



Q4 2015 Results

February 2016

Safe Harbor

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

Non-GAAP Measures. This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure are included in the press release reporting our fourth quarter 2015 financial results, which is available on the Investor Relations section of our website: www.tripadvisor.com, and in the "Non-GAAP Reconciliations" section of this document. These non-GAAP measures are intended to supplement, not substitute for, GAAP comparable measures. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

Industry / Market Data. Industry and market data used in this presentation have been obtained from industry publications and sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

Our Mission

Help travelers around the world plan and book the perfect trip



“Remarkable natural wonder!”



Review by toxdiva

See all 3,451 reviews of Antelope Canyon

Addressing Huge & Growing Market Opportunity

320M

Reviews & opinions



350M

Monthly unique users¹



1.8M

Accommodations²



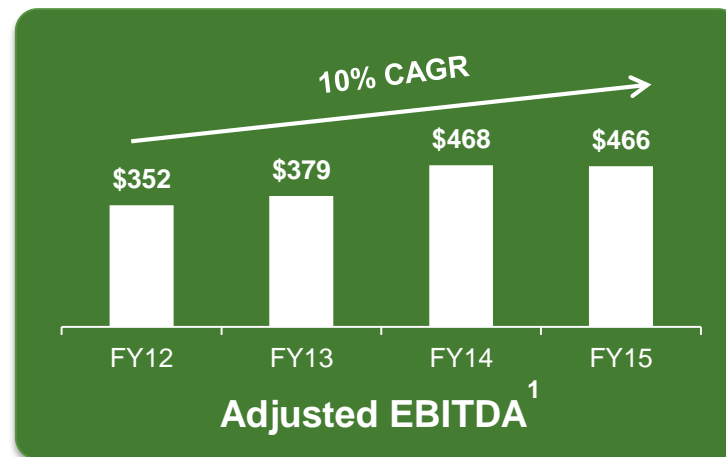
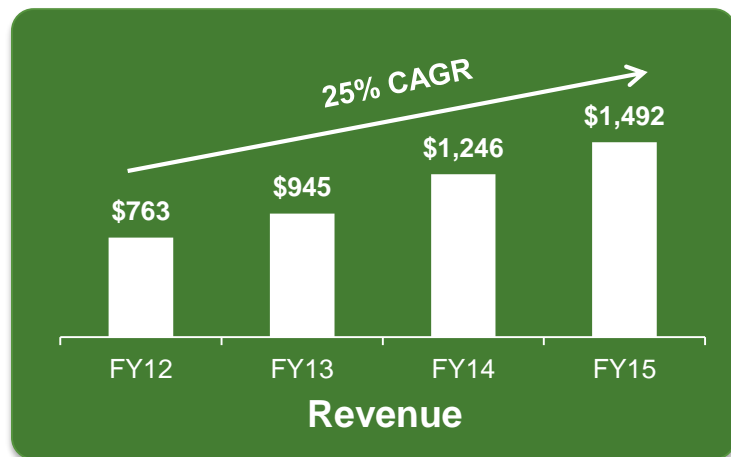
3.8M

Restaurants



625K

Attractions



(1) TripAdvisor internal log files, average monthly unique users during Q3 2015.

(2) Includes 1M hotels, inns, and Bed & Breakfasts, as well as 770K vacation rental listings.

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

Addressing Huge & Growing Market Opportunity

TOTAL WORLDWIDE
TRAVEL SPEND¹

\$1.3T

TOTAL WORLDWIDE
ONLINE TRAVEL
SPEND²

\$492B

TRIPADVISOR 2015 REVENUE

\$1.5B

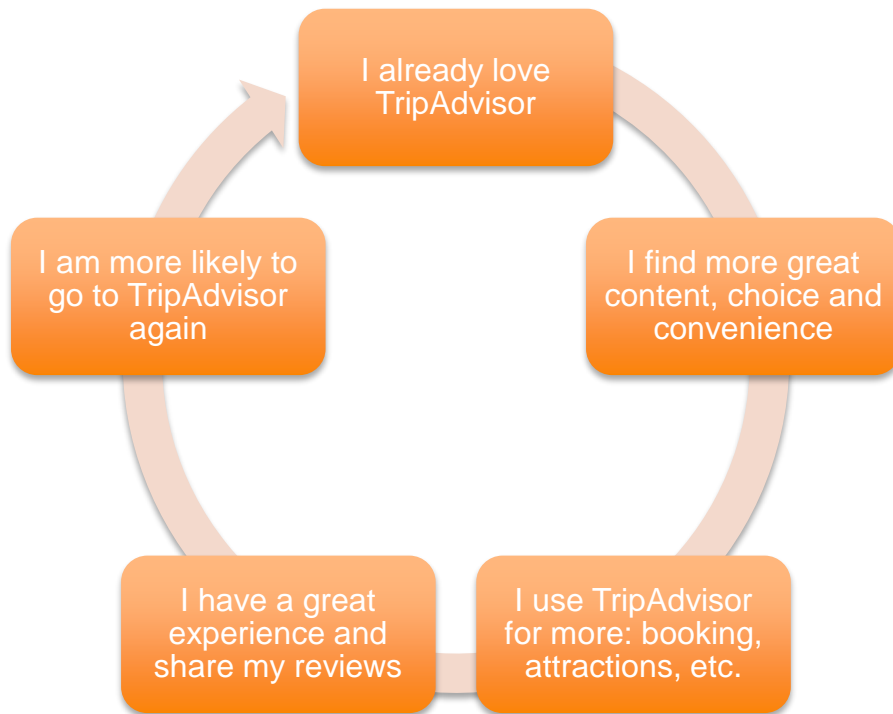
- Massive and growing \$1.3T global market opportunity
- Bookings moving to online; ad dollars following
- Content & community drives brand loyalty and influence on travel commerce
- Users looking for one-stop-shopping experience
- Mobile enhances long-term growth opportunities

1) Estimated 2015 total travel market size. PhoCusWright Global Online Travel overview, Third Edition (July 2014).

