



# Q1 2015 Results

May 2015

# Safe Harbor

**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, among others, EBITDA or 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 Annual Report on Form 10-K, as amended. 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 press release reporting our first quarter 2015 financial results, which is available on the Investor Relations section of our website: [www.tripadvisor.com](http://www.tripadvisor.com). These non-GAAP measures are intended to supplement, not substitute for, GAAP comparable 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.

Who We Are

Our mission

Help travelers around  
the world plan and  
book the perfect trip



# We are the World's Largest Travel Website

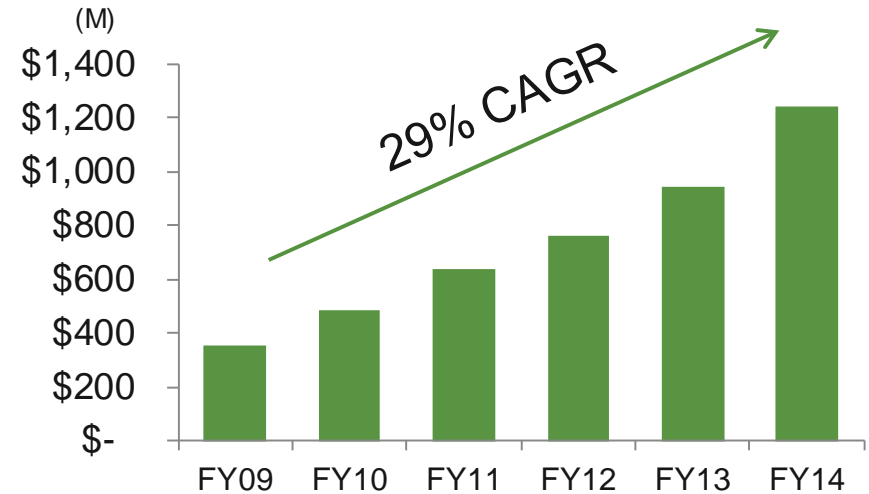
## Key Facts

- Headquartered in **Newton, MA**
- **45** countries; **28** languages
- **950K** hotel listings
- **700K** vacation rentals listings
- **2.7M** restaurant & **530K** attraction listings
- **Valuable resource** for Online Travel Agents, hoteliers and businesses

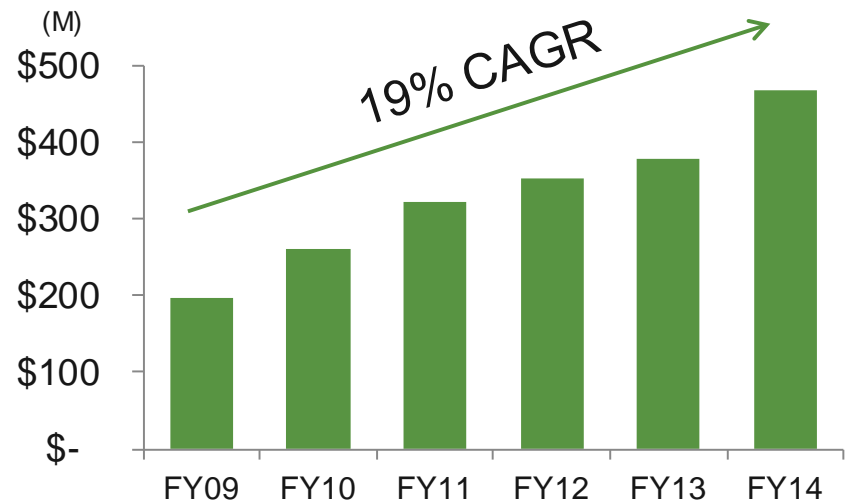
## Travel Community Stats

- **Loyal & engaged** travel community drives powerful network effects
- **340M** unique monthly visitors<sup>1</sup>
- **225M** user-generated reviews & opinions
- **139** traveler contributions per minute
- Price comparison, personalization, friend content, traveler photos, room tips and forums

## Revenues



## Adjusted EBITDA<sup>2</sup>



<sup>1</sup> Google Analytics, worldwide data, average monthly unique users during Q1 2015

<sup>2</sup> Adjusted EBITDA is a Non-GAAP financial measure. Please see Non-GAAP Reconciliations at the back of this presentation.

# Deep, Rich User-Generated Content

## Conrad Maldives Rangali Island



### Conrad Maldives Rangali Island

★★★★★ Rangali Island, 2034

Hotel website 011 960 668-0629 Hotel deals Special Offer Stay 4 nights, pay for 3!

Best prices for your stay

03/09/2015 03/11/2015

CONRAD HOTELS & RESORTS™	\$978* \$227 taxes & fees
agoda.com	\$974* \$693 taxes & fees
travelocity	\$978* \$757 taxes & fees

Orbitz.com \$1,255\* Despegar.com \$1,029\*  
Hotels.com \$978\* 5 more sites

\*Disclaimer



Certificate of Excellence 2014

91%

Ranked #1 of 1 hotels in Rangali Island

859 Reviews

Travelers' Choice® 2013 Winner  
Luxury

Beach Romantic Trendy Free Wifi

Overview Reviews (1,229) Photos (1,821) Location Amenities Q&A (17) Room Tips

1,229 reviews from our community

Write a Review



Marilita-Fenia

Contributor

15 reviews

4 hotel reviews

1 helpful vote

#### "PARADISE IN EARTH .."

Reviewed September 2, 2013 **NEW**

Real Paradise on Earth! Great facilities, superb restaurant facilities especially Ithaa Underwater Restaurant. We visited island during our honeymoon and had a marvelous and luxurious stay! Extremely friendly and helpful staff.

