

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, 2018

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
(I.R.S. Employer
Identification No.)

400 1st Avenue
Needham, MA 02494
(Address of principal executive offices)

02494
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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, 2018, TripAdvisor, Inc. issued a press release announcing its preliminary financial results for the quarter and year ended December 31, 2017. TripAdvisor, Inc. also posted prepared remarks from Stephen Kaufer, President and Chief Executive Officer, and Ernst Teunissen, Chief Financial Officer, on the "Investor Relations" section of its website at <http://ir.tripadvisor.com/events/cfm>. The full text of this press release and the prepared remarks 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 this Item 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 it 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.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of TripAdvisor, Inc. dated February 14, 2018.
99.2	Prepared remarks by TripAdvisor, Inc.'s management, dated February 14, 2018.

SIGNATURE

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.

By: _____ /s/ ERNST TEUNISSEN
Ernst Teunissen
Chief Financial Officer

Dated: February 14, 2018

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of TripAdvisor, Inc. dated February 14, 2018.
99.2	Prepared remarks by TripAdvisor, Inc.'s management, dated February 14, 2018.

TripAdvisor Reports Fourth Quarter and Full Year 2017 Financial Results

NEEDHAM, MA, February 14, 2018 — TripAdvisor, Inc. (NASDAQ: TRIP) today announced financial results for the fourth quarter and full year ended December 31, 2017.

“During Q4 and 2017 we continued to make progress along our key initiatives,” said Chief Executive Officer Steve Kaufer. “Continued product enhancements, as well as strong content, community and supply growth, nicely position the TripAdvisor platform in front of long-term growth opportunities. In 2018 and during the years ahead, we will continue to improve the traveler experience, helping more users in more moments throughout the travel journey. We will find new ways to help travel partners get more visibility in front of our massive global travel audience. We are taking essential steps to unlock long-term growth.”

Fourth Quarter and Full Year 2017 Summary

(In millions, except percentages and per share amounts)	Three Months Ended December 31,			% Change	Year Ended December 31,			% Change
	2017	2016			2017	2016		
Total Revenue	\$ 321	\$ 316		2%	\$ 1,556	\$ 1,480		5%
Hotel	\$ 244	\$ 252		(3)%	\$ 1,196	\$ 1,190		1%
Non-Hotel	\$ 77	\$ 64		20%	\$ 360	\$ 290		24%
GAAP Net Income (Loss)	\$ (84)	\$ 1		(8500)%	\$ (19)	\$ 120		(116)%
Total Adjusted EBITDA (1)	\$ 63	\$ 58		9%	\$ 331	\$ 352		(6)%
Hotel	\$ 63	\$ 66		(5)%	\$ 286	\$ 380		(25)%
Non-Hotel	\$ —	\$ (8)		100%	\$ 45	\$ (28)		261%
Non-GAAP Net Income (1)	\$ 8	\$ 23		(65)%	\$ 144	\$ 206		(30)%
Diluted Earnings (Loss) per Share:								
GAAP	\$ (0.60)	\$ 0.01		(6100)%	\$ (0.14)	\$ 0.82		(117)%
Non-GAAP (1)	\$ 0.06	\$ 0.16		(63)%	\$ 1.02	\$ 1.40		(27)%
Cash flow from operating activities	\$ 18	\$ 46		(61)%	\$ 238	\$ 321		(26)%
Free cash flow (1)	\$ 3	\$ 30		(90)%	\$ 174	\$ 249		(30)%

(1) “Adjusted EBITDA”, “Non-GAAP Net Income”, “Non-GAAP Diluted Earnings 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.

“Fourth quarter financial performance was ahead of our expectations driven by stabilization in our click-based auction,” added Chief Financial Officer Ernst Teunissen. “In 2018, we will continue to take a pragmatic approach in our Hotel segment, making targeted marketing investments while preserving profit. In our Non-Hotel segment, our focus is to continue to drive revenue growth and market share gains, particularly in Attractions.”

Fourth Quarter and Full Year 2017 Operational and Other Financial Highlights

- User reviews and opinions grew 29% year-over-year and reached 600 million at December 31, 2017, covering approximately 1.2 million hotels, inns, B&Bs and specialty lodging, 750,000 vacation rentals, 4.6 million restaurants and 915,000 attractions, including tours and activities.
- Average monthly unique visitors on TripAdvisor-branded websites and applications grew 17% in Q4 2017 and grew to 455 million* during the 2017 peak summer travel season. Average monthly unique hotel shoppers grew 3% in Q4 2017 and grew 7% in the full year 2017.
- TripAdvisor-branded click-based and transaction revenue declined 11% in Q4 2017 and grew 1% in the full year 2017 while Q4 2017 and full year 2017 revenue per hotel shopper declined 14% and 7% year-over-year, respectively.
- Fourth quarter consolidated GAAP net income was negative \$84 million, primarily driven by a \$73 million income tax charge related to the enactment of the Tax Cuts and Jobs Act of 2017.
- Q4 Hotel segment year-over-year adjusted EBITDA margin was 26%, primarily driven by increased efficiency in Hotel segment marketing investments.
- Full year 2017 Non-Hotel segment adjusted EBITDA was \$45 million, and full year 2017 Non-Hotel segment adjusted EBITDA margin was 13%, up from negative 10% in 2016.

