



Q4 2016 Results

February 2017

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 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. 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 earnings release reporting our fourth quarter 2016 financial results and supplemental financial information, which are 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, and are not a substitute for comparable GAAP 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



Addressing Huge & Growing Market Opportunity



- ✓ Massive and growing \$1.3T¹ global market opportunity
- ✓ Low online penetration (43%²); fast growing online bookings (10.5%²); marketer 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 2017 total travel market size and global online travel market size, according to Phocuswright Global Online Travel overview, Fourth Edition (November 2016)

(2) Estimated 2017 online penetration and online bookings growth, according to Phocuswright Global Online Travel overview, Fourth Edition (November 2016)

Achieving Scale through Growing Content and Community

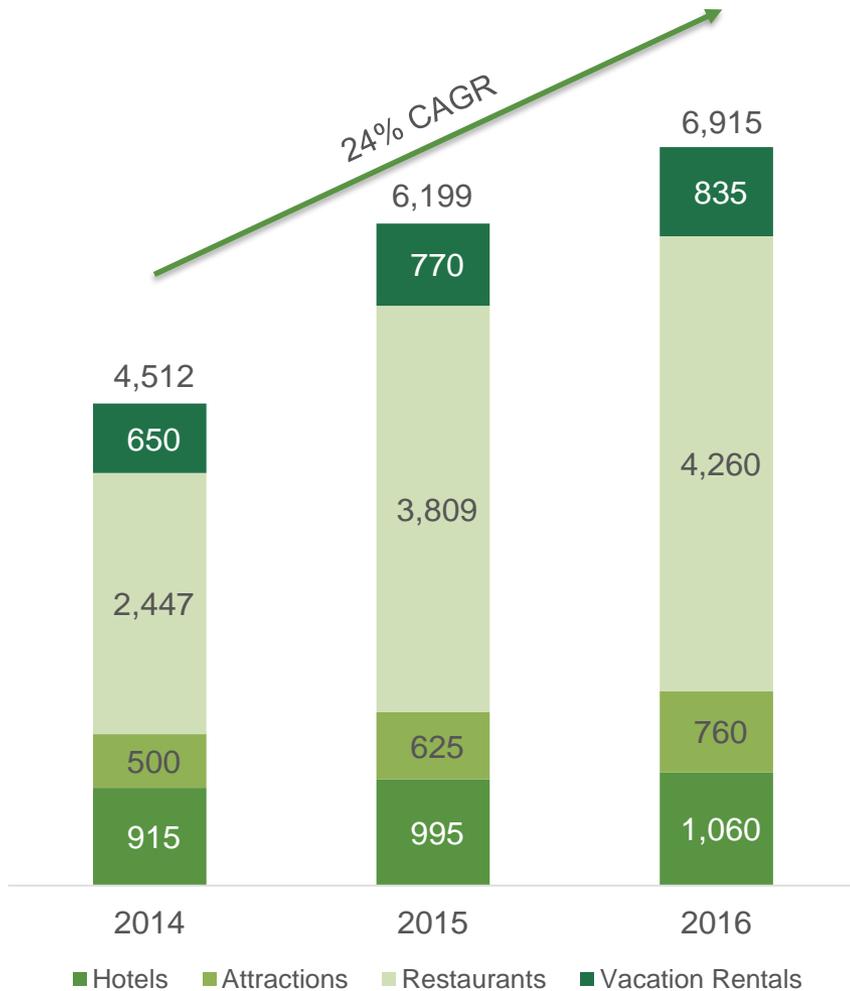


(1) Includes 1.1M hotels, inns, and bed & breakfasts, as well as 835K vacation rental listings

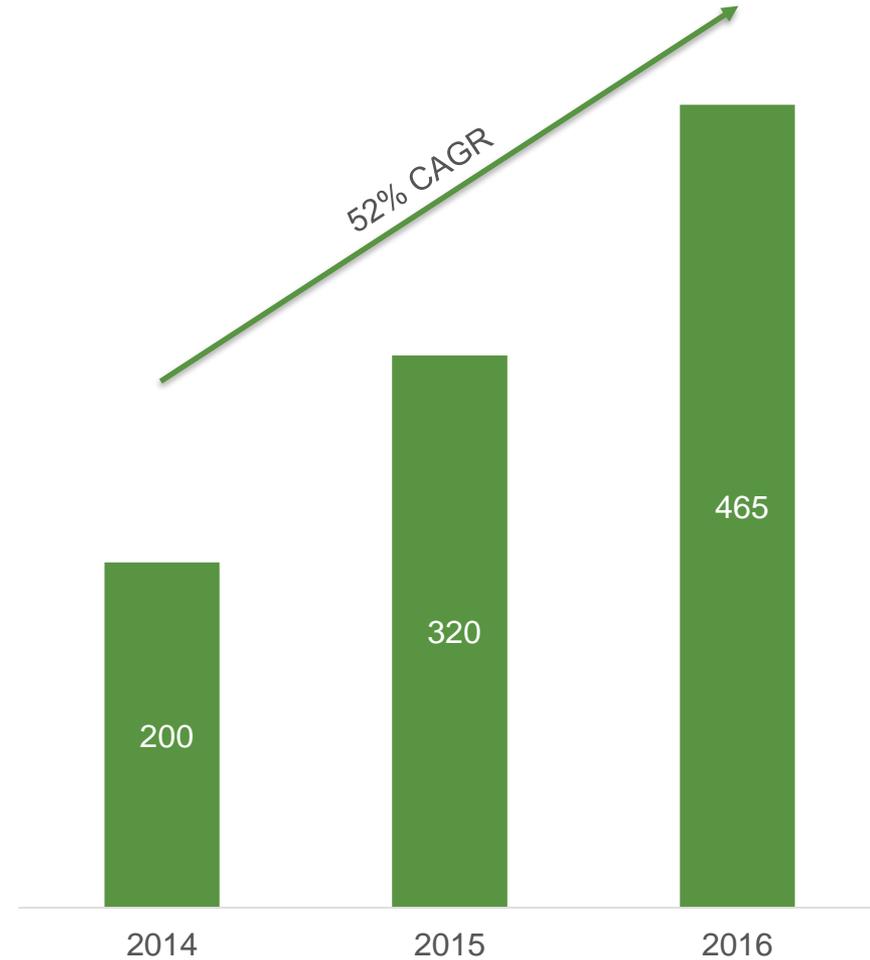
(2) TripAdvisor internal log files, average monthly unique visitors during Q3 2016

