

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 14, 2023

TRIPADVISOR, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35362
(Commission File Number)

80-0743202
(IRS Employer
Identification No.)

400 1st Avenue
Needham, MA 02494
(Address of Principal Executive Offices) (Zip Code)

(781) 800-5000
Registrant's Telephone Number, Including Area Code

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	TRIP	Nasdaq

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 14, 2023, Tripadvisor, Inc. issued a press release announcing its preliminary financial results for the quarter and year ended December 31, 2022. Tripadvisor, Inc. also posted a letter to shareholders from Matt Goldberg, Chief Executive Officer, and Michael Noonan, Chief Financial Officer, on the “Investor Relations” section of its website at <http://ir.tripadvisor.com/events-and-presentations>. The full text of this press release and letter are furnished as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K.

Pursuant to General Instruction B.2. to Form 8-K, the information set forth in Items 2.02 and Exhibit 99.1 and 99.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall they be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	
Number	Description
99.1	Press Release of Tripadvisor, Inc. dated February 14, 2023 regarding earnings.
99.2	Q4 & Full Year 2022 Letter to Shareholders dated February 14, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRIPADVISOR, INC.

Date: February 14, 2023

By: _____ /s/ Michael Noonan
Michael Noonan
Chief Financial Officer



Tripadvisor Reports Fourth Quarter and Full Year 2022 Financial Results

NEEDHAM, MA, February 14, 2023 — Tripadvisor, Inc. (Nasdaq: TRIP) today announced financial results for the fourth quarter and full year ended December 31, 2022.

“We are pleased with our fourth quarter, which exceeded our expectations and brought to close a strong fiscal 2022 across each of our segments,” said Chief Executive Officer Matt Goldberg. “Our results reflect a combination of continued strength in the travel industry, the value our portfolio provides to travelers and partners, and the focus of our teams. As we enter 2023, we will continue to leverage these strengths while identifying new opportunities to reinforce and accelerate our performance and drive sustainable profitable growth.”

Chief Financial Officer Mike Noonan continued, “In 2022, we delivered solid year-over-year revenue growth of 65% and witnessed a healthy increase in profit margins. Our performance is indicative of our focused execution as we sought to invest in the growth areas of our business while driving operating efficiencies across the Company. As we look to 2023 and beyond, we expect to maintain this approach as we pursue opportunities across our Company’s portfolio.”

Fourth Quarter and Full Year 2022 Summary

(In millions, except percentages and per share amounts)	Three Months Ended December 31,			Year Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Total Revenue	\$ 354	\$ 241	47 %	\$ 1,492	\$ 902	65 %
Tripadvisor Core (1)	\$ 217	\$ 162	34 %	\$ 966	\$ 665	45 %
Viator	\$ 127	\$ 59	115 %	\$ 493	\$ 184	168 %
TheFork	\$ 33	\$ 30	10 %	\$ 126	\$ 85	48 %
Intersegment eliminations (1)	\$ (23)	\$ (10)	130 %	\$ (93)	\$ (32)	191 %
GAAP Net Income (Loss)	\$ (3)	\$ (29)	(90) %	\$ 20	\$ (148)	n.m.
Total Adjusted EBITDA (2)	\$ 43	\$ 29	48 %	\$ 295	\$ 100	195 %
Tripadvisor Core	\$ 61	\$ 49	24 %	\$ 345	\$ 177	95 %
Viator	\$ (3)	\$ (6)	(50) %	\$ (11)	\$ (31)	(65) %
TheFork	\$ (15)	\$ (14)	7 %	\$ (39)	\$ (46)	(15) %
Non-GAAP Net Income (Loss) (2)	\$ 24	\$ (1)	n.m.	\$ 109	\$ (41)	n.m.
Diluted Earnings (Loss) per Share:						
GAAP	\$ (0.02)	\$ (0.21)	(90) %	\$ 0.14	\$ (1.08)	n.m.
Non-GAAP (2)	\$ 0.16	\$ (0.01)	n.m.	\$ 0.75	\$ (0.30)	n.m.
Cash flow provided by (used in) operating activities	\$ (40)	\$ 65	n.m.	\$ 400	\$ 108	270 %
Free cash flow (2)	\$ (55)	\$ 51	n.m.	\$ 344	\$ 54	537 %

n.m. = not meaningful

- (1) Tripadvisor Core segment revenue figures shown in this table are gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.
(2) “Total Adjusted EBITDA”, “Non-GAAP Net Income (Loss)”, “Non-GAAP Diluted Earnings (Loss) per Share”, and “Free cash flow” are non-GAAP measures as defined by the U.S. Securities and Exchange Commission (the “SEC”). Please refer to “Non-GAAP Financial Measures” below for definitions and explanations of these non-GAAP financial measures, as well as tabular reconciliations to the most directly comparable GAAP financial measures.

Revenue – Q4 2022 total revenue of \$354 million increased 47% year-over-year, reaching approximately 106% of the comparable period in 2019 (pre-COVID-19 timeframe), as compared to 72% of the comparable period in 2019 in Q4 2021. For the full year 2022, revenue increased 65% year-over-year to nearly \$1.5 billion, and reached approximately 96% of the comparable period in 2019, as compared to 58% of the comparable period in 2019 for full year 2021. Improvement during Q4 2022 and the full year 2022 was primarily driven by increased consumer demand for travel industry related services as travel activity restrictions eased and the travel industry continued to recover, despite the impact of foreign currency fluctuations which we estimate negatively impacted total revenue growth during the fourth quarter and the full year 2022 by approximately 8% and 10%, respectively.

Cost performance – Total operating expenses were \$367 million for the fourth quarter, an increase of 36% year-over-year, and approximately \$1.39 billion for the full year 2022, an increase of 35% year-over-year, primarily driven by the following:

- Cost of revenue was \$30 million for the fourth quarter, an increase of 50% year-over-year, and \$116 million for the full year 2022, an increase of 57% year-over-year, primarily due to increased direct costs from credit card payments and other revenue-related transaction costs in our Viator segment in correlation with the increase in revenue.
- Selling and marketing costs were \$194 million for the fourth quarter, an increase of 54% year-over-year, and \$784 million for the full year 2022, an increase of 67% year-over-year, primarily due to an increase in our SEM and other paid online traffic acquisition costs, in addition to other marketing costs, the substantial majority of which was incurred in our Tripadvisor Core and Viator segments, in response to increased consumer travel demand as travel activity restrictions eased and the travel industry continued to recover.
- Technology and content costs were \$60 million for the fourth quarter, an increase of 18% year-over-year, and \$222 million for the full year 2022, an increase of 5% year-over-year. The increase during the fourth quarter of 2022 was primarily due to an increase in headcount and contingent staff to support business growth during the travel demand recovery.
- General and administrative costs were \$58 million for the fourth quarter, an increase of 26% year-over-year, and \$172 million for the full year 2022, an increase of 3% year-over-year, primarily due to (i) a loss incurred of approximately \$8 million during the fourth quarter of 2022 as the Company was the subject of a targeted payment fraud scheme resulting in the Company paying customer refunds to an external party, (ii) an increase in digital service taxes in Europe, and (iii) additional headcount to support business growth during the travel demand recovery. This increase was partially offset by a decrease in stock-based compensation expense and an increase in non-income tax related government assistance benefits related to COVID-19 relief, received from various countries.

Profitability – Q4 2022 consolidated net loss of \$3 million improved from a net loss of \$29 million in Q4 2021. Full year 2022 consolidated net income of \$20 million improved from a net loss of \$148 million for the full year 2021. These improvements were primarily driven by an increase in consolidated revenue, partially offset, primarily by an increase in variable marketing costs (i.e., SEM and other online traffic acquisition costs). The increase in our income tax provision for full year 2022, as compared to the full year 2021, was primarily due to the increase in pretax income during full year 2022. Q4 2022 and full year 2022 Adjusted EBITDA of \$43 million and \$295 million, respectively, improved from Adjusted EBITDA of \$29 million and \$100 million in Q4 2021 and full year 2021, respectively.

