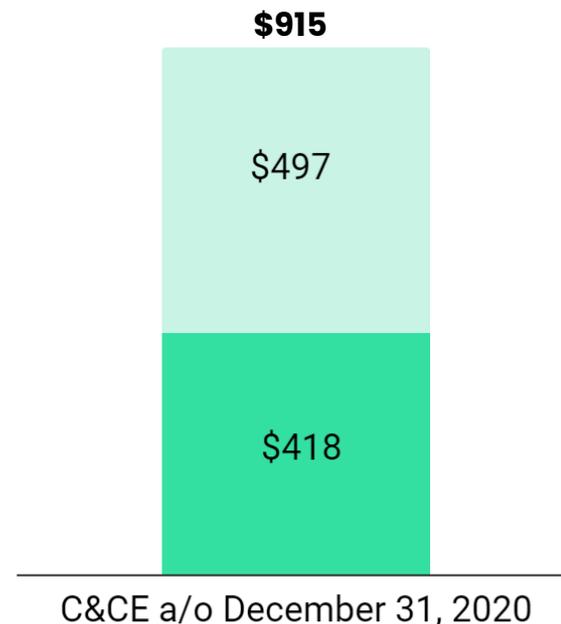
# 4Q20 Update: \$915M of available liquidity; Cost measures have positioned business for a variety of recovery scenarios

- \$418 million in cash and cash equivalents at 12/31/20
- Renegotiated credit facility to extend maturity to May 2024, and extended our leverage covenant holiday through maturity for borrowings up to \$200 million, and reduced capacity to \$500 million
- Generated more than \$200 million of discretionary and workforce-related fixed cost savings in 2020 vs 2019<sup>(1)</sup>
- Majority of savings expected to persist in 2021 and beyond

## Liquidity position a/o 12/31/20

(\$ millions)

- Cash and cash equivalents (C&CE)
- Unborrowed Revolver Capacity



(1) Estimated savings do not consider depreciation, amortization, restructuring and related reorganization costs, and stock-based compensation

# Well-positioned for travel sector rebound



## Travelers

Trusted source of information on locations, property conditions, budgeting and other trip factors; barometer for early signs of engagement given position at top of the funnel



## Travel Partners

Critical source of demand generation for accommodations and in-market suppliers with excess capacity



## Marketing dynamic

Enhanced discipline across performance marketing channels



## Business model positioning

Diversification across end-markets, business models and geographies enable Tripadvisor to experience rebound regardless of where it occurs

# Financial highlights



Significant historical revenue scale and long-term growth potential



Robust financial profile with strong track record of profitability and operating cash flow generation



Attractive historical base of revenue and Adjusted EBITDA<sup>(1)</sup> from Hotels, Media & Platform



Experiences & Dining has significant growth and margin potential



Operating leverage driven by prudent cost management



Balanced investments aimed at driving sustainable, long-term growth

<sup>(1)</sup> Consolidated Adjusted EBITDA is our segment 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, long-lived asset and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) other non-recurring expenses and income

# Strong financial profile pre-pandemic

Consolidated Revenue  
(\$ millions)



Consolidated Net Income (Loss)  
(in \$ millions, except Net income (loss) margin)