Strong Brand and Growing Influence through Differentiated User-Generated Content

TripAdvisor Listings¹
(in thousands, except percentages)

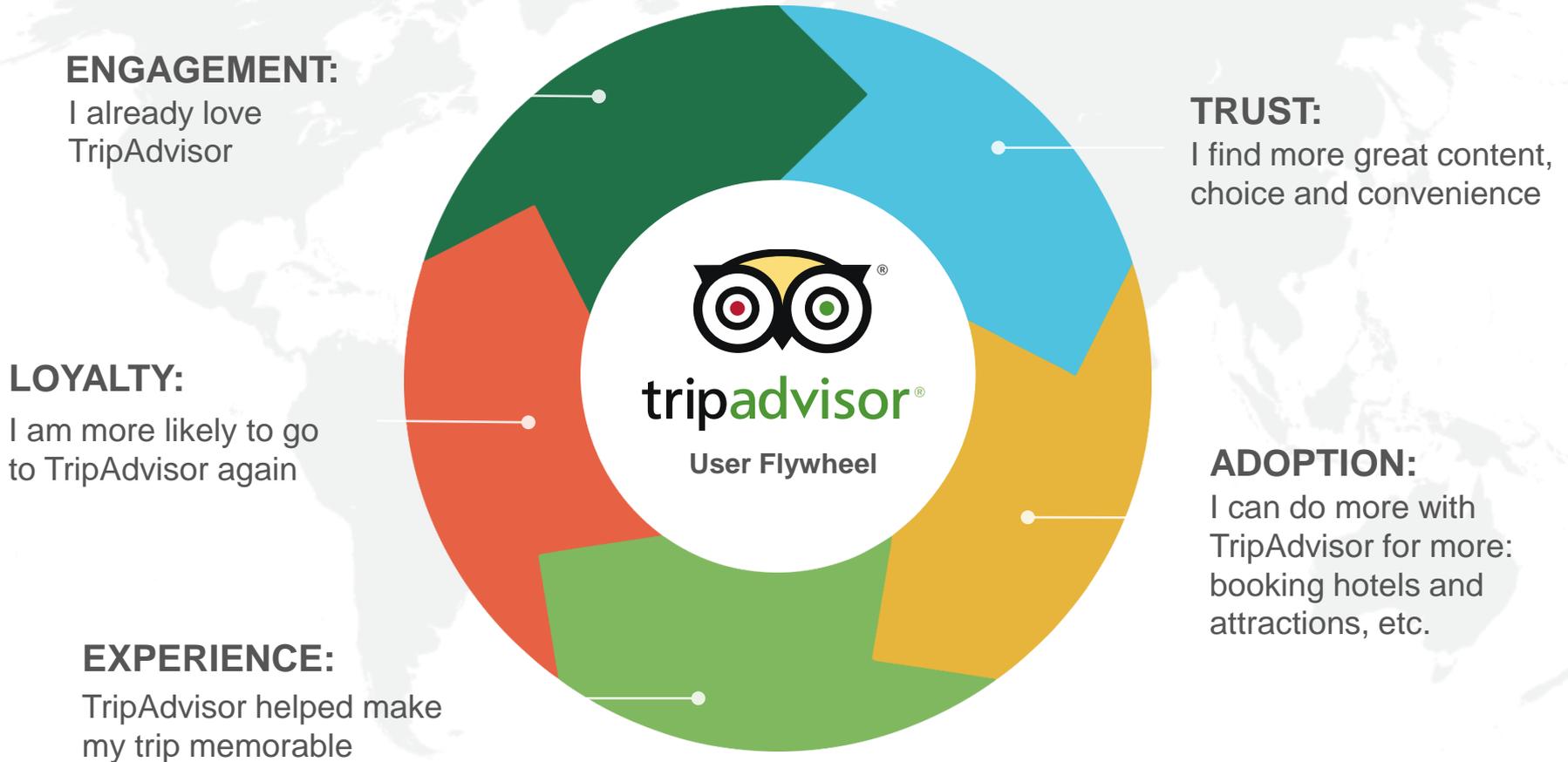


TripAdvisor Reviews & Opinions¹
(in millions, except percentages)

