



# Q3 2015 Results

November 2015

# Safe Harbor

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

**Non-GAAP Measures.** This presentation also includes discussion of both GAAP and non-GAAP financial measures. Important information regarding TripAdvisor's definition and use of these measures, as well as reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure are included in the press release reporting our third quarter 2015 financial results, which is available on the Investor Relations section of our website: [www.tripadvisor.com](http://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



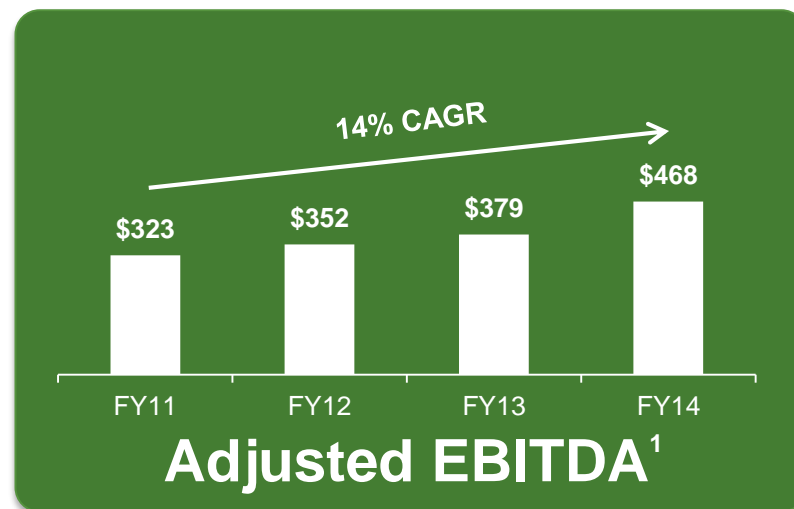
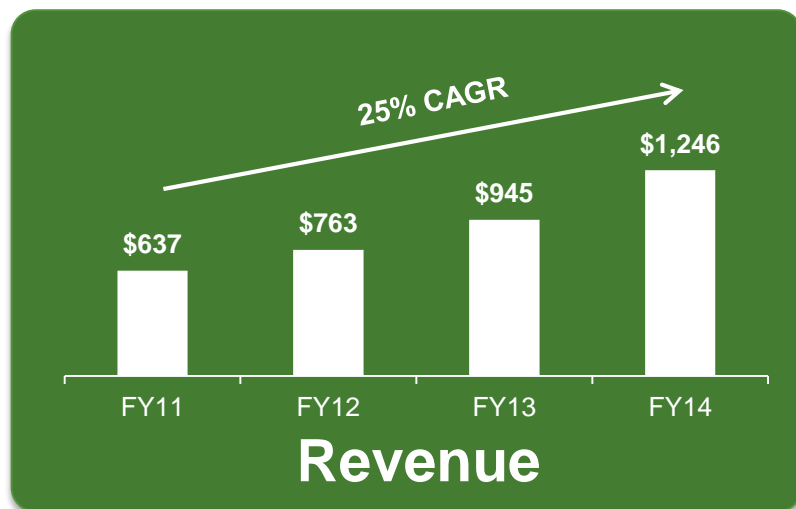
*“Remarkable natural wonder!”*



Review by toxdiva

See all 3,451 reviews of Antelope Canyon

# Strong Revenue Growth and Profitability



(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.

# Rich User-Generated Content

290M

Reviews & Opinions

190+

Contributions per minute

tripadvisor® Conrad Maldives Rangali Island Resort

Rangali Island Hotels Flights Vacation Rentals Restaurants Best of 2015 More Write a Review

Asia Maldives Alifu Atoll Southern Ari Atoll Rangali Island Rangali Island Hotels Search for a city

**Conrad Maldives Rangali Island** #1 of 1 Hotels in Rangali Island  
 ★★★★★ Rangali Island, 2034  
 1,229 Reviews

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

Best prices for your stay

03/09/2015	03/11/2015
<b>CONRAD</b> HOTELS & RESORTS	<b>\$978*</b> \$227 taxes & fees
agoda.com	<b>\$974*</b> \$693 taxes & fees
travelocity	<b>\$978*</b> \$737 taxes & fees
Orbitz.com \$1,255* Hotels.com \$978*	Despegar.com \$1,029* 5 more sites *Disclaimer

Certificate of Excellence 2014

Beach Romantic Trendy Free Wifi

Overview Reviews (1,229) Photos (1,821) Location Amenities Q&A (17) Room Tips (197)