Tax Cuts and Jobs Act of 2017

On December 22, 2017, U.S. tax legislation commonly referred to as the U.S. Tax Cuts and Jobs Act of 2017 (the 2017 Tax Act) was enacted into law and the new legislation contains several key tax provisions that affected us, including a one-time mandatory transition tax on accumulated foreign earnings and a reduction of the corporate income tax rate from 35% to 21% effective January 1, 2018, among others. We are required to recognize the effect of the tax law changes in the period of enactment, such as determining the transition tax resulting from the deemed repatriation of foreign cash, remeasuring our U.S. deferred tax assets and liabilities, and reassessing the net realizability of our deferred tax assets and liabilities. In December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act (SAB 118), which allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. As a result, our provision for income taxes increased by \$73 million in Q4 2017, the substantial majority of which was driven by the transition tax. An estimated amount of \$67 million for the transition tax is accrued at December 31, 2017 and is payable over eight years, and a \$6 million expense was recorded for the remeasurement of deferred taxes. Since the 2017 Tax Act was passed late in the fourth quarter of 2017, and ongoing guidance and accounting interpretation are expected over the next 12 months, we consider the accounting of the transition tax, deferred tax re-measurements, and other items to be provisional due to the forthcoming guidance and our ongoing analysis of final year-end data and tax positions. We expect to complete our analysis within the measurement period in accordance with SAB 118.

On February 2, 2018, the Company made a one-time repatriation of \$325 million of foreign earnings to the United States primarily to repay outstanding borrowings under the 2015 Credit Facility. The remaining outstanding borrowings under the 2015 Credit Facility was subsequently repaid by the Company.

Share Repurchase Program

On January 31, 2018, TripAdvisor's Board of Directors authorized up to \$250 million of share repurchases. This new repurchase program has no expiration but may be suspended or terminated by the Board of Directors at any time.

Fourth Quarter and Full Year 2017 Revenue by Source and Geography

(In millions, except percentages)	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
Revenue by Source:						
TripAdvisor-branded click-based and transaction (1)	\$ 137	\$ 154	(11)%	\$ 756	\$ 750	1%
TripAdvisor-branded display-based advertising and subscription (2)	77	69	12%	292	282	4%
Other hotel revenue (3)	30	29	3%	148	158	(6)%
Non-Hotel (4)	77	64	20%	360	290	24%
Total Revenue	\$ 321	\$ 316	2%	\$ 1,556	\$ 1,480	5%
Revenue by Geography (% of total revenue): (5)						
US	55%	55%		56%	54%	
Europe	26%	26%		27%	28%	
ROW	19%	19%		17%	18%	

- (1) Consists of click-based advertising revenue, from TripAdvisor-branded websites, as well as transaction-based revenue from instant booking.
(2) Includes revenue from display-based advertising and subscription-based hotel advertising revenue on TripAdvisor-branded sites.
(3) Includes revenue from non-TripAdvisor branded websites, including click-based advertising revenue, display-based advertising revenue and room reservations sold through these websites.
(4) Consists of our Attractions, Restaurants, and Vacation Rentals businesses.
(5) In the first quarter of 2017, we changed our geographic revenue presentation and reclassified the following geographic regions into rest of world, or ROW: (1) Canada (previously included in North America); (2) Middle East and Africa (previously included in Europe, Middle East and Africa, or EMEA); (3) Asia-Pacific (APAC); and (4) Latin America (LATAM). Prior period amounts were reclassified to conform to the current presentation. This change had no effect on our consolidated financial statements in any reporting period.

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, 2018, at 8:30 a.m., Eastern Time, to discuss TripAdvisor's fourth quarter 2017 operating results, as well as other forward-looking information about TripAdvisor's business. Domestic callers may access the earnings conference call by dialing (877) 224-9081 (International callers, dial (224) 357-2223). Investors and other interested parties may also go to the Investor Relations section of TripAdvisor's website at <http://ir.tripadvisor.com/events.cfm> for a live webcast of the conference call. Please access the website at least 15 minutes prior to the call to register, download, and install any necessary audio software. A replay of the conference call will be available on TripAdvisor's website noted above or by phone (dial (855) 859-2056 and enter the passcode 89021070) until February 22, 2018 and the webcast will be accessible at <http://ir.tripadvisor.com/events.cfm> for at least twelve months following the conference call.

About TripAdvisor

TripAdvisor, the world's largest travel site**, enables travelers to unleash the full potential of every trip. With over 600 million reviews and opinions covering the world's largest selection of travel listings worldwide – covering approximately 7.5 million accommodations, airlines, attractions, and restaurants -- TripAdvisor provides travelers with the wisdom of the crowds to help them decide where to stay, how to fly, what to do and where to eat. TripAdvisor also compares prices from more than 200 hotel booking sites so travelers can find the lowest price on the hotel that's right for them. TripAdvisor-branded sites are available in 49 markets, and are home to the world's largest travel community of 455 million average monthly unique visitors*, all looking to get the most out of every trip. TripAdvisor: Know better. Book better. Go better.

