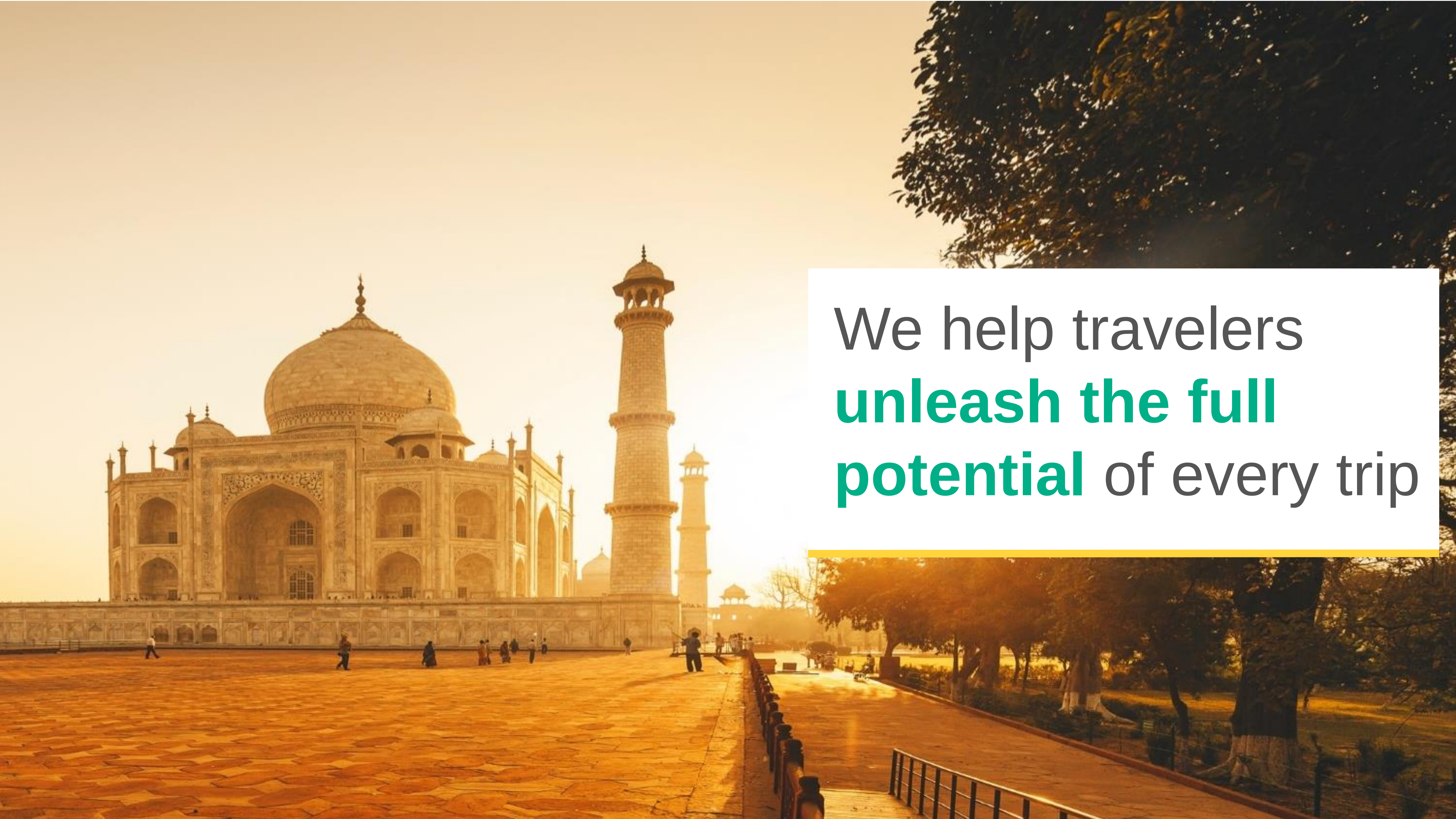
Q2 2017 Results

August 2017

Forward-Looking Statements. Our presentation today, including the slides contained herein, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts or guarantees of future performance and are based on management's assumptions and expectations, which are inherently subject to difficult to predict uncertainties, risks and changes in circumstances. The use of words such as "intends," "expects," "may," "believes," "should," "seeks," "intends," "plans," "potential," "will," "projects," "estimates," "anticipates" or similar expressions generally identify forward-looking statements. However, these words are not the exclusive means of identifying such statements, and any statements that refer to expectations, beliefs, plans, predictions, projections, forecasts, objectives, assumptions, models, illustrations, profiles or other characterizations of future events or circumstances are forward-looking statements, including without limitation statements relating to future revenues, expenses, margins, performance, profitability, cash flows, net income/(loss), earnings per share, growth rates and other measures of results of operations (such as adjusted EBITDA) and future growth prospects for TripAdvisor's business. Actual results and the timing and outcome of events may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including, among others, those discussed in the "Risk Factors" section of our Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update any forward-looking or other statements in this presentation, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on forward-looking statements.

Non-GAAP Measures. This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition 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 second quarter 2017 financial results and supplemental financial information, which are available on the Investor Relations section of our website: 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 help travelers **unleash the full potential** of every trip

Addressing huge market opportunity that is shifting online

- ✓ Global travel market is \$1.3T[1] and growing (5.5%[1])
- ✓ Low online penetration (43%[2]); fast growing online bookings (10.5%[2]); marketer ad dollars following users and bookings online
- ✓ Our global brand has been built on content & community; strong brand loyalty lends to growing influence on travel commerce
- ✓ Users need easier one-stop-shopping experience, especially on phone
- ✓ Mobile shift enhances engagement and long-term growth opportunities, especially in-destination

(1) Estimated 2017 total travel market size and global online travel market size, according to Phocuswright Global Online Travel overview, Fourth Edition (November 2016)
(2) Estimated 2017 online penetration and online bookings growth, according to Phocuswright Global Online Travel overview, Fourth Edition (November 2016)