1,229 reviews from our community

Write a Review

Popular Rangali Islands

- Diamonds Th... @ 2011  
Lowest price at Agoda: 2 sites checked  
**\$1,353 and up\***
- Mirih Island Resort @ 397 Reviews  
Lowest price at Expedia: 3 sites checked  
**\$1,080 and up\***
- LUX\* Maldives @ 1,403 Reviews  
Lowest price at Expedia: 4 sites checked  
**\$588 and up\***

Browse nearby

Restaurants (1)

**Conrad Maldives Rangali Island**

**91%**

**Ranked #1 of 1 hotels in Rangali Island**

859 Reviews

**Travelers' Choice® 2013 Winner**  
Luxury

**1,388 traveler photos**



Marilita-Fenia

Contributor

★ 15 reviews

4 hotel reviews

1 helpful vote

**"PARADISE IN EARTH .."**

Reviewed September 2, 2013 **NEW**

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

Was this review helpful? **Yes** 1

[Problem with this review?](#)

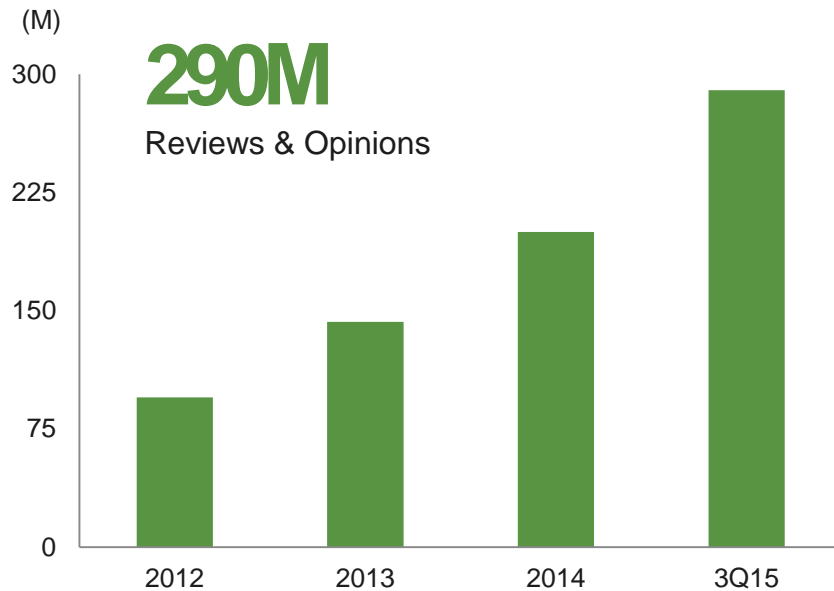


Shreekar P.

