
**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 16, 2022

TRIPADVISOR, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35362
(Commission File Number)

80-0743202
(IRS Employer
Identification No.)

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

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

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

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

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

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

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

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On February 16, 2022, Tripadvisor, Inc. issued a press release announcing its preliminary financial results for the quarter and year ended December 31, 2021. Tripadvisor, Inc. also posted a letter to shareholders 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-and-presentations>. The full text of this press release and letter are furnished as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	
Number	Description
99.1	Press Release of Tripadvisor, Inc. dated February 16, 2022.
99.2	Q4 2021 Letter to Shareholders dated February 16, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

TRIPADVISOR, INC.

Date: February 16, 2022

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



Tripadvisor Reports Fourth Quarter and Full Year 2021 Financial Results

NEEDHAM, MA, February 16, 2022 — Tripadvisor, Inc. (Nasdaq: TRIP) today announced financial results for the fourth quarter and full year ended December 31, 2021.

“The progress we made between the first quarter of the year and the last quarter of the year was remarkable,” said Chief Executive Officer Steve Kaufer. “Despite unexpected periods of virus resurgence, the teams continued to execute to our operating plan, and innovate with sights set on the future. Now with over a billion reviews from our customers—driven by their enthusiasm for travel and willingness to share their experiences with the Tripadvisor family—we are more focused than ever on continuing to create value for those on their travel journey.”

Chief Financial Officer Ernst Teunissen continued, “Coming out of 2021, we expect significant improvement in the travel market in 2022 due to the expected easing of the pandemic and the significant pent-up demand for travel, especially in the second half of the year. In particular, we expect our Experiences and Dining segment to buoy our overall revenue performance.”

Fourth Quarter and Full Year 2021 Summary

(In millions, except percentages and per share amounts)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Total Revenue	\$ 241	\$ 116	108%	\$ 902	\$ 604	49%
Hotels, Media & Platform	\$ 133	\$ 74	80%	\$ 549	\$ 361	52%
Experiences & Dining	\$ 98	\$ 36	172%	\$ 307	\$ 186	65%
Other	\$ 10	\$ 6	67%	\$ 46	\$ 57	(19)%
GAAP Net Income (Loss)	\$ (29)	\$ (73)	(60)%	\$ (148)	\$ (289)	(49)%
Total Adjusted EBITDA (1)	\$ 29	\$ (33)	n.m.	\$ 100	\$ (51)	n.m.
Hotels, Media & Platform	\$ 30	\$ (12)	n.m.	\$ 111	\$ 13	754%
Experiences & Dining	\$ (10)	\$ (22)	(55)%	\$ (36)	\$ (79)	(54)%
Other	\$ 9	\$ 1	800%	\$ 25	\$ 15	67%
Non-GAAP Net Income (Loss) (1)	\$ (1)	\$ (55)	(98)%	\$ (41)	\$ (167)	(75)%
Diluted Earnings (Loss) per Share:						
GAAP	\$ (0.21)	\$ (0.54)	(61)%	\$ (1.08)	\$ (2.14)	(50)%
Non-GAAP (1)	\$ (0.01)	\$ (0.41)	(98)%	\$ (0.30)	\$ (1.24)	(76)%
Cash flow provided by (used in) operating activities	\$ 65	\$ (15)	n.m.	\$ 108	\$ (194)	n.m.
Free cash flow (1)	\$ 51	\$ (24)	n.m.	\$ 54	\$ (249)	n.m.

n.m. = not meaningful

- (1) “Total Adjusted EBITDA”, “Non-GAAP Net Income (Loss)”, “Non-GAAP Diluted Earnings (Loss) per Share”, and “Free cash flow” are non-GAAP measures as defined by the U.S. Securities and Exchange Commission (the “SEC”). Please refer to “Non-GAAP Financial Measures” below for definitions and explanations of these non-GAAP financial measures, as well as tabular reconciliations to the most directly comparable GAAP financial measures.

Monthly unique users – During the fourth quarter of 2021, average monthly unique users on Tripadvisor-branded websites, a leading indicator of consumer travel demand, were approximately 73% of 2019’s comparable period despite impact late in the quarter from the Omicron variant, in comparison to approximately 55%, 70% and 76% of 2019’s comparable periods during the first, second and third quarters of 2021, respectively. Improvement during 2021 was driven by vaccine progress, various government restrictions being gradually lifted, albeit unevenly, and consumer travel demand’s improving recovery.

Revenue – Q4 2021 total revenue of \$241 million increased 108% year-over-year and was approximately 72% of the comparable period in 2019 (pre-COVID-19 timeframe), as compared to 71% of the comparable period in 2019 in Q3 2021. For the full year 2021, revenue increased 49% year-over-year to \$902 million.

Cost performance – Total operating expenses were \$269 million for the fourth quarter, an increase of 29% year-over-year, and approximately \$1.0 billion for full year 2021, an increase of 11% year-over-year, primarily driven by the following:

- Cost of revenue was \$20 million for the fourth quarter, an increase of 54% year-over-year, and \$74 million for the full year 2021, an increase of 35% year-over-year, primarily due to increased direct costs from credit card payment and other revenue-related transaction costs in our Experiences and Dining segment in correlation with the increase in revenue.
- Selling and marketing costs were \$126 million for the fourth quarter, an increase of 91% year-over-year, and \$469 million for the full year 2021, an increase of 48% year-over-year, primarily due to an increase in our SEM and other online traffic acquisition spend in our Hotels, Media & Platform and Experiences & Dining segments in response to increasing consumer travel demand as travel and leisure activity restrictions ease and the travel sector recovers.
- Technology and content costs were \$51 million for the fourth quarter, a decrease of 7% year-over-year, and \$212 million for the full year 2021, a decrease of 4% year-over-year.
- General and administrative costs were \$46 million for the fourth quarter, an increase of 5% year-over-year, and \$167 million for the full year 2021, a decrease of 3% year-over-year.

Profitability – Q4 2021 and full year 2021 consolidated net losses of \$29 million and \$148 million, respectively, improved from net losses in Q4 2020 and full year 2020, primarily driven by an increase in revenue, restructuring costs incurred of \$41 million in the full year 2020, which did not reoccur during the full year 2021, and decreased personnel and overhead costs across our business as a result of a reduction in headcount driven by cost-reduction measures across our business implemented during 2020 in response to COVID-19. In addition, during Q4 2021, we recorded a \$15 million income tax benefit related to the partial release of a valuation allowance on our U.K. subsidiary’s interest carryforward deferred tax asset. This was partially offset, primarily by an increase in selling and marketing expenses in response to increasing consumer travel demand as travel and leisure activity restrictions eased during these periods and the travel sector recovers. Q4 2021 and full year 2021 Adjusted EBITDA of \$29 million and \$100 million, respectively, improved from the Adjusted EBITDA losses in Q4 2020 and full year 2020, primarily driven by an increase in revenue and cost-reduction measures implemented in 2020 in response to COVID-19, partially offset by an increase in selling and marketing expenses, all of which are discussed above.

Cash & Liquidity – As of December 31, 2021, the Company had \$723 million of cash and cash equivalents, an increase of \$305 million from December 31, 2020, driven primarily by the issuance of our 2026 Senior Notes during the year.

Fourth Quarter and Full Year 2021 Revenue by Source

(In millions, except percentages)	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Revenue by Source:						
Hotels, Media & Platform						
Tripadvisor-branded hotels	\$ 105	\$ 57	84 %	\$ 452	\$ 292	55 %
Tripadvisor-branded display and platform	28	17	65 %	97	69	41 %
Experiences & Dining	98	36	172 %	307	186	65 %
Other	10	6	67 %	46	57	(19) %
Total Revenue	\$ 241	\$ 116	108 %	\$ 902	\$ 604	49 %

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 17, 2022, at 8:30 a.m., Eastern Time, to discuss the Company's fourth quarter and full year 2021 operating results, as well as 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> 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 6648519) until February 24, 2022 and the webcast will be accessible at <http://ir.tripadvisor.com/events-and-presentations> for at least twelve months following the conference call.