Cash & Liquidity – As of December 31, 2022, the Company had approximately \$1.02 billion of cash and cash equivalents, an increase of \$298 million from December 31, 2021, driven by an increase in operating cash flows.

Fourth Quarter and Full Year 2022 Revenue by Source

(In millions, except percentages) Revenue by Source:	Three Months Ended December 31,			Year Ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Tripadvisor Core						
Tripadvisor-branded hotels	\$ 140	\$ 103	36%	\$ 650	\$ 451	44%
Tripadvisor-branded display and platform	33	29	14%	130	98	33%
Tripadvisor experiences and dining (1)	34	20	70%	134	70	91%
Other	10	10	0%	52	46	13%
Total Tripadvisor Core Revenue	\$ 217	\$ 162	34%	\$ 966	\$ 665	45%
Viator	\$ 127	\$ 59	115%	\$ 493	\$ 184	168%
TheFork	33	30	10%	126	85	48%
Intersegment eliminations (1)	(23)	(10)	130%	(93)	(32)	191%
Total Revenue	\$ 354	\$ 241	47%	\$ 1,492	\$ 902	65%

(1) Tripadvisor experiences and dining revenue within the Tripadvisor Core segment shown in this table is gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.

Conference Call

Tripadvisor posted prepared remarks and supplemental financial information on the Investor Relations section of Tripadvisor's website at <http://ir.tripadvisor.com>. Tripadvisor will host a conference call tomorrow, February 15, 2023, at 8:30 a.m., Eastern Time, to discuss the Company's fourth quarter and full year 2022 financial results, which may include forward looking information about Tripadvisor's business. Investors and other interested parties may also go to the Investor Relations section of Tripadvisor's website at <http://ir.tripadvisor.com> for a live webcast of the conference call. A replay of the conference call will be available on Tripadvisor's website for three months.

About Tripadvisor

Tripadvisor, the world's largest travel guidance platform*, helps hundreds of millions of people each month** become better travelers, from planning to booking to taking a trip. Travelers across the globe use the Tripadvisor site and app to discover where to stay, what to do and where to eat based on guidance from those who have been there before. With more than 1 billion reviews and opinions of nearly 8 million businesses, travelers turn to Tripadvisor to find deals on accommodations, book experiences, reserve tables at delicious restaurants and discover great places nearby. As a travel guidance company available in 43 markets and 22 languages, Tripadvisor makes planning easy no matter the trip type. The subsidiaries of Tripadvisor, Inc. (Nasdaq: TRIP), own and operate a portfolio of travel media brands and businesses, operating under various websites and apps.

* Source: SimilarWeb, unique users de-duplicated monthly, January 2023

** Source: Tripadvisor internal log files

Tripadvisor, Inc.
SELECTED FINANCIAL INFORMATION
Unaudited Condensed Consolidated Statements of Operations
(in millions, except per share amounts)

	Three months ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue	\$ 354	\$ 241	\$ 1,492	\$ 902
Costs and expenses:				
Cost of revenue (1) (exclusive of depreciation and amortization as shown separately below)	30	20	116	74
Selling and marketing (1)	194	126	784	469
Technology and content (1)	60	51	222	212
General and administrative (1)	58	46	172	167
Depreciation and amortization	25	26	97	111
Total costs and expenses	367	269	1,391	1,033
Operating income (loss)	(13)	(28)	101	(131)
Other income (expense):				
Interest expense	(10)	(11)	(44)	(45)
Interest income	8	—	15	1
Other income (expense), net	(1)	(8)	(5)	(10)
Total other income (expense), net	(3)	(19)	(34)	(54)
Income (loss) before income taxes	(16)	(47)	67	(185)
(Provision) benefit for income taxes	13	18	(47)	37
Net income (loss)	\$ (3)	\$ (29)	\$ 20	\$ (148)
Earnings (loss) per share attributable to common stockholders:				
Basic	\$ (0.02)	\$ (0.21)	\$ 0.14	\$ (1.08)
Diluted	\$ (0.02)	\$ (0.21)	\$ 0.14	\$ (1.08)
Numerator used to compute net income (loss) per share attributable to common stockholders:				
Basic	\$ (3)	\$ (29)	\$ 20	\$ (148)
Diluted	\$ (3)	\$ (29)	\$ 21	\$ (148)
Weighted average common shares outstanding:				
Basic	141	138	140	137
Diluted	141	138	146	137
(1) Includes stock-based compensation expense as follows:				
Cost of revenue	\$ —	\$ —	\$ 1	\$ 1
Selling and marketing	\$ 3	\$ 3	\$ 12	\$ 16
Technology and content	\$ 9	\$ 11	\$ 36	\$ 46
General and administrative	\$ 11	\$ 17	\$ 39	\$ 57

Tripadvisor, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in millions, except number of shares and per share amounts)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,021	\$723
Accounts receivable and contract assets, net of allowance for credit losses of \$28 and \$28, respectively	205	142
Income taxes receivable	—	49
Prepaid expenses and other current assets	44	26
Total current assets	1,270	940
Property and equipment, net of accumulated depreciation of \$512 and \$460, respectively	194	215
Operating lease right-of-use assets	27	42
Intangible assets, net of accumulated amortization of \$198 and \$202, respectively	51	65
Goodwill	822	843
Non-marketable investments	34	36
Deferred income taxes, net	78	54
Other long-term assets, net of allowance for credit losses of \$10 and \$10, respectively	93	94
TOTAL ASSETS	\$2,569	\$2,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$39	\$27
Deferred merchant payables	203	113
Deferred revenue	44	36
Accrued expenses and other current liabilities	247	181
Total current liabilities	533	357
Long-term debt	836	833
Finance lease obligation, net of current portion	58	65
Operating lease liabilities, net of current portion	15	29
Deferred income taxes, net	1	1
Other long-term liabilities	265	215
Total Liabilities	1,708	1,500
Stockholders' equity:		
Preferred stock, \$0.001 par value	—	—
Authorized shares: 100,000,000		
Shares issued and outstanding: 0 and 0, respectively		
Common stock, \$0.001 par value	—	—
Authorized shares: 1,600,000,000		
Shares issued: 146,891,538 and 144,656,649, respectively		
Shares outstanding: 128,046,924 and 125,812,035, respectively		
Class B common stock, \$0.001 par value	—	—
Authorized shares: 400,000,000		
Shares issued and outstanding: 12,799,999 and 12,799,999, respectively		
Additional paid-in capital	1,404	1,326
Retained earnings	261	241
Accumulated other comprehensive income (loss)	(82)	(56)
Treasury stock-common stock, at cost, 18,844,614 and 18,844,614 shares, respectively	(722)	(722)
Total Stockholders' Equity	861	789
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,569	\$2,289

Tripadvisor, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in millions)