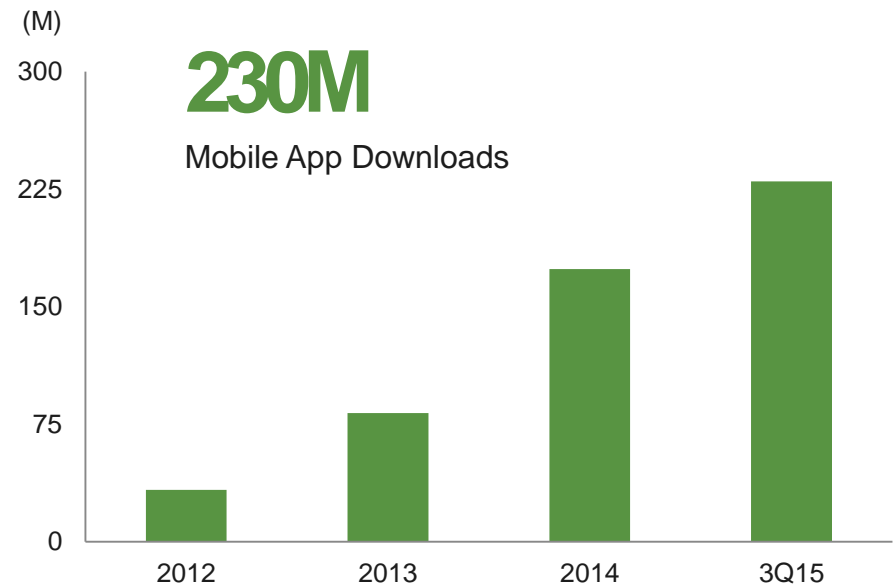
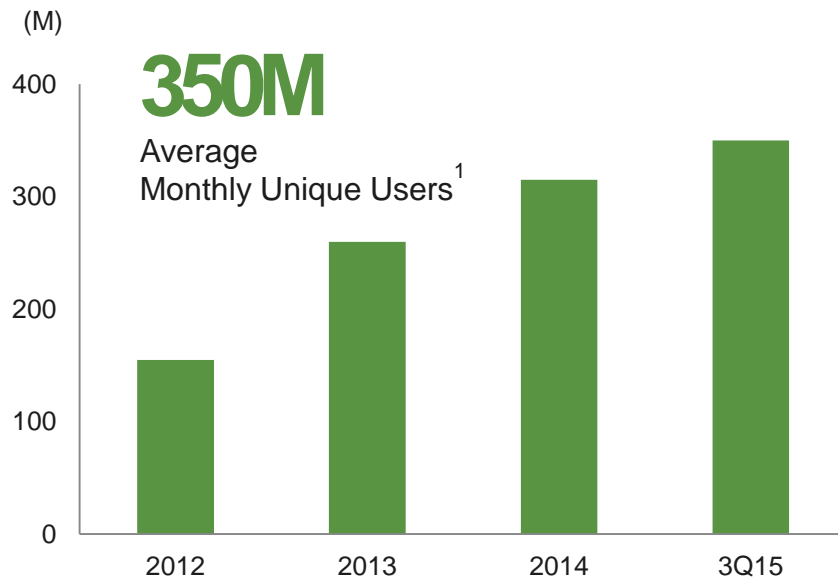
**Awesome experience at Rangali**

Reviewed 4 days ago  
I had been with my wife in January and had an awesome experience in realiti. One of the best resorts to be in maldives. The food the

# Global Leader in Content, Community and Mobile



- Fresh, rich content on more than 5.3 million businesses around the world
- Largest user community in travel
- >50% of users on mobile devices



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

# Addressing Huge & Growing Market Opportunity

TOTAL  
WORLDWIDE  
TRAVEL SPEND<sup>1</sup>

**\$1.3T**

TOTAL WORLDWIDE  
ONLINE TRAVEL  
SPEND<sup>2</sup>

**\$492B**

TRIPADVISOR 2014 REVENUE

**\$1.2B**

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).

# Driving Valuable Leads for Partners

## Audience

Rich, fresh user content on 5.3M businesses drives 350M unique users per month<sup>1</sup>



## Leads

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



## Profit

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



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



# Plan, Compare, and Book on TripAdvisor



**Research  
& Plan**

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**Price  
Compare**

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**Book**

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**On the Trip**

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# Hotels: Instant Booking Momentum Building



- 7 of the Top 10 Global Hotel Chains

# Hotels: The Priceline Group Enables Faster Global Rollout


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**Priceline Group**

# Other Segment: Additional 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  
American, Pub  
179 mi  
\$\$\$\$  
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