About Tripadvisor

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

The subsidiaries of Tripadvisor, Inc. (Nasdaq:TRIP), own and operate a portfolio of travel media brands and businesses, operating under various websites and apps, including the following websites: www.bokun.io, www.cruisecritic.com, www.flipkey.com, www.thefork.com, www.helloreco.com, www.holidaylettings.co.uk, www.housetrip.com, www.jetsetter.com, www.niumba.com, www.seatguru.com, www.singleplatform.com, www.vacationhomerentals.com, and www.viator.com.

* Source: SimilarWeb, unique users de-duplicated monthly, January 2022

** Source: Tripadvisor internal log files

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

	Three months ended		Year Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue	\$ 241	\$ 116	\$ 902	\$ 604
Costs and expenses:				
Cost of revenue (1)	20	13	74	55
Selling and marketing (1)	126	66	469	316
Technology and content (1)	51	55	212	220
General and administrative (1)	46	44	167	173
Depreciation and amortization	26	31	111	125
Impairment of goodwill	—	—	—	3
Restructuring and other related reorganization costs	—	(1)	—	41
Total costs and expenses	269	208	1,033	933
Operating income (loss)	(28)	(92)	(131)	(329)
Other income (expense):				
Interest expense	(11)	(14)	(45)	(35)
Interest income	—	—	1	3
Other income (expense), net	(8)	2	(10)	(8)
Total other income (expense), net	(19)	(12)	(54)	(40)
Income (loss) before income taxes	(47)	(104)	(185)	(369)
(Provision) benefit for income taxes	18	31	37	80
Net income (loss)	\$ (29)	\$ (73)	\$ (148)	\$ (289)
Earnings (loss) per share attributable to common stockholders:				
Basic	\$ (0.21)	\$ (0.54)	\$ (1.08)	\$ (2.14)
Diluted	\$ (0.21)	\$ (0.54)	\$ (1.08)	\$ (2.14)
Weighted average common shares outstanding:				
Basic	138	135	137	135
Diluted	138	135	137	135

(1) Includes stock-based compensation expense as follows:

Cost of revenue	\$ —	\$ —	\$ 1	\$ 1
Selling and marketing	\$ 3	\$ 4	\$ 16	\$ 16
Technology and content	\$ 11	\$ 12	\$ 46	\$ 44
General and administrative	\$ 17	\$ 13	\$ 57	\$ 48

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

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 723	\$ 418
Accounts receivable and contract assets, net of allowance for credit losses of \$28 and \$33, respectively	142	83
Income taxes receivable	49	50
Prepaid expenses and other current assets	26	22
Total current assets	940	573
Property and equipment, net of accumulated depreciation of \$460 and \$386, respectively	215	240
Operating lease right-of-use assets	42	54
Intangible assets, net of accumulated amortization of \$202 and \$206, respectively	65	86
Goodwill	843	862
Non-marketable investments	36	40
Deferred income taxes, net	54	10
Other long-term assets, net of allowance for credit losses of \$10 and \$5, respectively	94	104
TOTAL ASSETS	\$ 2,289	\$ 1,969
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 27	\$ 18
Deferred merchant payables	113	36
Deferred revenue	36	28
Accrued expenses and other current liabilities	181	160
Total current liabilities	357	242
Long-term debt	833	491
Finance lease obligation, net of current portion	65	71
Operating lease liabilities, net of current portion	29	46
Deferred income taxes, net	1	10
Other long-term liabilities	215	223
Total Liabilities	1,500	1,083
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: 144,656,649 and 140,775,221, respectively		
Shares outstanding: 125,812,035 and 121,930,607, respectively		
Class B common stock, \$0.001 par value	—	—
Authorized shares: 400,000,000		
Shares issued and outstanding: 12,799,999 and 12,799,999, respectively		
Additional paid-in capital	1,326	1,253
Retained earnings	241	389
Accumulated other comprehensive income (loss)	(56)	(34)
Treasury stock-common stock, at cost, 18,844,614 and 18,844,614 shares, respectively	(722)	(722)
Total Stockholders' Equity	789	886
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,289	\$ 1,969

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

	Three Months Ended		Year Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating activities:				
Net income (loss)	\$ (29)	\$ (73)	\$ (148)	\$ (289)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	26	31	111	125
Stock-based compensation expense	31	29	120	109
Deferred income tax expense (benefit)	(18)	(5)	(44)	(1)
Provision for expected credit losses	2	1	3	17
Impairment of goodwill	—	—	—	3
Loss on sale/disposal of business	—	—	—	6
Other, net	8	2	19	11
Changes in operating assets and liabilities, net of effects from acquisitions and other investments	45	—	47	(175)
Net cash provided by (used in) operating activities	65	(15)	108	(194)
Investing activities:				
Capital expenditures, including capitalized website development	(14)	(9)	(54)	(55)
Acquisitions and other investments, net of cash acquired	—	—	—	(4)
Other investing activities, net	1	—	—	3
Net cash provided by (used in) investing activities	(13)	(9)	(54)	(56)
Financing activities:				
Repurchase of common stock	—	—	—	(115)
Proceeds from issuance of 2026 Senior Notes, net of financing costs	—	—	340	—
Purchase of capped calls in connection with 2026 Senior Notes	—	—	(35)	—
Proceeds from issuance of 2025 Senior Notes	—	—	—	500
Payment of financing costs for the issuance of 2025 Senior Notes	—	—	—	(10)
Proceeds from credit facility	—	—	—	700
Payments of financing costs for amendments to credit facility	—	(3)	—	(7)
Payments to credit facility	—	—	—	(700)
Proceeds from exercise of stock options	—	—	8	—
Payment of withholding taxes on net share settlements of equity awards	(5)	(3)	(44)	(21)
Payments of finance lease obligation	(2)	(1)	(6)	(6)
Net cash provided by (used in) financing activities	(7)	(7)	263	341
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	3	(12)	8
Net increase (decrease) in cash, cash equivalents and restricted cash	41	(28)	305	99
Cash, cash equivalents and restricted cash at beginning of period	682	446	418	319
Cash, cash equivalents and restricted cash at end of period	<u>\$ 723</u>	<u>\$ 418</u>	<u>\$ 723</u>	<u>\$ 418</u>
Supplemental disclosure of cash flow information:				
Cash paid during the period for income taxes, net of refunds			\$ 5	\$ 3
Cash paid during the period for interest			\$ 43	\$ 13

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

	Three Months Ended		% Change 2021 vs. 2020
	December 31, 2021	December 31, 2020	
Revenue:			
Hotels, Media & Platform	\$ 133	\$ 74	80 %
Experiences & Dining	98	36	172 %
Other	10	6	67 %
Total revenue	<u>\$ 241</u>	<u>\$ 116</u>	108 %
Adjusted EBITDA:			
Hotels, Media & Platform	\$ 30	\$ (12)	n.m.
Experiences & Dining	(10)	(22)	(55)%
Other	9	1	800 %
Total Adjusted EBITDA (1)	<u>\$ 29</u>	<u>\$ (33)</u>	n.m.
Adjusted EBITDA Margin:			
Hotels, Media & Platform	23 %	(16)%	
Experiences & Dining	(10)%	(61)%	
Other	90 %	17 %	
Total Adjusted EBITDA Margin (1)	12 %	(28)%	
Net Income (Loss) (2)	\$ (29)	\$ (73)	
Net Income Margin (Loss)	(12)%	(63)%	

	Year ended December 31,		% Change 2021 vs. 2020
	2021	2020	
Revenue:			
Hotels, Media & Platform	\$ 549	\$ 361	52 %
Experiences & Dining	307	\$ 186	65 %
Other	46	57	(19)%
Total revenue	<u>\$ 902</u>	<u>\$ 604</u>	49 %
Adjusted EBITDA:			
Hotels, Media & Platform	\$ 111	\$ 13	754 %
Experiences & Dining	(36)	(79)	(54)%
Other	25	15	67 %
Total Adjusted EBITDA (1)	<u>\$ 100</u>	<u>\$ (51)</u>	n.m.
Adjusted EBITDA Margin:			
Hotels, Media & Platform	20 %	4 %	
Experiences & Dining	(12)%	(42)%	
Other	54 %	26 %	
Total Adjusted EBITDA Margin (1)	11 %	(8)%	
Net Income (Loss) (2)	\$ (148)	\$ (289)	
Net Income Margin (Loss)	(16)%	(48)%	

n.m. = not meaningful

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

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

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

We define our non-GAAP financial measures as below:

Tripadvisor defines “Adjusted EBITDA” as Net Income (Loss) plus: (1) provision (benefit) for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, long-lived assets and intangible asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) non-recurring expenses and income. These items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful. The Company believes that excluding these amounts better enables management and investors to compare financial results between periods as these costs may vary independent of business performance.