Was this review helpful? **Yes**

[Problem with this review?](#)

Shreekar P  
Reviewer

I had been with my wife in January and had an awesome experience in regali. One of the best resorts to be in maldives. The food the rooms/villas everthing top notch and the service. and hospitallity was



1,388 traveler photos

Popular R



Mirih Island Resort

397 Reviews

Lowest price at Expedia, 3 sites checked

\$1,080 and up\*



LUX\* Maldives

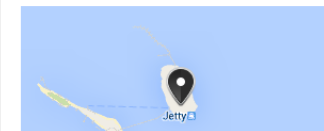
1,403 Reviews

Lowest price at Expedia, 4 sites checked

\$588 and up\*

Browse nearby

Restaurants (1)



# Driving Powerful Network Effects



What We Do



# Helping Users Plan, Compare, and Book

## Rich Travel Content

225M+ reviews & opinions; Candid photos; Friend Content



## Price Compare & Book

Compare room prices from 200+ sites & complete booking on TripAdvisor



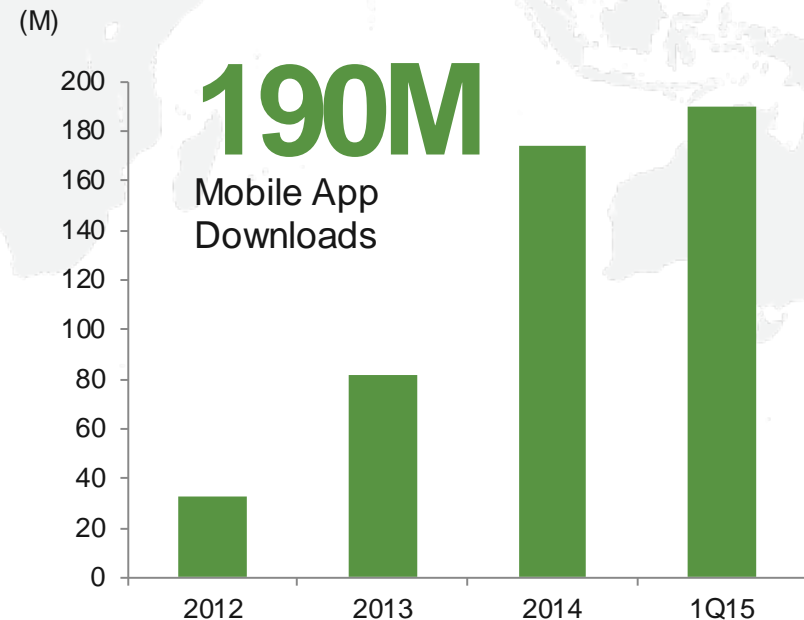
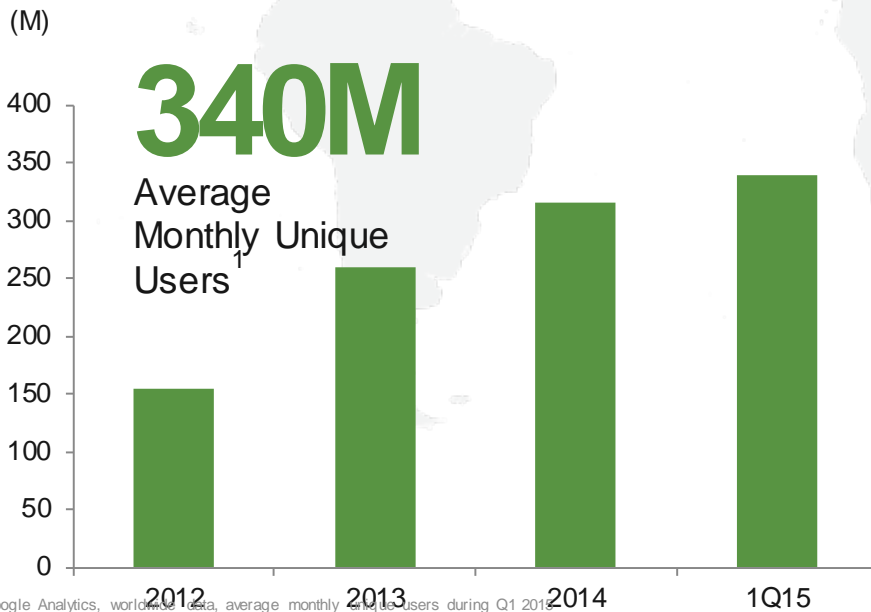
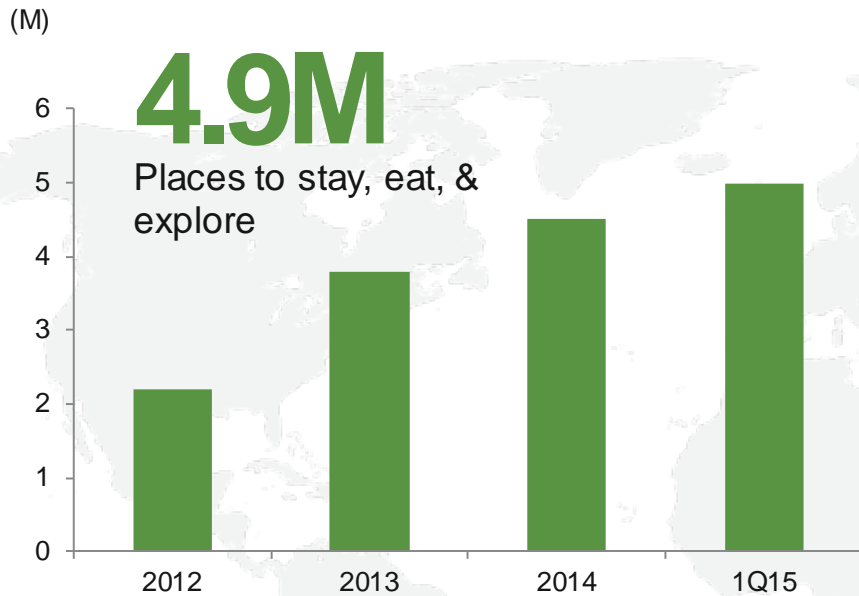
## On the Trip