	Three Months Ended		Year Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating activities:				
Net income (loss)	\$ (3)	\$ (29)	\$ 20	\$ (148)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	25	26	97	111
Stock-based compensation expense	23	31	88	120
Deferred income tax expense (benefit)	(27)	(18)	(19)	(44)
Provision for expected credit losses	3	2	6	3
Other, net	1	8	7	19
Changes in operating assets and liabilities, net	(62)	45	201	47
Net cash provided by (used in) operating activities	(40)	65	400	108
Investing activities:				
Capital expenditures, including capitalized website development	(15)	(14)	(56)	(54)
Other investing activities, net	—	1	4	—
Net cash provided by (used in) investing activities	(15)	(13)	(52)	(54)
Financing activities:				
Proceeds from issuance of 2026 Senior Notes, net of financing costs	—	—	—	340
Purchase of capped calls in connection with 2026 Senior Notes	—	—	—	(35)
Proceeds from exercise of stock options	—	—	—	8
Payment of withholding taxes on net share settlements of equity awards	(2)	(5)	(20)	(44)
Payments of finance lease obligation and other financing activities, net	(2)	(2)	(7)	(6)
Net cash provided by (used in) financing activities	(4)	(7)	(27)	263
Effect of exchange rate changes on cash, cash equivalents and restricted cash	14	(4)	(23)	(12)
Net increase (decrease) in cash, cash equivalents and restricted cash	(45)	41	298	305
Cash, cash equivalents and restricted cash at beginning of period	1,066	682	723	418
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,021</u>	<u>\$ 723</u>	<u>\$ 1,021</u>	<u>\$ 723</u>
Supplemental disclosure of cash flow information:				
Cash paid (received) during the period for income taxes, net of refunds			\$ (40)	\$ 5
Cash paid during the period for interest			\$ 40	\$ 43

Tripadvisor, Inc.
Unaudited Segment Information
(in millions, except percentages)

	Three Months Ended		% Change 2022 vs. 2021
	December 31, 2022	December 31, 2021	
Revenue:			
Tripadvisor Core (1)	\$ 217	\$ 162	34 %
Viator	127	59	115 %
TheFork	33	30	10 %
Intersegment eliminations (1)	(23)	(10)	130 %
Total revenue	<u>\$ 354</u>	<u>\$ 241</u>	47 %
Adjusted EBITDA:			
Tripadvisor Core	\$ 61	\$ 49	24 %
Viator	(3)	(6)	(50) %
TheFork	(15)	(14)	7 %
Total Adjusted EBITDA (2)	<u>\$ 43</u>	<u>\$ 29</u>	48 %
Adjusted EBITDA Margin:			
Tripadvisor Core	28 %	30 %	
Viator	(2) %	(10) %	
TheFork	(45) %	(47) %	
Total Adjusted EBITDA Margin (2)	12 %	12 %	
Net Income (Loss) (3)			
Net Income (Loss) (3)	\$ (3)	\$ (29)	
Net Income (Loss) Margin	(1) %	(12) %	

	Year ended December 31,		% Change 2022 vs. 2021
	2022	2021	
Revenue:			
Tripadvisor Core (1)	\$966	\$665	45 %
Viator	493	184	168 %
TheFork	126	85	48 %
Intersegment eliminations (1)	(93)	(32)	191 %
Total revenue	<u>\$1,492</u>	<u>\$902</u>	65 %
Adjusted EBITDA:			
Tripadvisor Core	\$345	\$177	95 %
Viator	(11)	(31)	(65) %
TheFork	(39)	(46)	(15) %
Total Adjusted EBITDA (2)	<u>\$295</u>	<u>\$100</u>	195 %
Adjusted EBITDA Margin:			
Tripadvisor Core	36 %	27 %	
Viator	(2) %	(17) %	
TheFork	(31) %	(54) %	
Total Adjusted EBITDA Margin (2)	20 %	11 %	
Net Income (Loss) (3)			
Net Income (Loss) (3)	\$20	\$(148)	
Net Income (Loss) Margin	1 %	(16) %	

- (1) Tripadvisor Core segment revenue figures shown in this table are gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.
(2) Please refer to "Non-GAAP Financial Measures" below for definitions of these non-GAAP financial measures, as well as reconciliations to the most directly comparable GAAP measure.
(3) This amount reflects our consolidated GAAP Net Income (Loss) for the periods presented. Tripadvisor does not calculate or report net income (loss) by segment.

Non-GAAP Financial Measures

To supplement our unaudited condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we also report certain non-GAAP financial measures. A “non-GAAP financial measure” refers to a numerical measure of a company’s historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in such company’s financial statements. We may use the following non-GAAP measures: Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP net income (loss), non-GAAP net income (loss) per diluted share, and free cash flow, as well as other measures.

The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP and should not be considered measures of Tripadvisor’s liquidity. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, many of the adjustments to our GAAP financial measures reflect the exclusion of certain items, as defined in our non-GAAP definitions below, which are recurring and will be reflected in our financial results for the foreseeable future. In addition, these measures may be different from non-GAAP financial measures used by other companies, even where similarly titled, limiting their usefulness for comparison purposes and therefore should not be used to compare Tripadvisor’s performance to that of other companies. We endeavor to compensate for the limitation of the non-GAAP financial measures presented by also providing the most directly comparable GAAP measures and descriptions of the reconciling items and adjustments to derive the non-GAAP financial measures.

We believe these non-GAAP financial measures provide investors and analysts with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key measures used by management to operate and analyze our business over different periods of time.

We define our non-GAAP financial measures as below:

Tripadvisor defines “Adjusted EBITDA” 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 noncash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful. The Company believes that excluding these amounts better enables management and investors to compare financial results between periods as these costs may vary independent of business performance.

Tripadvisor defines “Adjusted EBITDA margin” as Adjusted EBITDA divided by revenue.

Adjusted EBITDA and Adjusted EBITDA margin are key operating performance measures used by our management and board of directors to understand and evaluate the financial performance of our business as a whole and our individual business segments, 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 and better enables management and investors to compare financial results between periods as these costs may vary independent of core business performance. Accordingly, we believe that Adjusted EBITDA and Adjusted EBITDA margin provide 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.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other GAAP results.

Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or cash requirements necessary to service interest or principal payments on our debt;

- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation or other stock-settled obligations;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect certain income and expenses not directly tied to the ongoing core operations of our business, such as legal reserves and settlements and restructuring and other related reorganization costs;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA is unaudited and does not conform to SEC Regulation S-X, and as a result such information may be presented differently in our future filings with the SEC; and
- other companies, including companies in our own industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Tripadvisor defines “non-GAAP net income (loss)” as GAAP net income (loss) excluding, net of their related tax effects (which excludes the impact of significant one-time changes resulting from tax legislation or significant legislation that impacts tax, such as the CARES Act): (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) goodwill, intangible asset, and other long-lived asset impairments; (4) legal reserves and settlements; (5) restructuring and other related reorganization costs; and (6) certain gains, losses, and other non-recurring income or expenses that we do not believe are indicative of our ongoing operating results. We believe non-GAAP net income (loss) 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 ongoing core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance.

Tripadvisor defines “non-GAAP net income (loss) per diluted share”, or “non-GAAP diluted EPS,” as non-GAAP net income (loss) divided by GAAP diluted shares. We believe non-GAAP diluted 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 ongoing core operations of our businesses. Tripadvisor calculates non-GAAP diluted EPS using weighted average diluted shares determined under GAAP.

Non-GAAP net income (loss) and non-GAAP diluted EPS have some of the same limitations as Adjusted EBITDA. In addition, non-GAAP net income (loss) does not include all items that affect our GAAP net income (loss) and GAAP diluted EPS for the period. Therefore, we think it is important to evaluate these measures along with our unaudited condensed consolidated statements of operations.

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 website 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 ongoing core operations of our businesses, such as financing activities, foreign exchange impact on cash, 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.

Tripadvisor calculates the estimated effects of foreign currency exchange on revenue by translating actual revenue for the current three months and year ended using the comparable prior period foreign currency exchange rates. We believe this is a useful estimate that facilitates management's internal comparison to our historical performance because the effects of foreign currency volatility is not indicative of our ongoing core operating results.

Pursuant to the requirements of Regulation G, we present reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measure below.