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

Adjusted EBITDA and Adjusted EBITDA margin are key operating performance measures used by our management and board of directors to understand and evaluate the financial performance of our business as a whole and our individual business segments, and on which internal budgets and forecasts are based and approved. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons and better enables management and investors to compare financial results between periods as these costs may vary independent of core business performance. Accordingly, we believe that Adjusted EBITDA and Adjusted EBITDA margin provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors and allows for another useful comparison of our performance with our historical results from prior periods.

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

Some of these limitations are:

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

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

Tripadvisor defines “non-GAAP net income (loss)” as GAAP net income (loss) excluding, net of their related tax effects (which excludes the impact of significant one-time changes resulting from tax legislation or significant legislation that impacts tax, such as the CARES Act): (1) stock-based compensation expense and other stock-settled obligations; (2) amortization of intangible assets; (3) goodwill, intangible asset, and other long-lived asset impairments; (4) legal reserves and settlements; (5) restructuring and other related reorganization costs; and (6) certain gains, losses, and other non-recurring income or expenses that we do not believe are indicative of our ongoing operating results. We believe non-GAAP net income (loss) is an operating performance measure which provides investors and analysts with useful supplemental information about the financial performance of our business, as it incorporates our unaudited condensed consolidated statement of operations, taking into account depreciation, which management believes is an ongoing cost of doing business, but excluding the impact of certain expenses, infrequently occurring items and items not directly tied to the ongoing core operations of our businesses, and also enables comparison of financial results between periods where certain items may vary independent of business performance.

Tripadvisor defines “non-GAAP net income (loss) per diluted share”, or non-GAAP diluted EPS, as non-GAAP net income (loss) divided by GAAP diluted shares. We believe non-GAAP diluted EPS is useful to investors because it represents, on a per share basis, our unaudited condensed consolidated statement of operations, taking into account depreciation, which we believe is an ongoing cost of doing business, as well as other items which are not allocated to the operating businesses such as interest expense, interest income, income taxes and foreign exchange gains or losses, but excluding the effects of certain expenses not directly tied to the ongoing core operations of our businesses. Tripadvisor calculates non-GAAP diluted EPS using weighted average diluted shares determined under GAAP.

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

Tripadvisor defines “free cash flow” as net cash provided by operating activities less capital expenditures, which are purchases of property and equipment, including capitalization of website development costs. We believe this financial measure can provide useful supplemental information to help investors better understand underlying trends in our business, as it represents the operating cash flow that our operating businesses generate, less capital expenditures but before taking into account other cash movements that are not directly tied to the ongoing core operations of our businesses, such as financing activities, foreign exchange 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 estimated 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 ongoing 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 estimated 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 ongoing core operating results.

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

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

	Three Months Ended			Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2021	December 31, 2020	December 31, 2019
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):						
GAAP Net Income (Loss)	\$ (29)	\$ (73)	\$ 15	\$ (148)	\$ (289)	\$ 126
Add: Provision (benefit) for income taxes	(18)	(31)	5	(37)	(80)	68
Add: Other (income) expense, net	19	12	3	54	40	(7)
Add: Depreciation and amortization	26	31	33	111	125	126
Add: Impairment of goodwill	—	—	—	—	3	—
Add: Restructuring and other related reorganization costs	—	(1)	1	—	41	1
Add: Stock-based compensation expense	31	29	35	120	109	124
Adjusted EBITDA (Non-GAAP)	<u>\$ 29</u>	<u>\$ (33)</u>	<u>\$ 92</u>	<u>\$ 100</u>	<u>\$ (51)</u>	<u>\$ 438</u>
Revenue (GAAP)	\$ 241	\$ 116	\$ 335	\$ 902	\$ 604	\$ 1,560
Net Income (loss) margin (GAAP)	(12%)	(63%)	4%	(16%)	(48)%	8%
Adjusted EBITDA margin (Non-GAAP) (1)	12%	(28%)	27%	11%	(8%)	28%
Reconciliation from GAAP Net Income (Loss) and GAAP Net Income (Loss) per diluted share to Non-GAAP net income (loss) and Non-GAAP net income (loss) per diluted share:						
GAAP Net Income (Loss)	\$ (29)	\$ (73)		\$ (148)	\$ (289)	
Add: Stock-based compensation expense	31	29		120	109	
Add: Restructuring and other related reorganization costs	—	(1)		—	41	
Add: Impairment of goodwill	—	—		—	3	
Add: Amortization of intangible assets	4	6		20	26	
Add: Loss on sale of business	—	—		—	6	
Add: (Gain)/Loss on investment	(1)	(1)		(3)	(3)	
Subtract: Income tax effect of Non-GAAP adjustments (2)	6	14		30	37	
Subtract: Income tax impact related to CARES Act (3)	—	1		—	23	
Non-GAAP net income (loss)	<u>\$ (1)</u>	<u>\$ (55)</u>		<u>\$ (41)</u>	<u>\$ (167)</u>	
GAAP diluted shares	138	135		137	135	
GAAP Net Income (loss) per diluted share	\$ (0.21)	\$ (0.54)		\$ (1.08)	\$ (2.14)	
Non-GAAP net income (loss) per diluted share (4)	\$ (0.01)	\$ (0.41)		\$ (0.30)	\$ (1.24)	

Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):**Net cash provided by (used in) operating activities (GAAP)**

	\$ 65	\$ (15)	\$ 108	\$ (194)
Subtract: Capital expenditures	14	9	54	55
Free cash flow (Non-GAAP)	<u>\$ 51</u>	<u>\$ (24)</u>	<u>\$ 54</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 (benefit) for the periods presented.
- (3) Represents an income tax benefit of \$1 million and \$23 million recorded in connection with the passage of the CARES Act, pertaining to the income tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback, recorded during the three months and year ended December 31, 2020, respectively.
- (4) Tripadvisor defines “non-GAAP net income (loss) per diluted share” as non-GAAP net income (loss) divided by GAAP diluted shares.

Safe Harbor Statement

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

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Q4 2021

Letter to Shareholders

	FY2021	FY2020	FY2019
Total Revenue	\$902M 49% Y/Y (42)% Y/2Y	\$604M	\$1,560M
Net Income / (Loss)	\$(148)M	\$(289)M	\$126M
Adjusted EBITDA (1)	\$100M	\$(51)M	\$438M

	Q4 2021	Q4 2020	Q4 2019
Revenue	\$241M 108% Y/Y (28)% Y/2Y	\$116M	\$335M
Net Income / (Loss)	\$(29)M	\$(73)M	\$15M
Adjusted EBITDA (1)	\$29M	\$(33)M	\$92M

(1) Consolidated adjusted EBITDA is a non-GAAP profit measure and is defined as net income (loss) plus: (1) provision (benefit) for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, intangible asset, and long-lived asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) non-recurring expenses and income. See "Use of Non-GAAP Financial Measures."