2) Estimated 2015 global online travel market size. PhoCusWright Global Online Travel overview, Third Edition (July 2014).

TripAdvisor Flywheel: What are we Aiming to Achieve?

User Experience Cycle



TripAdvisor Economic Engine



1) Short-term headwinds from transition to Instant Book.

Plan, Compare, and Book on TripAdvisor



With 8 of the Top 10 Global Hotel Chains on Instant Booking...



...And the World's Largest OTA...



Priceline Group

- Global inventory coverage (450K+ properties)
- Multiple Brands
- Great prices
- Content (room descriptions) in multiple languages
- Supports all global payment types

...We're Launching Instant Booking Globally in 1H 2016

2H 2015

1H 2016

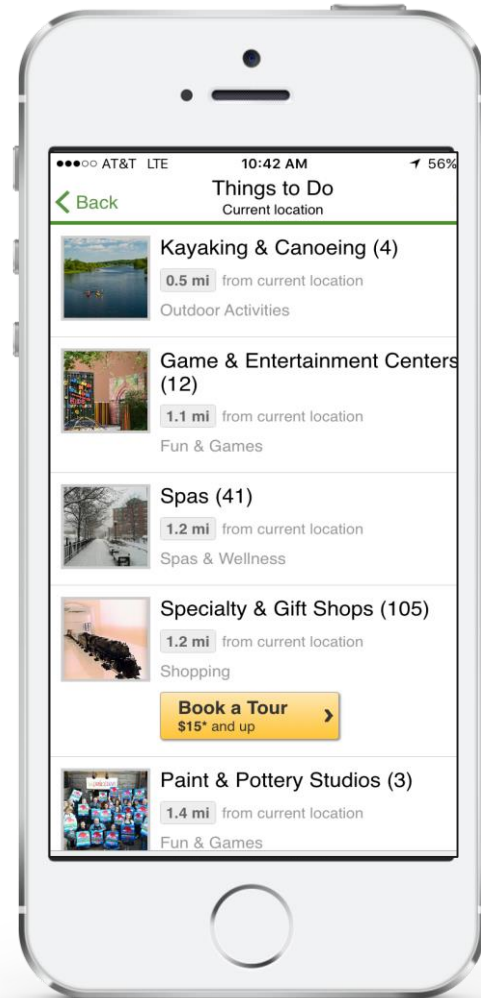
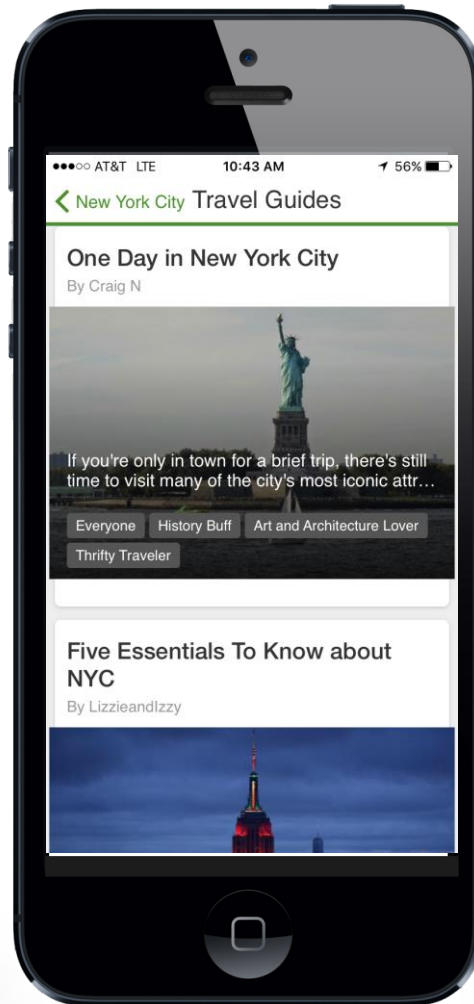
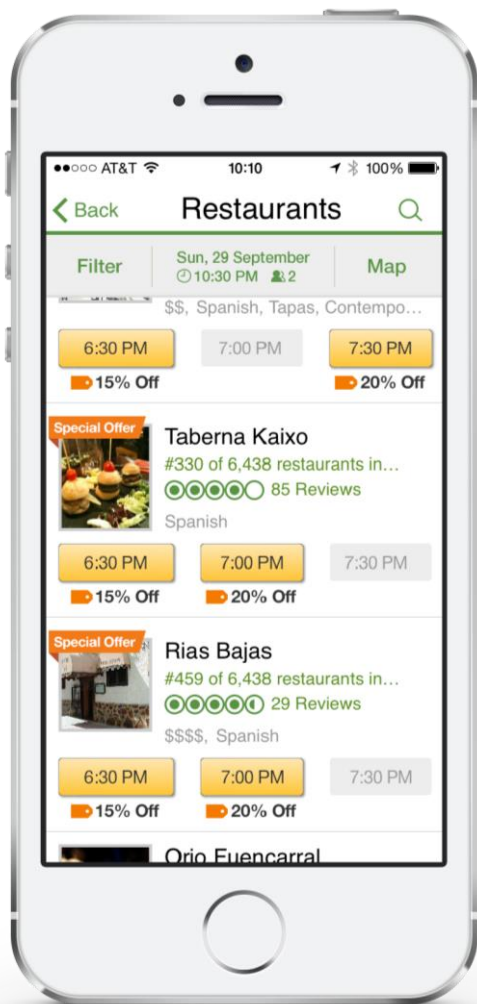
US, UK and Canadian rollout