Tripadvisor, Inc.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(in millions, except per share amounts and percentages)
(Unaudited)

	Three Months Ended			Year Ended		
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2022	December 31, 2021	December 31, 2020
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):						
GAAP Net Income (Loss)	\$ (3)	\$ (29)	\$ (73)	\$ 20	\$ (148)	\$ (289)
Add: Provision (benefit) for income taxes	(13)	(18)	(31)	47	(37)	(80)
Add: Other expense (income), net	3	19	12	34	54	40
Add: Depreciation and amortization	25	26	31	97	111	125
Add: Stock-based compensation expense	23	31	29	88	120	109
Add: Impairment of goodwill	—	—	—	—	—	3
Add: Legal reserves and settlements	—	—	—	1	—	—
Add: Restructuring and other related reorganization costs	—	—	(1)	—	—	41
Add: Non-recurring expenses (income) (1)	8	—	—	8	—	—
Adjusted EBITDA (Non-GAAP)	<u>\$ 43</u>	<u>\$ 29</u>	<u>\$ (33)</u>	<u>\$ 295</u>	<u>\$ 100</u>	<u>\$ (51)</u>
Revenue (GAAP)	\$ 354	\$ 241	\$ 116	\$ 1,492	\$ 902	\$ 604
Net Income (loss) margin (GAAP)	(1%)	(12%)	(63%)	1%	(16)%	(48)%
Adjusted EBITDA margin (Non-GAAP) (2)	12%	12%	(28%)	20%	11%	(8%)
Reconciliation from GAAP Net Income (Loss) and GAAP Net Income (Loss) per diluted share to Non-GAAP net income (loss) and Non-GAAP net income (loss) per diluted share:						
GAAP Net Income (Loss)	\$ (3)	\$ (29)		\$ 20	\$ (148)	
Add: Stock-based compensation expense	23	31		88	120	
Add: Legal reserves and settlements	—	—		1	—	
Add: Non-recurring expenses (income) (1)	8	—		8	—	
Add: Amortization of intangible assets	4	4		13	20	
Add: (Gain)/Loss on investment	(1)	(1)		(3)	(3)	
Subtract: Income tax effect of Non-GAAP adjustments (3)	7	6		18	30	
Non-GAAP net income (loss)	<u>\$ 24</u>	<u>\$ (1)</u>		<u>\$ 109</u>	<u>\$ (41)</u>	
Interest expense on 2026 Senior Notes, net of tax (4)	—	—		1	—	
Numerator used to compute Non-GAAP net income (loss) per diluted share	<u>\$ 24</u>	<u>\$ (1)</u>		<u>\$ 110</u>	<u>\$ (41)</u>	
GAAP diluted shares (5)	146	138		146	137	
GAAP Net Income (loss) per diluted share	\$ (0.02)	\$ (0.21)		\$ 0.14	\$ (1.08)	
Non-GAAP net income (loss) per diluted share (6)	\$ 0.16	\$ (0.01)		\$ 0.75	\$ (0.30)	
Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):						
Net cash provided by (used in) operating activities (GAAP)	\$ (40)	\$ 65		\$ 400	\$ 108	
Subtract: Capital expenditures	15	14		56	54	
Free cash flow (Non-GAAP)	<u>\$ (55)</u>	<u>\$ 51</u>		<u>\$ 344</u>	<u>\$ 54</u>	

- (1) The Company incurred a loss of approximately \$8 million during the fourth quarter of 2022 as the result of a targeted payment fraud scheme by an external party. The Company considers such costs to be non-recurring in nature. To the extent the Company recovers any losses in future periods related to this incident, the Company plans to reduce Adjusted EBITDA and non-GAAP net income (loss) by the recovery amount in the period of recovery.
- (2) Tripadvisor defines “Adjusted EBITDA margin” as Adjusted EBITDA divided by revenue.
- (3) The non-GAAP adjustments described above 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 provision (benefit) for the periods presented.
- (4) In the year ended December 31, 2022, interest expense on our 2026 Senior Notes, net of tax, are added back to the numerator for purposes of the if-converted method used to calculate both GAAP and non-GAAP diluted net income per share, as share settlement is presumed under GAAP. This amount was not material for the three months ended December 31, 2022.
- (5) Includes potential dilutive effect of common equivalent shares as if the Company had generated net income for the three months ended December 31, 2022; solely in order to calculate Non-GAAP net income diluted EPS for the three months ended December 31, 2022.
- (6) Tripadvisor defines “non-GAAP net income (loss) per diluted share” as non-GAAP net income (loss) divided by GAAP diluted shares.

Safe Harbor Statement

Statements in this press release regarding management’s future expectations, beliefs, intentions, goals, strategies, plans or prospects, including, without limitation, statements relating to Tripadvisor’s future financial performance on both a GAAP and non-GAAP basis, and Tripadvisor’s prospects as a comprehensive destination for hotels, experiences, and restaurants, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “could,” “could increase the likelihood,” “estimate,” “expect,” “intend,” “is planned,” “may,” “should,” “will,” “will enable,” “would be expected,” “look forward,” “may provide,” “would” or similar terms, variations of such terms or the negative of those terms. Investors are cautioned that statements in this press release, which are not strictly historical statements, including, without limitation, statements by our executive officers with respect to growth objectives, strategic investments, and statements regarding management’s plans, objectives and strategies, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors detailed in Tripadvisor’s filings with the SEC. As a result of such risks, uncertainties and factors, Tripadvisor’s actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. Tripadvisor is providing the information in this press release as of this date and assumes no obligations to update the information included in this press release or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Q4 & FULL YEAR 2022

Letter to Shareholders

	FY 2022	FY 2021	FY 2020
Revenue	\$1,492M 65% Y/Y growth	\$902M 49% Y/Y growth	\$604M -61% Y/Y growth
Net Income / (Loss)	\$20M 1% margin	\$(148)M -16% margin	\$(289)M -48% margin
Adjusted EBITDA (1)	\$295M 20% margin	\$100M 11% margin	\$(51)M -8% margin
	Q4 2022	Q4 2021	Q4 2020
Revenue	\$354M 47% Y/Y	\$241M 108% Y/Y	\$116M
Net Income / (Loss)	\$(3)M	\$(29)M	\$(73)M
Adjusted EBITDA (1)	\$43M	\$29M	\$(33)M

(1) Consolidated adjusted EBITDA is a 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) non-recurring expenses and income. See "Use of Non-GAAP Financial Measures."

Letter to Shareholders

We were pleased to see robust activity in the travel industry in 2022, especially in light of the macro uncertainty throughout much of the year. Our teams also executed well, exceeding expectations we set out at the start of the year. Total consolidated revenue in fiscal 2022 reached nearly \$1.5 billion or 96% of 2019 levels, and exited the fourth quarter at 106% of 2019 levels. This performance was led in large part by Viator executing against strong demand in experiences throughout the year as well as solid performance in our hotel meta offering within our Tripadvisor Core segment.

Tripadvisor Group sits at a unique intersection between travelers and partners, in a large and growing industry, and one that has demonstrated resilience, as our performance in 2022 demonstrates. Our vision is to be the world's most trusted source for travel and experiences, and connect people to experiences worth sharing through our Tripadvisor, Viator, TheFork, and other brands. As we think about 2023 and beyond, we're focused on driving distinct value creation strategies for each of our segments while bringing overall value to the group as we benefit from shared data, global scale in technology and talent.

At Viator, where we have built a strong position in the large and growing online experiences category, we are focused on driving growth and capturing market share while also strengthening lifetime value economics through increased direct traffic and higher customer repeat rates. We are investing in greater awareness and developing products and programs that connect our 50,000+ operators with millions of travelers. We are excited about this high-growth secular market, still in the early stages of moving from off-line to on-line.