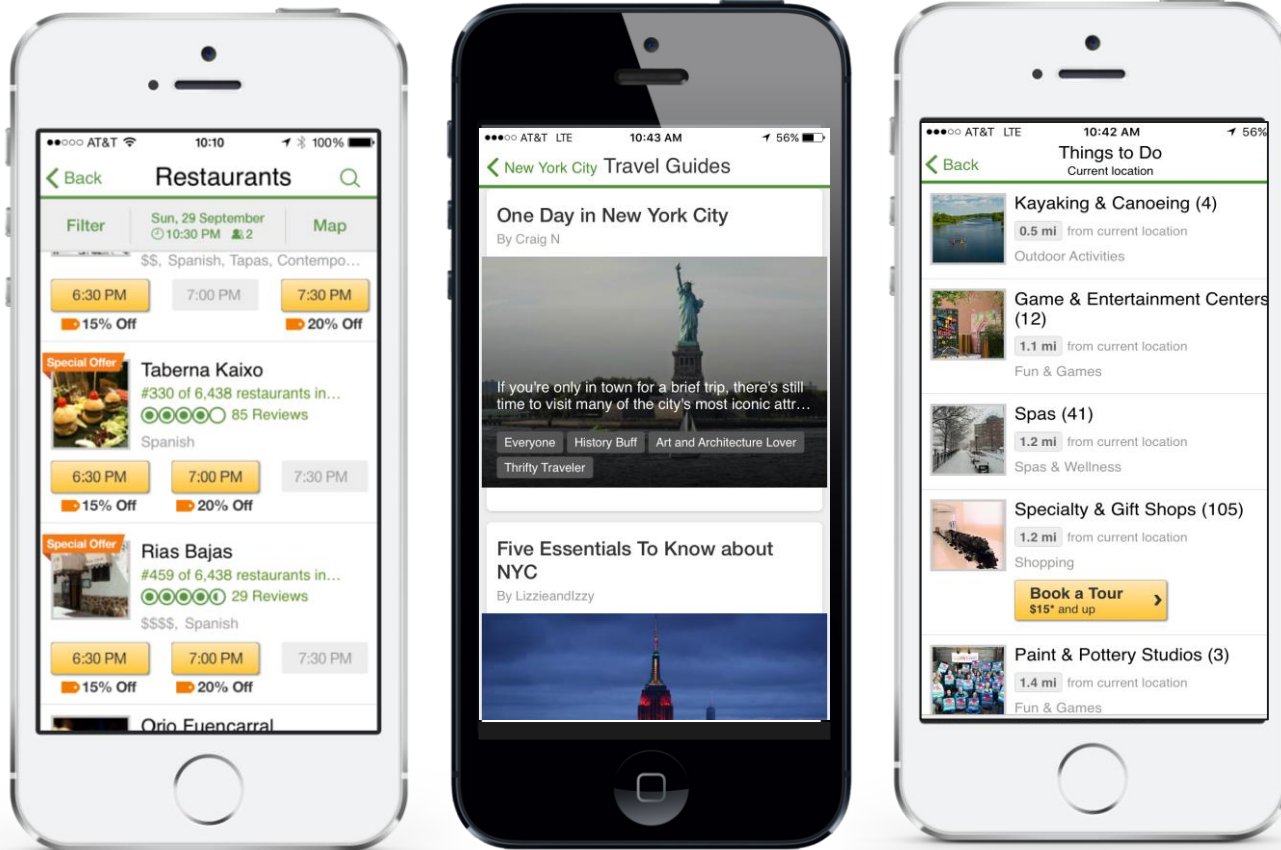
Property Details

- 1 Bedroom
- 1 Bathroom
- Sleeps 4

From **\$245** per night  
[Make Inquiry](#)



# TripAdvisor is the Perfect Travel Companion



# 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

# One business, three revenue streams

## Cost-per-click

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

Expedia **\$304\*** +\$48 taxes & fees [View Deal >](#)

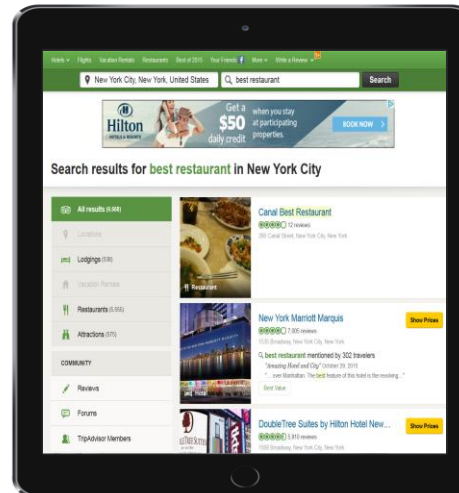
Hotels.com **\$304\*** +\$48 taxes & fees [View Deal >](#)

travelocity **\$304\*** +\$48 taxes & fees [View Deal >](#)

HotelTravel.com \$304\* getaroom.com \$304\*  
Hotwire.com \$304\* 5 more sites -