Content on 3.2M restaurants, tours & attractions; Top-ranked mobile apps<sup>1</sup>



<sup>1</sup> Distimo study of mobile app downloads in the travel sector for the period of January 1, 2012 to March 31, 2014, based on downloads and device installs

# Global Scale and Robust Travel Platform



<sup>1</sup> Google Analytics, worldwide data, average monthly unique users during Q1 2015

# Driving Valuable Leads for Partners

## Audience

Rich, fresh user content on 4.9M businesses drives 340M unique users per month<sup>1</sup>



## Leads

Large source of qualified shoppers looking for flights, accommodations, restaurants & attractions



## Profit

Cost-per-click, Display and Subscription / Transaction ad opportunities drive bookings



<sup>1</sup> Google Analytics, worldwide data, average monthly unique users during Q1 2015

# One business, three revenue streams

## Cost per click

Highly qualified hotel shopper leads through metasearch auction and bookings driven by Instant Booking

Book on  


**\$246\***  
per night





**\$299\***  
per night



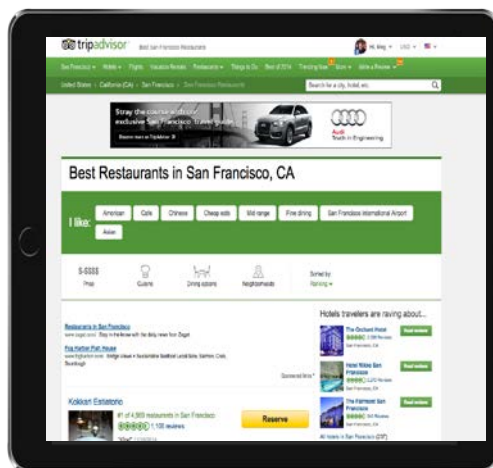


**\$290\***  
per night



## Display

340M unique monthly visitors across 45 localized points of sale



## Subscription/transaction

Business Listings, Vacation Rentals, Restaurants & Attractions



6:30 PM

7:00 PM



7:30 PM





# Opportunity: Match More Partners With More Travelers



Online Travel  
Agents



Hotel Chains



Airlines



Independent  
Hoteliers



Restaurants &  
Attractions

# Addressing Large Opportunities in Hotels

## Instant Booking / TripConnect

Available Rooms from Best Western

Best prices for: 1 room - 2 guests

02/21/2015 02/22/2015

Book Direct with Best Western

tripadvisor **\$119\*** 118 loves & fees

Expedia **\$129\*** 320 loves & fees

travelocity **\$129\*** 120 loves & fees

Booking.com \$129\* Orbitz.com \$129\* Priceline.com \$129\* 9 more sites

See 5 More Rooms

1 King Bed - Non-Smoking  
1 King Bed, Non-Smoking, 42 Inch Led Television, Refrigerator, High Speed Internet Access, Full Breakfast  
See More

1 King Bed - Non-Smoking  
1 King Bed, Non-Smoking, 42 Inch Led Television, Refrigerator, High Speed Internet Access, Full Breakfast  
See More

1 King Bed - Non-Smoking  
1 King Bed, Non-Smoking, 42 Inch Led Television, Refrigerator, High Speed Internet Access, Full Breakfast  
See More

- Allows travelers to quickly and easily complete a hotel reservation through the hotel or online travel agencies
- Removes friction from the booking process
- Instant Booking + TripConnect platform enable independent hotels to receive direct bookings from TripAdvisor

Book on **tripadvisor** **\$246\*** per night



1 comScore Media Matrix for TripAdvisor Sites, worldwide, December 2014  
 2 PhoCusWright estimates;  
 3 Boston Consulting Group, The Internet's New Billion: Digital Consumers in Brazil, Russia, India, China and Indonesia, Sept 2010

## Business Listings

Home > Europe > United Kingdom (UK) > England > London >

**Hotel 41** ★★★★★ Like 120

41 Buckingham Palace Road, London SW1W 0PS, England

Hotel website E-mail hotel 44(0)2073000041

**Special offer COMPLIMENTARY TEA FOR TWO**

Ranked #1 of 10 Hotels in London

- 950K hotels & accommodations in our database looking to leverage TripAdvisor's massive global travel audience
- 81K paid hotel subscribers at the end of 2014
- Enhanced exposure for hoteliers through special offers, announcements and mobile upgrade

## International / China



- TripAdvisor represents a small fraction of online travel unique users<sup>1</sup>
- International: \$1.3T annual global travel bookings = market growing at ~5% per year<sup>2</sup>
- China's online travel market growing 30% per year and is the world's largest outbound travel market; expect >650M internet users by 2015 – still less than 50% penetration<sup>3</sup>

# Investing in Other Large, Global Opportunities

## Attractions

### Sistine Chapel

Viale Vaticano, 00120 Vatican City, Italy  
 +39 06 69804676 Website Improve this listing



474 visitor photos

#### Book a Tour on Viator

**Skip the Line** **\$80\*** and up

Vatican Museums and Sistine Chapel Tour

**VIP Tour** **\$408\*** and up

Sistine Chapel Private Viewing and Small-Group...