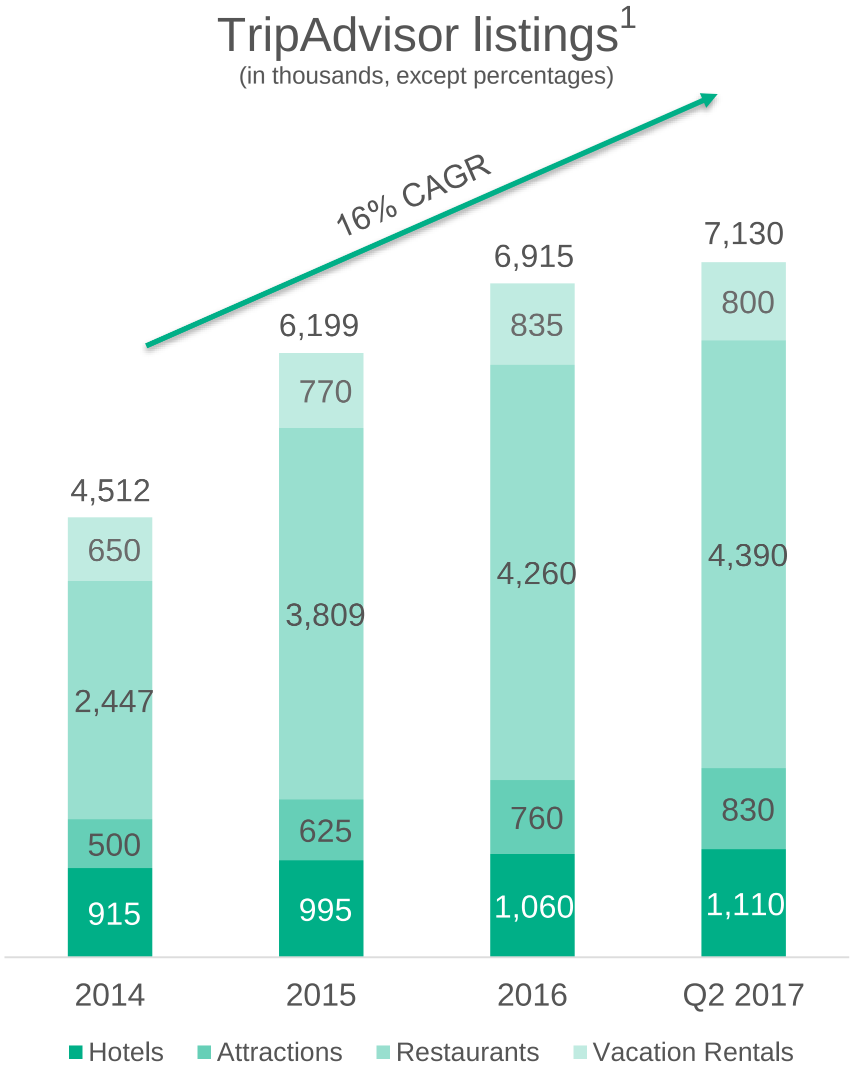
Leading online platform for travel content & community

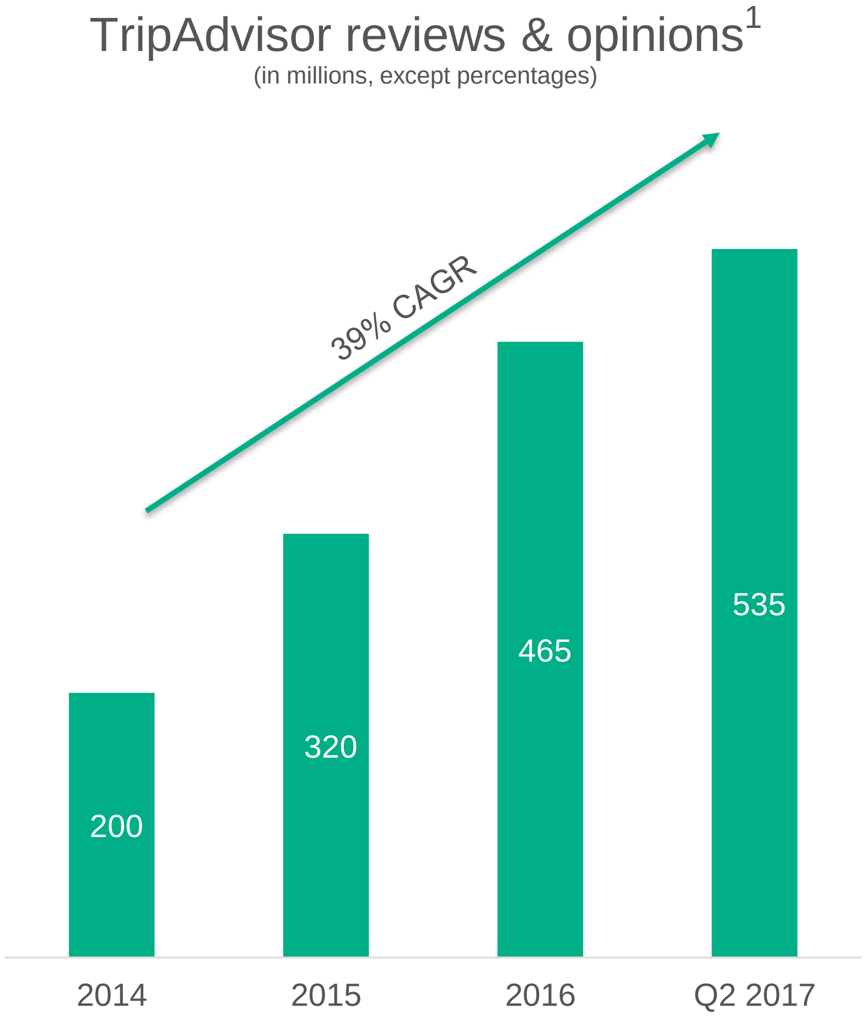
User-generated content	**535** MILLION reviews and opinions	**290** NEW content contributions per minute	**110** MILLION candid traveler photos
Travel platform	**1.9** MILLION Accommodations [1]	**4.4** MILLION Restaurants	**830** THOUSAND Attractions
Global community	**415** MILLION avg. monthly unique visitors [2]	**49** MARKETS across the globe	**28** LANGUAGES across the globe

(1) Includes 1.1M hotels, inns, and bed & breakfasts, as well as 800K vacation rental listings
(2) TripAdvisor internal log files, average monthly unique visitors during Q2 2017

