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PRESENTATION

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

All right. We're going to go ahead and get started here. Lloyd Walmsley from the Deutsche Bank Internet research team. Excited to have Ernst Teunissen here, CFO of TripAdvisor. Great to have you.

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Great to be here. Thank you.

QUESTIONS AND ANSWERS

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

All right. I'm going to go ahead and ask my set of questions. I may leave a little bit of time at the end for some questions from the audience so start to think about what you want to ask Ernst. In the meantime, I'll kick it off with just, I guess, a big picture. It's been an interesting last couple of years. To your credit, you guys seem to have the business heading in a more positive direction, stabilizing the hotel EBITDA. So what have been some of the keys to stabilizing that and getting it on the right path?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. Thanks, Lloyd. Yes, indeed, we feel pretty good about where we are right now. Feel that we've really turned the corner with our hotel business. We feel better positioned than we have been for a while. We feel good about our year. 2018 is doing well. 2018 is exceeding our expectations that we had set earlier in the year. And a large part of that is response that we've seen on the changes that we've made on the hotel side.

And so to go through that first and then talk about a few other things. We started last year with repositioning our product much more closely towards a great price shopping experience in our auction. And we combined that with a TV campaign that focused on bringing home the message that TripAdvisor is a great place not only to find the best hotel, but also to find the best price for a hotel. And that combination of continuous improvement of that repositioning has been going very well. And it's not completely visible yet because we're only now lapping that bid-down that we saw in Q3 of last year. But underneath, the improvements that we've been making to the monetization per shopper, getting more of the shoppers that are on our site to do research, to engage with the pricing has really started to bear fruit. And so that's been great.

At the same time what we've done is, we had a priority this year to stabilize our EBITDA, which have been declining over the last year in our Hotel segment and grow it again. And we are achieving that as well. A big component of that is, next to all the improvements that we're making, is that we've been pulling back on marketing for more efficiency. We had some marketing spend that was not profitable, and we're seeking a better profit point for that spend. We have some better information that we had in the past. And that's working well. And that's working actually better than we anticipated. We are losing less revenue for the pullback that we've had. So that's been a good result as well. And so we're now looking at this year for hotel and we're seeing EBITDA growth. So that's been going well.

In addition to that, we have been continuing to work on a number of sort of longer-term growth opportunities. To stay with hotel, we've rolled out our hotel sponsored placement product. It's getting nice pickup. Not so visible yet in the financials for Q1, but we're setting up for a nice exit run rate there so we can benefit from that next year. We've done the same on the restaurant side, sponsored placement. We continue to grow our experience business and our restaurant business. We're very happy with the progress that we're making there. We continue to execute on a list of long-term objectives. I can talk more about if you want at some point, but that's going well. And we're sowing some seeds for a richer engagement from our user base, better insight into our user base across the different verticals and higher



engagement through some changes we're going to make to our product around community and how people consume content. And in the near term, you'll hear much more about our rollouts there.

So stabilize the hotel with some success and some nice irons in the fire, we think, for long-term growth. And so we feel all in all pleased with where we are right now.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

Great. So sticking with the Hotel segment, I would love to dig into some of the revenue and profit drivers there. Let's start with the click-based auction. How should we be thinking about auction stability and revenue per shopper growth and shopper trends for the rest of the year?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes, 3 important drivers in our auction business, right? You have number of shoppers, revenue per shopper and then there's the marketing spend which drives the profitability level of that revenue. We've been pulling back on marketing, a very important component of this year's performance. So where you see that show up in our metrics, you see lower shopper growth. So we had negative shopper growth in Q2. Expect that again in Q3 and Q4, and it's singularly driven by our pullback on marketing. So other channels, our non-online marketing channel is doing fine. We're pulling back on that. We're not concerned about that because it's a onetime reset. So we're resetting it, finding a higher profit point and we'll be able -- when we lap that next year -- to grow off of that base again. But what it does for us right now is a lot of that drops to the bottom line. So lower shopper growth translates into high profitability. So that's good. That's a feature of this year. And then as we lap that next year, we can grow shopper count again. So that's been important.

Same time, revenue per shopper. Revenue per shopper has been impacted in the front half. I alluded to it earlier by some bid-downs we saw in our auction around this time last year. Our auction has been stable since Q4 of last year, continues to be stable. So fortunately, that was a one-off impact. And we're right now starting to lap that. So that is no longer going to be a drag as we fully lap that in Q3 and Q4. And so what you're going to see in Q3 and Q4 is, yes, what we have been doing in the meantime to improve the underlying performance of our traffic and our shoppers, and you're going to see the impact without that, the impact of that bid-down. And so Q1, Q2, you saw negative revenue per shopper. In Q2, we said that actually mobile revenue per shopper was growing and desktop was stable. In Q3, we're going to continue that trend. And actually, expect positive RPS growth in third quarter.

