



Q2 2021

# Letter to Shareholders

	Q2 2021	Q2 2020	Q2 2019
<b>Revenue</b> <ul style="list-style-type: none"> <li>Q2 2021 performance demonstrates continued relative U.S. strength as well as a broadening recovery</li> </ul>	<b>\$235M</b> 298% Y/Y (44)% Y/2Y	<b>\$59M</b>	<b>\$422M</b>
<b>Net Income / (Loss)</b> <ul style="list-style-type: none"> <li>Q2 2021 Net loss improved primarily due to revenue improvement</li> </ul>	<b>\$(40)M</b>	<b>\$(153)M</b>	<b>\$34M</b>
<b>Adjusted EBITDA (1)</b> <ul style="list-style-type: none"> <li>Generated positive Adjusted EBITDA in Q2 2021</li> </ul>	<b>\$25M</b>	<b>\$(74)M</b>	<b>\$128M</b>

(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.

## Letter to Shareholders

Have vaccine, will travel.

During Q2, vaccination rates increased and reopenings took hold, both undeniably positive steps towards travel's full recovery. These developments, combined with strong pent-up consumer travel demand and record personal savings levels, drove improved results across our key products and regions.

The emerging recovery, along with strong execution by our team, drove improved financial performance in the quarter. Revenue of \$235 million was 56% of Q2 2019 levels and increased 91% versus Q1 2021. We narrowed our net loss to \$40 million, and we swung to a positive adjusted EBITDA of \$25 million. These results exceeded our internal expectations, and demonstrate the resilience of our business.

We are pleased with our progress on a number of fronts:

- The U.S. market led the way and strengthened throughout the period. U.S. hotel metasearch auction revenue grew in June and nearly achieved 2019 levels in the second quarter.
- Recovery in our Experiences offering has occurred sooner than we expected. Q2 U.S. bookings and revenue improved significantly year-over-year and versus Q1 2021. Europe travel demand picked up recently, though it still lags that of the U.S.
- Europe travel demand recovery accelerated in May and June, signaling an early broadening of the global travel recovery. Europe hotel metasearch auction revenue improved materially in May and June as well, and dining revenue at TheFork accelerated throughout the quarter as countries, cities, and restaurants started to reopen.
- Our narrowed quarterly net loss and positive adjusted EBITDA are testaments to our ongoing cost discipline. We kept fixed headcount and discretionary expenses roughly flat both year-over-year and compared to Q1 2021. On the variable cost side, in Q2 we leaned into areas of strength and increased marketing in the Hotel auction and Experiences.
- Tripadvisor Plus became available to all U.S. consumers in June and entered into supply partnerships that enhance the consumer value proposition. We also rolled out a completely redesigned Tripadvisor app, another achievement along our consumer-focused vision to help more people become better travelers.

Some factors driving travel's recovery remain outside of our control, and we of course are mindful of the ongoing risks posed by the virus and its variants. However, July revenue as a percentage of 2019 level improved versus June, and while the travel landscape could see near-term unevenness, we believe the recovery remains on an overall positive trajectory. Our consumer surveys continue to suggest strong pent-up travel demand, and consumer activity on Tripadvisor indicates that consumers are getting back out to explore the world. We remain optimistic not only for a stronger second half of 2021, but also for improvement in 2022 as vaccination rates increase, countries reopen, and leisure travel's recovery further broadens.

Additionally, we are executing towards an exciting future that extends well beyond leisure travel's eventual rebound. For the hundreds of millions of travelers on Tripadvisor every month, especially our most engaged members, we are building and improving tools that help them research, plan, and book the trips that matter and help them be better travelers. Differentiating our Experiences and Dining offerings, and expanding our Tripadvisor Plus service to enable more members to unlock savings and premium travel experiences, remain top priorities. For travel partners, we are leveraging our unique position, rich first-party data, scalable technology, and innovative go-to-market strategies to help them capitalize on Tripadvisor's valuable global audience to drive impressions, leads, and bookings for their businesses.

In summary, more than a year into the pandemic, our business has proven resilient and we are making progress building toward the future of travel. By leveraging our platform's unique strengths, we are helping partners succeed, we are deepening member engagement on our platform, and we are laying the foundation for sustained, profitable growth in the years to come.

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## Q2 2021 Business Update

**Monthly unique users improved, and improvement broadened, throughout Q2.** Monthly unique users on Tripadvisor-branded websites in Q2 were approximately 70% of 2019's comparable period, up from approximately 55% in Q1. Monthly unique users also improved sequentially during the quarter, as April, May, and June were approximately 59%, 71%, and 79% of 2019's comparable periods, respectively. We see consumer traffic on our site as a leading indicator of consumer's desire to travel.

From a geographical perspective, the U.S. showed continued strength, and the recovery broadened to international markets throughout the quarter. U.S. monthly unique users averaged approximately 85% of 2019 levels in May and June, up from nearly 80% in April.