tripadvisor®

Growing listings and high-quality user-generated content

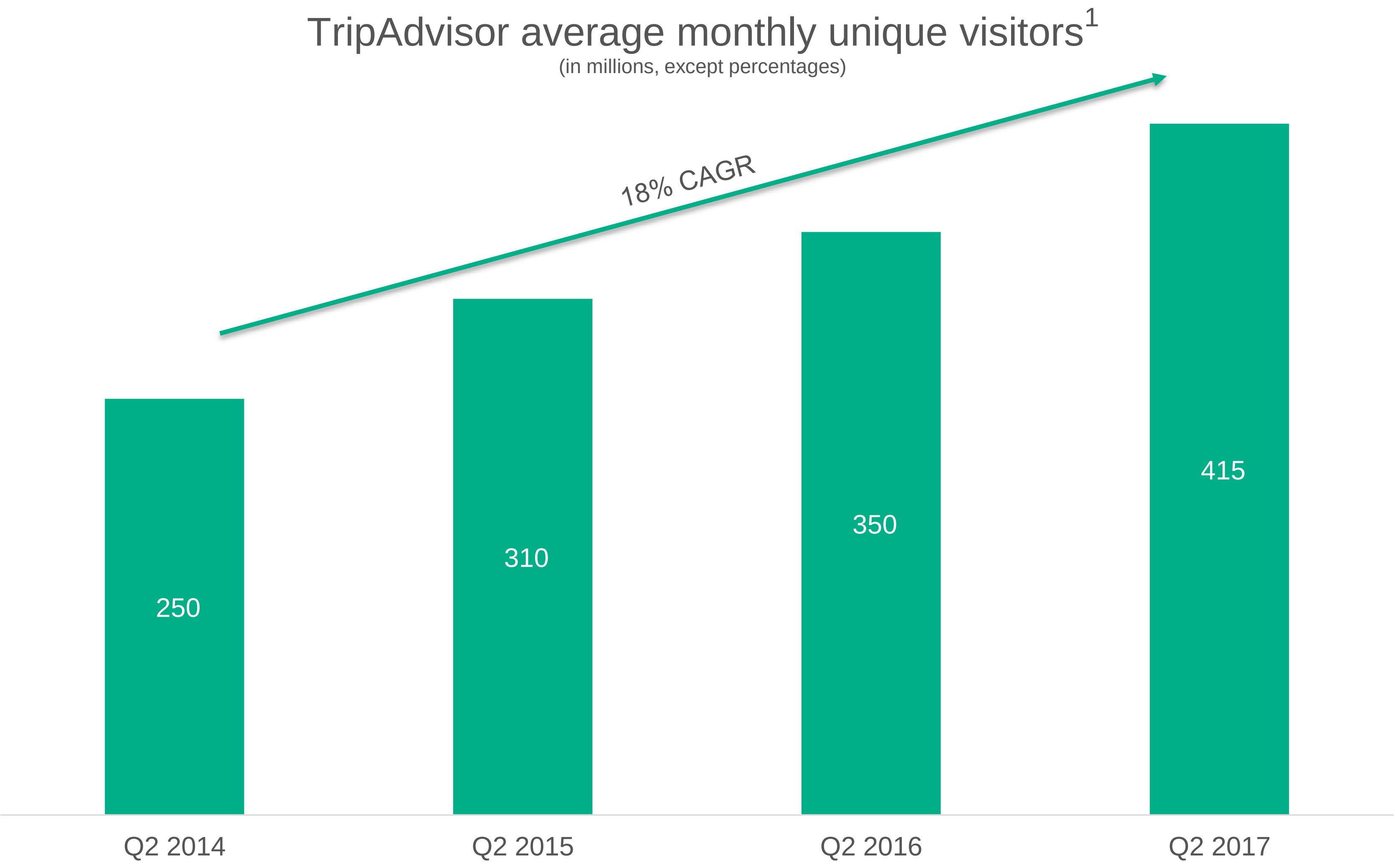




(1) TripAdvisor internal log files

tripadvisor

Monthly audience continues to grow quickly



(1) TripAdvisor internal log files, average monthly unique visitors

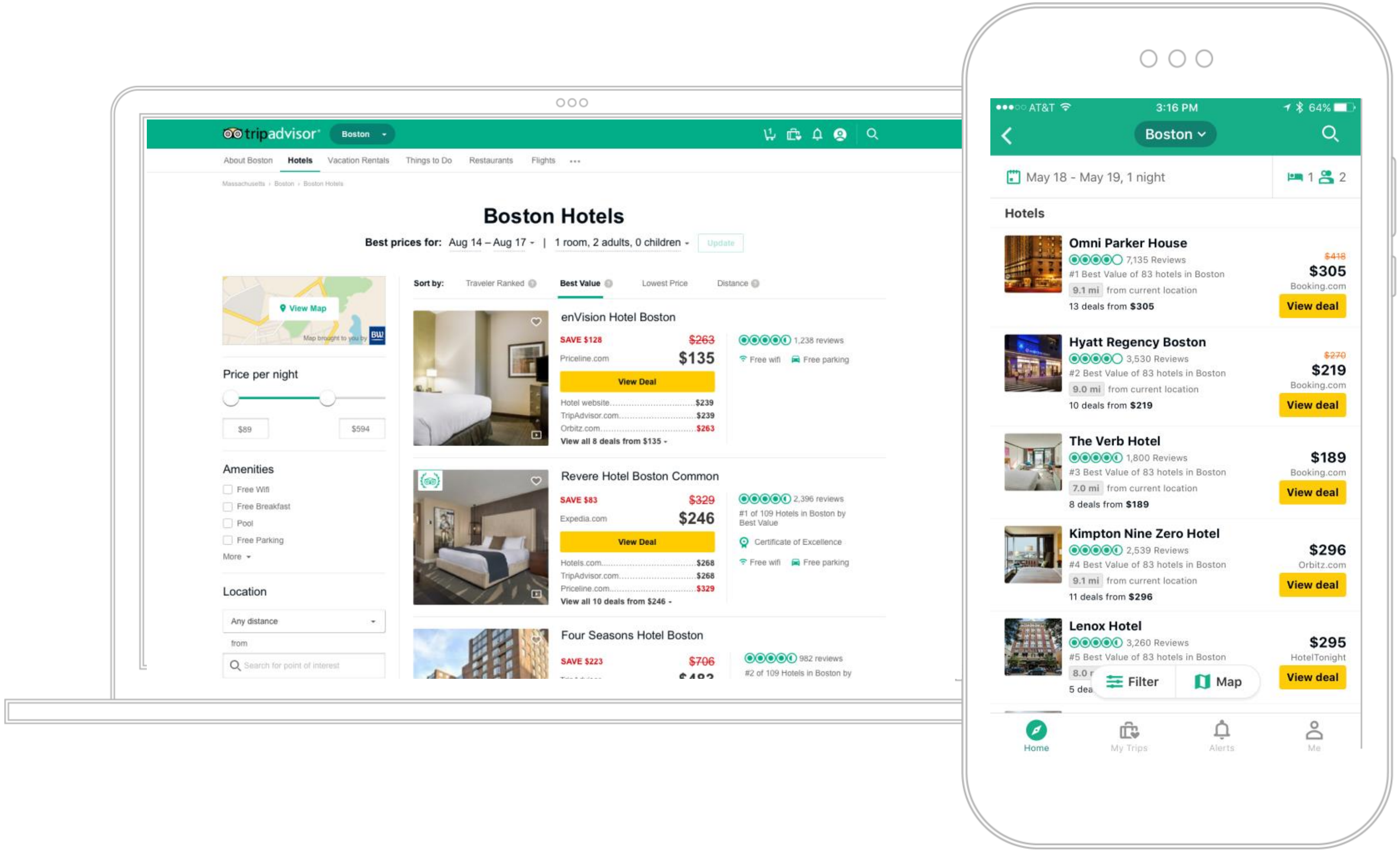
Building a differentiated, end-to-end user experience