TripAdvisor, Inc. (NASDAQ: TRIP), through its subsidiaries, manages and operates websites under 20 other travel media brands: www.airfarewatchdog.com, www.bookingbuddy.com, www.citymaps.com, www.cruisecritic.com, www.familyvacationcritic.com, www.flipkey.com, www.thefork.com (including www.lafourchette.com, www.eltenedor.com, www.iens.nl and www.vacationhomerentals.com and www.viator.com.

*Source: TripAdvisor log files, average monthly unique visitors, Q3 2017

**Source: comScore Media Metrix for TripAdvisor Sites, worldwide, October 2017

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

	Three Months Ended			Year Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Revenue	\$ 321	\$ 439	\$ 316	\$ 1,556	\$ 1,480
Costs and expenses:					
Cost of revenue	16	20	16	72	71
Selling and marketing (1)	167	247	172	849	756
Technology and content (1)	58	61	58	243	243
General and administrative (1)	42	42	34	157	143
Depreciation	21	19	18	79	69
Amortization of intangible assets	8	8	8	32	32
Total costs and expenses	312	397	306	1,432	1,314
Operating income	9	42	10	124	166
Other income (expense), net	(6)	(4)	(6)	(14)	(15)
Income before income taxes	3	38	4	110	151
Provision for income taxes	(87)	(13)	(3)	(129)	(31)
Net income (loss)	<u>\$ (84)</u>	<u>\$ 25</u>	<u>\$ 1</u>	<u>\$ (19)</u>	<u>\$ 120</u>
Earnings (loss) per share attributable to common stockholders:					
Basic	<u>\$ (0.60)</u>	<u>\$ 0.18</u>	<u>\$ 0.01</u>	<u>\$ (0.14)</u>	<u>\$ 0.83</u>
Diluted	<u>\$ (0.60)</u>	<u>\$ 0.18</u>	<u>\$ 0.01</u>	<u>\$ (0.14)</u>	<u>\$ 0.82</u>
Weighted average common shares outstanding:					
Basic	139	139	145	140	145
Diluted	139	139	146	140	147
(1) Includes stock-based compensation expense as follows:					
Selling and marketing	\$ 6	\$ 5	\$ 5	\$ 21	\$ 20
Technology and content	\$ 9	\$ 12	\$ 10	\$ 40	\$ 40
General and administrative	\$ 10	\$ 9	\$ 7	\$ 35	\$ 25

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

	December 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 673	\$ 612
Short-term marketable securities	35	118
Accounts receivable, net of allowance for doubtful accounts of \$16 and \$9, respectively	230	189
Income taxes receivable	30	—
Prepaid expenses and other current assets	25	31
Total current assets	993	950
Long-term marketable securities	27	16
Property and equipment, net of accumulated depreciation of \$177 and \$111, respectively	263	260
Intangible assets, net of accumulated amortization of \$112 and \$80, respectively	142	167
Goodwill	758	736
Deferred income taxes, net	16	42
Other long-term assets	73	67
TOTAL ASSETS	\$ 2,272	\$ 2,238
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8	\$ 14
Deferred merchant payables	156	128
Deferred revenue	60	64
Current portion of debt	7	80
Income taxes payable	5	10
Accrued expenses and other current liabilities	136	127
Total current liabilities	372	423
Long-term debt	230	91
Deferred income taxes, net	14	12
Other long-term liabilities	293	210
Total Liabilities	909	736
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: 135,617,263 and 134,706,467, respectively		
Shares outstanding: 126,142,773 and 131,310,980, 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	926	831
Retained earnings	926	945
Accumulated other comprehensive (loss) income	(42)	(77)
Treasury stock-common stock, at cost, 9,474,490 and 3,395,487 shares, respectively	(447)	(197)
Total Stockholders' Equity	1,363	1,502
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,272	\$ 2,238