So that's the overall story of our traffic this year. Negative shopper because of pullback, not concerned about that because it's a onetime reset and improving trends in our revenue per shopper throughout the year as we're lapping this impact. And from a bottom line perspective, both are actually contributing to the bottom line.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

You touched on it a little bit, but how should we think about some of the trends between desktop and mobile? Mobile, you've seen nice shopper growth and continuing improvement in rev per shopper. How should we think about those trends for the rest of the year and how much runway is left in mobile to drive that monetization out?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes. Mobile's been a big focus for us. It's a fast-growing device traffic. And we had a huge focus on improving that monetization and with success. And so even despite the bid-downs that we have seen, we're seeing 40%, 50% revenue growth on mobile driven by shopper growth as well as meaningful revenue per shopper improvement the quarter. That's partly secular. I mean, people are getting -- not just in travel, but everywhere, getting more comfortable with booking larger orders on the phone, so that's helping us. But we've made a ton of improvements to the format as well. And we see scope to grow that. So mobile monetization has been 40%-ish of desktop, but we see opportunity to keep narrowing the gap. May never completely close it, but narrowing that gap while also working, of course, on desktop monetization at the same time. And so to your question, like how much more scope do you see, yes, we see.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

Great. So you guys have made significant changes on the product, both mobile and desktop, over the last few years and aligning that marketing strategy around best price. Do you think you're at the point where you can win back some share in meta over the next few years?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

We're certainly well positioned for it right now. Ours is, of course, an industry where things happen. And we don't always control the levers, but we feel we are well positioned right now after we have lapped these 2 resets, right, the bid-downs from last year and our own marketing reset, well positioned to start growing our auction again. And then, of course, the part that we have full control over is the non-auction component. So the growth of sponsored placements is very important to us because that allows us growth of a channel that is not as volatile perhaps as the auction had been in the past for us. And that's a nice opportunity to add revenue for hotel as well. So we feel we're definitely in a good place now to grow our Hotel segment. And we see growth potential in hotel long term. Not as big a grower perhaps as some of the other opportunities that we are focused on right now, but we feel we're in a good place.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

And digging into the sponsored placement ads, walk us through how that's developing, what the go-to-market looks like there over the kind of medium term and how you get to that \$100 million business size that you talked about last quarter? And could it even be a couple of hundred million in 5 years?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

The addressable market is certainly very big. So we have close to 1 million hotels listed on our site. We have more than 4.5 million restaurants listed. And for the first time, we're going to those hotels and restaurants and say, hey, here's an opportunity for you to get better discovered on TripAdvisor, which they haven't had in the past. So if you're the #9 in the sort for a restaurant or for a hotel in a particular geography, here's a sponsored placement opportunity to get you up for a period of time. And that is proving to be a very attractive product for them because they never had been able to do that. And we have a large audience. And it gives them an ability to be discovered. It's been a very good product for us because it's a completely additional revenue for us at very good margin. And so that works well. So if you look at just the addressable market from the perspective of how many of those connections do we have can start adding, we think it's quite significant. And so it's early days. We continue to develop the product, et cetera, but we believe that can be significant.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

Yes. Okay. Turning to Google Hotel Finder, seems like it's getting more and more prominent within Google's search results. Have you guys experimented with this as a channel as an advertiser? And I guess taking a step back, do you see this as an opportunity, more of a threat, a risk as they kind of compete more in certain respects?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes. We have actually been advertising on Google Hotel Finder as well as, of course, on the Google paid search terms. As long as the ROIs are good, we'll invest there. Relatively small channel for us in the grand scheme of things, but one where we have been investing.

In terms of competition, yes, there, of course, are a number of competitors. And Hotel Finder, in some way, competes with us as well. In another way, it's another way of advertising on Google through the paid links if there were. But competitively, look, what we are doing is continue to build what we think is the most important, what is really helping the consumer. I think that is access to really deep content, really deep community, lots of breadth, information. And we believe that ultimately is going to allow us to be very relevant in the category and continue to grow even if Hotel Finder is a successful alternative as well.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