At TheFork, in 2023, the team continues to execute on its strategic plans to extend its leadership position in the European restaurants marketplace. We believe we can continue to expand our base of 55,000+ bookable restaurants and connect them to millions of diners we reach through our app. In 2023, TheFork will look to drive solid revenue growth while driving improving margins, particularly in the back-half of the year.

Finally, in Tripadvisor Core, our long-term strategy is grounded in deeper traveler engagement, enabled by better products and stronger execution. We will build on our heritage and powerful assets - including our brand, content, and community - to deliver more value to travelers and help them make the best decisions along their journey. We will pursue an integrated and reinforcing set of strategic priorities, and we will leverage our data to deliver a more personalized experience for travelers that unlocks more opportunities for monetization with our partners, whether through hotel meta, media, or emerging marketplaces across multiple categories. In 2023, we will focus on the areas of this strategy where we have the most conviction, better organizing how we operate in order to execute more effectively.

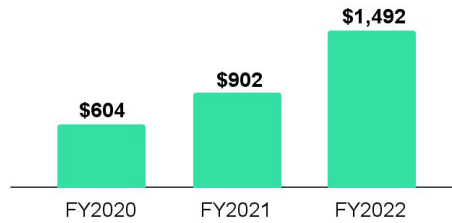
Across our portfolio, our 2023 plan balances future aspirations with reasonable and responsible near-term targets. In executing our strategic initiatives, we will take a pragmatic approach, reallocating resources and sequencing investments appropriately. We look forward to sharing more details with you on our conference call tomorrow morning.

Full Year 2022 and Fourth Quarter Consolidated Financial Results

Full year revenue increased to nearly \$1.5 billion, reflecting year over year growth of 65% and reaching 96% of 2019 levels. As a reminder, revenue for the full year 2019 included nearly \$50 million related to businesses since divested, SmarterTravel and China ("divested businesses"), which was a headwind of approximately 3% in the fiscal 2022 compared to 2019 levels.

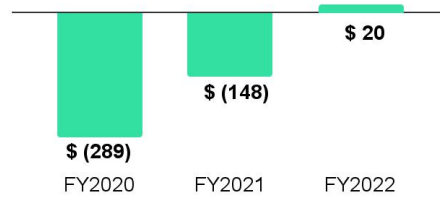
Across our segments, we saw significant improvements in recovery, and exceeded our expectations for the year. Our outperformance was led by our experiences offering at both Viator and Tripadvisor Core, as well as hotel meta, despite some currency and macro headwinds we saw throughout the year.

Full Year Revenue (\$M)



Net income for the full year 2022 was \$20 million, or 1% of revenue, as compared to a net loss of \$148 million in fiscal 2021, or -16% of revenue.

Full Year Net (Loss) Income (\$M)



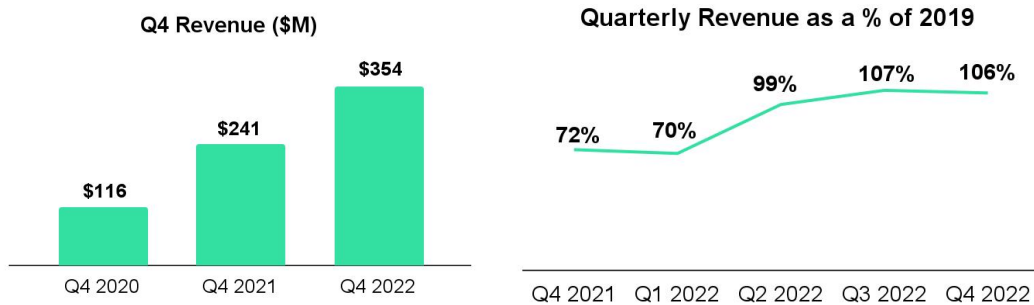
Adjusted EBITDA for the full year 2022 was \$295 million, or 20% of revenue as compared to adjusted EBITDA of \$100 million in fiscal 2021, or 11% of revenue.

Growth in net income and adjusted EBITDA was driven primarily by higher revenue recovery and slower fixed cost growth, which more than offset the year over year increases in variable marketing spend.

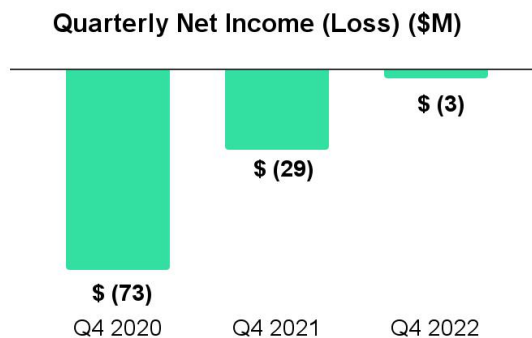
Full Year Adjusted EBITDA (\$M)



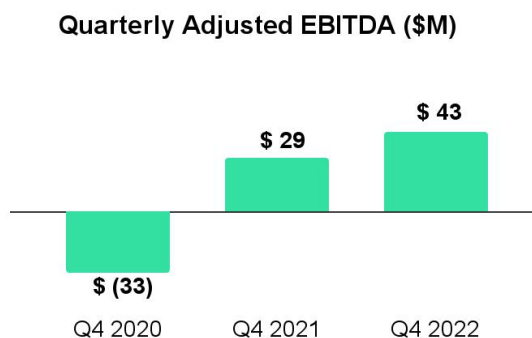
Quarterly consolidated revenue in Q4 2022 exceeded expectations that we communicated in early November. Total revenue was \$354 million, representing year over year growth of 47%, and reaching 106% of 2019 levels.



In Q4 2022, net loss was \$3 million, or -1% of revenue, an improvement from a net loss of \$29 million, or -12%, in Q4 2021.



In Q4 2022, adjusted EBITDA was \$43 million, or 12% of revenue, as compared to adjusted EBITDA of \$29 million, or 12% of revenue, in the same period a year ago. Adjusted EBITDA in Q4 and for the full year excludes the impact of an approximate \$8 million loss related to a fraud scheme resulting in payment of refunds to an external party for subscription products within our Tripadvisor Core segment. The Company considers such costs to be non-recurring in nature, and was excluded from adjusted EBITDA. We are currently in the process of seeking to recover funds, the impact of which we expect to also exclude from adjusted EBITDA in the period of recovery, if any.



We exited the year with strong liquidity. As of December 31, 2022, we had approximately \$1.0 billion in cash and cash equivalents.

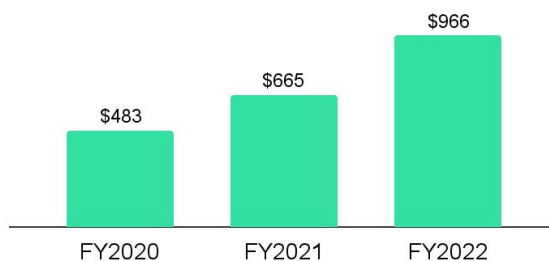
Tripadvisor Core Segment

Included in this segment is revenue from our **Tripadvisor branded hotels, Tripadvisor branded display and platform, Tripadvisor experiences and dining revenue, and other revenue** derived from adjacent offerings, including rentals, flights and cars, and cruise, including some non-Tripadvisor branded revenue in our cruise and rentals offerings.

Fiscal 2022 was a year of significant recovery in our Tripadvisor Core segment. Our results reflect our strong brand and the value of our offerings as travel demand returned.

Tripadvisor Core revenue for full year 2022 was \$966 million, reflecting year over year growth of 45%, reaching 79% of 2019 levels. Revenue in 2019 included nearly \$50 million, or 4% of Tripadvisor Core segment revenue, related to since divested SmarterTravel and China businesses, which did not contribute to revenue in 2022.