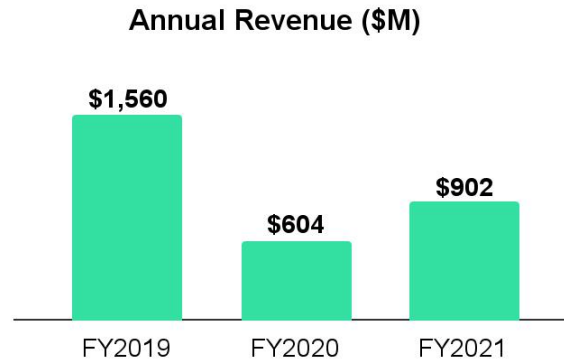


Letter to Shareholders

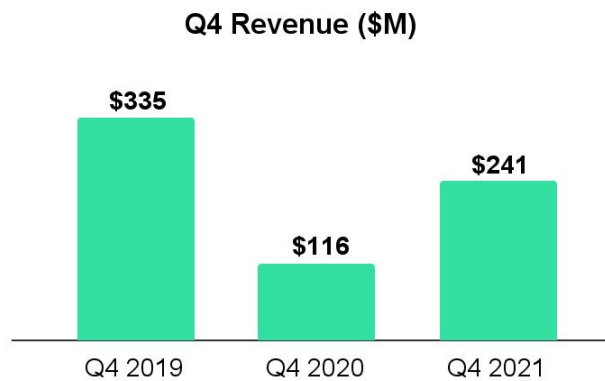
During 2021, we remained focused on long-term opportunities for Tripadvisor, launching new initiatives and enhancing our product sets. We successfully operated off a lower cost base, giving us further confidence in the flexibility that our model affords as we strive to balance our revenue growth opportunities against profit expansion. We exited the year well-positioned to capture our share of the returning travel market and to drive additional growth in emerging opportunities.

Full Year 2021 and Fourth Quarter Consolidated Financial Results

Full year revenue improved year over year and as a percent of 2019 levels. We generated \$902 million in revenue, or 58% of 2019 levels. Our Hotels, Media and Platform (HM&P) segment revenue grew 52% year over year to \$549 million, and reached 58% of 2019 levels. Revenue in the Experiences and Dining (E&D) segment grew 65% to \$307 million, and reached 67% of 2019 levels. Other revenue was \$46 million in fiscal 2021, which was 28% of 2019 levels.

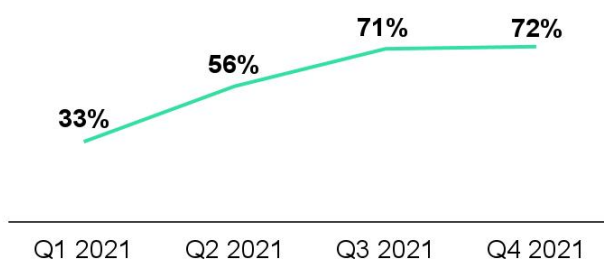


In Q4 2021, consolidated revenue was flat with the prior quarter as a percent of 2019 levels, and in-line with expectations that we communicated in early December. Total revenue was \$241 million, representing year over year growth of 108%, or 72% of the 2019 levels. Revenue reflected mixed trends across our segments, HM&P and E&D. In HM&P, revenue was \$133 million, reflecting year over year growth of 80%, and as a percent of 2019 levels, stepped down to 69% from 72% in Q3 2021. E&D revenue of \$98 million in Q4 reflected year over year growth of 172%, accelerating to 90% of 2019 levels, from 81% in Q3 2021. Other revenue in Q4 was \$10 million.



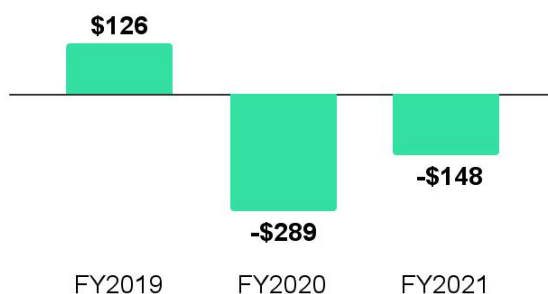
During the quarter, consolidated revenue as a percent of 2019's comparable period peaked in November, but stepped down in December. The December step-down was most pronounced in our Dining business, with incremental step-downs also in our hotel auction and Experiences, driven by Omicron.

Quarterly Revenue as a % of 2019



Net loss for the full year 2021 was \$148 million, compared to a net loss of \$289 million in fiscal 2020, driven by improved revenue and fixed cost management. In Q4 2021, net loss was \$29 million, an improvement from a net loss of \$73 million in Q4 2020, driven primarily by revenue improvement.

Net Income (Loss) (\$M)

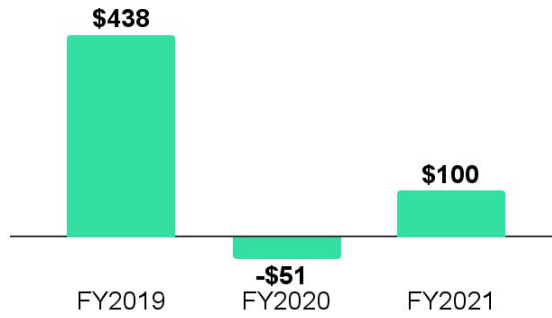


Consolidated adjusted EBITDA for the full year 2021 was \$100 million, or 11% of revenue as compared to an adjusted EBITDA loss of \$51 million in 2020, driven primarily by an increase in revenue and a lower fixed cost base.

In Q4 2021, adjusted EBITDA was \$29 million, or 12% of revenue, as compared to an adjusted EBITDA loss of \$33 million in the same period a year ago, and in-line with expectations expressed in early December.

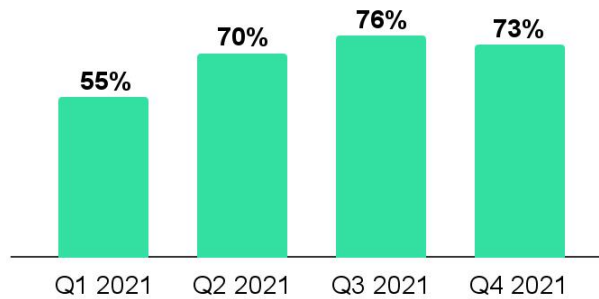
We exited the year with ample liquidity. As of December 31, 2021, we had \$723 million in cash and cash equivalents.

Adjusted EBITDA (\$M)



Traffic trends- monthly unique users stepped down slightly. Overall average monthly unique users on Tripadvisor-branded websites, a leading indicator of consumer travel demand, in Q4 were approximately 73% of 2019's comparable period, down slightly from 76% in Q3 2021, and impacted by Omicron.

Average Monthly Unique Users as % of 2019 (per Tripadvisor log files)



Taking Stock of Our Business

A lot has happened since this time two years ago, when the world was largely unaware of a pandemic that would make unprecedented changes to our way of life, the global economy, and the global travel industry. As the Tripadvisor business continues to progress, and at an inflection point of senior leadership change, we believe it helpful and appropriate to provide a more thorough retrospective and an assessment of where we stand in our corporate strategy, as well as a review of our market position and outlook by reporting segment.

Corporate Strategy and Value Creation Framework

Tripadvisor remains a highly influential travel brand, with massive online traveler, partner, and supplier reach. We have a unique position in the global travel ecosystem of trusted and highly sought after user-generated content that instills traveler confidence. In fact, we recently reached over a billion reviews and opinions, which is a remarkable milestone and a testament to our reach. The community of travelers that author these reviews is what makes our travel guidance so valuable, so trustworthy, and therefore so difficult for other sites to replicate. We are immensely proud of how many trips we help guide each year, driven by rich content in lengthy reviews, millions of candid photos



that tell a story in every language, and millions more amazing tips and advice written about iconic landmarks and tiny establishments alike, all over the world.

Our core strategy for the Tripadvisor brand is to continue to enhance our value proposition of providing unique guidance to our global traveler base and to expand the reach our platform provides to our global partners and suppliers. This hasn't changed in the pandemic—if anything, the pandemic has reinforced our resolve to continue to execute against this core strategy.

As part of our commitment to this strategy, we launched Tripadvisor Plus in 2021 with the ambition to offer compelling discounts and perks on travel products to subscription-paying travelers. We continue to believe that direct-to-consumer offerings (and, in particular, subscriptions) remain an attractive growth opportunity for Tripadvisor. This belief is predicated on both the increasingly prevalent consumer adoption of subscriptions, as well as our trusted brand position within travel. Although we have not made as much progress on Tripadvisor Plus as we expected, we are determined to build upon the foundations we established in 2021 and continue to iterate and innovate on the product and positioning with the goal of creating a consumer subscription business at scale.