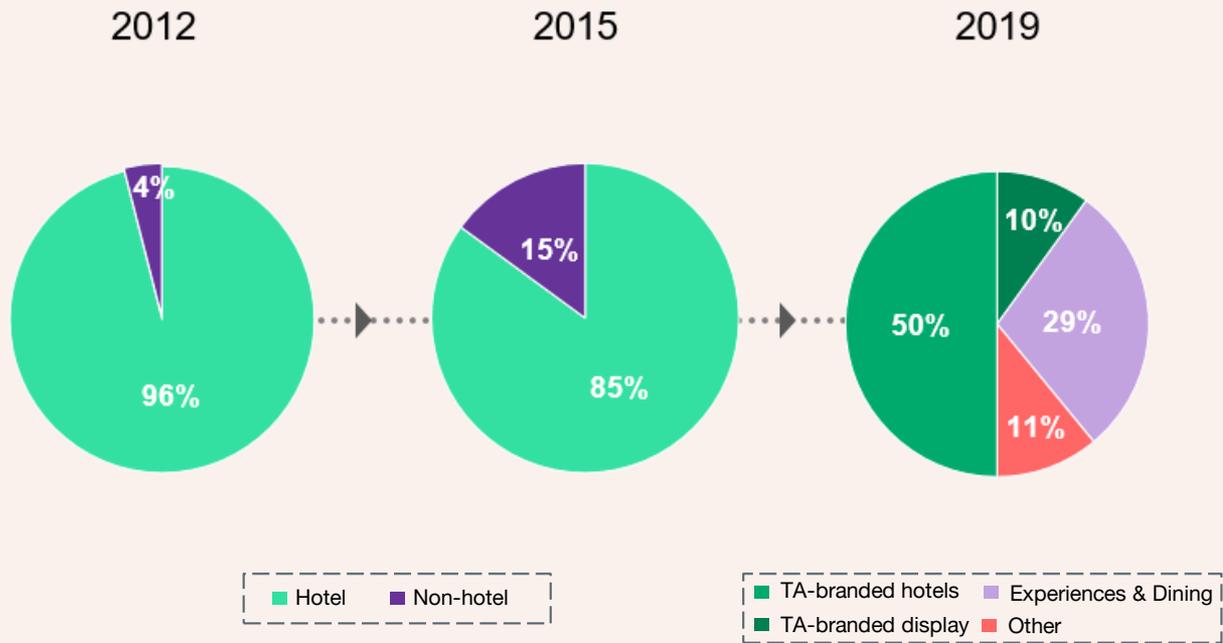


Consolidated Adjusted EBITDA<sup>(1)</sup>  
(\$ millions, except Adj. EBITDA margin)



(1) Consolidated Adjusted EBITDA is our 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, long-lived asset and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) other non-recurring expenses and income; Tripadvisor defines "Adjusted EBITDA margin" as adjusted EBITDA divided by revenue. Please see the appendix for reconciliation.

# We have successfully driven a diverse revenue mix, with additional opportunities ahead



Diversification supported by:

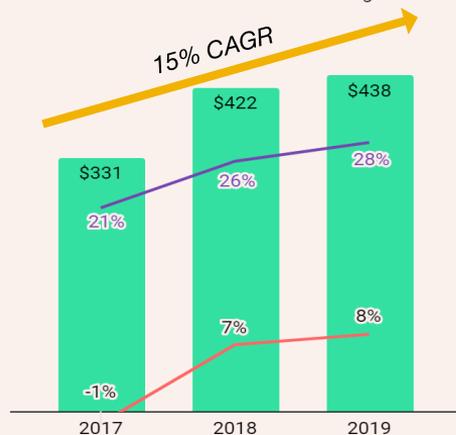
- Hotel auction
- Diverse double-digit pre-pandemic growth in emerging offerings:
  - Hotel B2B solutions
  - Display and platform
  - Experiences & Dining
- Additionally, in 2020, we launched our first direct-to-consumer offerings

# Track record of strong profitability and free cash flow generation

## Consolidated Adjusted EBITDA<sup>(1)</sup>

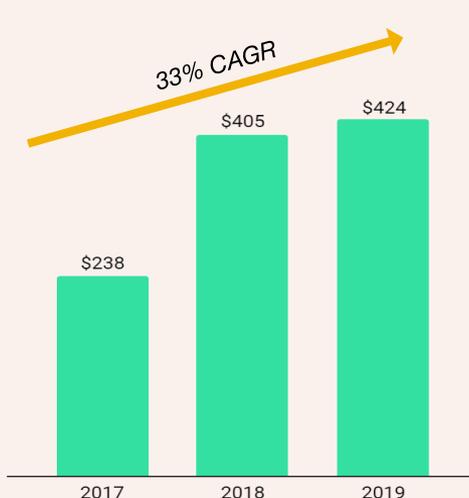
(\$ millions, except Adj. EBITDA margin)

- Consolidated Adj. EBITDA
- Consolidated Adj. EBITDA Margin
- Consolidated Net Income Margin



## Operating cash flow

(\$ millions)



## Free cash flow<sup>(2)</sup>

(\$ millions)



	2017	2018	2019
Net income	(\$19)	\$113	\$126

(1) Consolidated Adjusted EBITDA is our 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, long-lived asset and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) other non-recurring expenses and income; TripAdvisor defines "Adjusted EBITDA margin" as adjusted EBITDA divided by revenue. Please see the appendix for reconciliation.