Tripadvisor Core Full Year Revenue (\$M)



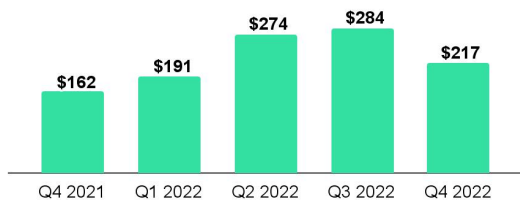
Adjusted EBITDA in the Tripadvisor Core segment for fiscal 2022 was \$345 million, or 36% of revenue. Year over year, margin increased by 900 basis points, driven primarily by an increase in revenue, and fixed and discretionary cost leverage, which more than offset the slight increases in variable costs as a percent of revenue relative to last year. The increase in variable costs as a percent of revenue is a result of factors such as increased spend in traffic related to experiences growth and traffic mix in hotel meta, as well as the revenue recovery lag in other businesses.

Tripadvisor Core Full Year Adjusted EBITDA (\$M)

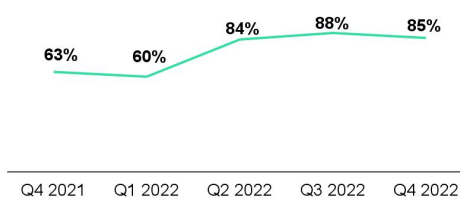


Turning to Q4 2022, following typical seasonality, revenue stepped down sequentially to \$217 million, reflecting year over year growth of 34% and reaching 85% of 2019 levels. Revenue in Q4 2019 included nearly \$10 million related to our divested SmarterTravel and China businesses, or 4% of Tripadvisor Core segment revenue in that period.

Tripadvisor Core Segment Revenue (\$M)



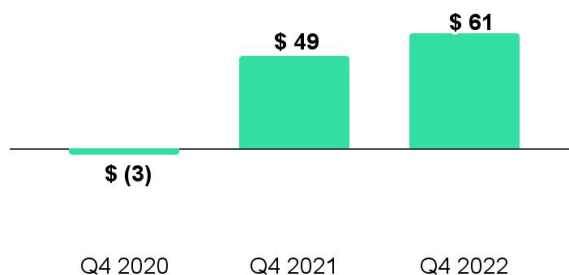
Tripadvisor Core Segment Revenue as % of 2019



In Q4 2022, adjusted EBITDA in Tripadvisor Core was \$61 million, or 28% of revenue. The sequential step down was due primarily to revenue seasonality, which offset the lower variable costs as a percent of revenue in Q4 relative to Q3.

As noted above, Q4 2022 Tripadvisor Core adjusted EBITDA excludes the impact of a fraud scheme by an external party, which resulted in a loss of approximately \$8 million during Q4 2022.

Tripadvisor Core Segment Adjusted EBITDA (\$M)



Tripadvisor Branded Hotels

For the full year 2022, Tripadvisor branded hotels revenue, which includes our hotel meta and B2B offerings, was \$650 million, reflecting year over year growth of 44% and reaching 83% of 2019 levels.

Within Tripadvisor branded hotels, hotel meta revenue reached 85% of 2019 levels for the year. Hotel meta recovery was depressed in Q1 2022 due to continued Omicron-related uncertainties as well as a tougher compare to Q1 2019. However, starting in Q2 2022, the pick up in recovery was strong and, from April 2022 to year end, hotel meta was approximately 95% of 2019 levels. Geographically, we saw the strongest recovery in the U.S., where hotel meta revenue reached parity with 2019 for the full year 2022. Rest-of-world lagged both the U.S and Europe for the year, but generally saw sequential improvements each quarter of the year.

Our B2B revenue stream was 76% of 2019 levels in 2022. The recovery rate in our hotel B2B offering improved each subsequent quarter of the year. While still lagging hotel meta recovery, we are pleased with the progress in the year. In 2022 we began to improve productivity, which has contributed to this lag, and we also believe the continued slower recovery of the hotel marketing and advertising spend market in general has also contributed.

In Q4 2022, Tripadvisor branded hotels revenue was \$140 million, reflecting year over year growth of 36% and reaching 90% of 2019 levels, led by hotel meta recovery. Within hotel meta in Q4 2022, we saw regional differences in recovery rates. U.S. recovery remained strong, exceeding 100% recovery versus Q4 2019 in the quarter, while European recovery rates slowed from last quarter and rest-of-world improved over last quarter, though remains below the U.S. and European regions in terms of recovery.

Display & Platform

Display & Platform revenue for the full year was \$130 million, reflecting 33% year over year growth and reaching 81% of 2019 levels. Revenue in Q4 2022 was \$33 million, reflecting 14% year over year growth and increasing sequentially to 85% of 2019 levels. This year, we saw strong recovery rates from destination marketing organization (DMO) partners as travel returned, while other categories were slower to return to pre-pandemic levels. We continue to believe that our brand and reach provide opportunities for both endemic and non-endemic partners.

Tripadvisor Experiences & Dining

Full year 2022 revenue in our Tripadvisor point-of-sale (POS) experiences and dining was \$134 million, which reflected year over year growth of 91%, and reached 115% of 2019 levels. In Q4 2022, revenue was \$34 million, reflecting year over year growth of 70% and reaching 113% of 2019 levels.

Our strong performance in this revenue stream for both the year and Q4 was driven primarily by performance in our experiences offering. In addition to a focus on customer acquisition, this year we made improvements to drive adoption—in user experience across mobile web and desktop, in addition to efforts to drive more traffic. This performance offset the lag in recovery in our B2B restaurants offering.

Other

Revenue for the full year 2022 from Other offerings, which includes cruises, alternative accommodation rentals, flights, and car rentals, was \$52 million, reflecting growth of 13% year over year. For the full year 2022, Other revenue was 31% of 2019 levels as reported, with the divested businesses of SmarterTravel and China contributing to an approximately 13% headwind against the recovery rate in this revenue stream. In addition, primarily due to our decision to de-emphasize car rentals, alternative accommodation rentals, and flights in comparison to allocated investment spend in 2019, revenue was approximately \$65 million lower in 2022.

In Q4 2022, Other revenue was \$10 million, reflecting flat year over year growth, and reaching 31% of 2019 levels. In Q4 2019, nearly \$10 million in revenue came from the SmarterTravel and China businesses, or 31% of Q4 2019 revenue.

Within the Other category, the strongest performer was in cruises, which saw sequential improvements to recovery throughout the year, and exited Q4 2022 at close to 2019 levels. Although performance in this business is a small part of Tripadvisor Core, we are pleased to see the strong rebound in the overall cruise industry.

In 2023, in our Tripadvisor Core segment, we are excited about the opportunities to deliver more value to our customers. We will be focused on operational alignment and execution as we move toward longer-term improvements in engagement. In both hotel meta and experiences, we will focus on enhancing experience. In our media offering, our 2023 focus will be on continuing to diversify our offering, both in terms of the partners we serve and the products that we offer. In our B2B offerings, our focus will be on productivity as we increase our efficiency and align our efforts to our highest value opportunities. In addition, our focus will be on building out shared capabilities to better leverage our data and technology for future sustainable growth for the portfolio.

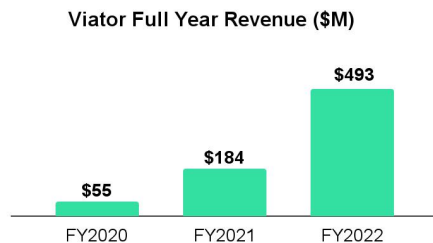
Viator Segment

Included in this segment is revenue generated from the booking of tours, attractions, and activities transacted through the Viator point of sale, as well as revenue generated from other distribution partners, such as the Tripadvisor point of sale and third party points of sale.