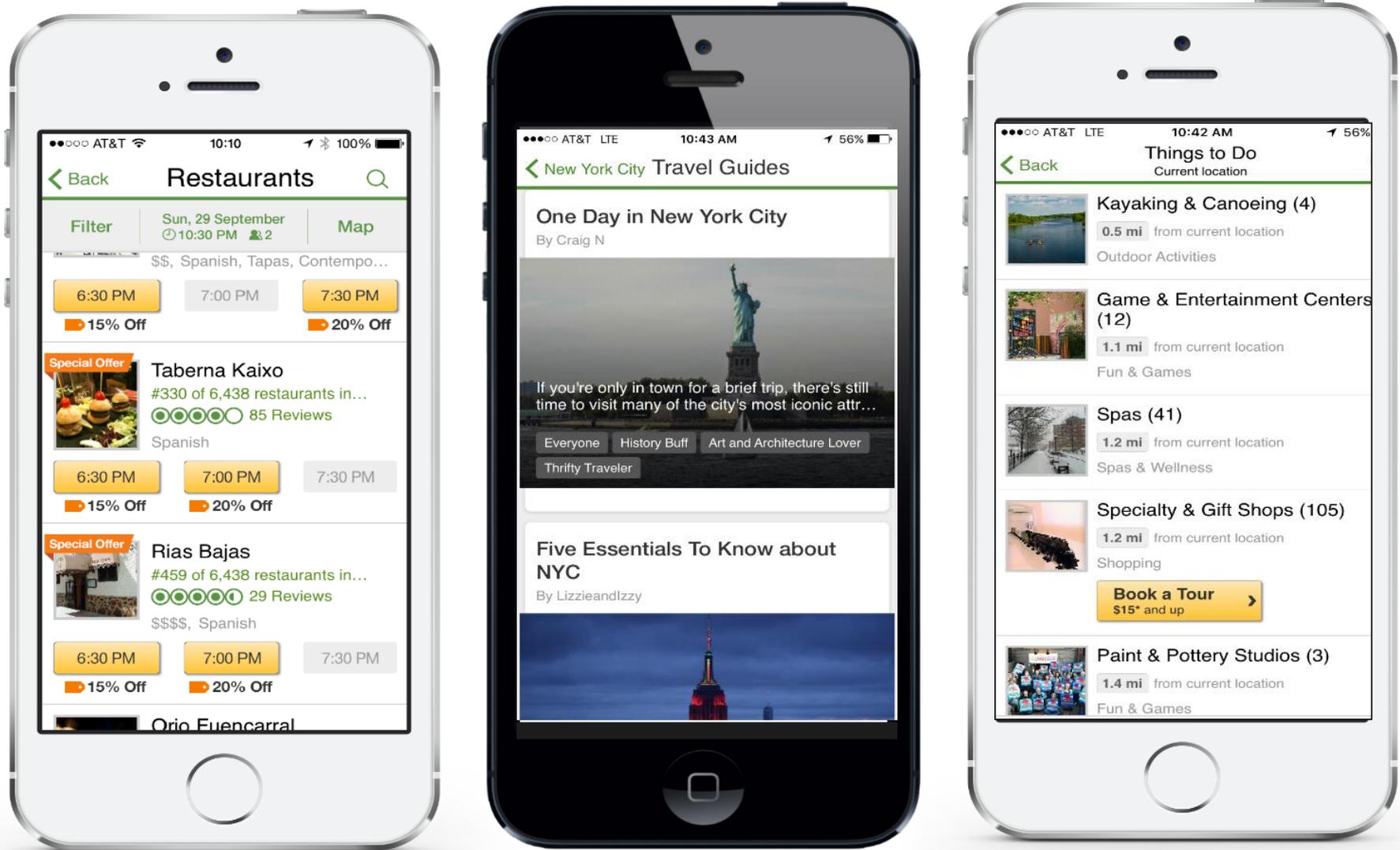


(1) TripAdvisor internal log files

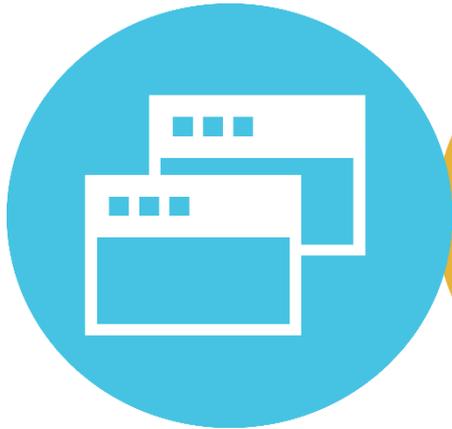
TripAdvisor User Flywheel Continues to Hum & Increase Engagement



With Nearly Half of our Traffic on Phone, TripAdvisor's Mobile Products Make the Perfect Travel Companion



Price Comparison and Booking Capabilities Enable our Differentiated End-to-End User Experience