You mentioned earlier some potential new products around community. Anything you can share with us?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Not right now. I don't want to steal the thunder of the teams that are going to roll that out and announce it at some other point, but we do see an opportunity to continue to work on the richness of our community. The way people share information and share content and share suggestions for travel, it's the area where we've always been the strongest and where our consumers really value us. And we can make continued innovations there, continue to do improvements. Engagement is obviously a very, very important part of the value proposition and improve engagement of our users even more for their benefit, but it's also to our benefit because it gives us many more opportunities.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Well, it sounds exciting, can't wait to hear more about that. I guess before we shift to non-hotel, wanted to just get your perspective on what's going on more broadly with the OTA space. You've seen the biggest player in the space slow considerably and both big OTAs talk more about focusing on efficiency. Are we at a point where leisure penetration has largely shifted online and we should just get used to slower growth? Or do you think this is just a cyclical kind of ebb and flow of marketing intensity? Any perspective there?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. I don't think it is an indication of saturation. We see this as a very active and vibrant industry. We see travel as having a lot of growth potential. The reasons for various approaches and strategies of the different players seem to have been similar on some levels, but also differently motivated in other ways. Our motivation -- we have been pulling back on marketing -- may have been different from other players, for instance. And we look at some of the categories that we're focused on and excited about like experiences and see vast opportunity for growth, same on the restaurant side. And as I was talking to even on the hotel side within sponsored placement, see some opportunity though. We look at the marketplace and see a big TAM and see a lot of opportunities.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Well, that's a great segue into non-hotel. Let's talk a little bit about that. There's a couple of different things going on within that non-hotel line. And it looked like growth slowed in the second quarter, albeit on a really hard comp. But can you just give us some color on the components going on in there? What kind of growth rates are we seeing within attractions, restaurants and vacation rental?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

The non-hotel is, on a quarterly basis, sometimes lumpy. It's quite a seasonal business, and they're very different businesses. The differences between booking window sometimes shifting, and so you see quarterly fluctuations. So important to keep the annual perspective, I think, and just accept some of the quarterly fluctuation.

We said we expect the non-hotel growth this year to be very similar to last year. And that's still what we expect. And the trends are going that way. In the first half of the year, second quarter, there was some Q1, Q2 lapping issue that we pointed out and stacked growth was very similar. But the headline message, growth overall for the segment this year are very similar, too. Then if you unpack that a little bit in the components, very attractive, very consistent and nice growth in our experiences and restaurant businesses, very pleased with that. Making significant investments in both businesses, big ambitions for the long term and continue to see great traction and success there.

Rental business, different story. Rentals is a business that has been a nice business for us. It's part of that. Profitable business for us, but one where we choose not to invest as much as in the other businesses. It's a very competitive space where 2 large players, Airbnb and HomeAway, are aggressively penetrating. And we choose to put our bets in different areas and our resources in different areas. And that means that, that business has decel. And that means it's currently a drag on non-hotel growth rate. And so if you look at sort of the back half of the year, you'll see that non-hotel will continue to dampen the success of that. So if you look at the profile for the rest of the year, the currency in rentals, expect Q3 not much of an acceleration, but acceleration in Q4, we expect again. And expect total revenue growth for the whole year to be similar. But the 2 business that matter most to us, experiences and restaurants, are on the right track and are set to deliver for us over a long period of time.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

Yes. Talk about the experiences and the strategy you guys are attacking there. I mean, it's a focus for a lot of players in the space. You all seem to have an enormous amount of traffic there. So give us an overview of kind of how you're attacking it and how you see that business evolving over the next few years.

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes. So starting point, big TAM, \$110 billion opportunity, growing. And the big opportunity is getting more and more of the offline purchasing of these attractions and tours online. That's the big opportunity. So we have a big focus on supply acquisition. We publish a stat every quarter about our growth of bookable supply on our site. Some very high growth rates there, and that's a big focus of the team. Made an acquisition of a company a quarter ago that's focused on providing fast e-commerce platforms for the suppliers, another important push into becoming more and more relevant with the supplier base and making sure we help the supplier base get e-commerce enabled. So a large investment there, big focus of the team, a large part of our investment.

Other big focus now is localization. So we've always skewed very much to English-speaking. Look at our revenue profile, a lot of the travelers from the U.S., U.K. and Australia are driving the revenue. Of course, obviously, a big opportunity to expand that into European and Asian travelers. And we're making pushes this year in making sure that our content is relevant and translated for these non-U.S.-speaking audiences. So that's a big push. We're focused on some sort of adjacent verticals and pushing it there. We continue to build our platform and the scalability of our platform. And we continue to work on our TripAdvisor conversions. So how can we make sure that the TripAdvisor audience gets more and more used to booking these products on our site, not just looking at them when they're in-destination, both on the phone and on desktop. So those are some of the areas of focus. We're very, very aware that we're not the only ones looking at the space and not the only ones going after it, but that's what we're focused on.