**Private Tour** **\$108\*** and up

Skip the Line Vatican Museums and St Peter's Art...

See All Tours on Viator

- 530K attraction listings across the globe
- Viator is the global leader in bookable tours and attractions, with 600K user reviews, photos, and videos
- Viator enables users to book online or in-destination activities via the Viator Tours and Activities app



## Restaurants

Restaurant: **Auberge de Vanise**  
 15, rue Dalaire 75014 Paris

**SPECIAL OFFER**  
 \$19.99 off food, excluding sat menus.

Conditions: Set Menu not included. Drinks not included. Minimums apply. Min 2 Man or Min 4. Departure person minimum. Valid Lunch. Monday to Saturday. Dinner every day jusqu'à 20h.

The benefits of booking a table online:  
 No need to call the restaurant  
 Book at any time  
 Availability confirmed in real time by email and text message  
 And it's free!

We are currently checking the restaurant's availability  
 The chosen special offer is available

**1 Date**

February 2015

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

March 2015

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

**2 Time**

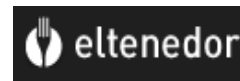
Dinner

18:00	18:30	19:00	19:30
20:00	20:30	21:00	21:30
22:00	22:30	23:00	

**3 Number of people**

1	2	3	4
5	6		

- 2.7M restaurant listings across the globe
- TheFork is a leader in online restaurant reservations, with more than 20K restaurants in Belgium, France, Italy, the Netherlands, Spain, Sweden, Switzerland, and Turkey
- TheFork drives seated diners for restaurateurs



## Vacation Rentals



- Large, highly-fragmented and inefficient market
- Subscription or Transaction-based listings gives flexibility for owners; 700K property listings and growing
- Leverage TRIP's massive global audience researching accommodations
- Ecommerce-enabled properties with online payment options