Rollout to rest of APAC, LATAM and rest of World



TripAdvisor is the Perfect Travel Companion



Other Segment: More Moments to Delight Consumers

Attractions



Central Park

#1 of 902 things to do in New York City

55,021 Reviews

Sights & Landmarks, Nature & Parks

Book a Tour
\$7* and up



The Metropolitan Museum of Art

#2 of 902 things to do in New York City

27,013 Reviews

Travelers' Choice 2015

Shopping, Sights & Landmarks, Museums

Tickets & Tours
\$25* and up



Top of the Rock Observation Deck

#3 of 902 things to do in New York City

Restaurants



Gramercy Tavern

2,219 Reviews

179 mi

American, Pub

\$\$\$\$

Hours Today:
12:00 PM - 11:00 PM

Opens in 4 min

Find a table

Vacation Rentals



NY Midtown 45 - Luxurious

1 Bed, 1 Bath, Sleeps 4

181 mi

Property Details

1 Bedroom

1 Bathroom

Sleeps 4

From
\$245 per night

Make Inquiry



Key Operating Priorities – “Speed Wins”



User Experience

Continuously create and improve products that travelers love



Attractive Platform for Partners

Enable more partners to drive more value from TripAdvisor platform



Long-term Growth

Opportunistically re-invest today for long-term

Financial Results

Driving Valuable Leads for Partners

Audience

Rich, fresh user content on 6.2M businesses drives 350M unique users per month¹



Leads

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



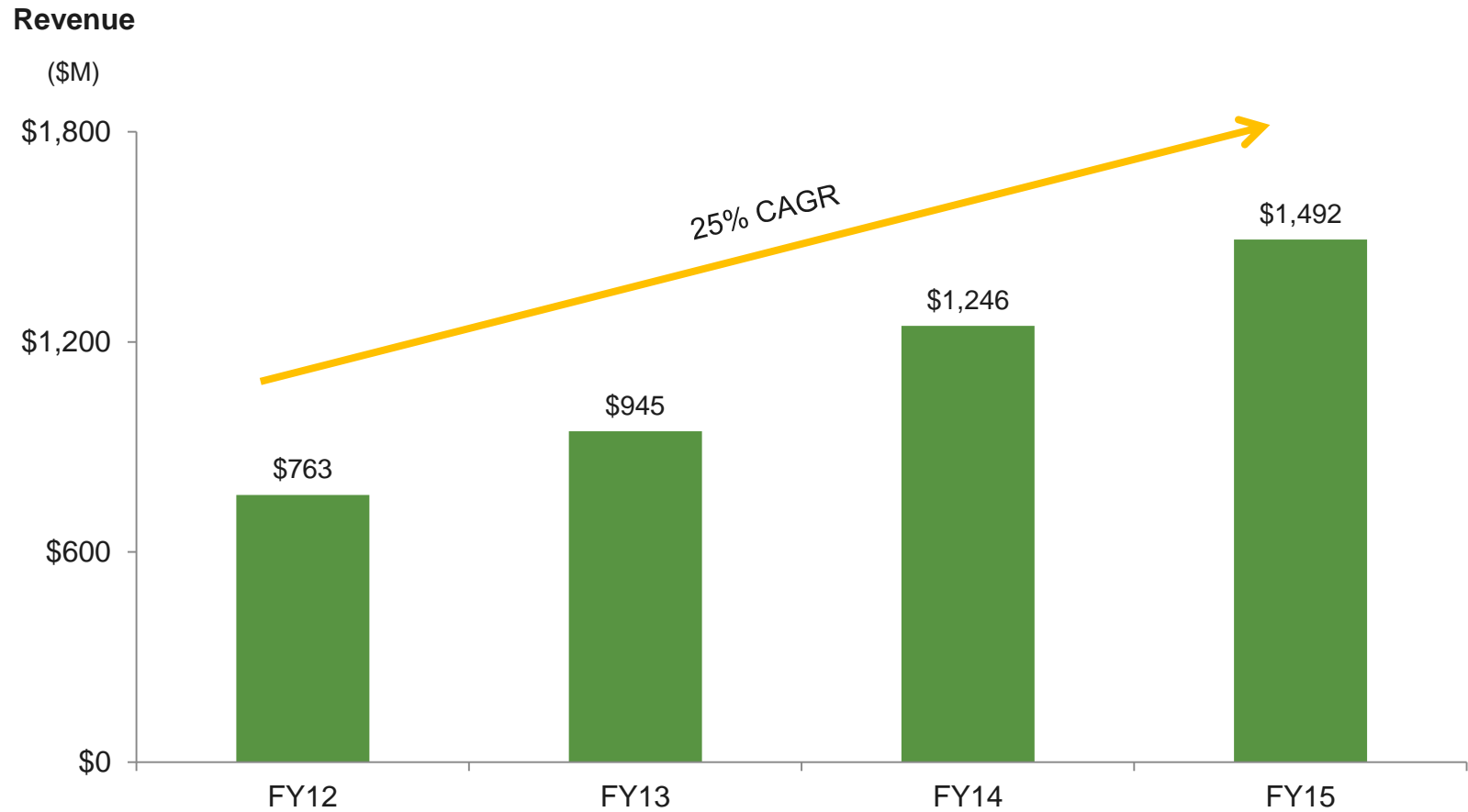
Profit

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

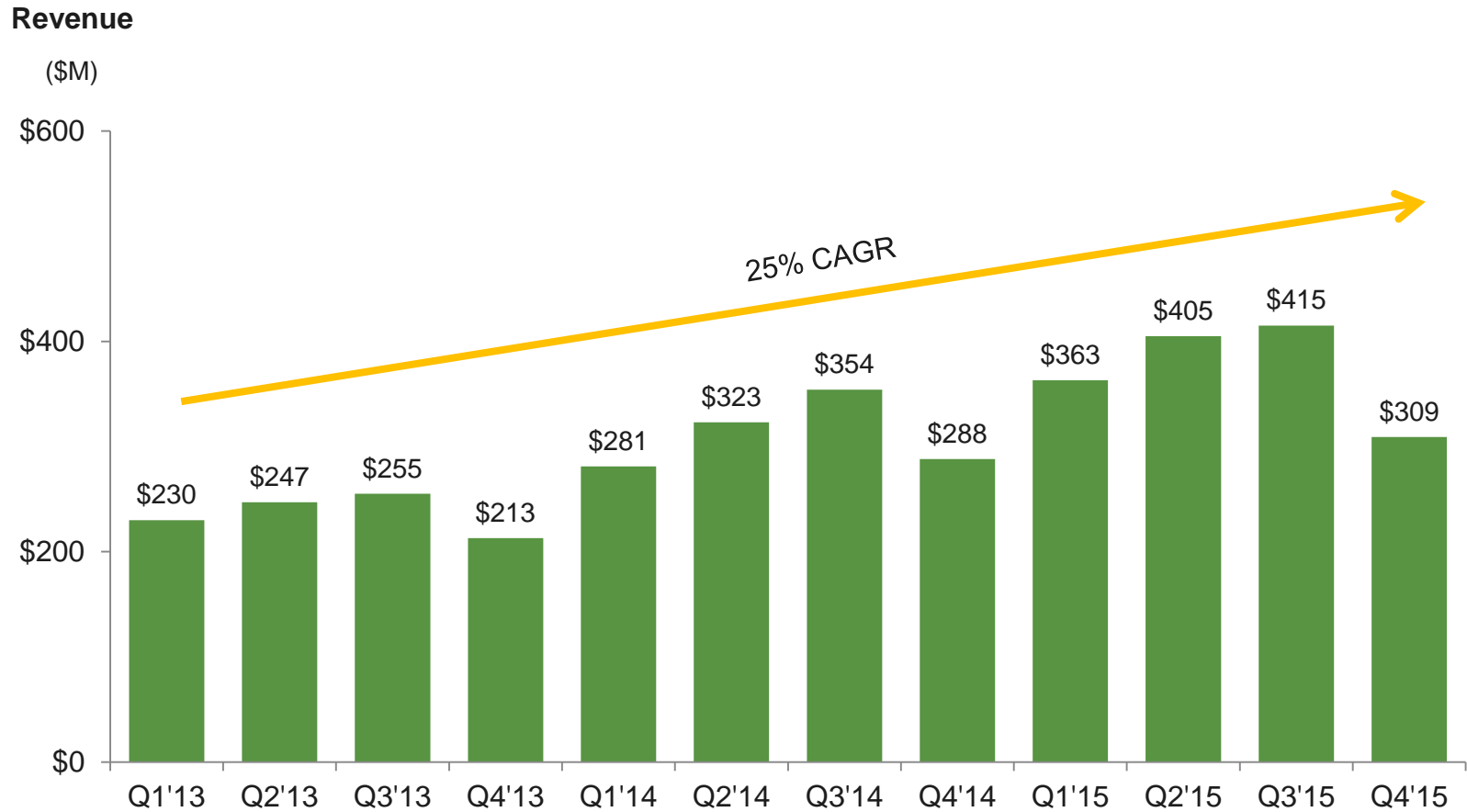


1) TripAdvisor internal log files, average monthly unique users during Q3 2015.