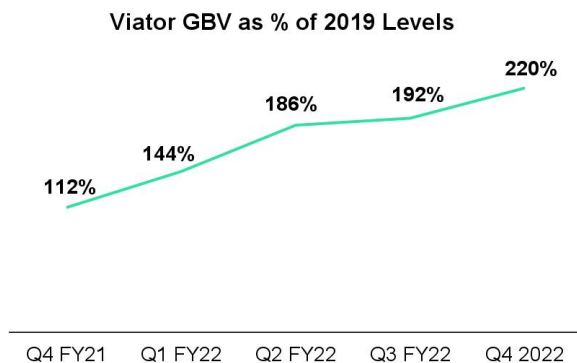
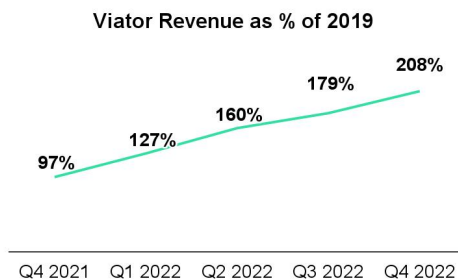
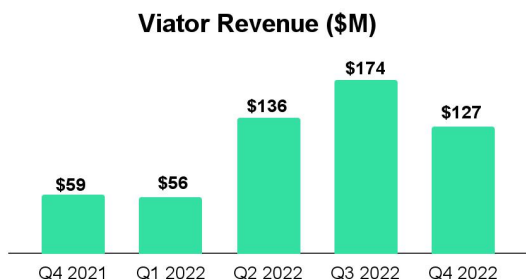
We are pleased with our results in our Viator segment. The team delivered results that exceeded our expectations for both revenue and gross bookings value (GBV). We believe that the performance throughout the fiscal year reflects both the large opportunity in the experiences category and the significant value we provide to travelers and operators in the marketplace.

In 2022 we leaned into market share gains, driving strong year over year growth. At the same time, we saw meaningful improvements in adjusted EBITDA, reflecting the benefits of scale and balanced investment in growth and market share gains.

Full year 2022 revenue in the Viator segment was \$493 million, representing year over year growth of 168%, and was 171% of 2019 levels. GBV for the full year 2022 was approximately \$2.7 billion and grew approximately 140% year over year. As a reminder, GBV is reported at the time of booking and is gross of cancellations, whereas revenue from these transactions is recorded at the time of the experience, and is net of cancellations.



Revenue in Q4 2022 was \$127 million, growing 115% year over year and was 208% of 2019 levels. In Q4 2022, GBV was over \$600 million, reflecting year over year growth of approximately 95% and reaching approximately 220% of 2019 levels.

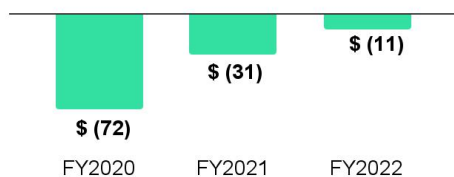


Our marketing efforts drove increases in traffic, while conversion rates improved year over year. In particular, we are seeing improving conversion in app and mobile web, which we believe is reflective of our product improvements. Bookings volume growth, in both new and repeat customers, was a key driver of Viator’s strong performance. Cancellation rates also improved slightly from last year, though additional payment options we have introduced, which provides customers the flexibility to make payments closer to the experience date, can drive higher cancellation rates.

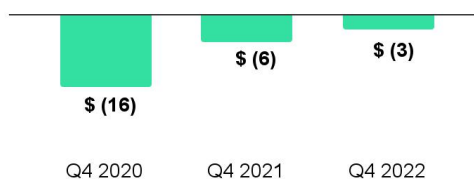
Geographically, improvements in international travel recovery were also clear in our bookings data, particularly as North Americans began traveling internationally again. Bookings related to European and North American destinations were well above 2019 levels in both geographies.

Adjusted EBITDA loss for full year 2022 was \$11 million, or -2% of revenue, a significant improvement over adjusted EBITDA loss of \$31 million in full year 2021 and -17% of revenue. The improvements were driven by revenue growth and slightly lower variable cost growth, as well as containment of headcount costs, despite increases in discretionary marketing investment. Adjusted EBITDA loss in Q4 2022 was \$3 million, or -2% of revenue, reflecting improvement from the same period last year.

Viator Full Year Adjusted EBITDA (\$M)



Viator Quarterly Adjusted EBITDA (\$M)



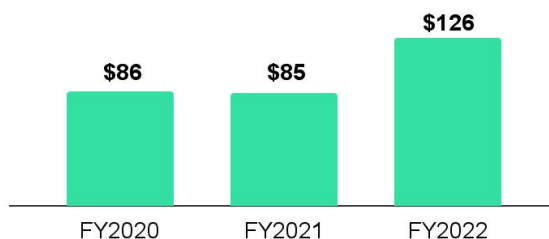
In 2023 we will remain focused on continuing to grow market share—acquiring new customers, and with a sharp focus on improving unit economics. We've seen improvements in repeat customer activity with new customers in recent cohorts repeating at higher rates than in the past. Repeat customers tend to come back to us through less expensive demand channels and are an important driver of future profitability. We believe that driving more direct activity is an important component as we look to improve economics even further and improve lifetime value. As such, we expect to continue to invest in marketing, with an eye on rebalancing our investment mix to allocate more to upper and middle funnel marketing channels including brand and channel expansion. We believe this will drive improvements longer-term in engagement, growth and profit.

TheFork Segment

Included in this segment is revenue generated from the booking of reservations through TheFork point of sale, which includes revenue generated primarily by restaurant seating fees via our online reservation system.

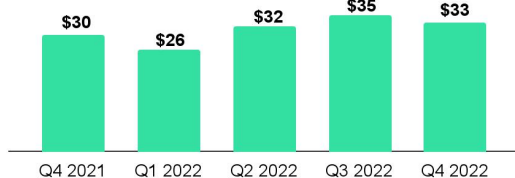
Fiscal 2022 was a year of continued improvement at TheFork, exceeding pre-pandemic rates on a constant currency basis. Despite significant currency impact for much of the year, and against the backdrop of a restaurant environment still in recovery¹, TheFork revenue reached 99% of 2019 levels in 2022, or \$126 million and grew 48% year over year. For the year, we estimate currency headwinds impacted revenue growth by approximately 19% and recovery to 2019 levels by approximately 6 points. With its revenue primarily European-based, TheFork segment is particularly exposed to the significant currency movements we've seen both year over year and compared to 2019.

TheFork Full Year Revenue (\$M)

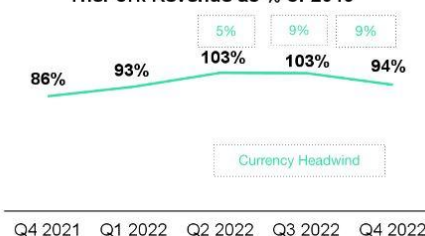


In Q4 2022, revenue was \$33 million, reflecting year over year growth of 10%, and reaching 94% of 2019 levels. For the quarter, we estimate currency headwinds impacted revenue growth by approximately 16 percentage points and recovery to 2019 levels by approximately 9 percentage points.

TheFork Revenue (\$M)

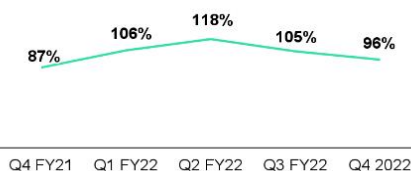


TheFork Revenue as % of 2019



For the year, the number of bookings at TheFork grew 50% year over year, and reached approximately 106% of 2019 levels. In Q4 2022, year over year bookings grew 10% and reached 96% of 2019 levels. As a percent of 2019 levels, we attribute the sequential step down in bookings to external factors in Europe.