# Key Operating Priorities – “Speed Wins”



## Talent

Attract, build and retain  
a world class team



## Technology

Build flexible, scalable  
architecture



## Product

Develop products  
travelers love



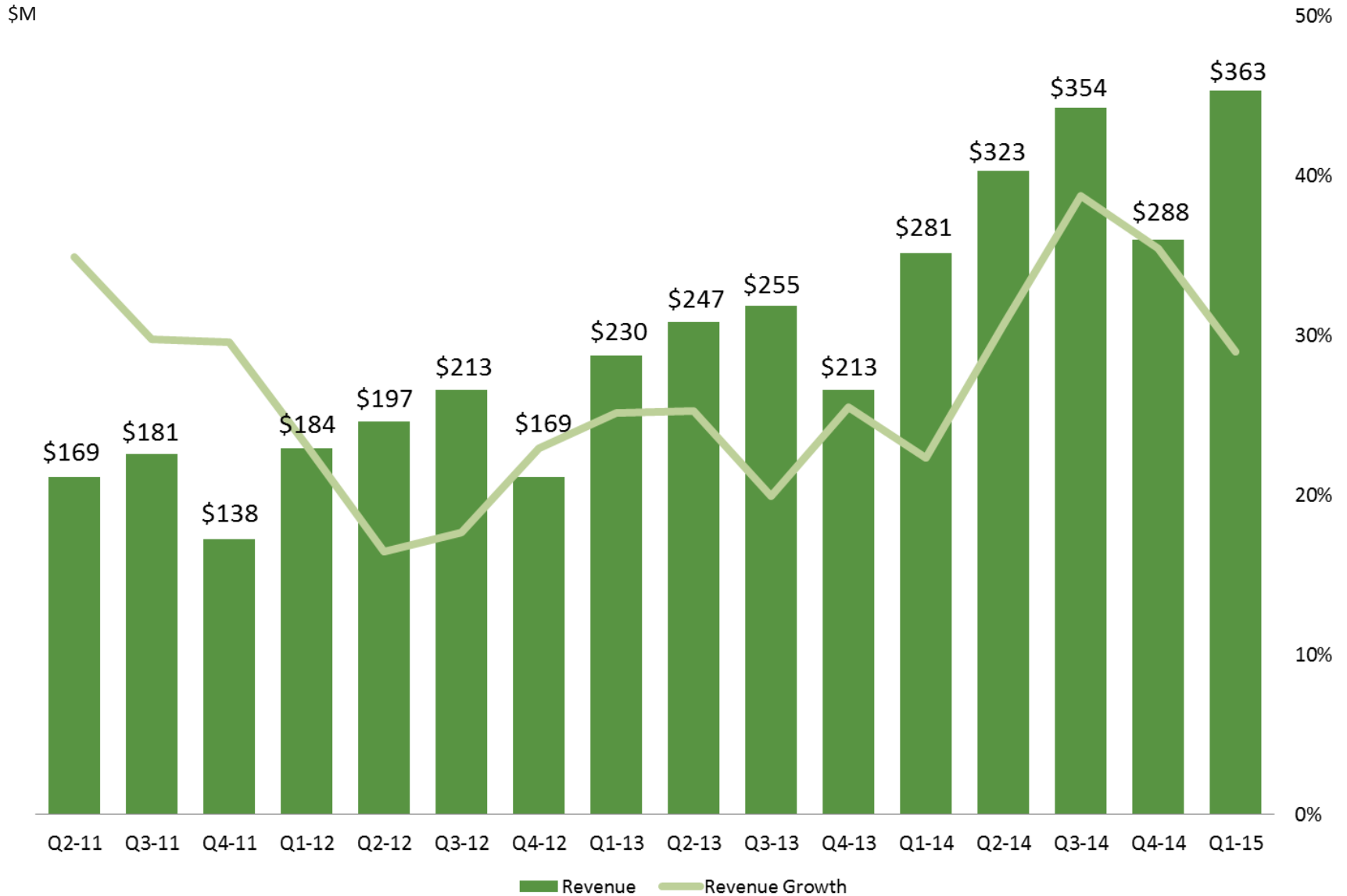
## Monetization

Scale and optimize  
profitable business lines  
for the long-term



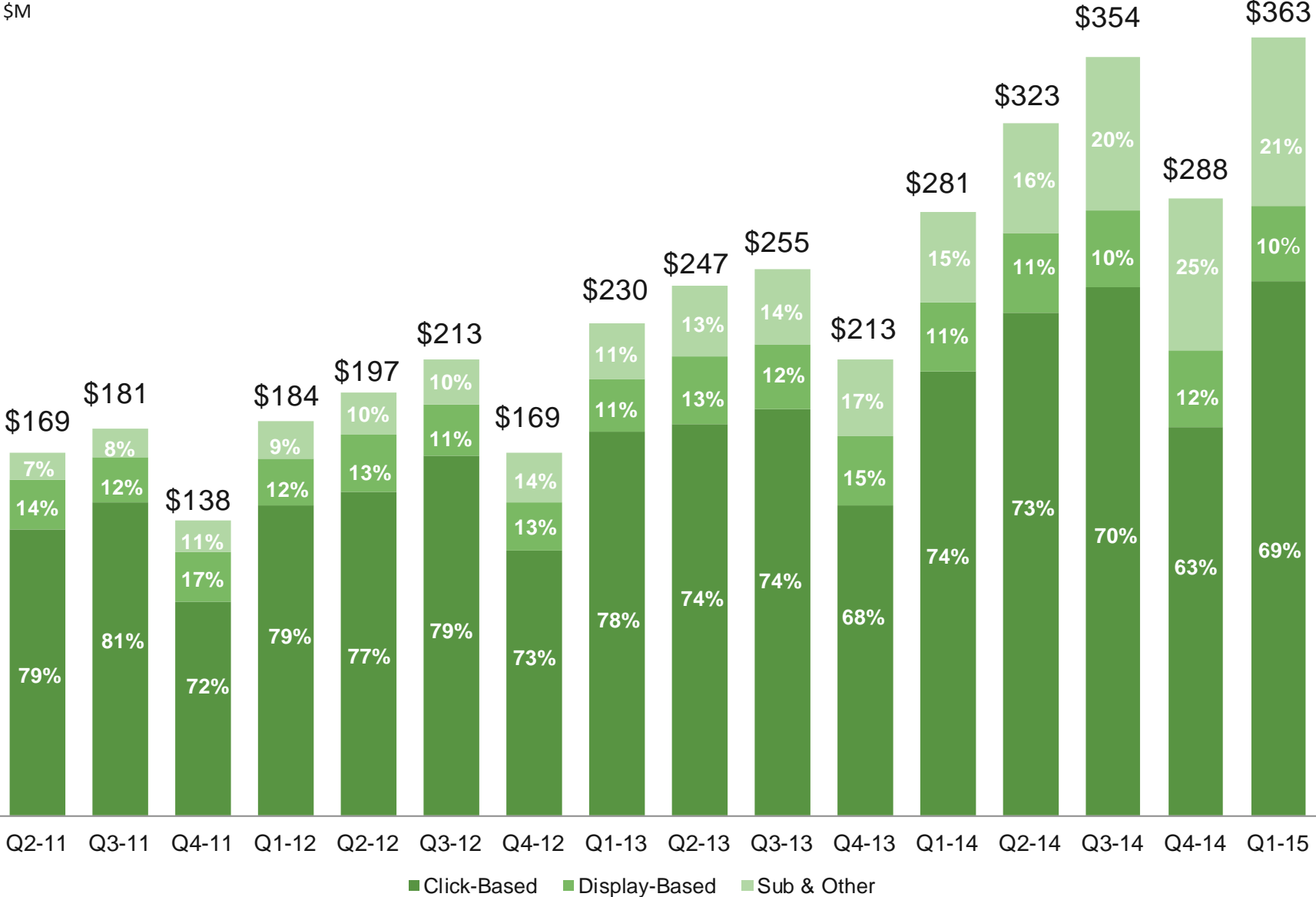
# Financial Results

# Total Revenue



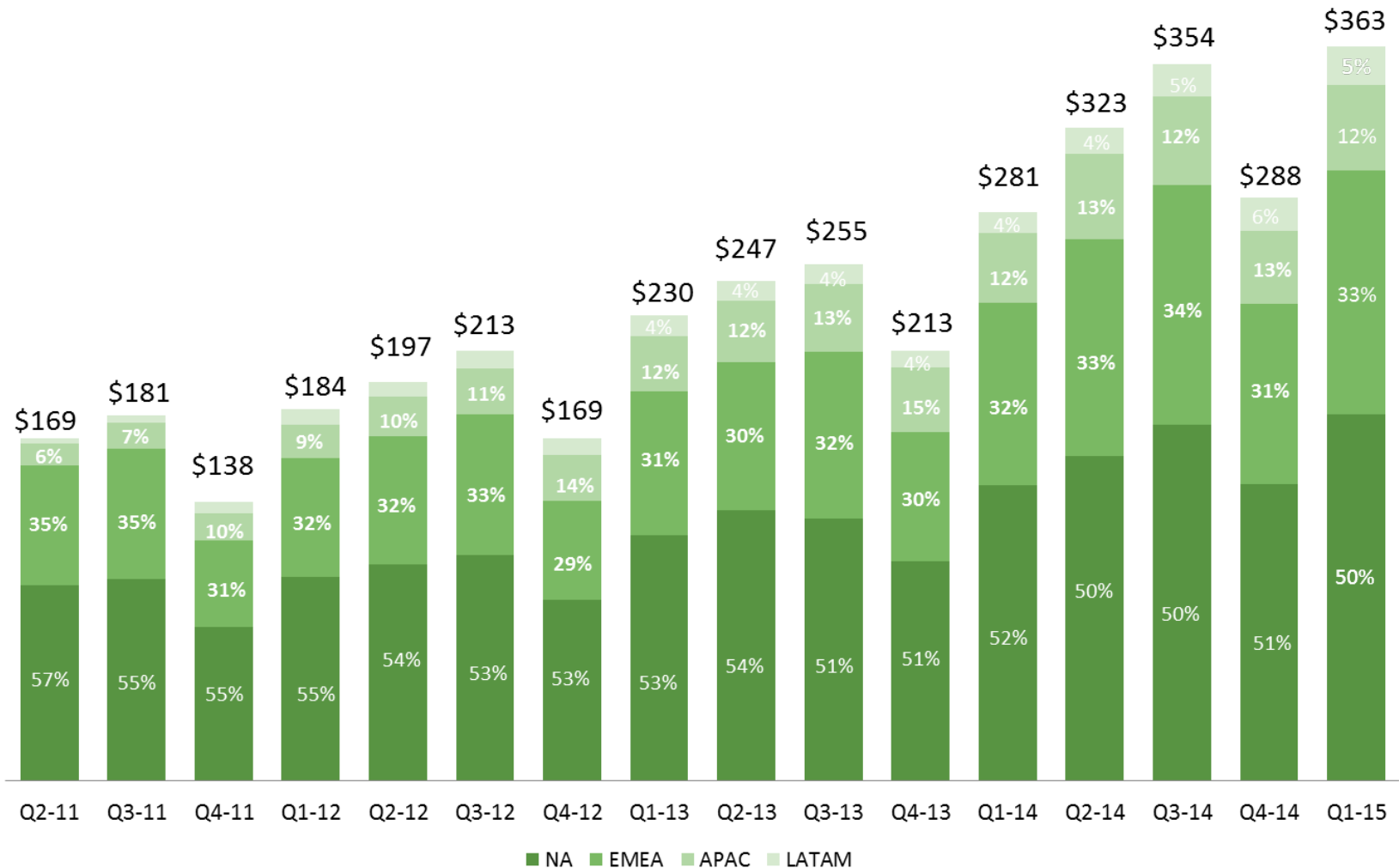
# Revenue by Product

\$M

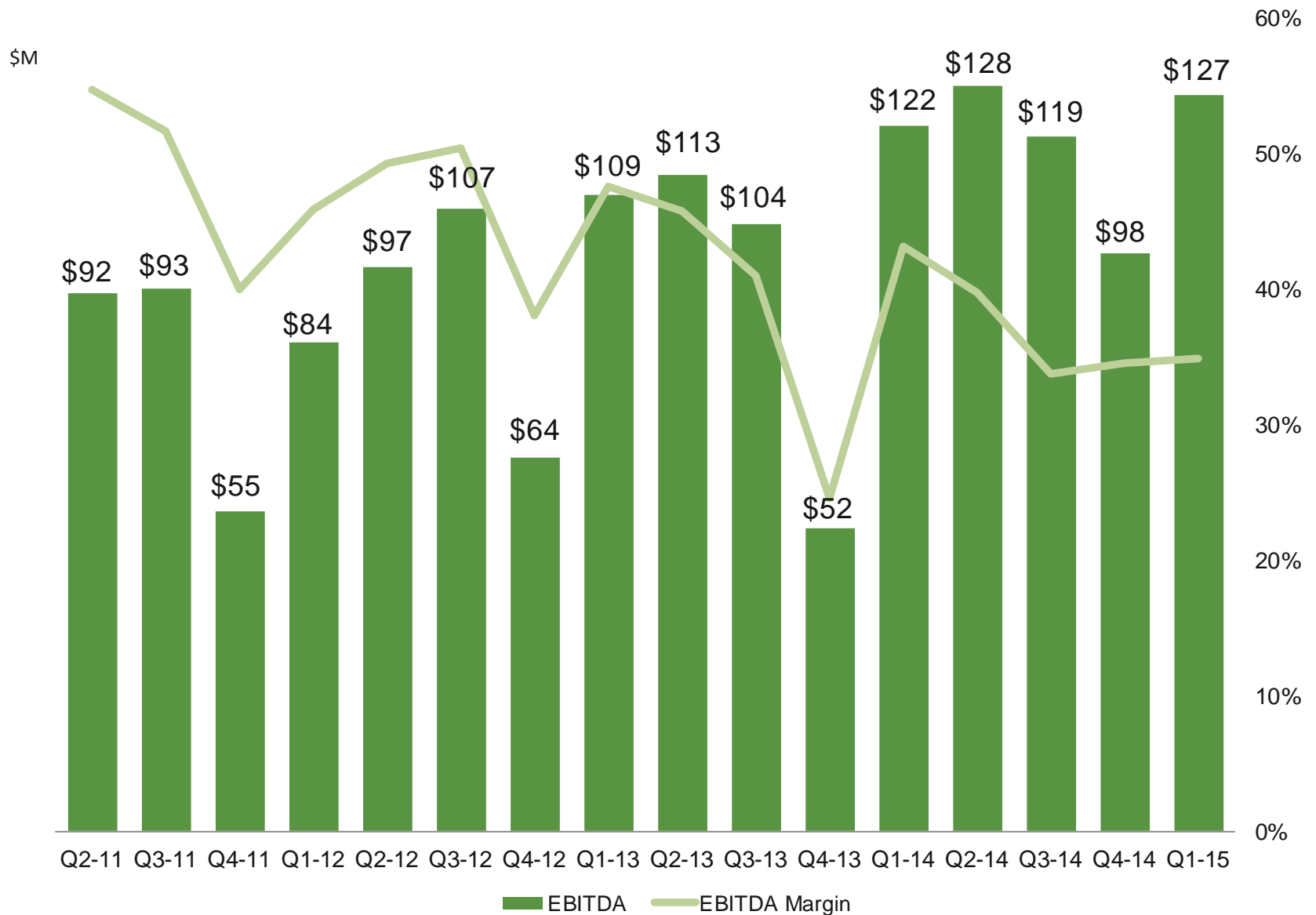


# Revenue by Geography

\$M



# Adjusted EBITDA



Note: Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income please see slide 27. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

# Net Income & Cash Flow

\$M, except earnings per share

	Q1-15	Q4-14	Q1-14
GAAP Net income	\$63	\$36	\$68
Non-GAAP net income <sup>1</sup>	\$80	\$52	\$80
GAAP EPS	0.43	0.25	0.47
Non-GAAP EPS <sup>2</sup>	0.54	0.35	0.54