Strong Revenue Growth Track-Record

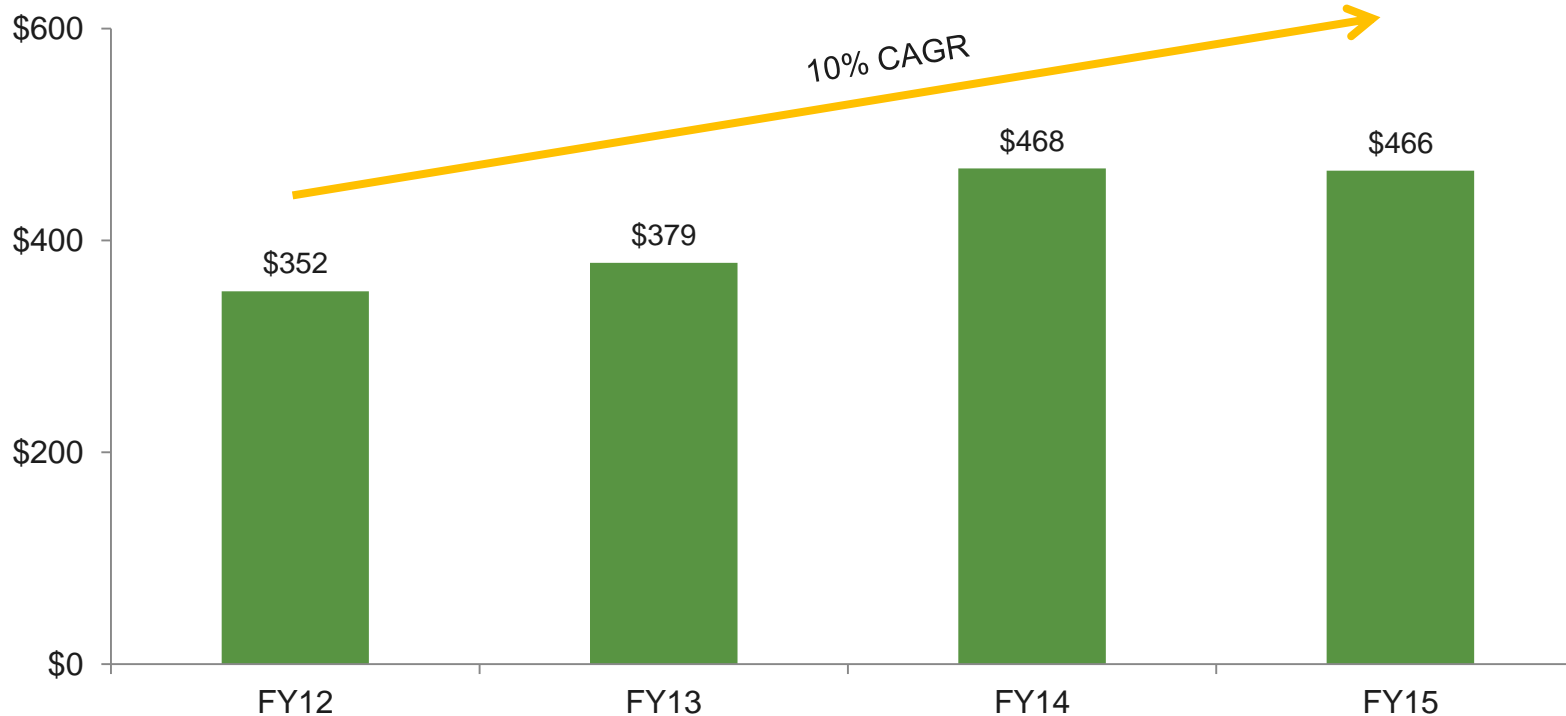


Strong Revenue Growth Track-Record



Strongly Profitable & Investing for Long-Term Growth

EBITDA
(\$M)