With the foundational elements of Plus now established, and the steady demand recovery we are observing in our core business, we plan to focus more of our resources towards opportunities we see in our core hotel and media offerings, as well as Experiences and Dining. We believe we will be well-positioned to achieve profitable growth by leveraging our core competitive strengths as travel demand continues to recover and starts to grow again from pre-pandemic levels.

Outside of our core hotel and media offerings, we are increasingly focused on scaling our two pure-play marketplace businesses, Viator and TheFork, to better position them for growth and market share gains in the attractive markets in which they operate. Both Viator and TheFork have recovered strongly since the trough of the pandemic, and are largely independently staffed and operated businesses that are successfully penetrating large and fast growing markets by leveraging their strong brand, differentiated offerings, and unique competitive position within their respective markets.

As we look ahead to 2022 and beyond, our conviction in the opportunity for these businesses to become scaled category leaders could not be stronger. Last quarter, we shared our intent to better crystallize the value of these businesses within Tripadvisor, which included more separately capitalizing them in order to continue capturing market share and establish scaled leadership positions that provide attractive longer-term returns.

In particular, we are continuing to evaluate opportunities related to Viator that will allow us to better illustrate the strategic value we see in this asset. This includes evaluating opportunities with industry participants as well as independent opportunities, including a potential sub-IPO, which would involve selling a minority stake of the Viator business to the public market. As such, we recently submitted a confidential draft S-1 registration statement with the U.S. Securities and Exchange Commission related to its proposed initial public offering of Viator. The proposed offering is subject to, among other things, completion of the SEC review process, as well as Tripadvisor's ongoing assessment of other strategic options, market conditions, and other factors⁽¹⁾.

In parallel, we are also assessing options to drive value recognition at TheFork, although those plans are less developed at this juncture. While these plans are under assessment, in the meantime, we are evaluating a change to our segment reporting at the end of Q1 to more clearly break out Viator and TheFork as stand-alone businesses within our portfolio.

The travel market has consistently proven to be dynamic and receptive to innovation and is primed for growth as we emerge from the pandemic. We have included the following updates on the state of our business to further highlight our optimism for Tripadvisor's next phase of growth in 2022 and beyond.

⁽¹⁾ There can be no assurance that the confidential submission of a draft registration statement on Form S-1 will result in any transaction or other action by Tripadvisor. Tripadvisor does not intend to comment on or provide updates regarding these matters unless and until it determines that further disclosure is appropriate or required based on the then-current facts and circumstances. This press release does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

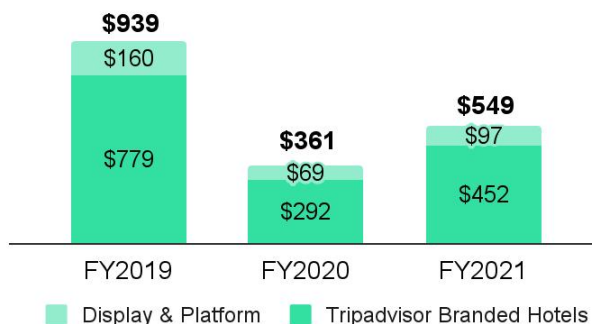


Hotel, Media & Platform (HM&P) Segment

Included in this segment is revenue from our **Tripadvisor branded hotels** as well as our **display and platform** revenue.

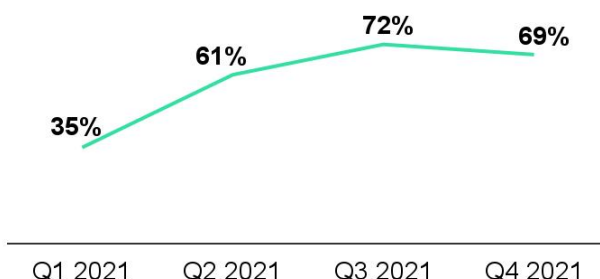
In 2021, we saw a healthy recovery in our HM&P segment, reaching 58% of 2019 levels for the year. Recovery was steady in the first three quarters of the year, but the comparison to 2019 flattened in Q4, which we believe was due to the emergence of the Omicron variant late in the quarter. Although we have seen strong performance in pockets of HM&P (most notably U.S. domestic hotel auction revenue), other areas have lagged. International travel, and in particular inter-continental travel, has been slow to recover. Moreover, we have seen a slower return to our more upper-funnel marketing products aimed at hotels, such as subscriptions, sponsored placements and display-based marketing.

Total HM&P Revenue (\$M)



We do not believe our recovery path in 2021 reflects any changes in our competitive position; we note for instance that CPC pricing levels in our hotel auction have remained strong (even stronger than 2019 in the U.S. at points in 2021). As the market continues to recover, we expect that we will benefit from the return to international travel and upper-funnel marketing—two historic strengths of our business.

HM&P Revenue as % of 2019



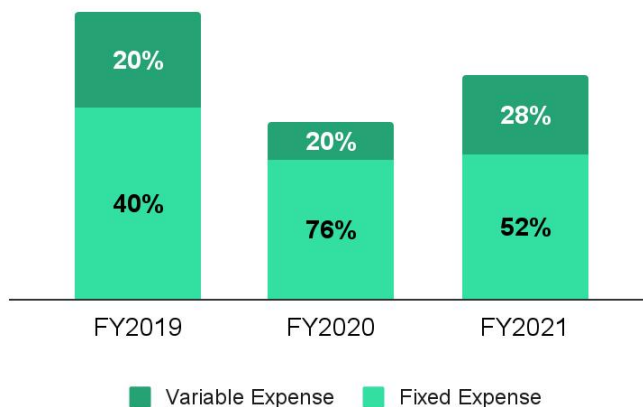
Turning to expenses (see “Key Business Metrics & Definitions” at the end of the document for definition of expenses used in these paragraphs), of the total company fixed & discretionary cost reductions of approximately \$240 million from 2019, we reduced HM&P fixed & discretionary costs by close to \$100 million in 2021 vs 2019. In 2022, we expect to increase expenses marginally from 2021 due to wage and other inflationary pressures, and selected

investments in our sales force and other areas. However, we anticipate that our fixed expense as a percent of revenue will be lower than in 2021 as we expect revenue growth in 2022 to exceed growth in these expenses.

Turning to variable marketing expenses, in 2021 we saw a more favorable hotel auction environment than in 2020, and were able to spend more on paid traffic at a positive ROI. Our objective in 2022 in paid marketing remains near-term profit maximization, and we expect variable expense as a percent of revenue to come down slightly from 2021, though less so relative to our fixed cost trend.

We believe that by maintaining the vast majority of the fixed cost expense reductions achieved in 2020, we have made a structural and long-term improvement to our adjusted EBITDA margin profile in HM&P.

HM&P Expense* as % of Revenue



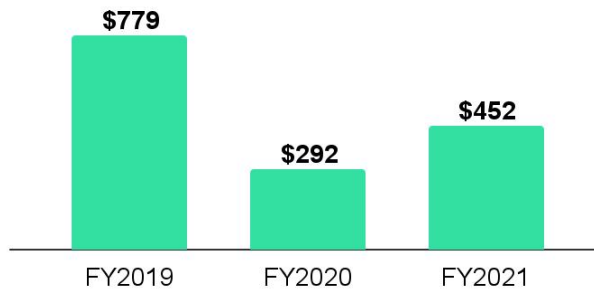
*For definition of expenses, fixed and variable, see "Key Business Metrics & Definitions" at the end of this document.

Tripadvisor Branded Hotels

In 2021, revenue from Tripadvisor Branded Hotels totaled \$452 million. The majority of this revenue stream comes from **hotel auction revenue**, with the remaining portion related to the **other Tripadvisor branded hotel services**, which includes hotel B2B subscription services, and hotel sponsored placement advertising that enable hotels to enhance their visibility on Tripadvisor hotel pages. The return to 2019 levels varied between the two revenue streams throughout most of fiscal 2021.