RESEARCH & PLAN ▶ **PRICE COMPARE** ▶ **BOOK** ▶ **ON THE TRIP**

(1) TripAdvisor internal log files

tripadvisor

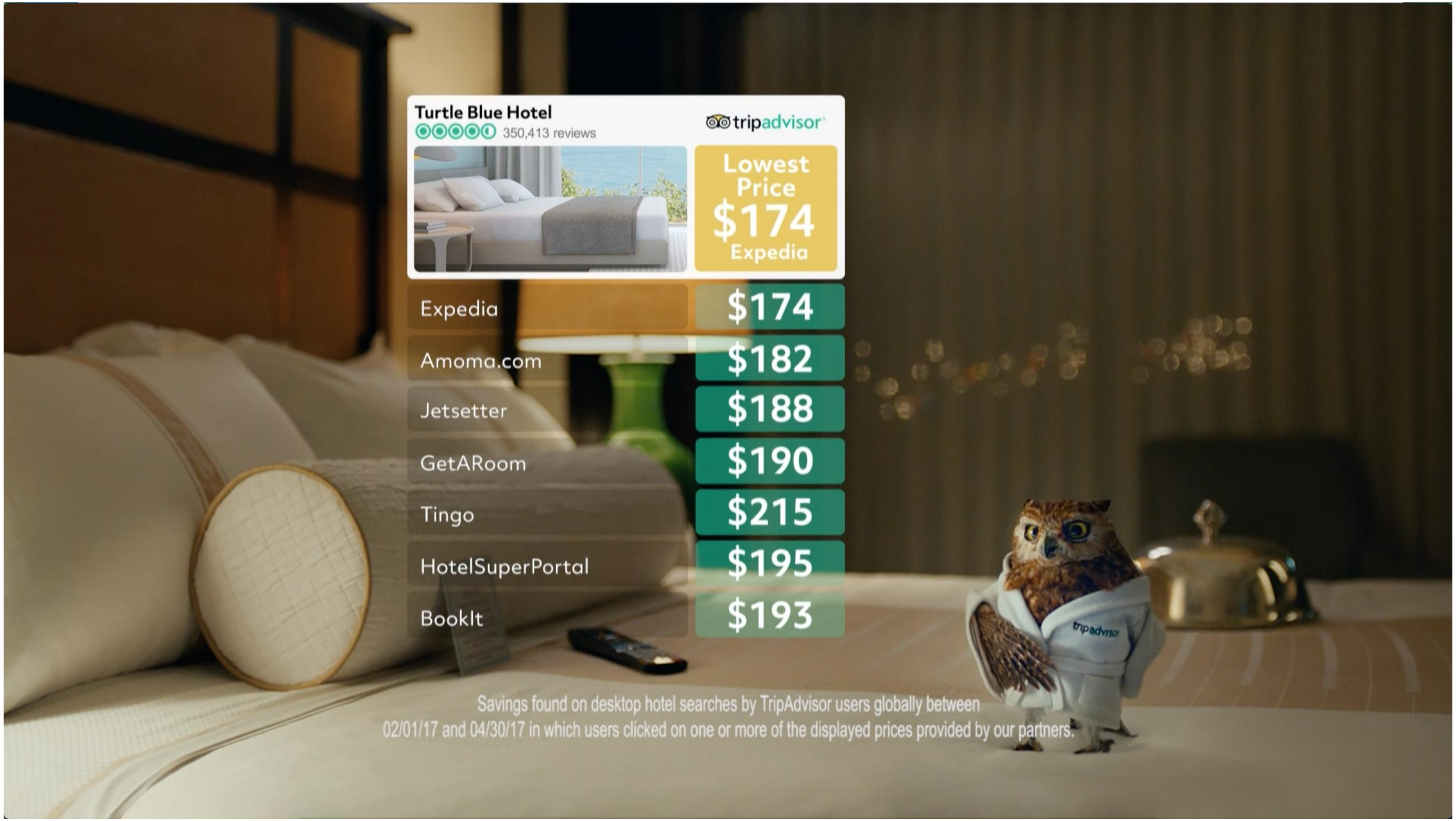
Streamlined shopping experience helps users find and book the best hotels at the lowest prices



- Launched our new hotel shopping experience in Q2
- Helping users find the lowest prices on the best hotels
- Making it easier to find the best value hotels in a geography