Research & Plan

Reviews
Photos
Room tips



Price Compare

Compare
prices across
hundreds of
websites



Book

Book Hotels,
Attractions,
Restaurants
and Vacation
Rentals

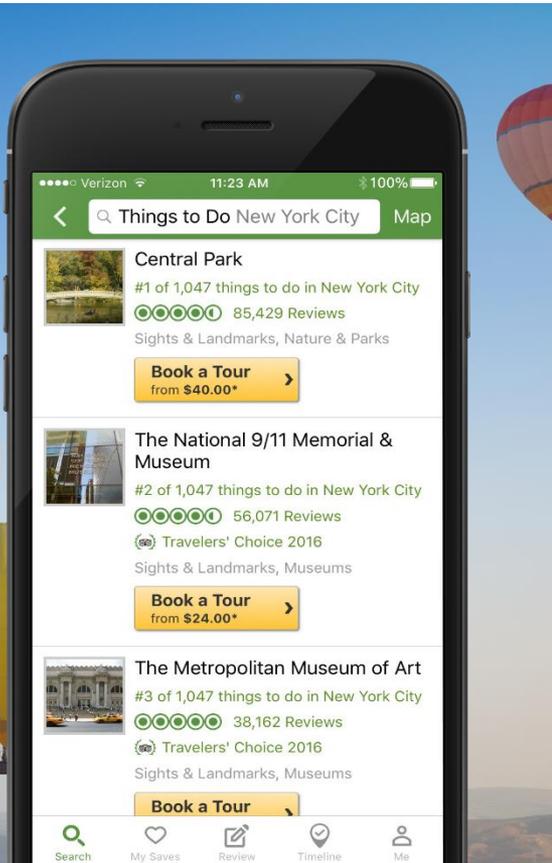


On the Trip

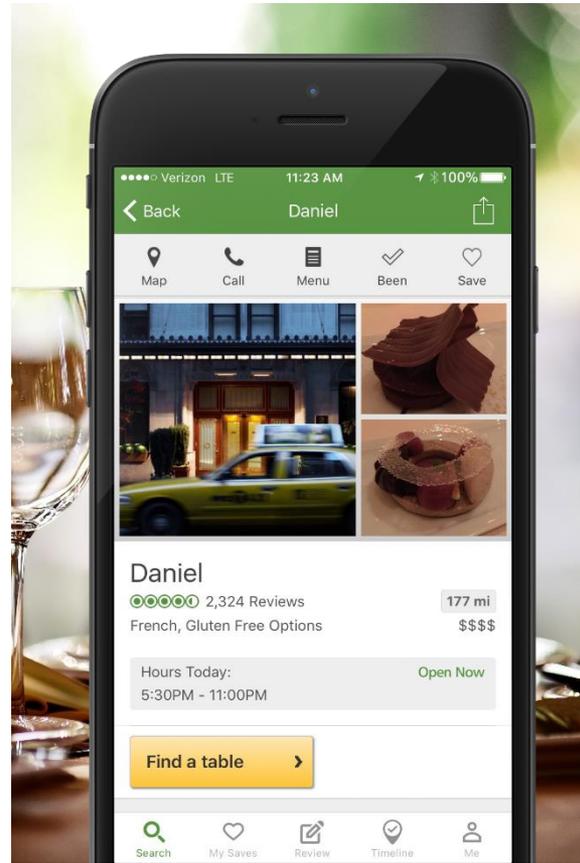
Mobile
products make
the perfect
travel in more
moments

Non-Hotel Segment Driving Diversified Product Offering

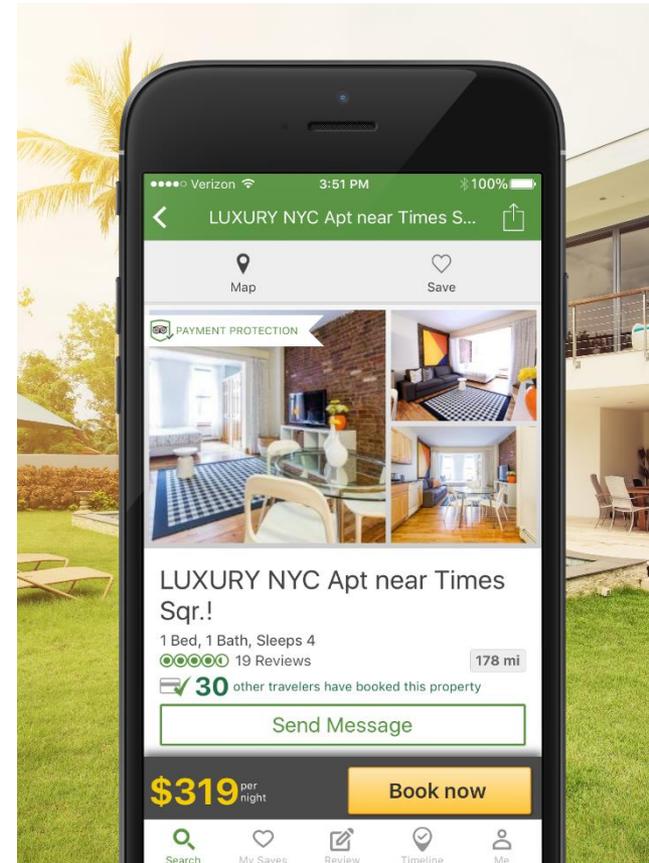
Attractions



Restaurants



Vacation Rentals



Driving Valuable Leads for Partners

Audience

Differentiated user content on nearly 7M businesses drives 390M average monthly unique visitors¹



Leads

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



Profit

Click-based & transaction and display-based advertising & subscription opportunities drive bookings



(1) TripAdvisor internal log files, average monthly unique visitors during Q3 2016

Executing Towards Long-Term Strategic Priorities



Best 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

Strong Financials Enabling us to Invest in Long-term Growth

Revenue Scale

\$1.5B¹

Total Revenue



Growth CAGR

18%¹

2011-2016 Revenue

Long-term Growth

Opportunistically re-invest today for long-term growth

Strong profitability

\$352M¹

Adjusted EBITDA²

Strong profitability

\$120M¹

Net Income

Cash Flow Generative

\$321M¹

Operating Cash Flow

(1) For year ended December 31, 2016

(2) Adjusted EBITDA is a non-GAAP measure and is 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 and income.