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

	Three Months Ended			Year Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Operating activities:					
Net income (loss)	\$ (84)	\$ 25	\$ 1	\$ (19)	\$ 120
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation of property and equipment, including amortization of internal-use software and website development	21	19	18	79	69
Amortization of intangible assets	8	8	8	32	32
Stock-based compensation expense	25	26	22	96	85
Deferred tax expense (benefit)	40	(10)	(6)	29	(20)
Other, net	4	6	4	10	10
Changes in operating assets and liabilities, net of effects from acquisitions and other investments	4	(209)	(1)	11	25
Net cash provided by (used in) operating activities	18	(135)	46	238	321
Investing activities:					
Capital expenditures, including internal-use software and website development	(15)	(15)	(16)	(64)	(72)
Acquisitions and other investments, net of cash acquired	—	—	(20)	—	(43)
Purchases of marketable securities	(47)	(9)	(22)	(63)	(166)
Sales of marketable securities	—	2	22	105	84
Maturities of marketable securities	4	8	9	28	32
Other investing activities, net	—	—	1	—	2
Net cash (used in) provided by investing activities	(58)	(14)	(26)	6	(163)
Financing activities:					
Repurchase of common stock	—	—	(84)	(250)	(105)
Proceeds from Chinese credit facilities	—	—	5	—	7
Payments to Chinese credit facilities	—	—	(1)	—	(1)
Proceeds from 2015 credit facility, net of financing costs	20	40	91	433	101
Payments to 2015 credit facility	(55)	(35)	(20)	(296)	(210)
Proceeds from 2016 credit facility, net of financing costs	—	—	—	—	73
Payments to 2016 credit facility	—	—	—	(73)	—
Proceeds from exercise of stock options	—	1	1	3	7
Payment of withholding taxes on net share settlements of equity awards	(2)	(1)	(2)	(17)	(15)
Net cash (used in) provided by financing activities	(37)	5	(10)	(200)	(143)
Effect of exchange rate changes on cash and cash equivalents	—	7	(9)	17	(17)
Net (decrease) increase in cash and cash equivalents	(77)	(137)	1	61	(2)
Cash and cash equivalents at beginning of period	750	887	611	612	614
Cash and cash equivalents at end of period	<u>\$ 673</u>	<u>\$ 750</u>	<u>\$ 612</u>	<u>\$ 673</u>	<u>\$ 612</u>
Supplemental disclosure of cash flow information:					
Cash paid during the period for income taxes, net of refunds				\$ 62	\$ 29
Cash paid during the period for interest				\$ 13	\$ 10

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

	Three Months Ended			Q/Q Growth	Y/Y Growth
	December 31, 2017	September 30, 2017	December 31, 2016		
Revenue:					
Hotel	\$ 244	\$ 312	\$ 252	(22)%	(3)%
Non-Hotel	77	127	64	(39)%	20%
Total revenue	<u>\$ 321</u>	<u>\$ 439</u>	<u>\$ 316</u>	(27)%	2%
Adjusted EBITDA (1):					
Hotel	\$ 63	\$ 51	\$ 66	24%	(5)%
Non-Hotel	—	44	(8)	(100)%	100%
Total Adjusted EBITDA	<u>\$ 63</u>	<u>\$ 95</u>	<u>\$ 58</u>	(34)%	9%
Adjusted EBITDA Margin (1):					
Hotel	26%	16%	26%		
Non-Hotel	0%	35%	(13)%		
Total Adjusted EBITDA Margin	20%	22%	18%		
Net Income (Loss) (2)	\$ (84)	\$ 25	\$ 1		
Net Income (Loss) Margin	(26)%	6%	0%		

	Year Ended December 31,		% Change
	2017	2016	2017 vs. 2016
Revenue:			
Hotel	\$ 1,196	\$ 1,190	1%
Non-Hotel	360	290	24%
Total revenue	<u>\$ 1,556</u>	<u>\$ 1,480</u>	5%
Adjusted EBITDA (1):			
Hotel	\$ 286	\$ 380	(25)%
Non-Hotel	45	(28)	261%
Total Adjusted EBITDA	<u>\$ 331</u>	<u>\$ 352</u>	(6)%
Adjusted EBITDA Margin (1):			
Hotel	24%	32%	
Non-Hotel	13%	(10)%	
Total Adjusted EBITDA Margin	21%	24%	
Net Income (Loss) (2)	\$ (19)	\$ 120	
Net Income (Loss) Margin	(1)%	8%	

(1) 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.
(2) 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 in our press release and related conference call or webcast, 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, non-GAAP net income per diluted share, free cash flow, non-GAAP revenue before effects of foreign exchange, and Adjusted EBITDA before effects of foreign exchange.

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 for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived assets and intangible asset impairments; and (7) other non-recurring expenses and income. These items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

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

Adjusted EBITDA and Adjusted EBITDA margin are key measures used by our management and board of directors to understand and evaluate the operating 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 of our core business. 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 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 tax payments that may represent a reduction in cash available to us; 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” as GAAP net income (loss) excluding, net of their related tax effects (which excludes the impact of significant changes resulting from tax legislation such as the 2017 Tax Act): (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) goodwill, intangible assets, and other long-lived asset impairments; and (4) 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 is an operating performance measure which provides investors and analysts with useful supplemental information about the financial performance of our business, as it incorporates our unaudited condensed consolidated statement of operations, taking into account depreciation, which management believes is an ongoing cost of doing business, but excluding the impact of certain expenses, infrequently occurring items and items not directly tied to the core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance.

TripAdvisor defines “non-GAAP net income per diluted share”, or non-GAAP diluted EPS, as non-GAAP net income 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 core operations of our businesses. During the second quarter of 2016, TripAdvisor began calculating non-GAAP net income per diluted share using GAAP diluted shares determined under the treasury stock method. This change did not have a material effect on our previously reported non-GAAP EPS calculations in prior periods.