(2) Free cash flow is a non-GAAP measure and is calculated as cash provided by operating activities less capital expenditures. Please see the appendix for reconciliation.

# Investment highlights



World's largest travel platform and community



Valuable and differentiated position with travelers and suppliers



Addressing attractive long-term secular growth opportunity



Comprehensive platform with potential to further deepen customer engagement on our platform and drive diverse revenue streams



Executing One Tripadvisor vision, including launching a consumer subscription offering to deliver travelers even more value



Robust financial profile with strong track record of profitability and operating cash flow generation



Flexible cost structure; preserving cash and balancing cost controls with investments aimed at driving sustainable, long-term growth



# Appendix

# Non-GAAP Reconciliations

<i>(in \$millions)</i>	2017	2018	2019		2020			
	FY*	FY*	Q4	FY*	Q1	Q2	Q3	Q4
<b>Reconciliation from GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):</b>								
<b>GAAP Net Income (Loss)</b>	<b>(\$19)</b>	<b>\$113</b>	<b>\$15</b>	<b>\$126</b>	<b>(\$16)</b>	<b>(\$153)</b>	<b>(\$48)</b>	<b>(\$73)</b>
Add: Provision (benefit) for income taxes <sup>(1)</sup>	129	60	5	68	(11)	(26)	(10)	(31)
Add: Other expense (income), net	14	10	3	(7)	-	15	12	12
Add: Restructuring and other related reorganization costs	-	-	1	1	9	33	-	(1)
Add: Impairment of goodwill	-	-	-	-	-	-	3	-
Add: Legal reserves and settlements	-	5	-	-	-	-	-	-
Add: Stock-based compensation expense	96	118	35	124	26	25	28	29
Add: Depreciation and amortization <sup>(2)</sup>	111	116	33	126	32	32	30	31
<b>Adjusted EBITDA (Non-GAAP) <sup>(3)</sup></b>	<b>\$331</b>	<b>\$422</b>	<b>\$92</b>	<b>\$438</b>	<b>\$40</b>	<b>(\$74)</b>	<b>\$15</b>	<b>(\$33)</b>
<b>Reconciliation of GAAP Cash Flow from Operating Activities to Non-GAAP Free Cash Flow:</b>								
<b>Cash flow provided by (used in) operations</b>	<b>\$238</b>	<b>\$405</b>		<b>\$424</b>				
Subtract: Capital expenditures	64	61		83				
<b>Free Cash Flow (Non-GAAP) <sup>(4)</sup></b>	<b>\$174</b>	<b>\$344</b>		<b>\$341</b>				

The Company believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating and analyzing our business.

(1) Includes an estimated U.S. Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act") of \$73 million during the year ended December 31, 2017, primarily related to a transition tax expense.

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

(3) Adjusted EBITDA. A non-GAAP measure which is defined as net income (loss) plus: (1) provision (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 non cash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

(4) Free Cash Flow. A non-GAAP measure which is defined as net cash provided by operating activities less capital expenditures, which are purchases of property and equipment, including capitalization of internal-use software development costs. We believe this financial measure can provide useful supplemental information to help investors better understand underlying trends in our business, as it represents the operating cash flow that our operating businesses generate, less capital expenditures but before taking into account other cash movements that are not directly tied to the core operations of our businesses, such as financing activities, foreign exchange or certain investing activities. Free Cash Flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, it is important to evaluate Free Cash Flow along with the unaudited condensed consolidated statements of cash flows.

\* Full-year totals reflect data as reported and may differ from the summation of the quarterly data due to rounding.