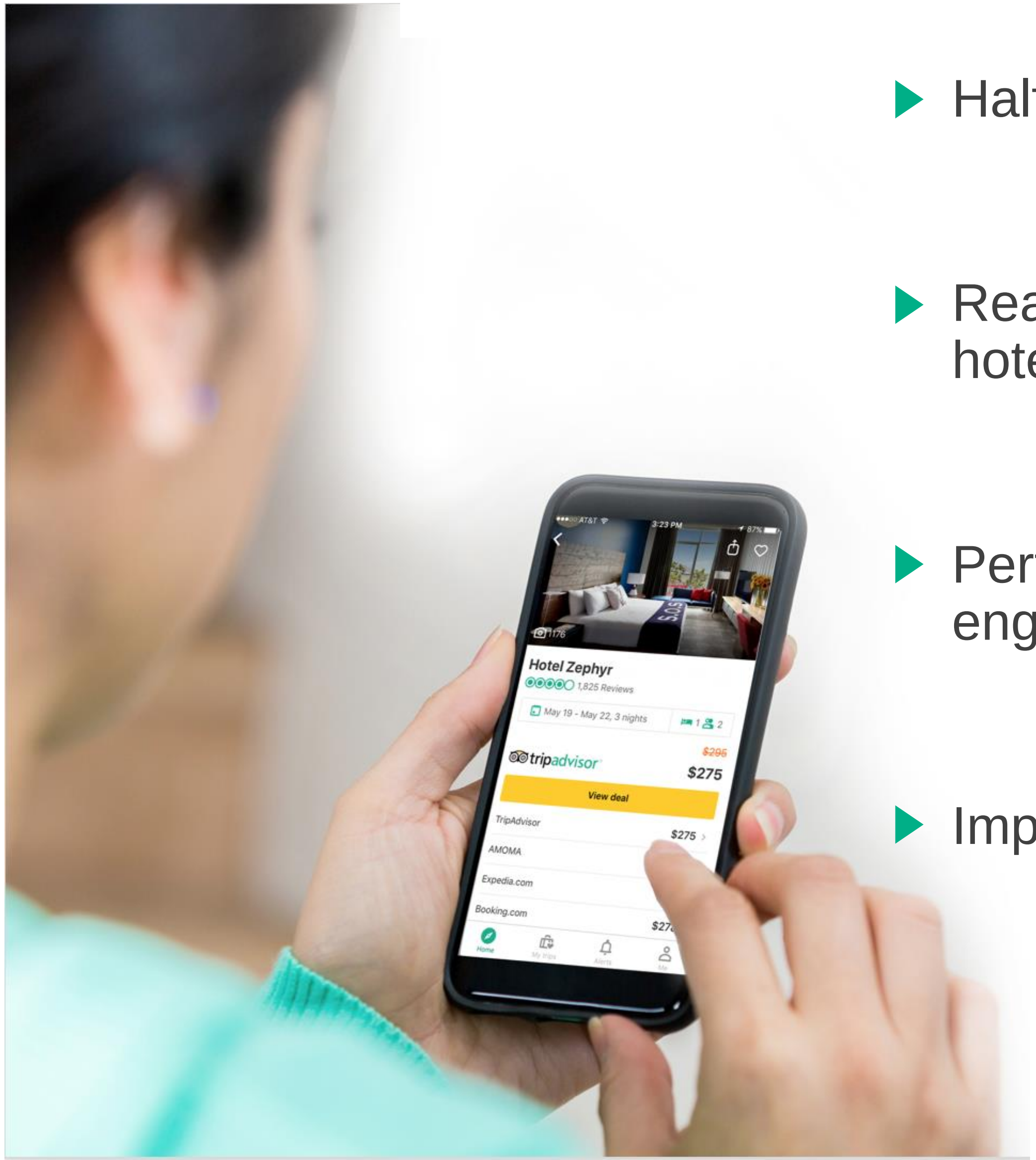
tripadvisor

Brand refresh and product launch paved the way for a return to TV advertising



tripadvisor

Compelling mobile phone value proposition

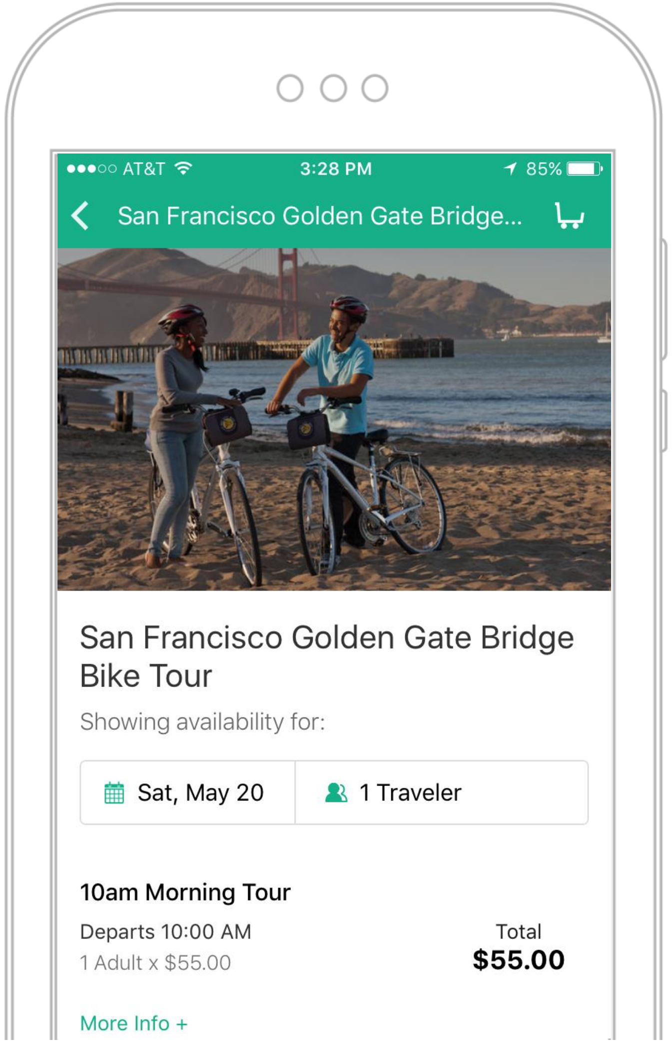


- Half of our avg. monthly unique visitors [1]
- Reached more than 40% of avg. monthly unique hotel shoppers [1]
- Perfect travel companion increasing frequency of engagement with users
- Improving monetization on this strategic platform

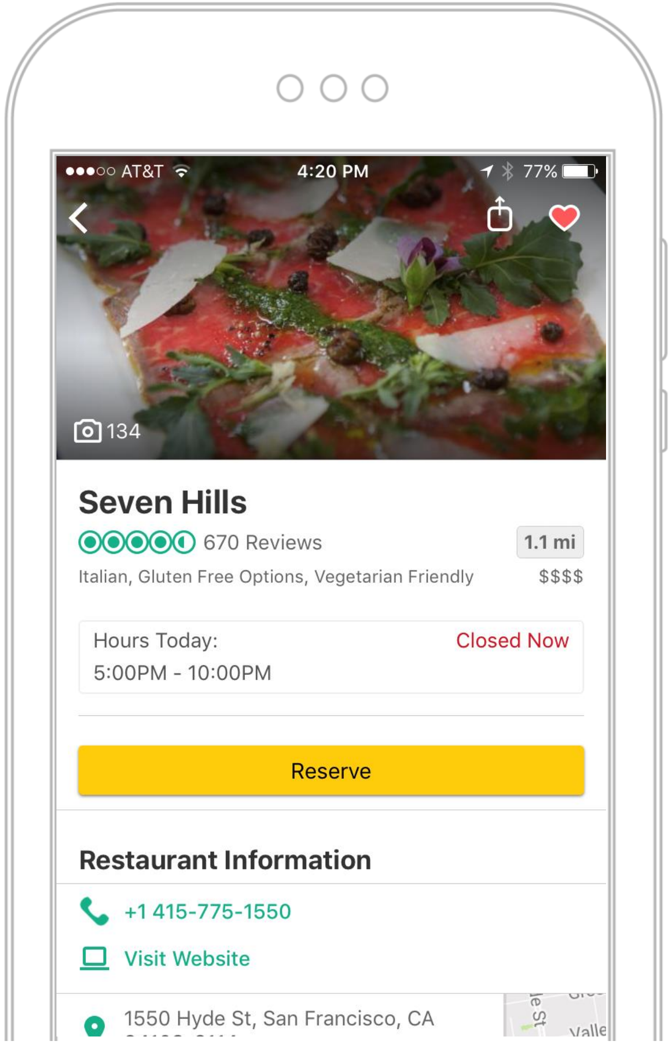
(1) TripAdvisor internal log files for Q2 2017