Incrementally, where we might lean in a little bit more going forward is on brand marketing. And so that's one of the decisions not taken but open for us for 2019 is, how do we evolve our TV marketing campaign? Last 15 months, laser-focused on hotel price comparison because that's where we wanted -- importantly, wanted to move the perception from our users. But very obviously, the value prop of TripAdvisor, the attractiveness of TripAdvisor is massively broader than hotel price comparison. And so how do we evolve that message and maybe lean in with some dollars, lean into the marketing side together with experiences is one of the questions that we have open.

We're already spending a significant amount on online marketing in the experiences space. You can always push that faster, but we've learned in old industries, it's like you can buy a lot of revenue at "nose-bleed" efficiencies with SEM, but it tends to be not very sticky. So it looks nice on the page for the year, but it doesn't help you that much. Branded marketing though, we can do a lot about. So we're focused on the SEM side on making sure that we spend a lot on SEM, but make sure that it has an acceptable return level. And TV is the next potential investment opportunity.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

So in that segment, it's been seeing nice margin improvement, but it's a competitive space. So how do you balance growth and margin expansion versus investment in that segment?

Ernst J. Teunissen TripAdvisor, Inc. - Senior VP, CFO & Treasurer

Yes. Particularly for experiences, in 2017, we saw some margin expansion. We saw some scale benefits. We saw some inefficiency that we were going to take out of the system. This year, that's not the focus or is not what's going on and is definitely not what we're driving to. Revenue growth, that's the important metric for us for that business. Revenue growth and more importantly, getting the right pieces in place for the long term. So not so much of a factor. Hotel business, yes, we've been very focused this year on stabilizing and growing the EBITDA. For experiences, revenue growth is there.

Lloyd Wharton Walmsley Deutsche Bank AG, Research Division - Research Analyst

Yes. Okay. And then digging into some of the commentary from last quarter, you guys said that you're incrementally confident. Can you help us understand what we'll see in the back half and as we head into 2019 in the business?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. So back in February, when we started the year, we said, hey, we expect roughly flat EBITDA this year. After Q1, we said, hey, we see some growth. And after Q2, we said, we're incrementally positive about that. And throughout we said, we expect some of this EBITDA to be back-end weighted. So our growth of EBITDA in the first half was about 9%. So it's back-half weighted the increase so we expect the second half to have a higher growth rate -- is what we're currently thinking. So to illustrate how our confidence throughout the year has improved, we went from, we think it's fairly flat to we think it's growing to we think it's going to grow double digit. That's even a reflection throughout the year-to-date of continually seeing that the thing is actually working out really well.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Yes. That's helpful color. And then if we think 2018 was largely about stabilizing hotel profit, what is 2019 going to be about?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

2019 for our hotel business is going to be a sort of continuation of the very important things that we have been doing. A continuation of the improvements we've been making to our auction and continue to benefit from those. For our sponsored placement business, the theme is going to be, we're now in our second year, how can we continue to accelerate that and benefit from the nice run rate that we've been building over the year.

For experiences and restaurants, it's executing on the long-term objectives, like we have been doing this year. So continuing on that same path.

And then the themes for next year are going to shift to some of the more community and up-funnel opportunities that we also have. We've established an initiative, an organization around core experiences that is very focused right now on how can we -- next to the sponsored placement opportunities, how can we get more up-funnel opportunities, how we're going to increase the engagement and the results from that, how can we get a better overall experience for our users across different verticals, how can we leverage the information we have about our users better across those different verticals. And so that's going to be a big future leg that we are going to focus on for next year as well.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Okay. And then specifically kind of looking at EBITDA growth, maybe you can identify a couple of key levers looking out the next few years.

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. So in our auction is, we have some of that marketing pullback that we're benefiting from this year. We have done progressively throughout the year. So we'll see -- actually, especially in the front half of the year next year, we'll see some EBITDA pickup year-over-year from that because we're now at a more elevated level of efficiency than we were at when we started the year. So that's a pickup. We're seeing continued improvement in the ROAS of our TV investment as that matures for us. So we see some opportunity there for next year. We've been continuing to make improvements to revenue per shopper that I talked to before, and we see some further opportunity to do that. And then there's sponsored placement. And so that sort of rounds out the opportunity on the hotel side.