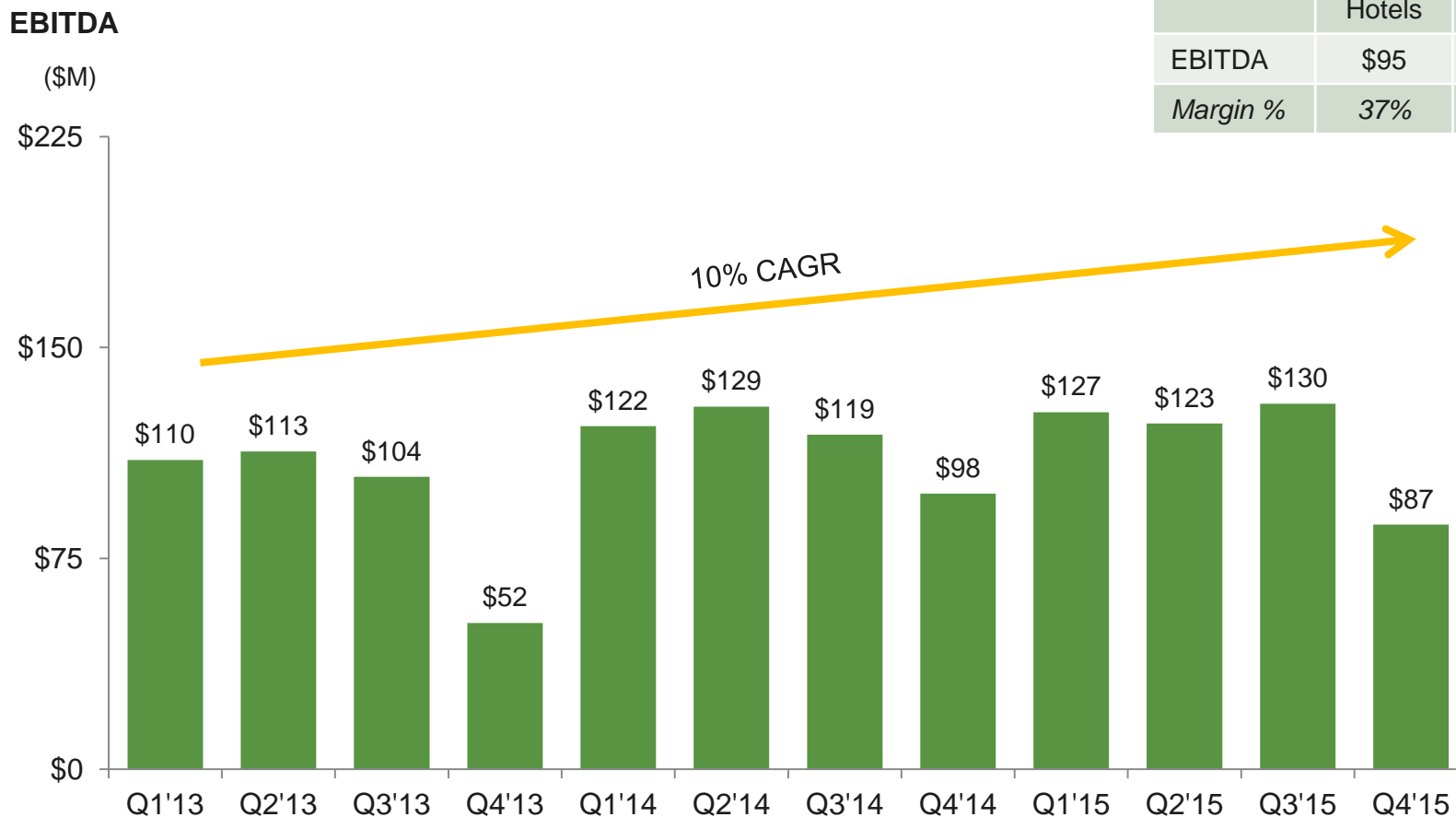
Segment Data - 2015

	Hotels	Other
EBITDA	\$472	(\$6)
Margin %	37%	(3%)

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

Strongly Profitable & Investing for Long-Term Growth

Segment Data – Q4'15		
	Hotels	Other
EBITDA	\$95	(\$8)
Margin %	37%	(16%)

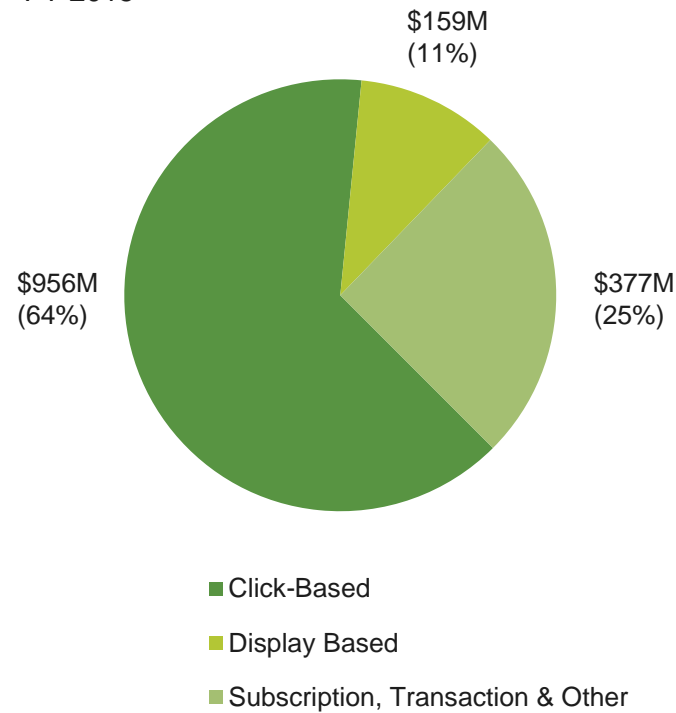


Global Brand & Product Mix Drives Revenue Growth

(\$M)