Non-GAAP net income and non-GAAP diluted EPS have some of the same limitations as Adjusted EBITDA. In addition, non-GAAP net income does not include all items that affect our net income 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 internal-use software development costs. We believe this financial measure can provide useful supplemental information to help investors better understand underlying trends in our business, as it represents the operating cash flow that our operating businesses generate, less capital expenditures but before taking into account other cash movements that are not directly tied to the core operations of our businesses, such as financing activities, foreign exchange or certain investing activities. Free cash flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, it is important to evaluate free cash flow along with the unaudited condensed consolidated statements of cash flows.

TripAdvisor calculates our foreign exchange effect of revenue, or “non-GAAP revenue before effects of foreign exchange” on a constant currency basis by excluding the effects of foreign currency exchange on revenue by translating actual revenue for the current year three months ended using the prior period foreign currency exchange rates. We believe this is a useful measure that facilitates management’s internal comparison to our historical performance because it excludes the effects of foreign currency volatility that is not indicative of our core operating results.

TripAdvisor calculates our foreign exchange effect of Adjusted EBITDA, or “Adjusted EBITDA before effects of foreign exchange,” on a constant currency basis, by excluding the effects of foreign currency exchange by translating all amounts included in Adjusted EBITDA for the current year three months ended using the prior period foreign currency exchange rates. We believe this is a useful measure that facilitates management’s internal comparison to our historical performance because it excludes the effects of foreign currency volatility that is not indicative of our 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, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):					
GAAP Net Income (Loss)	\$ (84)	\$ 25	\$ 1	\$ (19)	\$ 120
Add: Provision for income taxes	87	13	3	129	31
Add: Other expense (income), net	6	4	6	14	15
Add: Depreciation and amortization of intangible assets	29	27	26	111	101
Add: Stock-based compensation expense	25	26	22	96	85
Adjusted EBITDA (Non-GAAP)	<u>\$ 63</u>	<u>\$ 95</u>	<u>\$ 58</u>	<u>\$ 331</u>	<u>\$ 352</u>
Revenue (GAAP)	\$ 321	\$ 439	\$ 316	\$ 1,556	\$ 1,480
Net Income (Loss) margin (GAAP)	(26%)	6%	0%	(1%)	8%
Adjusted EBITDA margin (Non-GAAP) (1)	20%	22%	18%	21%	24%
Reconciliation from GAAP Net Income (Loss) and GAAP Net Income (Loss) per diluted share to Non-GAAP net income and Non-GAAP net income per diluted share:					
GAAP Net Income (Loss)	\$ (84)		\$ 1	\$ (19)	\$ 120
Add: Stock-based compensation expense	25		22	96	85
Add: Amortization of intangible assets	8		8	32	32
Add: Loss on cost method investment	—		—	2	—
Subtract: Income tax effect of Non-GAAP adjustments (2)	14		8	40	31
Add: Income tax impact related to 2017 Tax Cuts and Jobs Act (3)	73		—	73	—
Non-GAAP net income	<u>\$ 8</u>		<u>\$ 23</u>	<u>\$ 144</u>	<u>\$ 206</u>
GAAP diluted shares (4)	139		146	141	147
GAAP Net Income (Loss) per diluted share	\$ (0.60)		\$ 0.01	\$ (0.14)	\$ 0.82
Non-GAAP net income per diluted share (5)	\$ 0.06		\$ 0.16	\$ 1.02	\$ 1.40
Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):					
Net cash provided by operating activities (GAAP)	\$ 18		\$ 46	\$ 238	\$ 321
Subtract: Capital expenditures	15		16	64	72
Free cash flow (Non-GAAP)	<u>\$ 3</u>		<u>\$ 30</u>	<u>\$ 174</u>	<u>\$ 249</u>

(1) TripAdvisor defines "Adjusted EBITDA margin" as Adjusted EBITDA divided by revenue.

(2) 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 expense for the periods presented.

(3) Represents a provision for income taxes of \$73 million recorded in Q4 2017 related to the 2017 Tax Act, including an estimated amount of \$67 million for a transition tax and a \$6 million expense related to the remeasurement of deferred taxes. See a detailed discussion of the 2017 Tax Act above.

(4) Includes potential dilutive effect of common equivalent shares as if the Company had generated net income for the three months and year ended December 31, 2017.

(5) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income 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, attractions, 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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**TripAdvisor, Inc. Q4 2017 Prepared Remarks**

(All comparisons are against the same period of the prior year, unless otherwise noted; some calculations may not foot due to rounding)

Fourth quarter financial performance was ahead of our expectations, and Q4 capped a year of important progress on our product, supply and marketing initiatives. Demand and supply continues to grow TripAdvisor's powerful travel platform, and we are bringing it together to help more travelers across the globe plan, book and have great travel experiences.