Operating cash flow	\$99	\$62	\$109
Free Cash Flow <sup>3</sup>	\$68	\$36	\$89
Cash, cash equivalents & marketable securities	\$642	\$594	\$745

<sup>1</sup> TripAdvisor defines "non-GAAP net income" as net income before expenses related to stock-based compensation and amortization of intangible assets and non-recurring expenses, net of related tax effects.

<sup>2</sup> TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by non-GAAP weighted average diluted shares outstanding, which included dilution from options per the treasury stock method and include all weighted average shares relating to RSUs in shares outstanding for Non-GAAP net income per diluted share.

<sup>3</sup> 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.

# Segment Financial Information










\$M

	Q1-15	Q4-14	Q1-14	% Change 1Q15 vs 1Q14
<b>Revenue:</b>				
Hotel	\$320	\$251	\$266	20%
Other	\$43	\$37	\$15	187%
Total Revenue	\$363	\$288	\$281	29%
<b>Adjusted EBITDA<sup>1</sup>:</b>				
Hotel	\$132	\$100	\$124	6%
Other	\$(5)	\$(2)	\$(2)	(-150)%
Total Adjusted EBITDA	\$127	\$98	\$122	4%
<b>Adjusted EBITDA Margin<sup>2</sup>:</b>				
Hotel	41%	40%	47%	
Other	(12)%	(5)%	(13)%	

1 Adjusted EBITDA is defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including 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) non-recurring expenses.

2 TripAdvisor defines "Adjusted EBITDA margin" as Adjusted EBITDA as a percentage of revenue.

# Recent Acquisitions

	Acquisition	Date	Purpose
	La Fourchette	May 2014	Restaurants, International
	Vacation Home Rentals	May 2014	Vacation Rentals
	tripbod	May 2014	Travel Expert Network, Tours
	Viator	Aug 2014	Attractions
	my table	Oct 2014	Restaurants, International
	restopolis	Oct 2014	Restaurants, International
	lens	Dec 2014	Restaurants, International
	Rove	Jan 2015	Travel Journal
	BestTables	Mar 2015	Restaurants, International