Non-Hotel product offerings drive more engagement with our platform

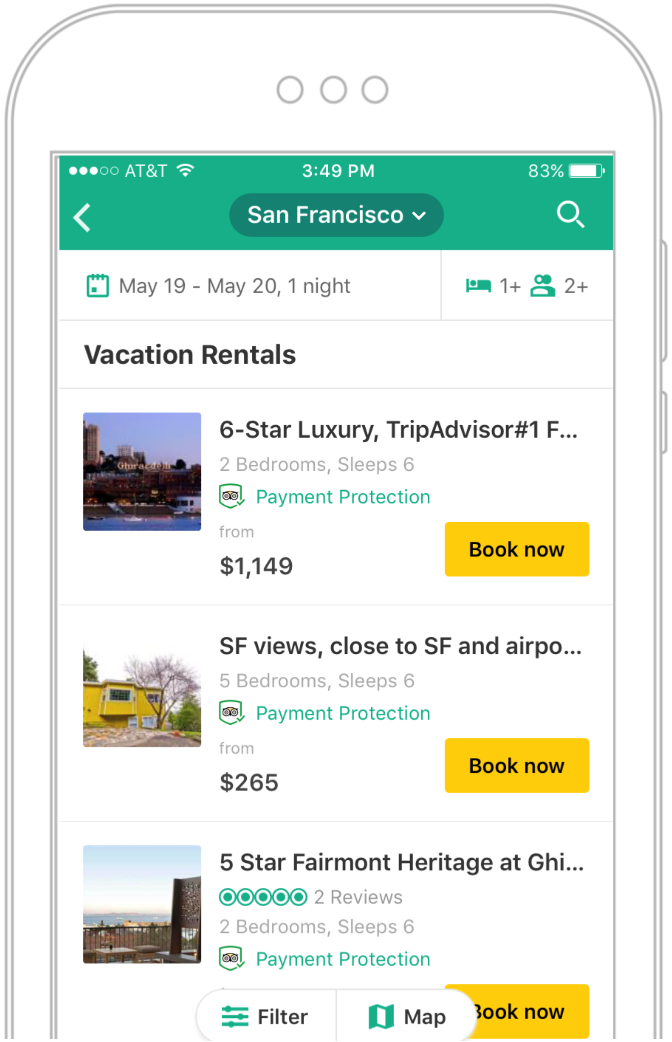
Attractions



Restaurants



Vacation Rentals



Executing towards long-term strategic priorities

Deliver best user experience in travel	Be an attractive platform for more partners	Focus on long-term, sustainable growth
Continuously create and improve products that travelers love	Enable more partners to drive more value from TripAdvisor platform	Balanced investments to drive long-term cash flow growth

Q2 Financial Update

Q2 2017 Financial summary

(in millions, except Earnings per Share, "EPS")	Q2'17	Q1'17	Q2'16
GAAP Net income	$27	$13	$34
Non-GAAP net income [1]	$53	$35	$56
GAAP Diluted EPS	$0.19	$0.09	$0.23
Non-GAAP Diluted EPS [2]	$0.38	$0.24	$0.38
Cash flow provided by operations	$221	$134	$238
Free Cash Flow [3]	$204	$116	$219
Cash, cash equivalents & marketable securities	$908	$749	$891

(1) TripAdvisor defines "non-GAAP net income" as GAAP net income excluding, net of their related tax effects: (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) certain gains, losses, and other expenses that we do not believe are indicative of our ongoing operating results; (4) goodwill, long-lived assets and intangible asset impairments and (5) other non-recurring expenses and income
(2) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by GAAP diluted shares.
(3) TripAdvisor defines "free cash flow", a non-GAAP measure, 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

Strong profitability and cash flow while investing in long-term growth

Revenue scale
$1.5B[1]
Total Revenue

Growth CAGR
18%[1]
2011-2016 Revenue

Investing in long-term growth

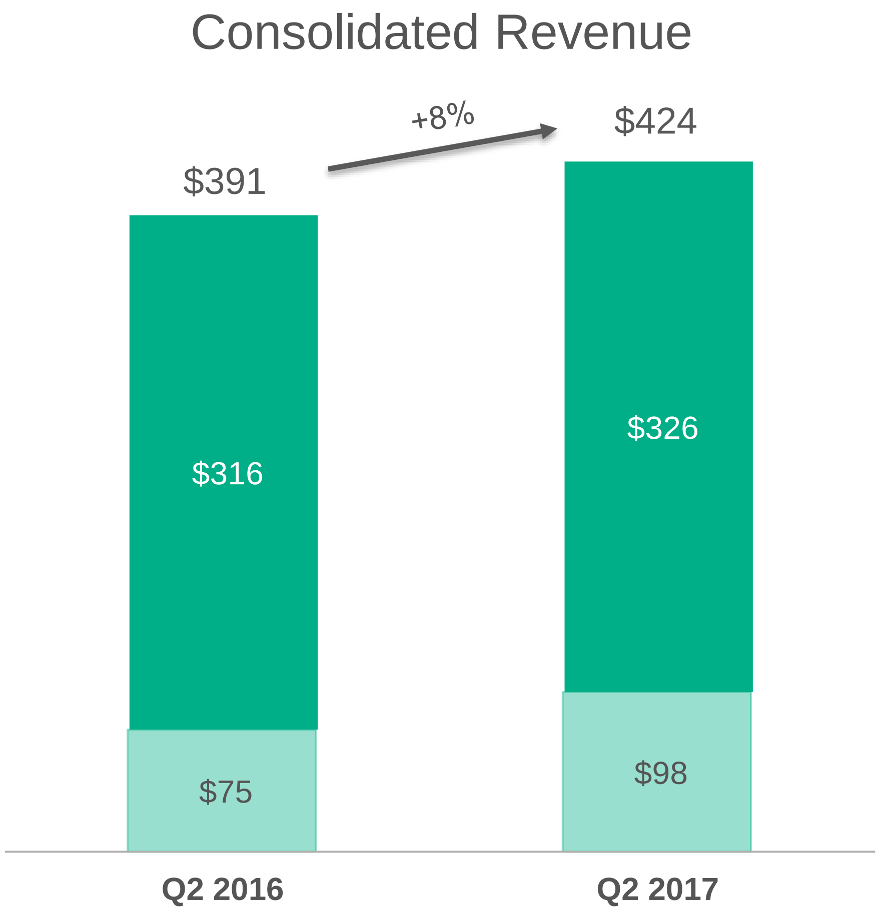
Strong profitability
$352M[1]
Adjusted EBITDA[2]