There were two main drivers of our Q4 financial results. First, our click-based auction generally stabilized during the quarter. Second, we continued to optimize our paid marketing mix, significantly reducing online traffic acquisition expenses and thereby mitigating year-over-year adjusted EBITDA declines in our Hotel segment, while also investing in brand advertising. Additionally, the other revenue lines in our Hotel segment recovered to year-over-year growth. In our Non-Hotel segment, we continued successfully scaling our Attractions and Restaurants businesses. These businesses continue to reap the benefits of TripAdvisor's unique competitive position, driving continued strong revenue growth by matching global travel demand with increased bookable supply. After a few years of significant upfront investments, in 2017 this segment also began to demonstrate strong embedded operating leverage and its potential for substantial long-term earnings power.

The global TripAdvisor platform continues to generate strong network effects. User-generated content grew nearly 30% in 2017 and reached 600 million reviews and opinions in Q4. Community engagement remained strong as well. Average monthly unique visitors grew 17% in Q4, and reached 455 million during the peak summer travel season. Our core product focus has been to improve the TripAdvisor user experience throughout all stages of the travel journey – from inspiration, to research and planning, to finding and booking great travel experiences that truly make a trip memorable. In 2017, we added more immersive content, more price discovery, and more bookable supply across a wide spectrum of travel categories.

TripAdvisor's significant influence over the \$1.6 trillion dollar travel industry and massive global travel audience uniquely positions our business in front of attractive, and largely untapped, growth opportunities. We recently announced organizational changes that we believe will help us execute our long-term growth strategy. We will add talented leaders to spearhead our Hotel business as well as our exciting, new Core Experience business, which represents important "connective tissue" that will ensure the TripAdvisor user experience is as engaging, as delightful and as holistic as possible throughout every stage of the travel journey. This team will also focus on generating more media advertising opportunities for more partners on our platform.

In summary, the progress and changes we have made in 2017 make us excited for what is ahead. In 2018, we are focused on driving continued revenue and market share growth in Non-Hotel, and we will continue to diversify our Hotel marketing investments. These objectives, along with our trusted, global brand, rich travel content and large monthly audience, create a solid foundation for long-term profitable growth.

Hotel segment update

Throughout Q4 and 2017, we focused on three key areas: product experience, amplifying our consumer message through brand advertising and optimizing our marketing mix. Continued focus on these areas keeps us on the right path towards long-term growth, while also curtailing recent adjusted EBITDA declines.

First, we reduced friction across the hotel shopping experience. We refreshed the look and feel of TripAdvisor products and we launched cleaner, more streamlined hotel pages. We also made it much easier for users to find and compare prices across all booking options, giving them confidence that there is no need to shop around.

We have been prioritizing mobile throughout our product and development work and this increased focus continues to drive results. Mobile hotel shoppers grew 26% in Q4 and accounted for nearly 45% of our hotel shoppers in Q4 and more than 40% of hotel shoppers in 2017. Q4 mobile revenue per shopper grew in excess of 20% year-over-year. TripAdvisor-branded click-based and transaction revenue on mobile grew by more than 50% year-over-year in both Q4 and in the full year 2017. Our progress has reduced the revenue headwind created by our traffic mix shift from desktop to mobile. We will continue to reduce friction for hotel shoppers to drive conversion and bookings for partners, and we will also find more advertising opportunities for partners to drive more value on this key platform.

Second, we have been investing in brand advertising in order to build a more durable consumer relationship throughout the hotel shopping journey. Complementing our product work, this campaign drives home the message that TripAdvisor not only helps users find great hotels but also helps users save money. Still just a couple of quarters into this multi-year campaign, markets where the ads are running continue to outperform non-television markets on all key success metrics: unaided awareness of TripAdvisor as a place to shop for the best hotel prices, branded visitors, branded hotel shoppers, branded clickers and branded bookers.

Brand advertising expense stepped down seasonally in Q4 to \$15 million, and the \$74 million total investment for the year was in line with our stated plans for 2017. The team has optimized the campaign, improved ROAS performance and has been working on some new creative that we expect will further enhance the campaign's effectiveness throughout 2018.

Third, as discussed during the past couple of quarters, we have been making progress optimizing our performance marketing campaigns, leveraging improved tracking capabilities to reduce investments in unprofitable traffic. The charts below illustrate how reduced performance marketing investments caused consolidated direct selling and marketing expenses as a percentage of revenue in Q4 to decline, and also drove improved Hotel adjusted EBITDA margin in the period.



Absent our brand advertising investment, Hotel segment direct selling and marketing expense has decreased as a percentage of Hotel segment revenue in each quarter since Q1 2017.

Preserving Hotel segment profit has come – and we expect will continue to come – with near-term trade-offs in terms of hotel shopper growth and click-based revenue growth. Q4 TripAdvisor click-based and transaction revenue declined by 11%, and hotel shopper growth slowed to 3%. For the full year 2017, click-based and transaction revenue grew 1%, while hotel shoppers grew 7%. On the monetization side, revenue per hotel shopper declined 14% in Q4 and declined 7% in 2017 driven primarily by lower click-based auction bids from partners during the second half of the year, as well as faster hotel shopper growth on lower-monetizing mobile devices.