TripAdvisor Monetization Flywheel in its Early Stages

User growth increases monetization potential and maintains highest brand loyalty

Increased user economics enables user growth

Increased stickiness drives increased revenue per hotel shopper ¹



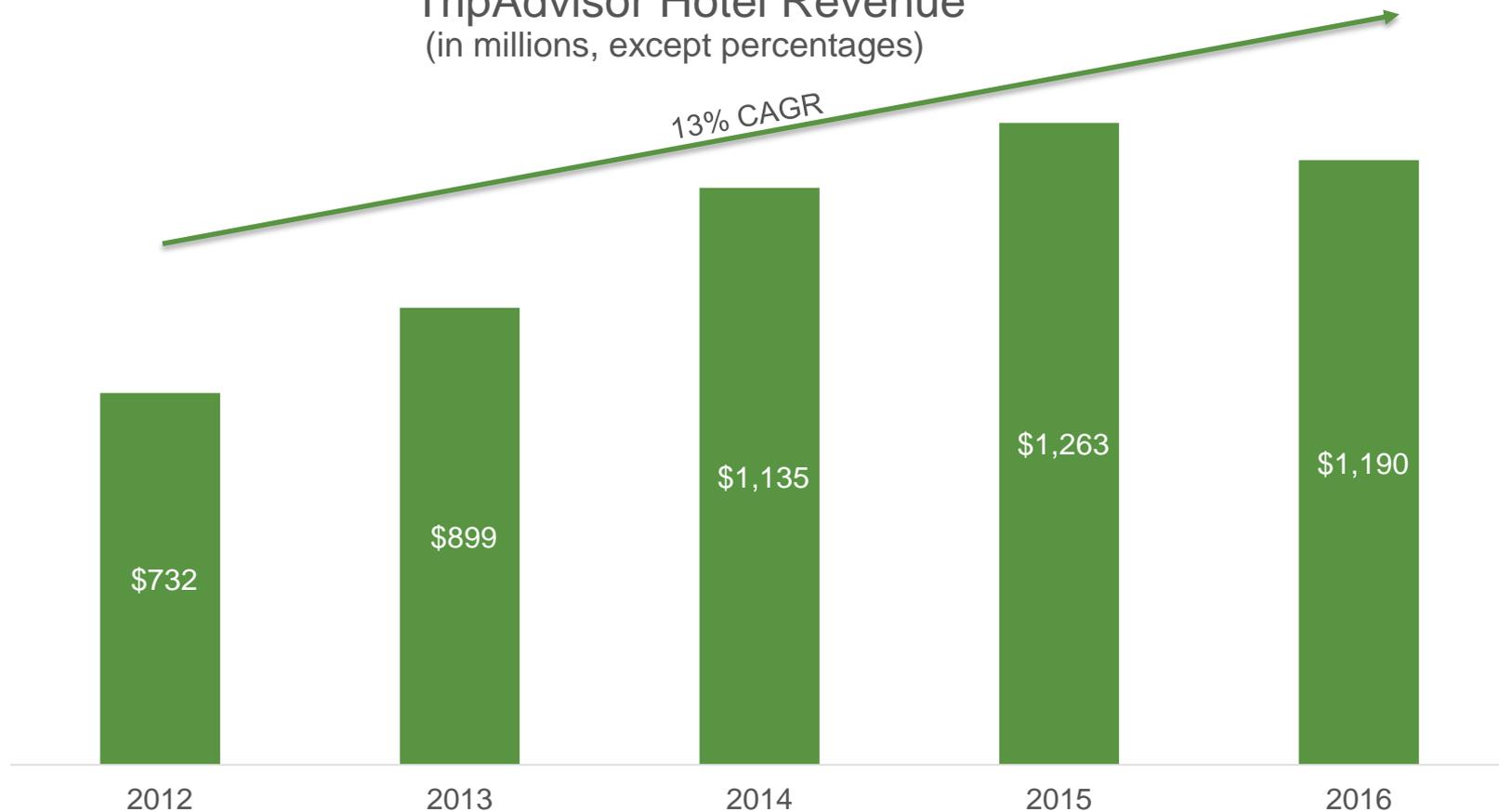
TripAdvisor offers more products and more choice for consumers

More bookings on our site drives increased stickiness and higher repeat usage

(1) Currently experiencing growth headwinds due to the following factors: global launch of our hotel instant booking feature, a greater percentage of hotel shoppers visiting TripAdvisor websites via mobile phones, which monetize at a significantly lower rate than hotel shoppers that visit TripAdvisor websites via desktop or tablet, challenging metasearch comparatives in early 2016 for the same periods in 2015, increased competition, macroeconomic and geopolitical factors, including foreign currency and a number of terrorism events, among other factors

Have Established a Large Revenue Base in Hotels

TripAdvisor Hotel Revenue
(in millions, except percentages)



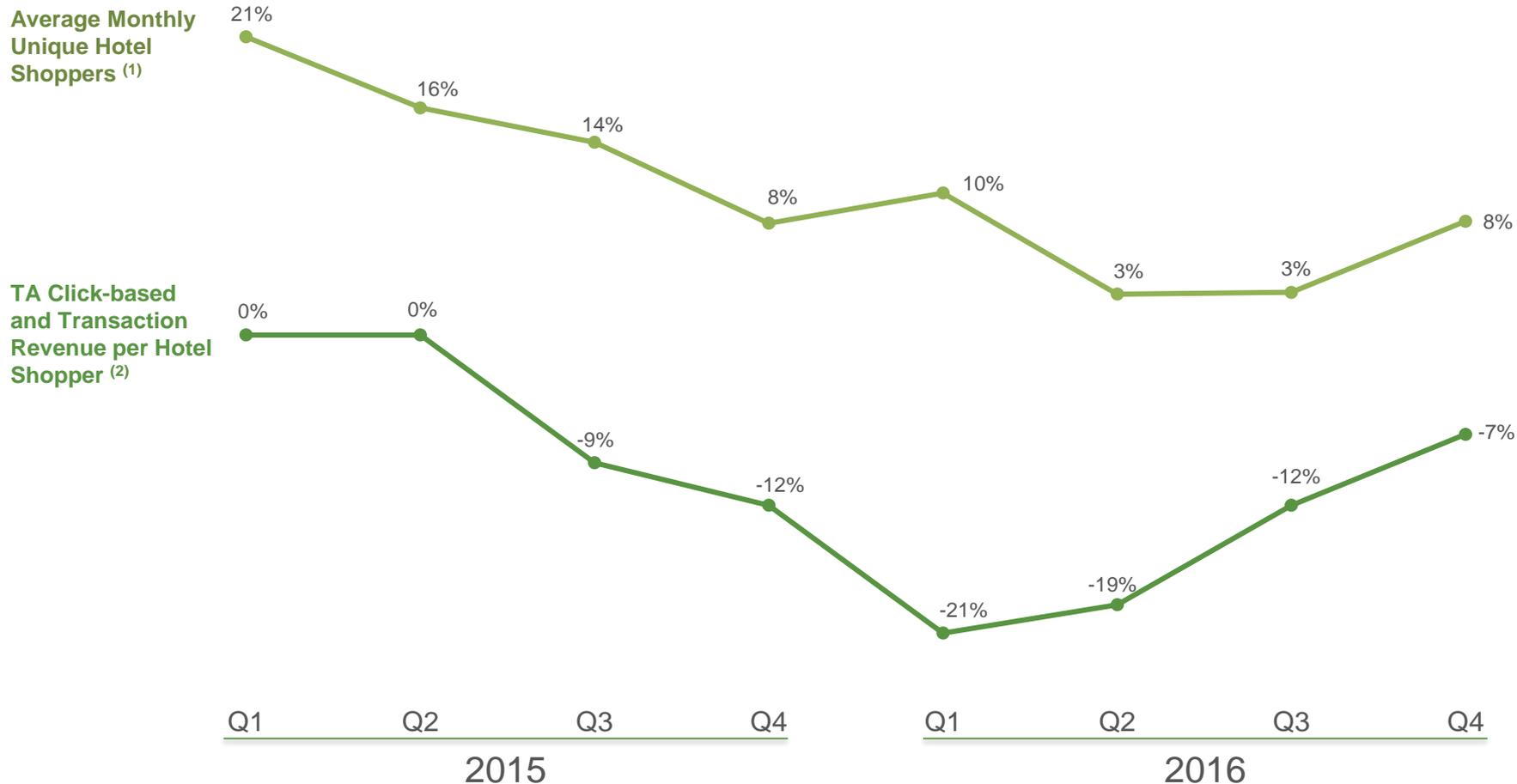
	2012	2013	2014	2015	2016
Hotel Adjusted EBITDA ¹	349	384	472	472	380
Hotel Adjusted EBITDA Margin ²	48%	43%	42%	37%	32%