## Display

350M unique monthly visitors across 47 localized points of sale



## Subscription/transaction

Business Listings, Vacation Rentals, Restaurants & Attractions



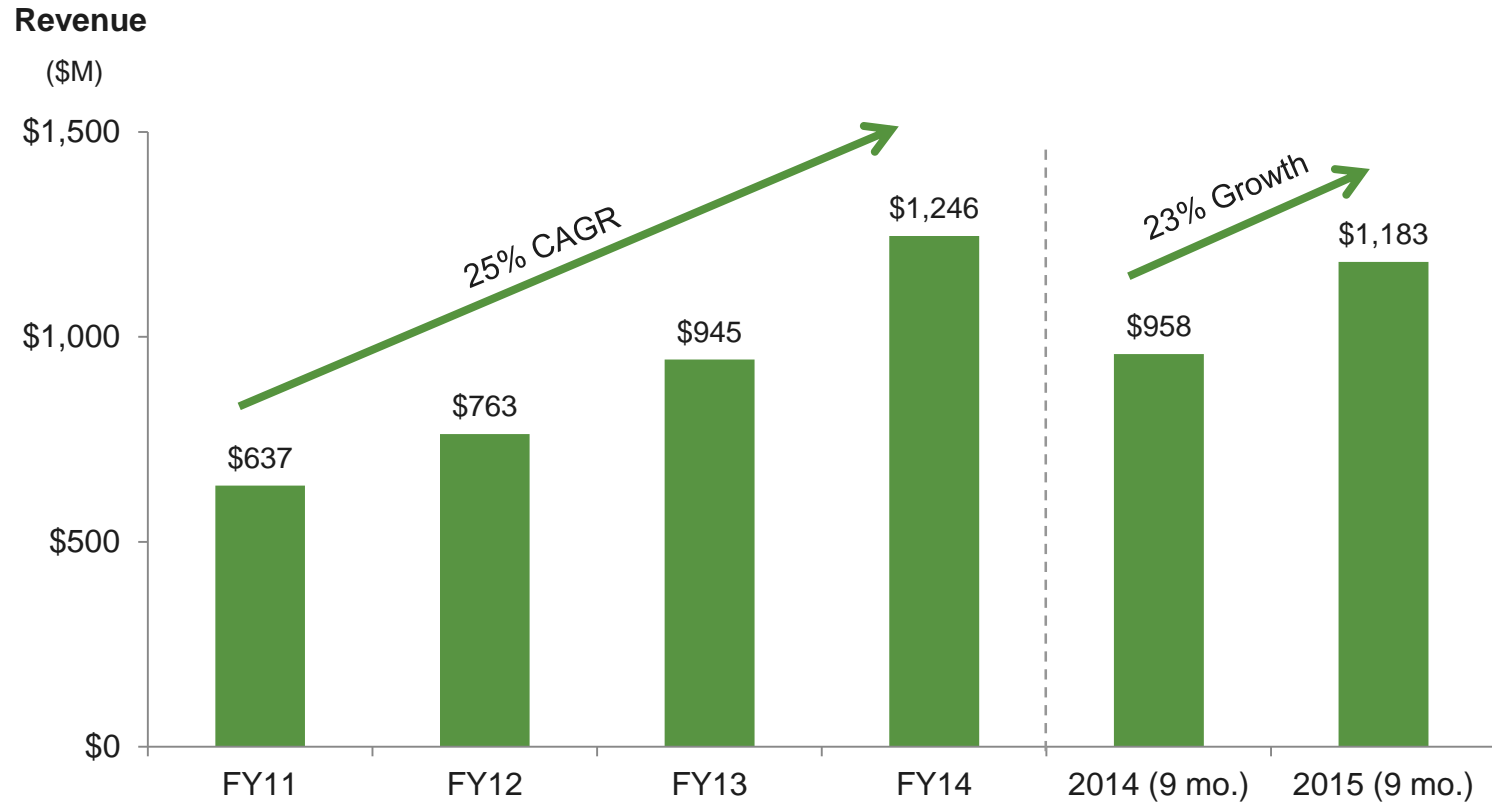
6:30 PM

7:00 PM >

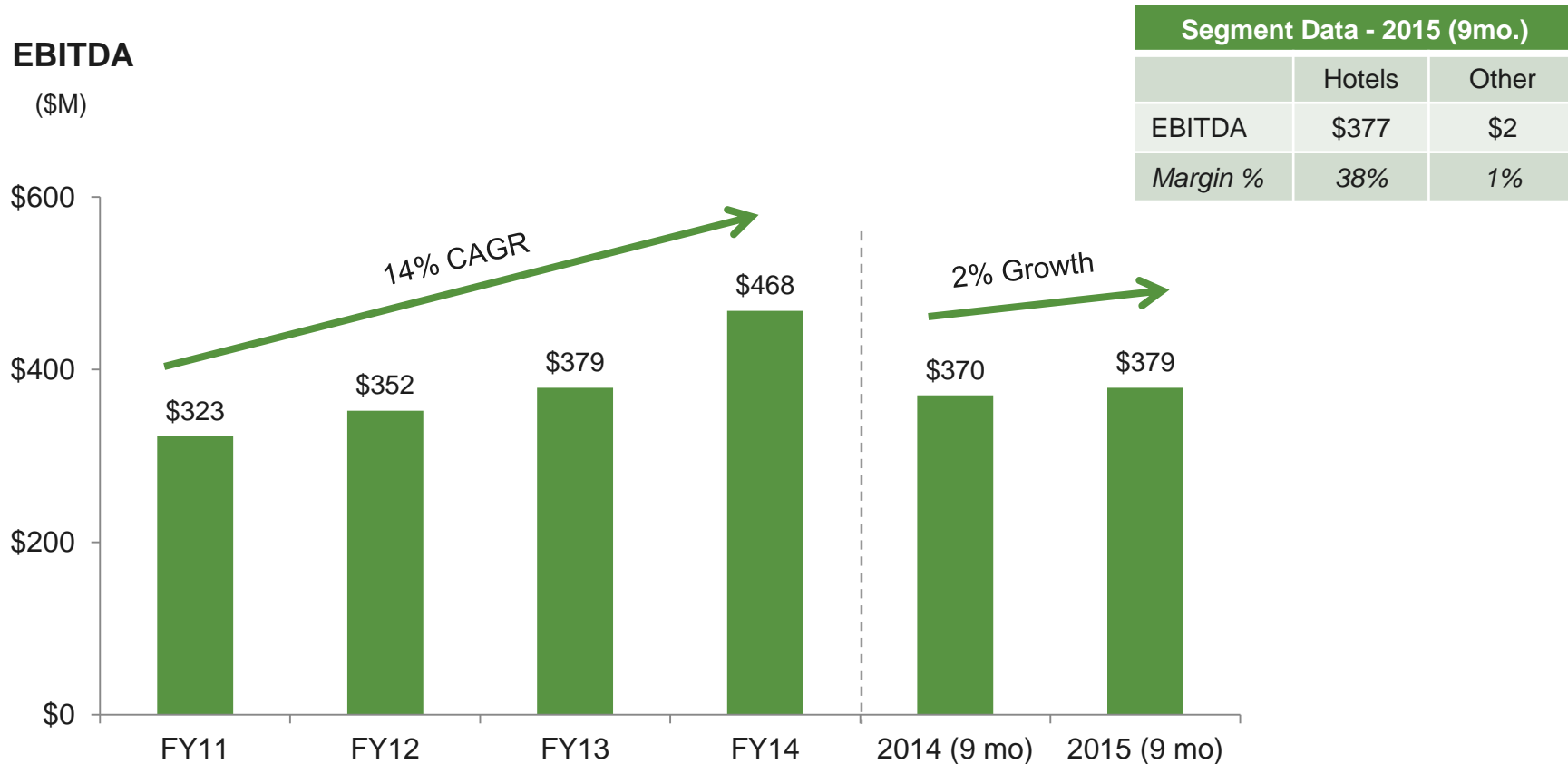
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# Strong Revenue Growth Track-Record