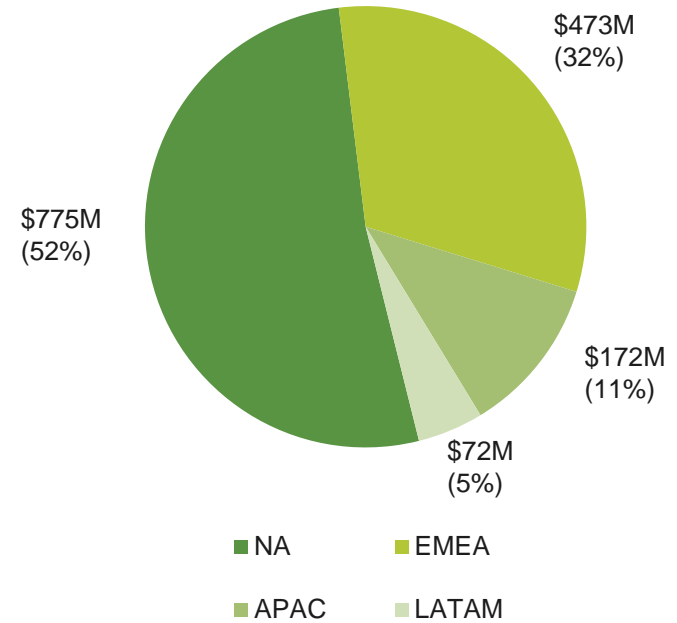
By Product

FY 2015



By Geography

FY 2015

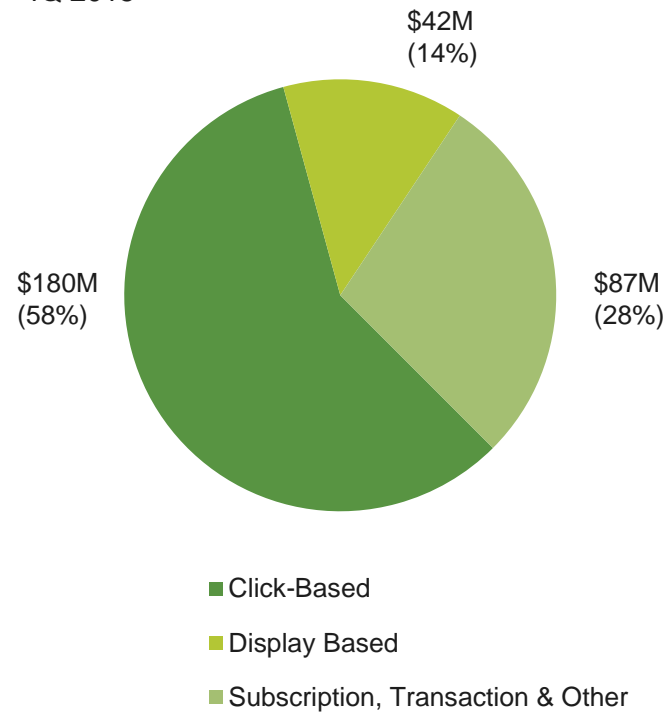


Global Brand & Product Mix Drives Revenue Growth

(\$M)

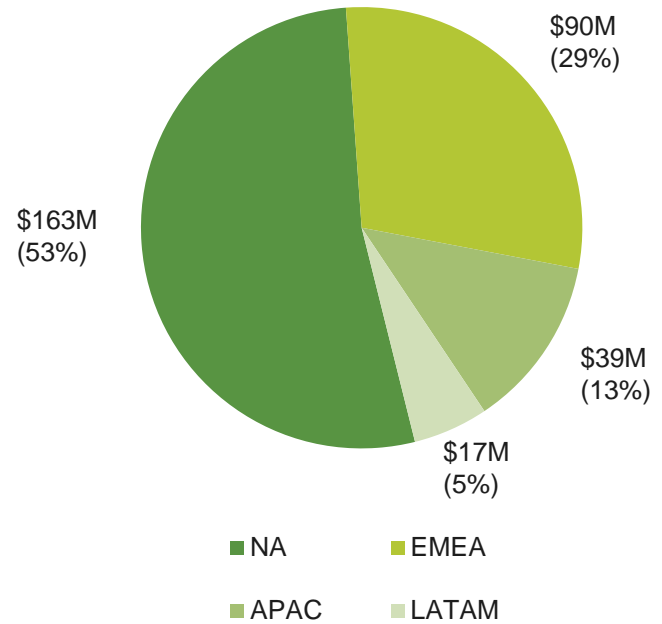
By Product

4Q 2015



By Geography

4Q 2015



Net Income & Cash Flow

(\$M, except Earnings per Share)

	FY 2015	FY 2014	FY 2013
GAAP Net income	\$198	\$226	\$205
Non-GAAP net income ¹	\$302	\$284	\$244
GAAP EPS	\$1.36	\$1.55	\$1.41
Non-GAAP EPS ²	\$2.05	\$1.93	\$1.68
Operating cash flow	\$382	\$387	\$349
Free Cash Flow ³	\$273	\$306	\$294
Cash, cash equivalents & marketable securities	\$698	\$594	\$670

- 1) TripAdvisor defines "non-GAAP net income" as GAAP net income excluding, net of their related tax effects: (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) certain gains, losses, and other expenses that we do not believe are indicative of our ongoing operating results; (4) goodwill, long-lived assets and intangible asset impairments and (5) other non-recurring expenses.
- 2) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by non-GAAP diluted shares. Non-GAAP diluted shares includes potential dilution from options calculated using the treasury stock method under GAAP plus weighted average shares for all outstanding RSUs.
- 3) 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.

Net Income & Cash Flow

(\$M, except Earnings per Share)

	Q4-15	Q3-15	Q4-14
GAAP Net income	\$3	\$74	\$36
Non-GAAP net income ¹	\$66	\$78	\$52
GAAP EPS	\$0.02	\$0.51	\$0.25
Non-GAAP EPS ²	\$0.45	\$0.53	\$0.35
Operating cash flow	\$74	\$8	\$62
Free Cash Flow ³	\$58	(\$31)	\$36
Cash, cash equivalents & marketable securities	\$698	\$730	\$594

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

(\$M)

	FY 2015	FY 2014	FY 2013	% Change '15 vs. '14
Revenue:				
Hotel	\$1,263	\$1,135	\$899	11%
Other	\$229	\$111	\$46	106%
Total Revenue	\$1,492	\$1,246	\$945	20%
Adjusted EBITDA¹:				
Hotel	\$472	\$472	\$384	0%
Other	(\$6)	(\$4)	(\$5)	(50%)
Total Adjusted EBITDA	\$466	\$468	\$379	0%
Adjusted EBITDA Margin ²:				
Hotel	37%	42%	43%	
Other	(3%)	(4%)	(11%)	