Tripadvisor Branded Hotels (\$M)



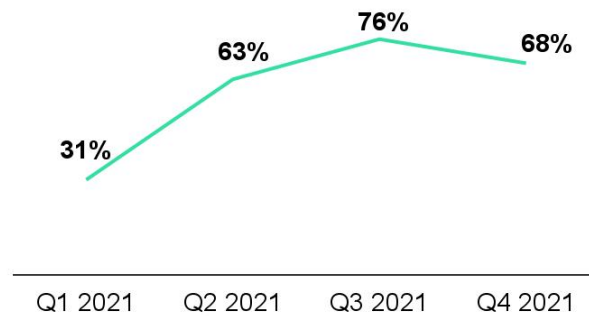
Hotel Auction

For the full year 2021, hotel auction revenue reached 58% of 2019 revenue, up significantly from 32% in 2020. Quarterly trends showed improvement for most of the year—we started the year with Q1 at 31% of 2019 levels, but exited in Q4 at approximately 68% of 2019 levels. Throughout 2021, Europe and R.O.W. hotel auction revenue was slower to recover than in the U.S., but across all regions, we saw positive momentum for most of the year. However, headwinds resurfaced with the Omicron variant late in Q4. As a result, in both the U.S. and Europe, auction revenue in Q4 stepped down from Q3, with a more pronounced step-down in Europe in December than in other geographies. R.O.W., which throughout the year recovered the slowest relative to the U.S. and Europe, improved slightly from last quarter, reflecting gradual recovery of travel in certain countries in that region.

During 2021, as travel partners such as OTAs, hotel chains, and aggregators advertised in-line with the return of travel, hotel auction revenue benefitted, particularly in the second half. Travel restrictions through the first half of the year drove the lag in the return of European travel, but relative to that, picked up as we exited the year. In addition, in the first half of the year, our auction CPC improvements were not as pronounced given the strength of CPCs in 1H 2019, making for a tough comparison; however, for much of 2H, CPCs in our U.S. hotel auction in particular were above 2019 levels.

As travel demand has returned, we have seen a lift in variable marketing spend as a percent of revenue in our hotel auction vs 2019, which is due to robust auction pricing dynamics. Relative strength in CPC pricing has allowed us to increase spend in marketing channels at a profitable ROAS (return on ad spend), while our free traffic has been recovering more slowly. We expect revenue from free traffic to improve disproportionately in 2022 as the travel market recovers further this year.

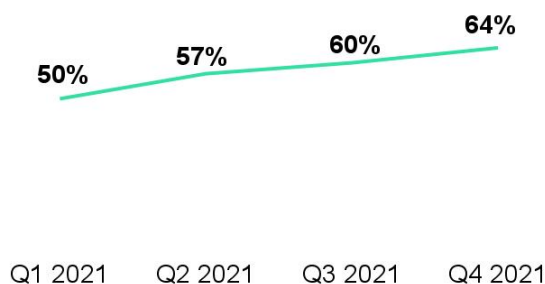
Hotel Auction Revenue as a % of 2019



Other Tripadvisor Branded Hotel Revenue

For the full year 2021, other revenue in this category, which is primarily B2B revenue, reached 58% of 2019 levels. In this revenue stream, 2021 started stronger than the overall business as a percent of 2019 revenue given the steadier nature of the B2B subscription model. However, as the year progressed, the return to 2019 levels lagged the overall business as we saw a mix of both slower new sign-ups and churn in existing customers. We believe this was due to the continued uncertainty in the travel market driving more hesitancy from customers as they made spend decisions. This was also an area of the business in which we under-indexed on resources in the year, something we will rectify in 2022.

Tripadvisor Other Branded Hotel Revenue as a % of 2019



Tripadvisor Plus

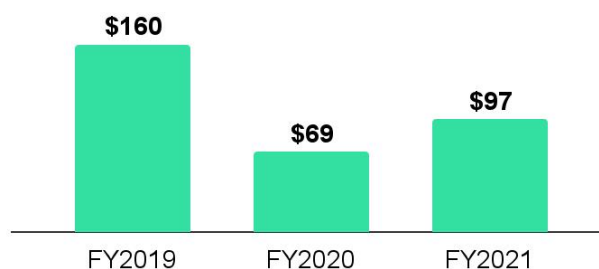
In 2021, we did not achieve the near-term lift off we had hoped for with Plus. For most of the year, we were in the launch phase of our original version based on an instant savings model and pivoted late in the year to beta-launch another iteration, Vacation Funds. As we approached year end, conversions were not at the level we targeted for full roll-out.

Our 2022 plan assumes continued investment in Plus, at levels scaled appropriately as we find the right product and market fit. We strongly believe in the attractiveness of the offering, and its potential to drive value in the future, but recognize that growth will likely be more gradual.

Display and Platform

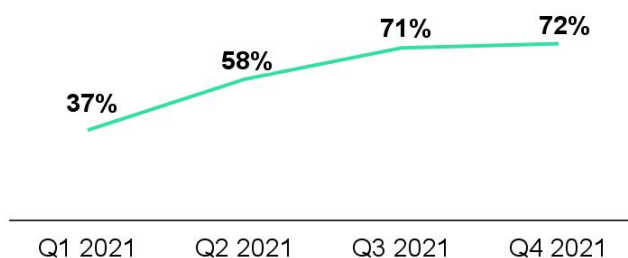
In 2021, revenue from Display and Platform totaled \$97 million, an increase of 41% year over year, and reached 60% of 2019 levels. On a quarterly basis, the trends in this revenue stream mirrored the trend in the overall HM&P segment as a percent of 2019 revenue.

Display & Platform Revenue (\$M)



In 2021, we saw traffic volumes pick up from the 2020 nadir, but still only to approximately two-thirds of 2019 levels. As travel came back, and advertisers returned to spending in this relatively upper funnel marketing channel, we saw improvements throughout the year.

Display & Platform as % of 2019 revenue



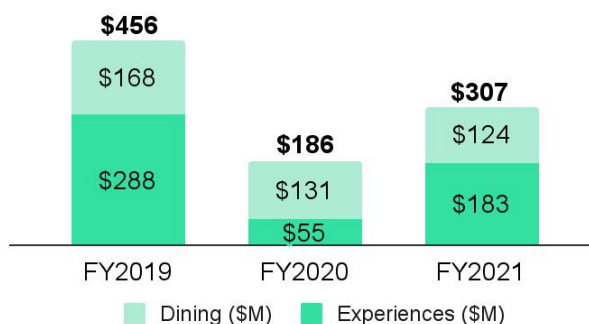
In fiscal 2022, we will be focused on leveraging our data to drive monetization and support client expansion, and driving more targeted impressions, in particular during our peak traffic periods.

Experiences & Dining (E&D) Segment

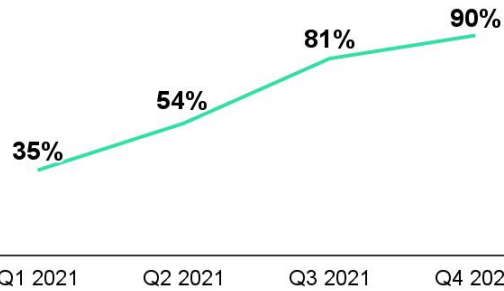
Included in this segment is revenue from our **Experiences** offering, which includes revenue generated from the booking of tours, attractions and activities, as well as our **Dining** offering, which includes revenue generated from products targeting restaurants and diners, primarily restaurant seating fees via our online reservation system, as well as subscription-based marketing and analytical tools, and sponsored advertising.

Experiences & Dining has experienced the strongest recovery within our portfolio in 2021, and reached approximately 90% of 2019 levels in the fourth quarter, despite significant negative impact from Covid for both Experiences and Dining. We expect this segment to continue its recovery path in 2022 and are confident that we can reach revenue well above 2019 for full year 2022.