(1) Adjusted EBITDA is our segment profit measure and is 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 and income

(2) Adjusted EBITDA margin by segment is defined by segment Adjusted EBITDA divided by segment revenue

Growth Trends Improving Towards End of 2016 Transition Year

Revenue per Shopper and Hotel Shopper YoY Growth

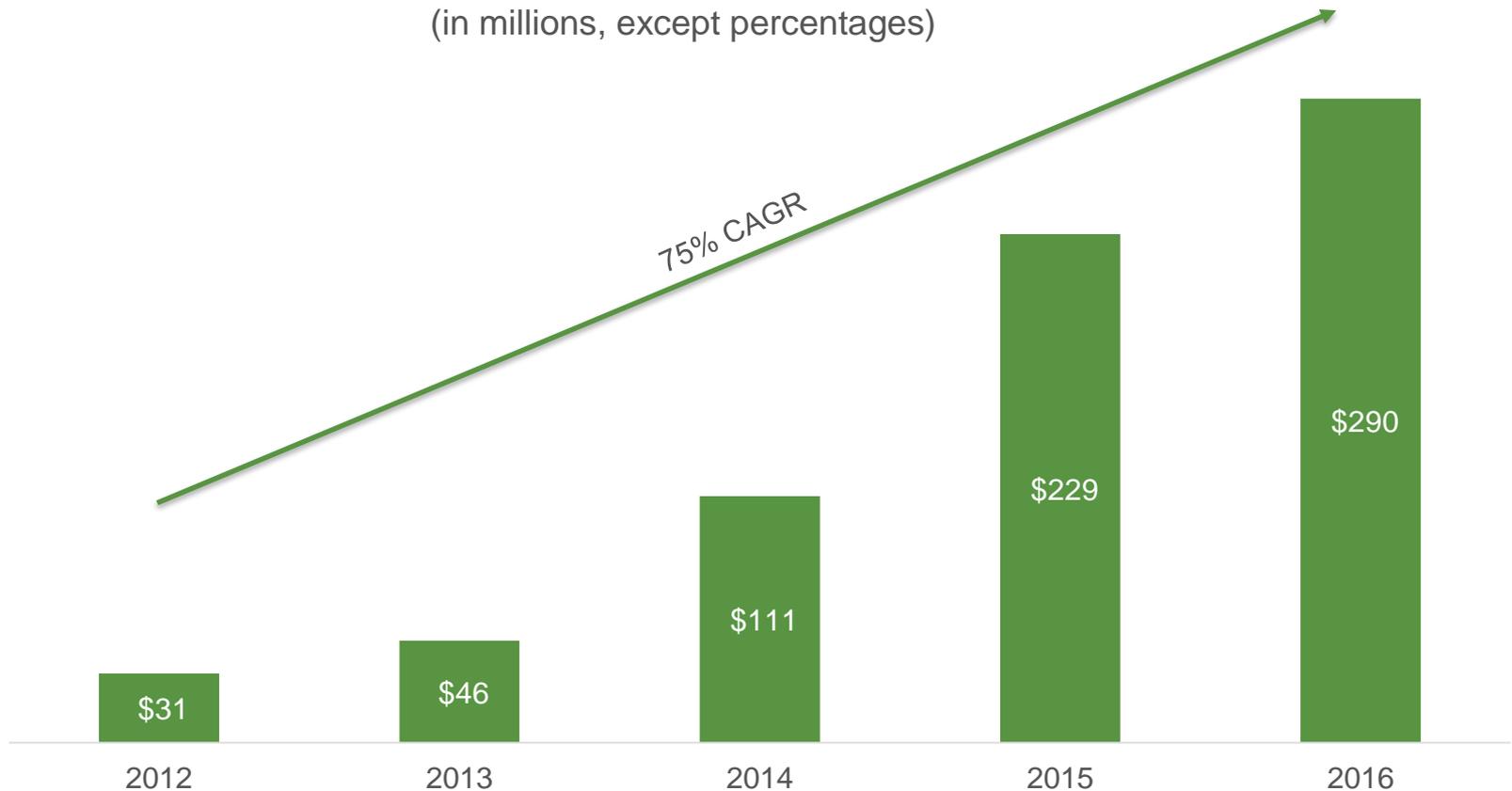


(1) TripAdvisor internal log files

(2) Currently experiencing growth headwinds due to the following factors: global launch of our hotel instant booking feature, a greater percentage of hotel shoppers visiting TripAdvisor websites via mobile phones, which monetize at a significantly lower rate than hotel shoppers that visit TripAdvisor websites via desktop or tablet, challenging metasearch comparatives in early 2016 for the same periods in 2015, increased competition, macroeconomic and geopolitical factors, including foreign currency and a number of terrorism events, among other factors