Experiences, not looking to have very meaningful growth of EBITDA next year, as I said, more focused on revenue. Restaurant, there's opportunity for growth. And then we have a bunch of these new initiatives that I was talking about which may generate some additional revenues as well as profitability.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Yes. Okay. That's really helpful. So putting it all together, your long-term targets, you talked about returning to double-digit top line growth and kind of EBITDA levels of 2014, 2015 and mid to high 20% margins, I think, were the targets. What are some of the key milestones here? And kind of how should we think about you hitting them over the next few years?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. We have said that at least for the medium term where we expect our total margin to go to is sort of mid to high 20s EBITDA margins. That's not necessarily an endpoint. We look at the, obviously, a level that we already had to with our hotel business. We look at experiences and restaurants. And although we're not focused in the near term to drive that kind of EBITDA, certainly, the business has the potential to get that kind of profitability level and maybe even a bit better over time as we look at the core economics there. So mid to high 20s EBITDA level seems like a decent, intermediate target. And to be super clear, I'm talking years out, not necessarily next 12 months, but those are at least a first plausible next step for us.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

Okay. Well, I want to see if there's anyone in the audience who wants to ask anything. Here we go up front.

Unidentified Analyst

Follow up on the hotel auction side of the business. So obviously, this year, the bids have come down from the large OTAs. And you guys have pulled back spending, which is driving the slowdown in terms of hotel shoppers, right? I guess going into next year, what gives you confidence that you guys -- I mean, is it required for you guys to get higher bids so you guys can spend more on marketing spend to drive the hotel shoppers to grow again? And I guess if you were to parse that out between PC and mobile, obviously, mobile's monetization is still lower, but it's growing. But is the cost of shopper acquisition on mobile cheaper in a way such that you guys can -- I guess if you were to segment it out, you guys can grow marketing dollars in the mobile channels to drive higher spend. So can you just go a little more detail on that?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. So to start with, you said bidding levels and CPCs. So what we saw a year ago is that some of our partners were looking or one of our partners, in particular, was looking for higher efficiency from their marketing spend. Bids came down Q3 last year, and that has stabilized since then. So we have not seen any further changes in our auction. That seems to have stabilized. And that's part of the equation that we control less of and fortunately has been stable for the year. The part that we do control and is influencing how much our partners want to spend on our channel and how much they want to pay for our traffic is the quality of the traffic that we supply to them. So how many bookings do we actually generate for them. And that is a lever that we do control because we can get smarter about getting the right traffic to come to our site, and we can get much better at getting, as I was talking about before, more shoppers to engage with price comparison and so delivering more bookings for our partners. And that's the part that we have seen some nice improvements over the last year in making sure that we provide the best traffic to our partners. And that translates into the potential for long term revenue per shopper growth. And that's where we're focused.

Unidentified Analyst

(inaudible)

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

No, it doesn't. It's been incremental revenue for us. And so what happens is, we still get paid for the click-through as we were before, but we additionally get part of the advertising budget of the hotelier that sees this as a way to be found on TripAdvisor, so a discovery investment. And so this has allowed us to actually get 2 payments for the same booking or the same interest.

On your mobile question and mobile bidding and mobile CPCs and mobile purchasing, mobile is a channel, and I've said it before, it's like for us monetizes at about 40% of desktop, which means that we and others can pay less for a mobile user than we can pay for a desktop user, but that is coming closer together. And we have actually seen that we are able to lean in more on the mobile acquisition of traffic than on desktop acquisition because our growth rate of our revenue per shopper on mobile has been higher. And so that is a trend that may continue.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

I wanted to ask one about some of the organizational changes you made, I think, earlier this year, kind of changing how the segment structure looks, bringing new leadership in within some of the segments. Can you talk about where we are on that and what kind of benefits you get from doing that?

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Yes. The most important change that we made was like on the model of some of these new business units that we had introduced. So we had introduced a new business unit for experiences, one for rentals, one for restaurants on the back of some of these acquisitions, but the rest of the organization was still run as a functional organization. And we saw that what that didn't allow us to do is to have a team super focused on what is required for the hotel business and to have a team that is super focused on what is required for the overall user experience and for the overall up-funnel opportunities that we have. And so we created these 2 new business units to have an integrated P&L for our hotel business. And that's provided some laser focus. And some of the improvement that you've seen over the last 12 months have been driven by that, allowed us to laser focus on the hotel business, a full P&L accountability from that business. At the same time, it's allowed a different team to take full responsibility for the cross-BU opportunity. And that sort of level of focus has been very important for us, definitely been right.

Lloyd Wharton Walmsley *Deutsche Bank AG, Research Division - Research Analyst*

All right. Well, I wish we could keep going, but we're out of time. Ernst, thanks for being here.

Ernst J. Teunissen *TripAdvisor, Inc. - Senior VP, CFO & Treasurer*

Thank you, Lloyd. Thank you, everyone.

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