E&D Revenue

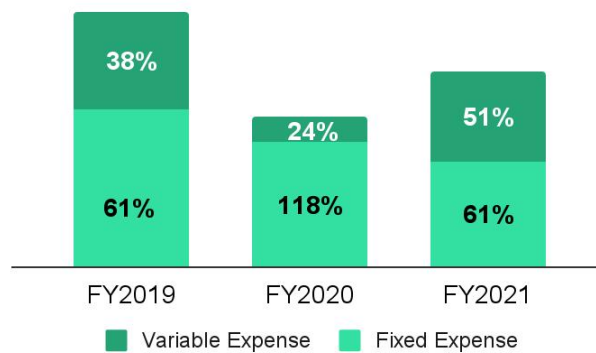


E&D Segment Revenue as % of 2019



Our fixed and discretionary costs were substantially lower in 2021 than in 2019 by about \$90 million. In our Experiences offering we have significantly expanded our variable spend as a percent of revenue versus 2019. As we saw the market recover much more strongly than we anticipated, we leaned further into our estimated lifetime value of an acquired customer, extending our payback period. Together with improved execution and a favorable market backdrop, we were able to significantly scale our paid marketing program. By its nature, we believe this will provide a tailwind in 2022 from repeat customer cohorts.

E&D Expense* as % of Revenue



*For definition of expenses, fixed and variable, see "Key Business Metrics & Definitions" at the end of this document.

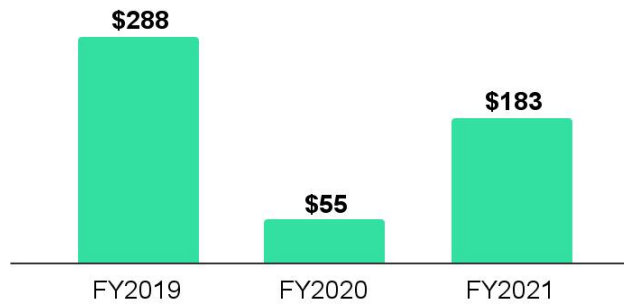
We are bolstered by the success and the strategic outlook of our E&D segment, and believe there is an opportunity to further invest behind the future potential for these offerings. At this stage in the pandemic we think now is the time to play offense with Viator and TheFork. As such, in 2022, we anticipate re-investing the majority of fixed cost savings made within E&D since 2019 back into the segment through long-term investments in product, supply, and technology capabilities. We aim to increase our geographic reach, improve and expand our product offerings, and drive loyalty of our customer base with these investments.

We note that we are investing for growth and competitive positioning in E&D, and as a result, are choosing to delay significant margin realization. We believe long term we can reach adjusted EBITDA margins of at least mid-to high- 20s in this segment.

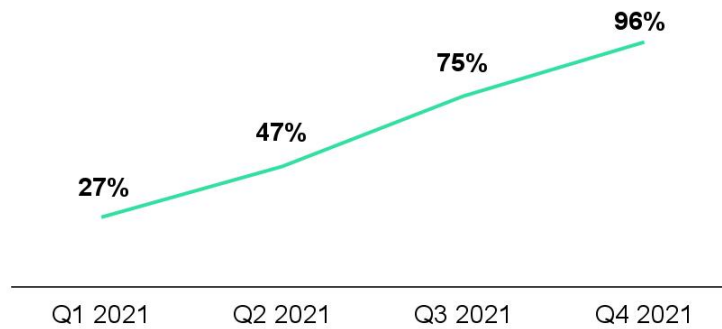
Experiences (\$183M of revenue in 2021)

Our Experiences offering is a combination of revenue derived from our Viator brand, Tripadvisor-generated traffic, and third parties. Of the \$183 million in 2021 Experiences revenue, the Viator point of sale drove the majority of this revenue. Revenue increased sharply as a percent of 2019 revenue in the second half of the year, exiting at close to 2019 levels.

Experiences Revenue (\$M)



Experiences as % of 2019 Revenue



During 2021, we made substantial progress solidifying the value proposition in our Experiences business, the foundation of which is the Viator platform. For customers, we've improved the quality of their experience on the Viator platform with supplier trust and quality standards, booking and payments flexibility, and access to customer service across a large and growing base of suppliers. We enhanced the supplier experience through improved support, marketing programs and distribution. One example is the launch of a new advertising product, Viator Accelerate, which helps suppliers increase their visibility on the platform through targeted advertising, ultimately with the goal of increasing bookings and reach.

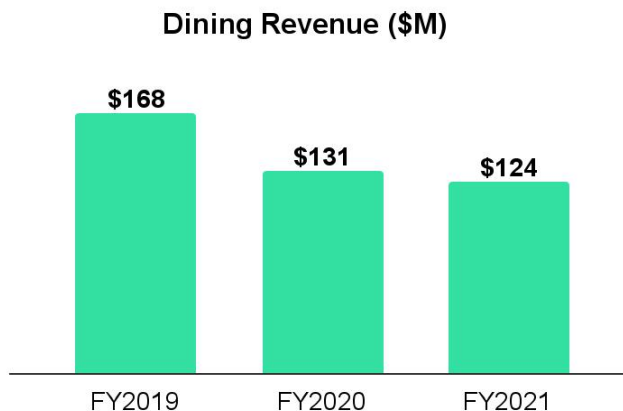
From a bookings level, by Q4 we surpassed 2019 levels. We did observe higher cancellation rates than in 2019, in particular during periods of Covid resurgence, such as late summer with Delta and December with Omicron.

Our investment to date is paying off. Our Viator point of sale has been the biggest driver of the strong performance in revenue and bookings across the entire Experiences business. In particular, as travel returned in the second half of 2021, we saw an opportunity to drive strong growth in the Viator business, and invested significantly in marketing given the favorable customer acquisition economics and large market opportunity in front of us.

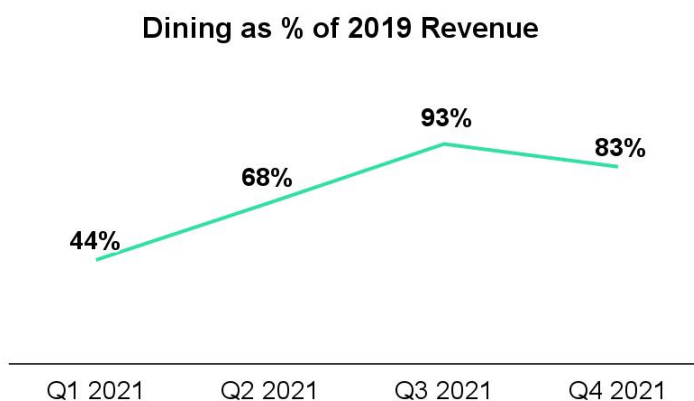
As we look to 2022, we expect to fortify our position as a leading marketplace that joins suppliers with consumers. We will continue to innovate on additional product attributes, expanding our footprint with partners, and overall, capture more share in a very large, growing, and under penetrated market.

Dining (\$124M of revenue in 2021)

For the full year, revenue in Dining reached 74% of 2019 levels. We note that the full year decline of 5% was driven by the Q1 tougher year over year comparison, whereas the combined Q2-Q4 revenue increased 29% compared to the same period a year ago.



Of the 2021 revenue contributors in Dining, TheFork generated the majority of total dining revenue. We started the year well below 2019 levels, but saw a very strong pick-up, in particular in Q2 and Q3, as reopenings occurred in E.U. markets. In the last month of Q4, and across both TheFork and Tripadvisor restaurants, Omicron-related restrictions began to impact the trajectory toward 2019 levels.



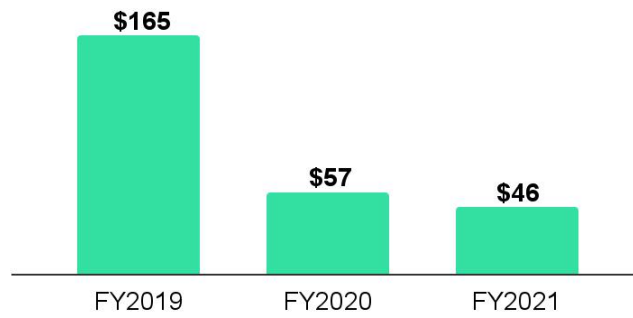
As we look to 2022, across Dining, we expect to focus on staffing up our sales teams to fortify our base of restaurants and to continue to deliver value to both customers and restaurants through innovative products such as payments capabilities. We are the leader in key European markets, and believe we have a long runway ahead of us.