Non-Hotel Segment Driving Diversified Revenue Growth

TripAdvisor Non-Hotel Revenue
(in millions, except percentages)



	2012	2013	2014	2015	2016
Non-Hotel Adjusted EBITDA ¹	3	(5)	(4)	(6)	(28)
Non-Hotel Adjusted EBITDA Margin ²	10%	(11%)	(4%)	(3%)	(10%)

(1) Adjusted EBITDA is our segment profit measure and is 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 and income

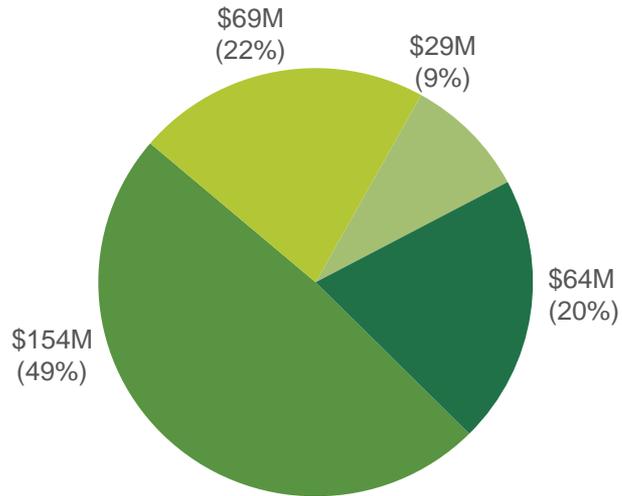
(2) Adjusted EBITDA margin by segment is defined by segment Adjusted EBITDA divided by segment revenue

Revenue Streams Represent our Strong Brand and Global Presence

(in millions, except percentages)

By Revenue Source

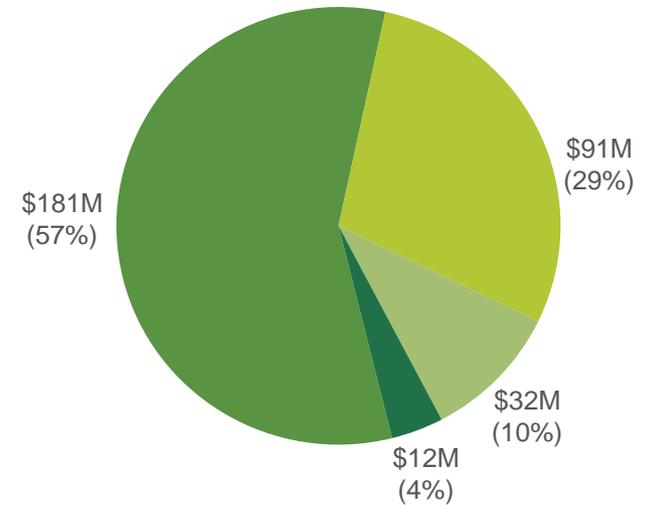
4Q 2016



- TripAdvisor-branded click-based & transaction
- TripAdvisor-branded display-based ad. & subscription
- Other hotel revenue
- Non-hotel revenue

By Geography

4Q 2016



- NA
- EMEA
- APAC
- LATAM

Net Income & Cash Flow

<i>(in millions, except Earnings per Share, "EPS")</i>	Q4'16	Q3'16	Q4'15
GAAP Net income	\$1	\$55	\$3
Non-GAAP net income ¹	\$23	\$78	\$66
GAAP Diluted EPS	\$0.01	\$0.37	\$0.02
Non-GAAP Diluted EPS ²	\$0.16	\$0.53	\$0.45
Cash flow (used in) provided by operations	\$46	(\$87)	\$78
Free Cash Flow ³	\$30	(\$108)	\$62
Cash, cash equivalents & marketable securities	\$746	\$756	\$698

(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 and income

(2) TripAdvisor defines "non-GAAP net income per diluted share" as non-GAAP net income divided by GAAP diluted shares.

(3) TripAdvisor defines "free cash flow", a non-GAAP measure, 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

Q4 2016 Segment Financial Information

(in millions, except percentages)

	Q4'16	Q3'16	Q4'15	YoY % Change
Revenue:				
Hotel	\$252	\$320	\$260	(3%)
Non-Hotel	<u>\$64</u>	<u>\$101</u>	<u>\$49</u>	31%
Total Revenue	\$316	\$421	\$309	2%
Adjusted EBITDA ¹:				
Hotel	\$66	\$99	\$95	(31%)
Non-Hotel	(\$8)	\$15	(\$8)	0%
Adjusted EBITDA Margin by Segment ²:				
Hotel	26%	31%	37%	
Non-Hotel	(13%)	15%	(16%)	

(1) Adjusted EBITDA is our segment profit measure and 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 and income

(2) TripAdvisor defines "Adjusted EBITDA margin by segment" as segment Adjusted EBITDA divided by segment revenue

LONG-TERM FOCUS



Why invest in TripAdvisor?