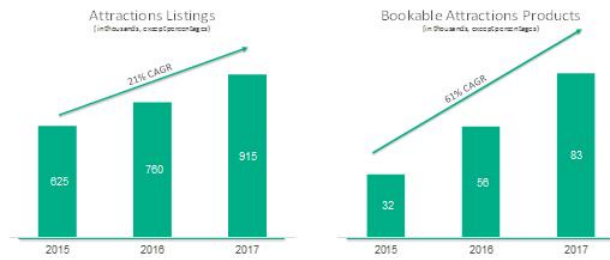
Looking at the rest of the Hotel segment, in Q4, display and subscription revenue accelerated to 12% growth, helped by some year-end wins that do not always re-occur, and other hotel revenue grew 3%. In Q4, we also launched our new TripAds media product, a sponsored listing opportunity providing hoteliers a new way to get noticed even when they are not the top-ranked in a geography.

Hotel segment adjusted EBITDA declines over the past couple of years have been unsatisfactory however we are encouraged by our recent progress. In 2018, we will continue to enhance our product and position our marketing investment mix for optimal benefit.

Non-Hotel segment update

While we continue to move our Hotel business forward on a more sustainable path towards long-term profitable growth, we continue to rapidly scale our Non-Hotel segment.

In Attractions, in 2017 we made progress on all our key objectives: growing high-quality bookable supply, growing demand, enhancing our product experience – especially on mobile – and driving conversion. On the supply side, bookable product growth accelerated in Q4 to 48% and we now offer users a selection of more than 83,000 things to do on a trip.



On the demand side, traffic increased across all key channels, from SEO, to mobile, to multi-lingual, and we also increased efficiency of our SEM traffic acquisition engine. Our ongoing product work to improve content, merchandising and sort order has enabled us to more efficiently turn lookers into bookers. Conversion on TripAdvisor and Viator points-of-sale grew by double digit percentages year-on-year. This has been netting out to continued strong double digit bookings growth, driven by strong mobile bookings growth as well as bookings on the TripAdvisor point-of-sale, which more than doubled year-on-year.

We are pleased with the strong Attractions platform we have built and we know we have more work to do. Phocuswright has sized the tours and activities market opportunity at approximately \$110 billion in 2018 and this is the largest part of an estimated \$159 billion global travel activities market. Our global TripAdvisor demand, strong mobile engagement and growing bookable supply footprint are unique competitive advantages and give us a leadership position to help users and businesses harness the internet to reduce friction, increase selection and drive bookings. In 2018, we are investing to deliver our product offering in multiple languages, driving mobile growth and product enhancements, and helping a larger percentage of TripAdvisor users find and book great travel experiences.

We also continue to invest in similar demand and supply advantages to build scale in our Restaurants business. Restaurants are such a natural extension for TripAdvisor given our fast-growing global audience of both travelers and locals, our rich content on 4.6 million restaurant listings, and our strong mobile engagement. We will continue to build our leadership position by improving our restaurant content and the overall user experience so TripAdvisor is top of mind for users as the easiest and most intuitive place to find the perfect place to eat. On the supply side, bookable listings grew to 46,000 restaurants. Demand and supply are driving transaction growth. Seated diners grew by nearly 40% year-over-year in 2017 and we continue to see healthy repeat booking rates.



We are also developing new media products to help a greater percentage of the more than 4.6 million restaurants gain more visibility on TripAdvisor. We have seen nice early uptake for TripAdvisor Premium, which enables restauranteurs to manage their listing, create storyboards and customize their pages. Similar to Hotels, in Q4 we launched TripAds for Restaurants. Our product and sales pipelines are expanding and, in 2018, we are focused on rapidly growing the number of advertising clients, while improving our consumer products, especially on mobile, as well as expanding bookable restaurant supply to give users more selection.

Finally, Vacation Rentals remains a strategic business for us, enabling TripAdvisor to offer travelers a broader selection of global accommodation options. Additionally, this business remains nicely profitable and we optimized the business during 2017. Users can now book nearly 85% of our 750,000 property listings online and an increasing percentage can be booked instantly. In 2018, our goal is to continue to deliver a high-quality rentals experience for users and partners in order to drive conversion on our platform. We aim to accomplish this by reducing friction throughout the booking process, by growing the number of instantly bookable listings and by rolling out a new booking system.

Turning to financial performance, Non-Hotel segment revenue grew 20% in Q4. Full-year 2017 revenue growth of 24% was in line with our 2017 goals, powered by accelerated revenue growth in Attractions and Restaurants, businesses that continue to benefit from strong network effects as we match fast-growing user demand with increased bookable supply.

This strong growth has contributed to a diversified revenue mix. \$77 million of Non-Hotel revenue represented 24% of our total revenue in Q4 and, \$360 million of Non-Hotel revenue represented 23% in the full year 2017, up from 15% in 2015, the first full year after we made our strategic acquisitions in Attractions and Restaurants.

Revenue Mix by Segment



Looking deeper at the composition of Non-Hotel results, in 2017, Attractions was the biggest driver of Non-Hotel segment absolute revenue growth and adjusted EBITDA and represented approximately half of Non-Hotel segment revenue. Restaurants and Vacation Rentals each were approximately 25% of the Non-Hotel segment revenue mix.