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

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

Segment Financial Information

(\$M)

	Q4-15	Q3-15	Q4-14	YoY % Change
Revenue:				
Hotel	\$260	\$340	\$251	4%
Other	\$49	\$75	\$37	32%
Total Revenue	\$309	\$415	\$288	7%
Adjusted EBITDA¹:				
Hotel	\$95	\$121	\$100	(5%)
Other	(\$8)	\$9	(\$2)	(300%)
Total Adjusted EBITDA	\$87	\$130	\$98	(11%)
Adjusted EBITDA Margin ²:				
Hotel	37%	36%	40%	
Other	(16%)	12%	(5%)	

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

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

Non-GAAP Reconciliations

(in millions, except per share amounts)	2013					2014					2015				
	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*	Q1	Q2	Q3	Q4	FY*
GAAP Net Income Reconciliation															
Adjusted EBITDA	\$110	\$113	\$104	\$52	\$379	\$122	\$129	\$119	\$98	\$468	\$127	\$123	\$130	\$87	\$466
Depreciation	6	7	8	9	30	10	11	12	14	47	14	15	13	16	57
Amortization of intangible assets	1	2	1	2	6	2	3	6	7	18	7	9	10	10	36
Stock-based compensation	15	10	11	13	49	14	15	17	17	63	16	18	19	19	72
Non-cash charitable contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67
Other non-recurring expenses	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2
GAAP Operating Income	88	94	84	28	294	96	100	84	60	340	90	79	88	(25)	232
Interest expense	(3)	(2)	(3)	(2)	(10)	(2)	(2)	(2)	(3)	(9)	(2)	(2)	(3)	(3)	(10)
Interest income and other, net	(1)	(2)	3	-	-	-	-	(7)	(2)	(9)	(2)	5	13	2	17
Income (loss) before income taxes	84	90	84	26	284	94	98	75	55	322	86	82	98	(26)	239
Provision (benefit) for income taxes	22	23	28	6	79	26	30	21	19	96	23	24	24	(29)	41
GAAP Net income	62	67	56	20	205	68	68	54	36	226	63	58	74	3	198
Non-GAAP Net income Reconciliation															
Non-GAAP Net income	\$74	\$76	\$65	\$30	\$244	\$80	\$81	\$71	\$52	\$284	\$80	\$79	\$78	\$66	\$302
Less: Stock-based compensation	15	10	11	13	49	14	15	17	17	63	16	18	19	19	72
Less: Amortization of intangible assets	1	2	1	2	6	2	3	6	7	18	7	9	10	10	36
Less: Non-cash charitable contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67
Less: Other non-recurring expenses	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2
Plus: Gain on sale of business	-	-	-	-	-	-	-	-	-	-	-	-	17	3	20
Plus: Income tax effect of non-GAAP adjustments	4	3	3	5	16	4	5	6	8	23	6	8	8	30	53
GAAP Net income	\$62	\$67	\$56	\$20	\$205	\$68	\$68	\$54	\$36	\$226	\$63	\$58	\$74	\$3	\$198
Non-GAAP Share Count Reconciliation															
Non-GAAP Diluted Shares Outstanding	145,067	146,487	146,253	146,029	145,959	146,512	146,816	147,055	146,787	146,792	147,068	147,294	147,155	147,468	147,246
Additional restricted stock units	412	823	799	749	696	847	1,034	984	1,107	992	1,196	1,335	1,327	1,257	1,279
GAAP Diluted Shares Outstanding	144,655	145,664	145,454	145,280	145,263	145,665	145,782	146,071	145,680	145,800	145,872	145,959	145,828	146,211	145,967
Diluted Non-GAAP EPS	\$0.50	\$0.52	\$0.45	\$0.21	\$1.68	\$0.54	\$0.55	\$0.48	\$0.35	\$1.93	\$0.54	\$0.54	\$0.53	\$0.45	\$2.05
Ex-Foreign Exchange Reconciliation															
Non-GAAP Revenue growth: Total	24%	25%	18%	24%	23%	21%	29%	38%	39%	32%	36%	35%	25%	12%	27%
Foreign exchange impact	1%	0%	2%	2%	1%	1%	2%	1%	(4%)	-	(7%)	(10%)	(8%)	(5%)	(7%)
GAAP Revenue growth	25%	25%	20%	26%	24%	22%	31%	39%	35%	32%	29%	25%	17%	7%	20%
Non-GAAP Revenue growth: Hotel Segment	-	-	-	-	-	-	-	-	-	-	26%	22%	15%	8%	18%
Foreign exchange impact	-	-	-	-	-	-	-	-	-	-	(6%)	(9%)	(7%)	(4%)	(7%)
GAAP Revenue growth: Hotel Segment	-	-	-	-	-	-	-	-	-	-	20%	13%	8%	4%	11%
Adjusted EBITDA growth before fx effect	-	-	-	(22%)	-	9%	10%	28%	98%	39%	15%	15%	26%	(2%)	14%
Foreign exchange impact	-	-	-	3%	-	3%	4%	(14%)	(10%)	(16%)	(11%)	(20%)	(17%)	(9%)	(14%)
Adjusted EBITDA growth	-	-	-	(19%)	-	12%	14%	14%	88%	23%	4%	(5%)	9%	(11%)	-



Thank You