- ✓ \$1.3 trillion global travel market opportunity and growing
- ✓ Travel purchases continue to shift to online
- ✓ Global, highly engaged audience, especially on mobile
- ✓ Investing now to build the best end-to-end user experience in travel
- ✓ Early days of huge monetization opportunity

Non-GAAP Reconciliations

(in millions, except per share amounts)	2014	2015				FY*	2016				FY*
	FY*	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Reconciliation from GAAP Net Income to Adjusted EBITDA (Non-GAAP):											
GAAP Net income ⁽¹⁾	226	63	58	74	3	198	29	34	55	1	120
Add: Provision (benefit) for income taxes ⁽¹⁾	96	23	24	24	(29)	41	9	10	8	3	31
Add: Other expense (income), net	18	4	(3)	(10)	1	(7)	4	3	3	6	15
Add: Other non-recurring expenses	-	-	2	-	-	2	-	-	-	-	-
Add: Non-cash charitable contribution ⁽²⁾	-	-	-	-	67	67	-	-	-	-	-
Add: Stock-based compensation ⁽¹⁾	63	16	18	19	19	72	19	23	22	22	85
Add: Amortization of intangible assets	18	7	9	10	10	36	8	8	8	8	32
Add: Depreciation ⁽³⁾	47	14	15	13	16	57	16	17	18	18	69
Adjusted EBITDA (Non-GAAP) ^{(2), (4), (5)}	\$468	\$127	\$123	\$130	\$87	\$466	\$85	\$95	\$114	\$58	\$352
Reconciliation from GAAP Net Income to Non-GAAP Net Income:											
GAAP Net income ⁽¹⁾	226	63	58	74	3	198	29	34	55	1	120
Add: Stock-based compensation ⁽¹⁾	63	16	18	19	19	72	19	23	22	22	85
Add: Amortization of intangible assets	18	7	9	10	10	36	8	8	8	8	32
Add: Non-cash charitable contribution ⁽²⁾	-	-	-	-	67	67	-	-	-	-	-
Add: Other non-recurring expenses	-	-	2	-	-	2	-	-	-	-	-
Subtract: Gain on sale of business	-	-	-	17	3	20	-	-	-	-	-
Subtract: Income tax effect of non-GAAP adjustments ⁽⁶⁾⁽¹⁾	23	6	8	8	30	53	7	9	7	8	31
Non-GAAP Net Income ^{(2), (4), (7)}	\$284	\$80	\$79	\$78	\$66	\$302	\$49	\$56	\$78	\$23	\$206
Reconciliation from GAAP Earnings per Share (EPS) to Non-GAAP EPS:											
GAAP Diluted Shares Outstanding	146	146	146	146	146	146	147	147	147	146	147
Diluted GAAP EPS	\$1.55	\$0.43	\$0.40	\$0.51	\$0.02	\$1.36	\$0.20	\$0.23	\$ 0.37	\$ 0.01	\$ 0.82
Diluted Non-GAAP EPS ⁽⁸⁾	\$1.95	\$0.55	\$0.54	\$0.53	\$0.45	\$2.07	\$0.33	\$0.38	\$0.53	\$0.16	\$1.40
Free Cash Flow:											
Cash flow provided by (used in) operations ⁽⁹⁾	\$407	\$106	\$223	\$10	\$78	\$418	\$124	\$238	(\$87)	\$46	321
Subtract: Capital expenditures	81	31	23	39	16	109	17	19	21	16	72
Free Cash Flow (Non-GAAP) ⁽⁹⁾⁽¹⁰⁾	\$326	\$75	\$200	(\$29)	\$62	\$309	\$107	\$219	(\$108)	\$30	\$249

Non-GAAP Reconciliations - Endnotes

The Company believes that non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating and analyzing our business.

- (1) In the third quarter of 2016, the Company early adopted Accounting Standards Update (“ASU”) 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This guidance requires us to reflect any adjustments as of January 1, 2016, the beginning of the annual period that includes the interim period of adoption. The primary impact of adoption was the recognition of excess tax benefits and tax deficiencies in our provision for income taxes rather than additional paid-in capital for all periods in 2016 and resulted in a decrease to our provision for income taxes of \$2 million and \$1 million during the three months ended March 31, 2016 and June 30, 2016, respectively. As a result, net income increased \$2 million and \$1 million during the three months ended March 31, 2016 and June 30, 2016, respectively.
- (2) Represents a \$67 million non-cash charitable contribution to the TripAdvisor Charitable Foundation which was settled in company stock and therefore excluded for non-GAAP purposes. This amount also includes charitable contributions to the TripAdvisor Charitable Foundation of which \$6 million was accrued ratably during the nine months ended September 30, 2015 (approximately \$2 million per quarter) under GAAP with the intention of settling in cash and then reclassified as non-GAAP during Q4 2015 to reflect the non-cash nature of the final settlement.
- (3) Depreciation. Includes internal use software and website development amortization.
- (4) Includes charitable contributions to the TripAdvisor Charitable Foundation which was funded in cash of \$8 million and accrued ratably (approximately \$2 million per quarter) during the year ending December 31, 2014, which was not excluded for non-GAAP purposes.
- (5) Adjusted EBITDA. A non-GAAP measure which 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 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. Adjusted EBITDA is our segment profit measure and a key measure used by our management and board of directors to understand and evaluate the operating performance of our business 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 provides 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.
- (6) Income Tax Effect of Non-GAAP Adjustments. The non-GAAP adjustments described 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.
- (7) Non-GAAP Net Income. Defined 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 and income. 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.
- (8) Diluted Non-GAAP EPS. Defined as non-GAAP net income divided by GAAP diluted shares. We believe non-GAAP 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, the Company began calculating non-GAAP net income per diluted share using GAAP diluted shares determined under the treasury stock method. All historical periods have been conformed to the current calculation method. This change did not have a material effect on our previously reported non-GAAP net income per diluted share calculations in prior periods.
- (9) In the third quarter of 2016, the Company early adopted Accounting Standards Update (“ASU”) 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, which eliminates the requirement to reclassify excess tax benefits related to stock-based compensation from operating to financing activities in the condensed consolidated statement of cash flows. The retrospective application to prior periods resulted in an increase in cash flows provided by operating activities and a corresponding increase in cash flows used in financing activities reflected as of January 1, 2014. In addition, this resulted in an increase in free cash flows.
- (10) Free Cash Flow. Defined 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.

* Year to date totals reflect data as reported and is not necessarily a summation of the quarterly data.



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