On the bottom line, Non-Hotel segment adjusted EBITDA was \$45 million in 2017, with an adjusted EBITDA margin of 13%, compared to negative 10% in full year 2016. This significant margin improvement was driven primarily by continued strong revenue growth in Attractions and Restaurants as well as marketing and operational synergies across Attractions and Vacation Rentals.

We see ample growth opportunity ahead. In 2018, and over the coming years, our strategic objectives in this segment are to continue to improve the user experience, to enhance our transaction capabilities and to grow media advertising opportunities on our platform. Our focus will remain on driving strong revenue growth and market share gains.

Q4 2017 Consolidated Financials

Our Q4 consolidated total revenue increased 2% year-over-year in reported currency. Changes in foreign currency provided a 2% tailwind.

Q4 consolidated GAAP net income declined significantly year-over-year to negative \$84 million, primarily driven by a \$73 million income tax charge recorded in Q4. This charge is primarily related to the mandatory one-time transition tax resulting from the deemed repatriation tax on the accumulated earnings from our foreign subsidiaries pursuant to the Tax Cuts & Jobs Act of 2017.

Our GAAP effective tax rate was 117.3% for the full year 2017. In 2018, we expect our GAAP effective tax rate to be in the high-30 percent range. Despite the U.S. federal corporate tax rate on our pre-tax income moving to 21%, our expected GAAP tax rate remains high in 2018 due to stock-based compensation tax accounting at a lower share price and changes in valuation allowances. We believe our non-GAAP tax rate, which is not subject to share price volatility, will be less impacted than our GAAP tax rate.

Q4 consolidated total adjusted EBITDA increased by 9% in reported currency. Changes in foreign currency provided a 4% tailwind in the period.

Q4 cash provided by operating activities was \$18 million, or 6% of revenue, down from \$46 million in Q4 2016. Capital expenditures were \$15 million, or 5% of revenue, and have remained relatively flat since the fourth quarter of 2015. As a result, fourth quarter free cash flow was \$3 million compared to \$30 million in Q4 2016. Full year 2017 cash flow from operating activities was \$238 million and was negatively impacted by the timing of certain working capital items. We expect these items will benefit cash flow from operating activities in 2018.

Overall, our liquidity position remains strong. Cash, cash equivalents and short-term and long-term marketable securities were \$735 million at December 31, 2017. In addition, our Board of Directors recently approved a share repurchase program for our common stock in the amount of \$250 million.

2018 Outlook

As a reminder, mobile adoption, competition on marketing channels, travel industry competitive dynamics, bidding volatility in our click-based auction and macro-economic events – among a number of other factors outside of our control – can limit our visibility into near-term financial performance. We endeavor to be as accurate as possible with our forward-looking commentary, though the aforementioned factors can cause actual results to vary materially.

We have taken important steps to stem recent profit declines in our Hotel business. As a result, we expect 2018 consolidated adjusted EBITDA will be approximately flat compared to 2017.

In our Hotel segment, we will continue to reduce performance marketing expenses to achieve higher return on investment from online marketing channels. At the same time, we expect to increase our brand advertising investment to \$100-130 million. The net result will be lower Hotel selling and marketing expenses compared to 2017. We expect our optimized marketing mix, coupled with tougher first half year-over-year comparisons, will result in lower Hotel segment revenue in 2018 compared to 2017. We also expect this will result in a smaller adjusted EBITDA decline in 2018 compared to 2017.

In our Non-Hotel segment, in 2018 we expect strong revenue growth at levels similar to 2016 and 2017.

We expect 2018 consolidated revenue and adjusted EBITDA year-over-year performance will be second half-weighted, driven by brand marketing investments in the first half of the year that were not in the year-ago period, as well as by tough year-over-year comparisons in our click-based and transaction business.

As we think about the longer-term, the TripAdvisor travel platform is strong and growing. We have untapped potential for long-term, profitable growth. We are excited by the growth opportunities ahead as we deliver users a more engaging, more holistic experience across our spectrum of travel products and give travel advertisers more visibility and more value on our platform. We believe our addressable market opportunity, our unique competitive position and our growth strategy position us to return to double-digit revenue growth and adjusted EBITDA margins in excess of what we have operated to over the past couple of years. We are taking important steps in 2018 and will continue to position the business to maximize long-term shareholder value.

* * *

TripAdvisor's fourth quarter 2017 earnings press release is available on the Investor Relations section of the TripAdvisor website at <http://ir.tripadvisor.com/>. The earnings release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the U.S. Securities Exchange Commission, or SEC, on February 14, 2018, 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.

Forward-Looking Statements:

These prepared remarks contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The following words, when used, are intended to identify forward-looking statements: "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "result" "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 II. 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 adjusted EBITDA (including forecasted adjusted EBITDA), free cash flow, and constant currency measurements, such as, non-GAAP revenue before effects of foreign exchange, and adjusted EBITDA before effects of foreign exchange, 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. The earning 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, 2018, 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.