# Strongly Profitable & Investing for Long-Term Growth



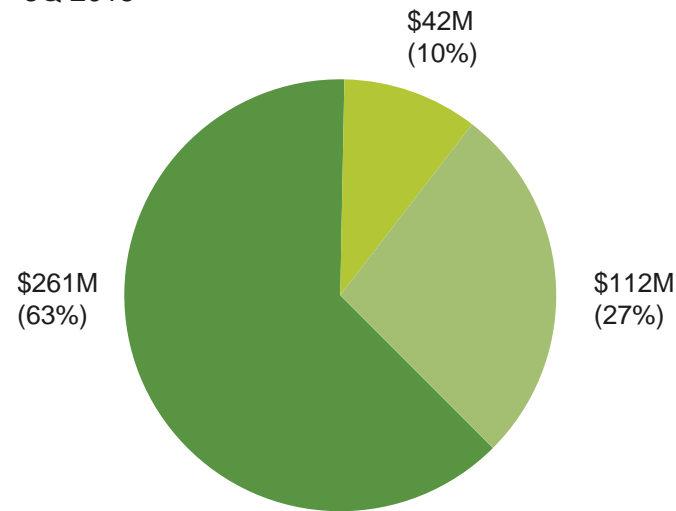
(1) Adjusted EBITDA defined as net income (loss) plus: (1) provision for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation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

# Global Brand & Product Mix Drives Revenue Growth

(\$M)