Other Businesses

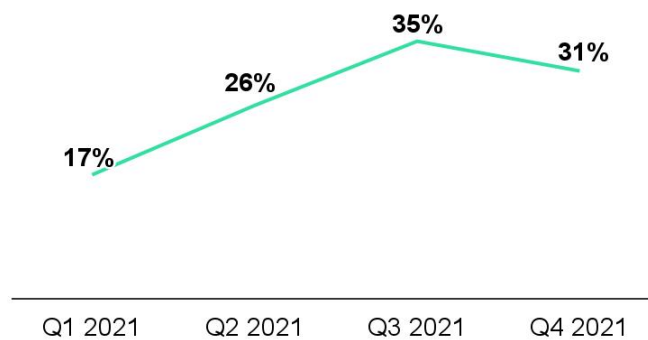
Other revenue is derived from adjacent offerings, including rentals, flights and cars, and cruise.

Revenue for the full year 2021 in Other was \$46 million, reflecting a year over year decline of 19%. The decline was driven by a tougher year over year Q1 comparison. For the combined periods Q2 through Q4, revenue grew 28% year over year. A large driver of this performance relative to 2019 relates to the sale of our SmarterTravel business and the contribution of our Tripadvisor China assets in the formation of a joint venture with Trip.com in 2019, which combined, resulted in approximately \$50 million of revenue from 2019 that did not return in 2021, nor will in the future.

Other Revenue (\$M)

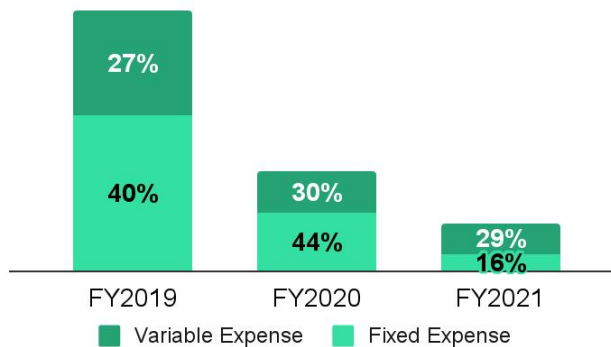


Other as % of 2019 Revenue



Adjusted EBITDA in 2021 for Other was \$25 million compared to \$15 million in the prior year. This increase in adjusted EBITDA is primarily the result of significantly lower fixed and variable costs, which more than offset the lower revenue year over year.

Other Expense* as % of Revenue



*For definition of expenses, fixed and variable, see "Key Business Metrics & Definitions" at the end of this document.

Even on the lower revenue, our Other businesses remain highly profitable, which we will continue to use to fund other higher-growth, larger opportunity areas of the business in both HM&P and E&D.

Outlook

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

While we continue to have limited visibility to the travel market recovery in 2022, we expect it to be a year of continued transition back to full recovery. We see many reasons to be optimistic about a much stronger 2022 compared to 2021:

- The overall recovery path has been on a positive trend, and we exited 2021 significantly improved from the start of the year.
- The vaccination rates in most markets important to Tripadvisor have increased to significant levels.
- Omicron is receding in the U.S. and Europe, while governments are reducing Covid restrictions.
- We believe there is significant pent-up demand in travel.
- The return to International travel and travel that is planned in advance, two strong suits of Tripadvisor, is likely to benefit us.

Given this, we expect our recovery to track broadly to improvements in the travel market, but better in some areas, such as E&D, while in others, such as our Other revenue line, recovery will track slower than overall. While our revenue expectations for the year could be impacted by new variants of Covid or other lingering Covid travel impacts, we could also see upside to our plan if Covid moves to the rear-view mirror faster and we see a robust travel recovery. Our high-level framework for 2022 is as follows:

- We are bullish about travel prospects in 2022. We expect to see a continuation of the return to relatively normal levels of leisure travel spend, with the potential of a release of pent-up travel demand beyond normal levels. Although the start of the year has been impacted by Omicron, we assume a progressive return to pre-pandemic levels of the leisure travel market at some point later this year.
- In HM&P we expect our adjusted EBITDA margin to improve meaningfully versus 2021, by adding only modestly to our fixed and discretionary costs. We expect lower variable expense as a percent of revenue versus 2021, although for the whole year, variable expense as a percent of revenue will still be higher than in 2019 as the business recovers.

- In Experiences & Dining we expect to invest in fixed and discretionary costs to fund aggressive multi-year growth plans, although as a percent of revenue the cost is expected to be lower than in 2021. We are also continuing our investment in longer term ROI marketing, with variable cost as a percent of revenue likely to be similar to 2021. With high revenue growth rates versus 2021 and absolute revenue expected well above 2019, we expect these cost trends to result in improving EBITDA margin vs 2021, but likely below 2019 margin levels as we continue to focus on growth over near term profitability.
- Given the travel market improvement trajectory, we expect consolidated adjusted EBITDA to be back-end weighted.

At the start of the year, we saw an impact from the Omicron variant, but more recently have seen signs of improvements—and while still early, we are hopeful these trends continue. Given this, for Q1 2022, we expect:

- Consolidated revenue to be in line with Q4 2021, likely a bit higher.
- Adjusted EBITDA margin of mid-to-high single digit percentage, lower than Q4 due primarily to typical seasonally lower recognition of revenue versus bookings and its associated marketing spend in Experiences in Q1, and an expense benefit in Q4 that we don't expect to repeat in Q1.

As we start the new year, we believe we are taking the right approach in balancing growth and investment across our businesses and the different opportunities and challenges each face. We've seen the trends in travel over the last 24 months move in the right direction and we are optimistic that we are at the beginning of the end of this uncertain period, and that we are positioning ourselves for a long runway ahead. We look forward to continuing to update you in the coming months.

Earnings Webcast

Tripadvisor management will host a conference call to discuss results as well as forward-looking information at 8:30 a.m. ET on February 17, 2022. The link to the live webcast, as well as the audio replay, will be made available on Tripadvisor's Investor Relations website at <http://ir.tripadvisor.com>.

A replay of the conference call will be available on the same website. A telephonic replay will be available for two weeks following the call at (855) 859-2056; passcode 6648519.

Investor relations contact
ir@tripadvisor.com
 Media contact
uspr@tripadvisor.com

Forward-Looking Statements

These prepared remarks contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The following words, when used, are intended to identify forward-looking statements: "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "target," "should," "will," and similar expressions which do not relate solely to historical matters. We caution investors that any forward-looking statements in these prepared remarks, or which management may make orally or in writing from time to time, are based on management's beliefs and on assumptions made by, and information currently available to, management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements are more fully described in Part I. Item 1A. "Risk Factors" of our Annual Report on Form



10-K. Moreover, we operate in a rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise.

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

Use of Non-GAAP Financial Measures

These prepared remarks may include references to non-GAAP measures, such as consolidated adjusted EBITDA (including forecasted consolidated adjusted EBITDA), consolidated adjusted EBITDA margin, free cash flow, 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. We have not reconciled consolidated adjusted EBITDA guidance to projected consolidated GAAP net income (loss) because we do not provide guidance on GAAP net income (loss) or the reconciling items between adjusted EBITDA and GAAP net income (loss), as a result of the uncertainty regarding, and the potential variability of, certain of these items. Accordingly, a reconciliation of the non-GAAP financial measure guidance to the corresponding GAAP measure is not available without unreasonable effort.

The earnings press release in addition to other supplemental financial information is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/>. The earnings press release is also included as Exhibit 99.1 to our Current Report on Form 8-K as furnished to the SEC on February 16, 2022, which is available on the Investor Relations section of our website at <http://ir.tripadvisor.com/> and the SEC's website at www.sec.gov.

Key Business Metrics & Definitions

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

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

Fixed & discretionary expense primarily includes all other expenses such as compensation costs (including outsourced services), broadcast advertising, G&A and other discretionary costs, not including depreciation,