TheFork Number of Bookings as % of 2019 Levels

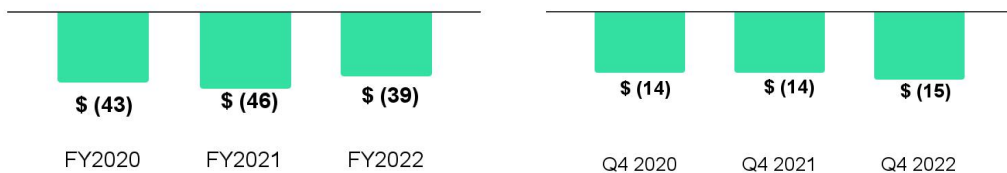


[1] Euromonitor, September 2022

Adjusted EBITDA loss for 2022 was \$39 million, or -31% of revenue, and in Q4 2022 adjusted EBITDA loss was \$15 million, or -45% of revenue. Fixed and discretionary cost increases drove the year over year increase in losses on both an annual and quarterly basis. As a reminder, we spent more on brand marketing in 2022 than in 2019 to regain awareness levels coming out of the pandemic. Further, we also implemented a number of technology infrastructure projects, aimed at improving revenue generation in 2023 and beyond.

TheFork Full Year Adjusted EBITDA (\$M)

TheFork Quarterly Adjusted EBITDA (\$M)



In 2023, our focus will be on both growing our restaurant base and our diner base. For restaurateurs, we believe we are providing more value with products such as TheFork Pay, and testing different pricing options. For diners, we remain focused on driving awareness and user experience through our app. Importantly, in 2023 we expect to see significant improvements in profitability, driven by fixed and discretionary cost leverage and an increase in media efficiency.

Outlook

(As a reminder, we endeavor to be as accurate as possible with our forward-looking commentary; however, a number of factors outside of our control can limit our visibility into future financial performance and can cause our results to vary materially from our current expectations.)

Our fiscal 2023 outlook assumes no change in the macro environment, which remains uncertain, yet also assumes resilient travel demand. At this time, for the full year in 2023, we expect:

- Consolidated adjusted EBITDA margin to remain flat year-over-year, which assumes approximately flat year-over-year margins in Tripadvisor Core.
- Full year consolidated revenue growth that reflects the diverse growth profiles across our portfolio, and is consistent with broader travel growth trends.

Additionally, in the first quarter of 2023, as part of the IRS audit of Expedia, we received and accepted a closing notice related to transfer pricing for the years 2009 through 2011. We disclosed a potential exposure in our prior filings based on prior communications with the IRS. As a result of the acceptance of the closing notice, we will record an incremental income tax expense as a discrete item, inclusive of interest, in an estimated range of \$25 million to \$35 million during the first quarter of 2023. This income tax adjustment will not impact adjusted EBITDA. From a cash flow perspective, a net cash outflow of approximately \$70 - \$80 million is expected during 2023, related to the closing of this audit. We are currently reviewing the impact of this settlement to our remaining transfer pricing income tax reserves for subsequent tax years. Based on this new information received subsequent to year end, future adjustments to income tax expense may occur, which could be material to our financials.

We begin the year excited about the opportunities ahead of us—in particular, the coalescence of our long-term objectives, rooted in our near-term 2023 operating plan, and a travel industry that we believe will continue to drive opportunities. We look forward to discussing more about our results tomorrow morning, Wednesday, February 15, 2023 at 8:30 am Eastern Time.

Earnings Webcast

Tripadvisor management will host a conference call to discuss results as well as forward-looking information at 8:30 a.m. ET on February 15, 2023. The link to the live webcast, as well as the audio replay, will be made available on Tripadvisor's Investor Relations website at <http://ir.tripadvisor.com>.

Investor relations contact
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Media contact
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Forward-Looking Statements

These prepared remarks contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The following words, when used, are intended to identify forward-looking statements: “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “target,” “should,” “will,” and similar expressions which do not relate solely to historical matters. We caution investors that any forward-looking statements in these prepared remarks, or which management may make orally or in writing from time to time, are based on management's beliefs and on assumptions made by, and information currently available to, management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known

and unknown risks, trends, uncertainties and factors that are beyond our control. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements are more fully described in Part I. Item 1A. "Risk Factors" of our Annual Report on Form 10-K. Moreover, we operate in a rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise.

Investors should also refer to our quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as we file them with the SEC and to other materials we may furnish to the public from time to time through current reports on Form 8-K or otherwise, for a discussion of risks and uncertainties that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements.

Use of Non-GAAP Financial Measures

These prepared remarks may include references to non-GAAP measures, such as consolidated adjusted EBITDA (including forecasted consolidated adjusted EBITDA), consolidated adjusted EBITDA margin, free cash flow, which are considered non-GAAP financial measures as they are not prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures are not prepared under a comprehensive set of accounting rules and, therefore, should only be reviewed alongside results reported under GAAP.

We encourage investors to review our earnings press release as it contains important information about our financial results, including tabular reconciliations to the most directly comparable GAAP financial measure, definitions, limitations and other related information about these non-GAAP financial measures. We have not reconciled consolidated adjusted EBITDA guidance to projected consolidated GAAP net income (loss) because we do not provide guidance on GAAP net income (loss) or the reconciling items between adjusted EBITDA and GAAP net income (loss), as a result of the uncertainty regarding, and the potential variability of, certain of these items. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

The earnings press release in addition to other supplemental financial information is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/>. The earnings press release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the SEC on February 14, 2023, which is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/> and the SEC's website at www.sec.gov.

Key Business Metrics & Definitions

We review a number of metrics, including, but not limited to, average monthly unique users, gross booking value for experiences, seated diners, dining bookings, and other metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring usage and user engagement across our large user base around the world. For example, a single user may have multiple member accounts or browse the internet on multiple browsers or devices, some users may restrict our ability to accurately identify them across visits, and we are not always able to capture user information on all of our platforms. As such, for example, the calculations of our unique users may not accurately reflect the actual number of people or organizations using our platform. Our metrics are also affected by applications that automatically contact our servers for regular updates with no discernible user action involved, and this activity can cause our system to count the users associated with such applications as active users on the day or days such contact occurs. As such, the calculation of some of the metrics presented may be affected as a result of this activity. We regularly review our process and may adjust how we calculate our internal metrics to improve their accuracy.

Variable expense primarily includes costs related to revenue generation, as well as traffic generation costs.

Fixed & discretionary expense primarily includes all other expenses such as compensation costs (including outsourced services), broadcast advertising, G&A and other discretionary costs, not including depreciation, amortization, restructuring and other related reorganization costs, stock-based compensation, legal reserves and settlements, non-recurring expenses and income, interest expense, or income taxes.

Tripadvisor, the world's largest travel guidance platform*, helps hundreds of millions of people each month** become better travelers, from planning to booking to taking a trip. Travelers across the globe use the Tripadvisor site and app to discover where to stay, what to do and where to eat based on guidance from those who have been there before. With more than 1 billion reviews and opinions of nearly 8 million businesses, travelers turn to Tripadvisor to find deals on accommodations, book experiences, reserve tables at delicious restaurants and discover great places nearby. As a travel guidance company available in 43 markets and 22 languages, Tripadvisor makes planning easy no matter the trip type. The subsidiaries of Tripadvisor, Inc. (Nasdaq: TRIP), own and operate a portfolio of travel media brands and businesses, operating under various websites and apps.

*Source: SimilarWeb, unique users de-duplicated monthly, January 2023

**Source: Tripadvisor internal log files