## By Product

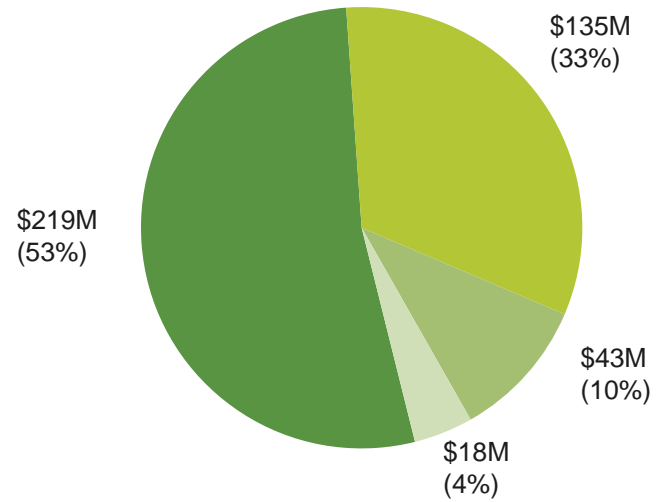
3Q 2015



- Click-Based
- Display Based
- Subscription, Transaction & Other

## By Geography

3Q 2015



- NA
- EMEA
- APAC
- LATAM

# Net Income & Cash Flow

(\$M, except Earnings per Share)

	Q3-15	Q2-15	Q3-14
GAAP Net income	\$74	\$58	\$54
Non-GAAP net income <sup>1</sup>	\$78	\$79	\$71
GAAP EPS	\$0.51	\$0.40	\$0.37
Non-GAAP EPS <sup>2</sup>	\$0.53	\$0.54	\$0.48
Operating cash flow	\$8	\$200	\$58
Free Cash Flow <sup>3</sup>	(\$31)	\$177	\$45
Cash, cash equivalents & marketable securities	\$730	\$746	\$614

- 1) TripAdvisor defines "non-GAAP net income" as GAAP net income excluding, net of their related tax effects: (1) stock-based compensation expense; (2) amortization of intangible assets; (3) certain gains, losses, and other expenses that we do not believe are indicative of our ongoing results and (4) other non-recurring items.
- 2) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by non-GAAP diluted shares, which includes dilution from options per the treasury stock method and includes all weighted average shares relating to RSUs in shares outstanding for non-GAAP net income per diluted share.
- 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.

# Segment Financial Information

(\$M)

	Q3-15	Q2-15	Q3-14	YoY % Change
<b>Revenue:</b>				
Hotel	\$340	\$343	\$315	8%
Other	\$75	\$62	\$39	92%
Total Revenue	\$415	\$405	\$354	17%
<b>Adjusted EBITDA<sup>1</sup>:</b>				
Hotel	\$121	\$125	\$118	3%
Other	\$9	\$(2)	\$1	800%
Total Adjusted EBITDA	\$130	\$123	\$119	9%
<b>Adjusted EBITDA Margin<sup>2</sup>:</b>				
Hotel	36%	36%	37%	
Other	12%	(3)%	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.

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

# Non-GAAP Reconciliations

TripAdvisor, Inc.  
Non-GAAP Reconciliations



(year to date totals reflect data as reported and is not necessarily a summation of the quarterly date)

(in millions, except share amounts)

	FY 2012	2013				FY 2013	2014				FY 2014	2015			FY 2015
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	
<b>Adjusted EBITDA and OIBA Reconciliation</b>															
Adjusted EBITDA (1)	\$352	\$110	\$113	\$104	\$52	\$379	\$122	\$129	\$119	\$98	\$468	\$127	\$123	\$130	\$379
Depreciation (2)	20	6	7	8	9	30	10	11	12	14	47	14	15	13	42
Amortization of intangible assets	6	1	2	1	2	6	2	3	6	7	18	7	9	10	26
Stock-based compensation	30	15	10	11	13	49	14	15	17	17	63	16	18	19	52
Other non-recurring expenses	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
<b>GAAP Operating Income</b>	<b>\$296</b>	<b>\$88</b>	<b>\$94</b>	<b>\$84</b>	<b>\$28</b>	<b>\$294</b>	<b>\$96</b>	<b>\$100</b>	<b>\$84</b>	<b>\$60</b>	<b>\$340</b>	<b>\$90</b>	<b>\$79</b>	<b>\$88</b>	<b>\$257</b>
Interest expense	(11)	(3)	(2)	(3)	(2)	(10)	(2)	(2)	(2)	(3)	(9)	(2)	(2)	(3)	(7)
Interest income and other, net	(3)	(1)	(2)	3	-	-	-	-	(7)	(2)	(9)	(2)	5	13	15
Income before income taxes	282	84	90	84	26	284	94	98	75	55	322	86	82	98	265
Provision for income taxes	87	22	23	28	6	79	26	30	21	19	96	23	24	24	70
<b>GAAP Net income</b>	<b>195</b>	<b>62</b>	<b>67</b>	<b>56</b>	<b>20</b>	<b>205</b>	<b>68</b>	<b>68</b>	<b>54</b>	<b>36</b>	<b>226</b>	<b>63</b>	<b>58</b>	<b>74</b>	<b>195</b>
GAAP Net (income) loss attributable to noncontrolling interest	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAAP Net income attributable to TripAdvisor, Inc.	\$ 194	\$ 62	\$ 67	\$ 56	\$ 20	\$ 205	\$ 68	\$ 68	\$ 54	\$ 36	\$ 226	\$ 63	\$ 58	\$ 74	\$ 195