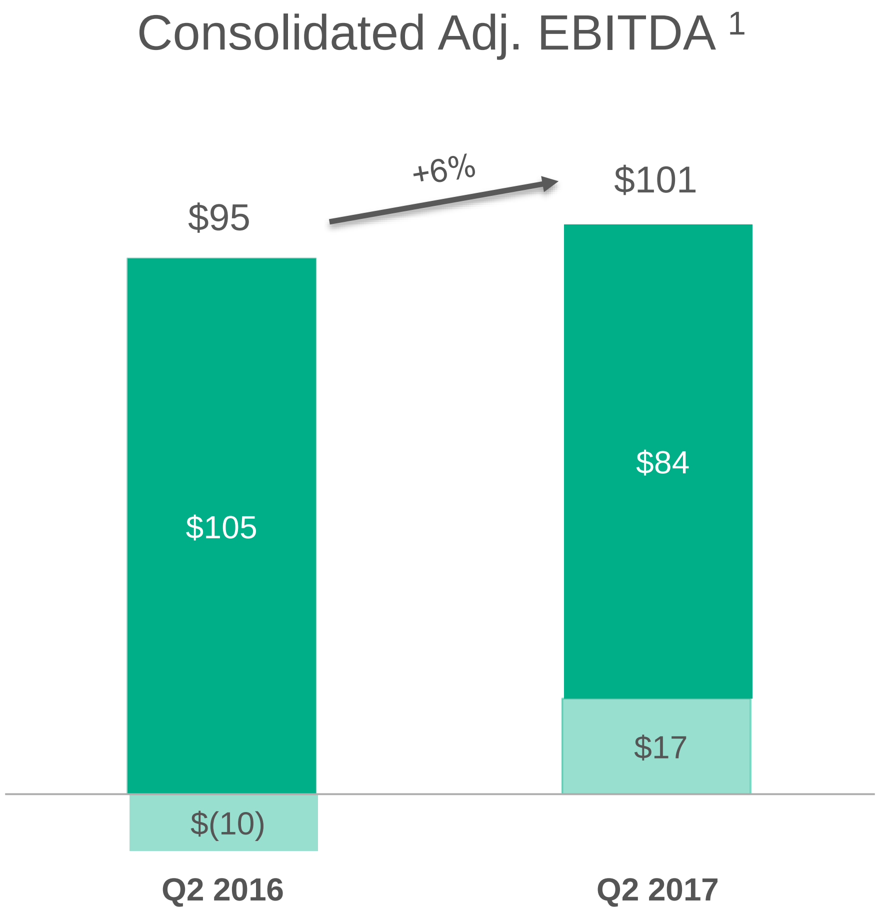
Cash flow generative
$321M[1]
Operating Cash Flow

(1) For year ended December 31, 2016
(2) Adjusted EBITDA is a non-GAAP measure and is defined as net income (loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments, and (7) other non-recurring expenses and income.

Large, established Hotel revenue base; Non-Hotel driving diversified revenue growth

Hotel
Non-Hotel
(in millions, except percentages)

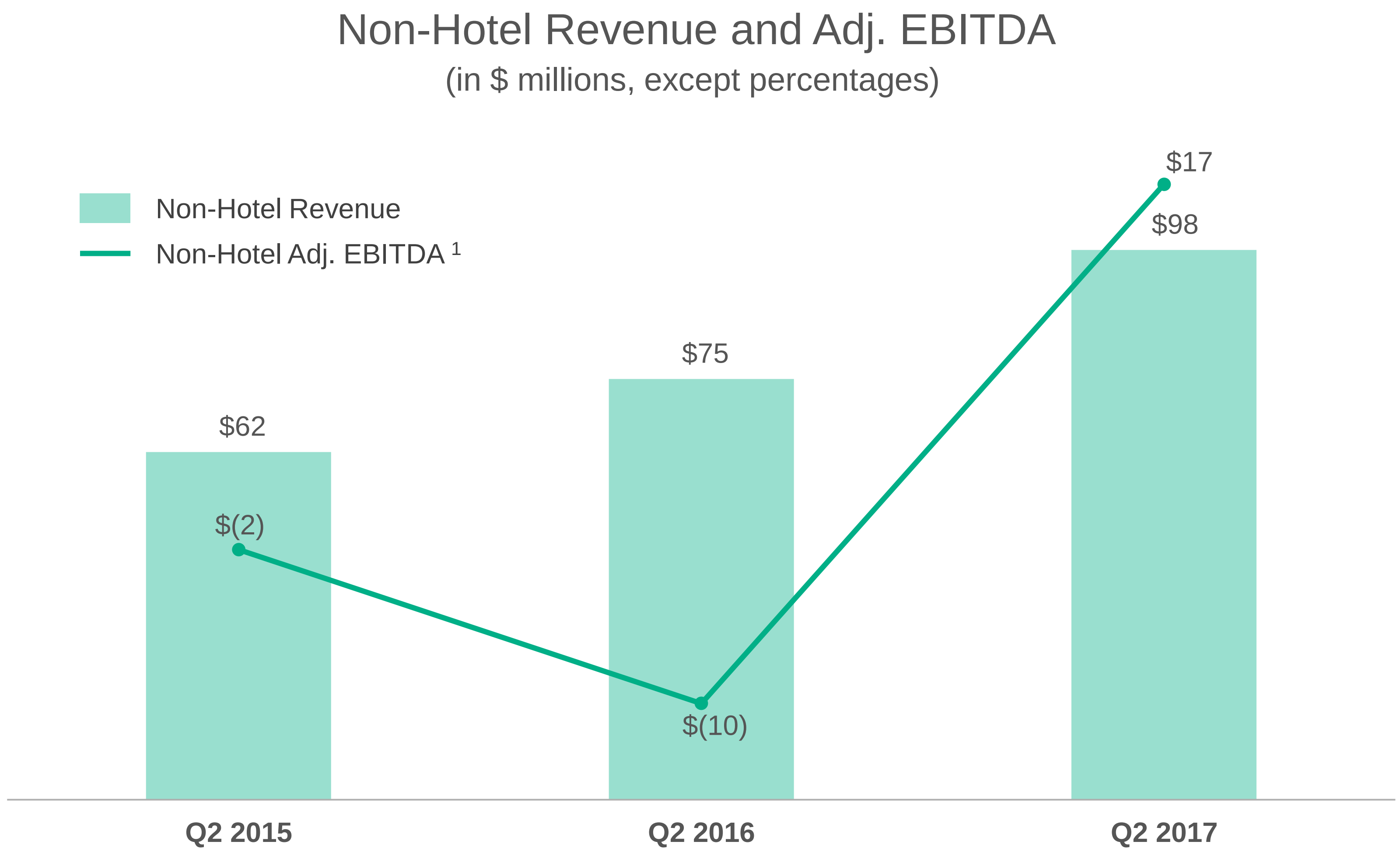




(1) Adjusted EBITDA is our segment profit measure and is defined as net income (loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments, and (7) other non-recurring expenses and income

tripadvisor

Strong revenue growth and increased profitability in Non-Hotel segment



	Q2 2015	Q2 2016	Q2 2017
Non-Hotel Adjusted EBITDA Margin [2]	(3%)	(13%)	17%

(1) Adjusted EBITDA is our segment profit measure and is defined as net income (loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments, and (7) other non-recurring expenses and income

(2) Adjusted EBITDA margin by segment is defined by segment Adjusted EBITDA divided by segment revenue