# Non-GAAP Reconciliations

(in millions, except share amounts which are reflected in thousands and per share amounts)	2012					FY 2012	2013					FY 2013	2014					FY 2014	2015 Q1
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	Q1	Q2		Q3	Q4					
<b>Adjusted EBITDA and OIBA Reconciliation</b>																			
Adjusted EBITDA (1)	\$ 84	\$ 97	\$ 106	\$ 64	\$ 352	\$ 110	\$ 113	\$ 104	\$ 52	\$ 379	\$ 122	\$ 129	\$ 119	\$ 98	\$ 468	\$ 127			
Depreciation (2)	4	5	5	6	20	6	7	8	9	30	10	11	12	14	47	14			
Amortization of intangible assets	2	2	1	1	6	1	2	1	2	6	2	3	6	7	18	7			
Stock-based compensation	5	6	8	10	30	15	10	11	13	49	14	15	17	17	63	16			
GAAP Operating Income	\$ 73	\$ 84	\$ 92	\$ 47	\$ 296	\$ 88	\$ 94	\$ 84	\$ 28	\$ 294	\$ 96	\$ 100	\$ 84	\$ 60	\$ 340	\$ 90			
Interest expense	(3)	(2)	(2)	(4)	(11)	(3)	(2)	(3)	(2)	(10)	(2)	(2)	(2)	(3)	(9)	(2)			
Interest income and other, net	1	(5)	1	-	(3)	(1)	(2)	3	-	-	-	-	(7)	(2)	(9)	(2)			
Income before income taxes	71	77	91	43	282	84	90	84	26	284	94	98	75	55	322	86			
Provision for income taxes	23	24	31	9	87	22	23	28	6	79	26	30	21	19	96	23			
GAAP Net income	48	53	60	34	195	62	67	56	20	205	68	68	54	36	226	63			
GAAP Net (income) loss attributable to noncontrolling interest	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-			
GAAP Net income attributable to TripAdvisor, Inc.	\$ 48	\$ 53	\$ 60	\$ 34	\$ 194	\$ 62	\$ 67	\$ 56	\$ 20	\$ 205	\$ 68	\$ 68	\$ 54	\$ 36	\$ 226	\$ 63			
<b>Non-GAAP Net income Reconciliation</b>																			
Non-GAAP Net income	\$ 53	\$ 58	\$ 66	\$ 41	\$ 219	\$ 74	\$ 76	\$ 64	\$ 30	\$ 244	\$ 80	\$ 81	\$ 71	\$ 52	\$ 284	\$ 80			
Stock-based compensation	5	6	8	10	30	15	10	11	13	49	14	15	17	17	63	16			
Amortization of intangible assets	2	2	1	1	6	1	2	1	2	6	2	3	6	7	18	7			
Income tax effect of non-GAAP adjustments (3)	2	3	3	4	11	4	3	4	5	16	4	5	6	8	23	6			
GAAP Net income attributable to TripAdvisor, Inc.	\$ 48	\$ 53	\$ 60	\$ 34	\$ 194	\$ 62	\$ 67	\$ 56	\$ 20	\$ 205	\$ 68	\$ 68	\$ 54	\$ 36	\$ 226	\$ 63			
<b>Non-GAAP Share Count Reconciliation</b>																			
Non-GAAP Diluted Shares Outstanding	136,805	142,336	144,218	144,148	141,878	145,067	146,487	146,253	146,029	145,959	146,512	146,816	147,055	146,787	146,792	147,068			
Additional restricted stock units	647	599	561	334	537	412	823	799	749	696	847	1,034	984	1,107	992	1,196			
GAAP Diluted Shares Outstanding	136,158	141,737	143,657	143,814	141,341	144,655	145,664	145,454	145,280	145,263	145,665	145,782	146,071	145,680	145,800	145,872			
<b>Non-GAAP Earnings Per Share</b>																			
Diluted Non-GAAP EPS	\$ 0.38	\$ 0.41	\$ 0.46	\$ 0.29	\$ 1.54	\$ 0.50	\$ 0.52	\$ 0.45	\$ 0.21	\$ 1.68	\$ 0.54	\$ 0.55	\$ 0.48	\$ 0.35	\$ 1.93	\$ 0.54			
<b>Total Revenue growth ex-Foreign Exchange Reconciliation</b>																			
Non-GAAP Revenue growth	-	-	-	-	-	24%	25%	18%	24%	23%	21%	29%	38%	39%	32%	36%			
Foreign exchange effect (4)	-	-	-	-	-	1%	0%	2%	2%	1%	1%	2%	1%	-4%	0%	-7%			
GAAP Revenue growth	-	-	-	-	-	25%	25%	20%	26%	24%	22%	31%	39%	35%	32%	29%			
<b>Hotel Segment growth ex-Foreign Exchange Reconciliation</b>																			
Non-GAAP Hotel Segment growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26%			
Foreign exchange effect (4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-6%			
GAAP Hotel Segment growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20%			
<b>Adjusted EBITDA growth ex-Foreign Exchange Reconciliation</b>																			
Adjusted EBITDA growth before foreign exchange impact	-	-	-	-	-	-	-	-	-22%	-	9%	-	-	98%	-	15%			
Foreign exchange effect (4)	-	-	-	-	-	-	-	-	3%	-	3%	-	-10%	-	-11%				
Adjusted EBITDA growth	-	-	-	-	-	-	-	-	-19%	-	12%	-	-	88%	-	4%			

(1) Adjusted EBITDA is defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including 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) non-recurring expenses.

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

(3) Represents the reduction in the income tax benefit recorded for all periods presented based on our effective tax rate, adjusted for non-GAAP items.

(4) Foreign exchange effect is calculated on a constant currency basis, by excluding the effects of foreign exchange by translating actual revenue or expenses for the current reporting period ended using the prior year reporting period's quarterly average exchange rates for settlement currencies other than the U.S. dollar.



Thank You