## Non-GAAP Net income Reconciliation

Non-GAAP Net income	\$219	\$74	\$76	\$64	\$30	\$244	\$80	\$81	\$71	\$52	\$284	\$80	\$79	\$78	\$235
Subtract: Stock-based compensation	30	15	10	11	13	49	14	15	17	17	63	16	18	19	52
Subtract: Amortization of intangible assets	6	1	2	1	2	6	2	3	6	7	18	7	9	10	26
Subtract: Other non-recurring expenses	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Add: Gain on sale of business	-	-	-	-	-	-	-	-	-	-	-	-	-	17	17
Add: Income tax effect of non-GAAP adjustments (3)	11	4	3	4	5	16	4	5	6	8	23	6	8	8	23
GAAP Net income attributable to TripAdvisor, Inc.	194	62	67	56	20	205	68	68	54	36	226	63	58	74	195

## Non-GAAP Share Count Reconciliation

Non-GAAP Diluted Shares Outstanding	141,878	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	147,172
Additional restricted stock units (4)	537	412	823	799	749	696	847	1,034	984	1,107	992	1,196	1,335	1,327	1,286
GAAP Diluted Shares Outstanding	141,341	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	145,886

## Non-GAAP Earnings Per Share

Diluted Non-GAAP EPS	\$1.54	\$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	\$1.60
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## Revenue growth ex-Foreign Exchange Reconciliation

Non-GAAP Revenue growth	-	24%	25%	18%	24%	23%	21%	29%	38%	39%	32%	36%	35%	25%	32%
Foreign exchange effect (5)	-	1%	0%	2%	2%	1%	1%	2%	1%	-4%	0%	-7%	-10%	-8%	-9%
GAAP Revenue growth	-	25%	25%	20%	26%	24%	22%	31%	39%	35%	32%	29%	25%	17%	23%

## Hotel Segment growth ex-Foreign Exchange Reconciliation

Non-GAAP Hotel Segment growth	-	-	-	-	-	-	-	-	-	-	-	26%	22%	15%	21%
Foreign exchange effect (5)	-	-	-	-	-	-	-	-	-	-	-	-6%	-9%	-7%	-8%
GAAP Hotel Segment growth	-	-	-	-	-	-	-	-	-	-	-	20%	13%	8%	13%

## Adjusted EBITDA growth ex-Foreign Exchange Reconciliation

Adjusted EBITDA growth before foreign exchange impact	-	-	-	-	-22%	-	9%	10%	28%	98%	39%	15%	15%	26%	18%
Foreign exchange effect (5)	-	-	-	-	3%	-	3%	4%	-14%	-10%	-16%	-11%	-20%	-17%	-16%
Adjusted EBITDA growth	-	-	-	-	-19%	-	12%	14%	14%	88%	23%	4%	-5%	9%	2%

(1) Adjusted EBITDA is defined as net income (loss) plus: (i) provision for income taxes; (ii) other income (expense), net; (iii) depreciation of property and equipment, including amortization of internal use software and website development; (iv) amortization of intangible assets; (v) stock-based compensation and other stock-settled obligations; (vi) goodwill, long-lived asset and intangible asset impairments; and (vii) other non-recurring expenses.

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

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

(4) Includes all weighted average shares relating to RSUs in shares outstanding for Non-GAAP diluted shares outstanding.

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



Thank You