Appendix

Q2 2017 Segment financial information

(in millions, except percentages)	Q2'17	Q1'17	Q2'16	YoY % Change
Revenue:				
Hotel	$326	$314	$316	3%
Non-Hotel	$98	$58	$75	31%
Total Revenue	$424	$372	$391	8%
Adjusted EBITDA [1]:				
Hotel	$84	$88	$105	(20%)
Non-Hotel	$17	($15)	($10)	270%
Adjusted EBITDA Margin by Segment [2]:				
Hotel	26%	28%	33%	
Non-Hotel	17%	(26%)	(13%)	

(1) Adjusted EBITDA is our segment profit measure and is defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including amortization of internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation and other stock-settled obligations; (vi) goodwill, long-lived asset and intangible asset impairments; and (vii) other non-recurring expenses and income

(2) TripAdvisor defines "Adjusted EBITDA margin by segment" as segment Adjusted EBITDA divided by segment revenue

Non-GAAP reconciliations

(in $millions, except per share amounts and percentages)	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 FY*	2017 Q1	2017 Q2	2017 FY*
Reconciliation from GAAP Net Income to Adjusted EBITDA (Non-GAAP):								
GAAP Net income [1]	**$29**	**$34**	**$55**	**$1**	**$120**	**$13**	**$27**	**$40**
Add: Provision (benefit) for income taxes [1]	9	10	8	3	31	12	17	29
Add: Other expense (income), net	4	3	3	6	15	2	2	4
Add: Stock-based compensation [1]	19	23	22	22	85	19	28	47
Add: Amortization of intangible assets	8	8	8	8	32	8	8	16
Add: Depreciation [2]	16	17	18	18	69	19	19	38
Adjusted EBITDA (Non-GAAP) [3]	**$85**	**$95**	**$114**	**$58**	**$352**	**$73**	**$101**	**$174**
Reconciliation from GAAP Net Income to Non-GAAP Net Income:								
GAAP Net income [1]	**$29**	**$34**	**$55**	**$1**	**$120**	**$13**	**$27**	**$40**
Add: Stock-based compensation [1]	19	23	22	22	85	19	28	47
Add: Amortization of intangible assets	8	8	8	8	32	8	8	16
Subtract: Income tax effect of Non-GAAP adjustments [1][4]	7	9	7	8	31	5	10	15
Non-GAAP Net Income [5]	**$49**	**$56**	**$78**	**$23**	**$206**	**$35**	**$53**	**$88**
Reconciliation from GAAP Earnings per Share (EPS) to Non-GAAP EPS*:*								
GAAP Diluted Shares Outstanding	**147**	**147**	**147**	**146**	**147**	**145**	**141**	**143**
GAAP Diluted EPS	**$0.20**	**$0.23**	**$ 0.37**	**$0.01**	**$0.82**	**$0.09**	**$0.19**	**$0.28**
Non-GAAP Diluted EPS [6]	$0.33	$0.38	$ 0.53	$0.16	$1.40	$0.24	$0.38	$0.62
Free Cash Flow:								
Cash flow provided by (used in) operations [7]	**$124**	**$238**	**($87)**	**$46**	**$321**	**$134**	**$221**	**$355**
Subtract: Capital expenditures	17	19	21	16	72	18	17	35
Free Cash Flow (Non-GAAP) [7][8]	**$107**	**$219**	**($108)**	**$30**	**$249**	**$116**	**$204**	**$320**

Non-GAAP reconciliations – end notes

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) In the third quarter of 2016, the Company adopted Accounting Standards Update ("ASU") 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This guidance required us to reflect any adjustments as of January 1, 2016, the beginning of the annual period that includes the interim period of adoption. The primary impact of adoption was the recognition of excess tax benefits and tax deficiencies in our provision for income taxes rather than additional paid-in capital and the election to account for forfeitures as they occur, rather than estimate expected forfeitures. This resulted in a decrease to our provision for income taxes of $2 million and $1 million during the three months ended March 31, 2016 and June 30, 2016, respectively and an increase to stock-based compensation expense of approximately $1 million during the three months ended June 30, 2016. As a result, net income increased $2 million during the three months ended March 31, 2016.

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

(3) *Adjusted EBITDA*. A non-GAAP measure which is defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including amortization of internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation and other stock-settled obligations; (vi) goodwill, long-lived asset and intangible asset impairments; and (vii) other 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. Adjusted EBITDA is our segment profit measure and a key measure used by our management and board of directors to understand and evaluate the operating performance of our business 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 of our core business. Accordingly, we believe that Adjusted EBITDA provides 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.

(4) *Income Tax Effect of Non-GAAP Adjustments*. The non-GAAP adjustments described are reported on a pre-tax basis. The income tax effect on non-GAAP adjustments was calculated based on the individual impact that these items had on our GAAP consolidated income tax expense for the periods presented.

(5) *Non-GAAP Net Income*. Defined as GAAP net income excluding, net of their related tax effects: (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) certain gains, losses, and other expenses that we do not believe are indicative of our ongoing operating results; (4) goodwill, long-lived assets and intangible asset impairments and (5) other non-recurring expenses and income. We believe non-GAAP net income is an operating performance measure which provides investors and analysts with useful supplemental information about the financial performance of our business, as it incorporates our unaudited condensed consolidated statement of operations, taking into account depreciation, which management believes is an ongoing cost of doing business, but excluding the impact of certain expenses, infrequently occurring items and items not directly tied to the core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance.

(6) *Non-GAAP Diluted EPS*. Defined as non-GAAP net income divided by GAAP diluted shares. We believe non-GAAP EPS is useful to investors because it represents, on a per share basis, our unaudited condensed consolidated statement of operations, taking into account depreciation, which we believe is an ongoing cost of doing business, as well as other items which are not allocated to the operating businesses such as interest expense, interest income, income taxes and foreign exchange gains or losses, but excluding the effects of certain expenses not directly tied to the core operations of our businesses. During the second quarter of 2016, the Company began calculating non-GAAP net income per diluted share using GAAP diluted shares determined under the treasury stock method. All historical periods have been conformed to the current calculation method. This change did not have a material effect on our previously reported non-GAAP net income per diluted share calculations in prior periods.

(7) In the third quarter of 2016, the Company early adopted Accounting Standards Update ("ASU") 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which eliminates the requirement to reclassify excess tax benefits related to stock-based compensation from operating to financing activities in the statement of cash flows. The retrospective application to prior periods resulted in the reclassification of cash flows related to excess tax benefits from financing activities to operating activities, or an increase in cash flows provided by operating activities of $4 million and $2 million for the three months ending March 31, 2016 and June 30, 2016, respectively. In addition, this resulted in corresponding increases in free cash flow for those periods.

(8) *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.

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

tripadvisor®

know better ● book better ● go better