Europe monthly unique users exceeded 90% of 2019 levels in June, up from nearly 60% in April. We saw notable strength in our key European markets of France, Italy, Germany, and Spain, some of our largest countries beyond the U.S. and U.K. In these countries, monthly unique users approached 95% of 2019 levels in June, up from nearly 40% in April. In the U.K., unique users were approximately 70% of 2019 levels in June, up from nearly 45% in April.

Recovery in Rest of World lagged in April and May amidst significant travel restrictions; however, monthly unique users reached approximately 55% of 2019 levels in June.

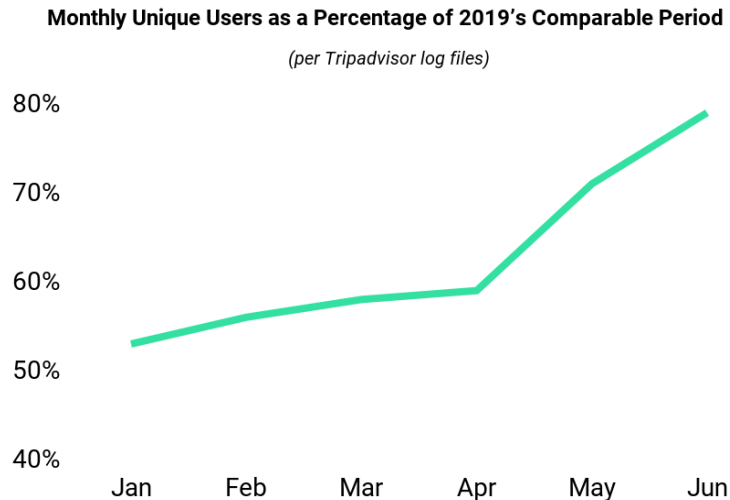
In terms of travel planning by trip type, recovery has been limited to certain pockets. Specifically:

- Worldwide, searches for domestic travel represented nearly 80% of searches during the quarter, compared to approximately 50% in pre-pandemic times.
- Searches for trips outside of urban centers, particularly in outdoor adventure-based destinations, have remained popular. Searches for B&Bs, hotels on lakes, hotels with nearby hiking, and 'pets allowed' have been popular throughout the 2021 summer travel planning season.

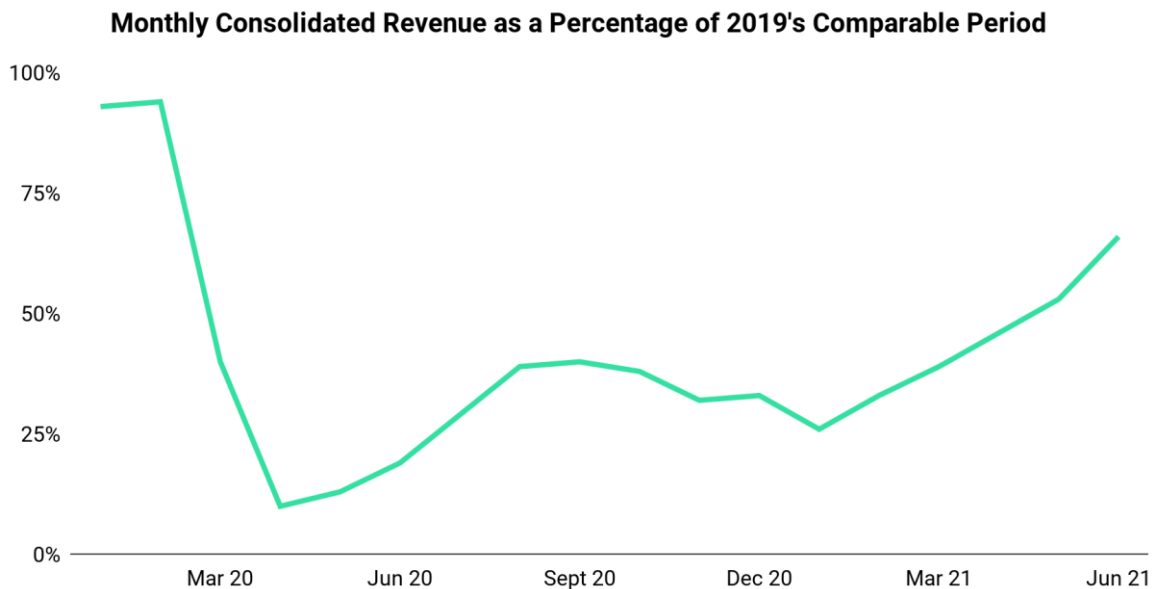
We see the concentrated recovery thus far, as well as rising consumer confidence and signs of pent up demand, as indications of a more powerful recovery to come:

- In the U.S., forty percent of travelers surveyed say they plan to spend more on their next trip compared to what they spent on travel prior to the pandemic. Globally, more than a third of vaccinated travelers surveyed plan to spend more on their next trip.
- Overall, consumers on Tripadvisor are researching and planning trips with longer lead times, and nearly a third of vaccinated respondents plan to take a longer trip than they would have done pre-pandemic.
- Recent Tripadvisor consumer surveys and site behavior indicate that urban destinations are starting to re-emerge as a trip of choice for travelers.
- International travel planning has also been picking up recently, accounting for a quarter of trip searches with stay dates in late 2021 and into 2022. Our Tripadvisor search data indicates that Europeans are the keenest to travel internationally, and the European Travel Commission Q2 report indicated that European travel demand is expected to pick up considerably in the second half of 2021.

**Revenue recovery broadened as well.** Q2 revenue was \$235 million and, at 56%, revenue as a percentage of 2019's comparable period was 23 percentage points better than it was in Q1 2021.



Consolidated revenue in April, May, and June was approximately 46%, 53%, and 66%, respectively, of 2019's comparable periods and exceeded all pandemic impacted months from last year.



Q2 updates across our diverse offerings:

- In Tripadvisor-branded hotels, our hotel auction had a strong improvement in Q2 versus Q1.
  - In Q2, U.S. hotel shoppers reached approximately 90% of 2019 levels (up from approximately 70% of 2019 levels in Q1) and Europe hotel shoppers were nearly 75% of 2019 levels (compared to approximately 45% in Q1).
  - U.S. Hotel auction CPCs regained 2019 levels in early May and have been at or above 2019 levels since, demonstrating strong partner engagement on our platform as travel demand recovers. Solid and improving auction monetization enabled increased efficient marketing investment on performance channels, which enhanced our Q2 hotel auction growth.
  - Q2 U.S. hotel auction revenue nearly reached parity with Q2 2019 levels and, in June, grew by more than 15% versus June 2019 levels based on continued strong CPC trends. Europe and Rest of World hotel auction revenue continued to lag the U.S. recovery, but both improved in Q2 versus Q1. Overall, our hotel auction revenue reached approximately 80% of 2019 levels in June compared to approximately 50% in April.
- The other component of Tripadvisor-branded hotels - Hotel B2B services - remained a steady performer in Q2 given its primarily subscription-based revenue. We are committed to driving insights and value on our platform and helping partners rebuild and thrive.
- In Tripadvisor-branded display and platform, revenue as a percentage of 2019 levels improved each month throughout the first half of the year and reached approximately 70% of 2019 levels in June. Since mid-2019, we have expanded the media ad products clients can buy from 10 to 40, and we have gained traction bringing our modernized media advertising solutions - including offering improved targeting and broader programmatic capabilities - to a broadened set of endemic and non-endemic travel advertisers.
- Moving to E&D, in our Experiences offering, U.S. trends improved as Q2 progressed. In June, bookings on our U.S. sites exceeded June 2019 levels, up from approximately 60% levels in April. Cancellations remain elevated compared to 2019 levels, but have moderated year-over-year. We have also seen bookings for the U.S. as a destination grow dramatically versus 2019 levels, with particular strength in experiences that involve water and outdoor-related activities.

Our transaction-based business, Viator, has been the primary driver of Experiences' rapid recent recovery. We leaned into Q2 recovery on performance marketing channels in order to capture additional market share. Bookings on our Viator point-of-sale exceeded 2019 levels in June and improved further in July.

We are pleased to see strong consumer demand on our platform as well as the resilience of our key markets so far this year. Helping consumers find and book travel experiences online remains a large and attractive long-term growth opportunity, and we believe our Tripadvisor and Viator assets position us to grow for years to come.

- In Dining, we have seen notable recovery since mid-May, as restaurants in most of the European countries started to reopen for in-restaurant dining. Overall, Dining revenue reached approximately 90% of 2019 levels in June. Also, consumers who booked for the first time on TheFork grew by more than 15% in June versus June 2019 levels. With vaccines now available throughout the region, and restaurants starting to fully reopen, we are optimistic that TheFork business will once again prove resilient in the summer months.

We note that revenue improvement as a percentage of 2019 levels in July versus June moderated versus the improvement we saw in May to June. We acknowledge the increased case counts and other challenges posed by the pandemic, which adds near-term uncertainty for the pace of the ongoing travel recovery. However, we currently expect Q3 financial performance will meaningfully exceed Q2 as a percentage of 2019. We expect this to be driven mostly by further improvement in Europe.

We are optimistic about further travel recovery into 2022 and believe the industry has entered a 'return to travel' period and an initial release of significant pent-up demand. This has already been demonstrated in terms of demand for domestic travel, and primarily in the U.S., and we expect international travel, as well as Europe and the rest of the world, to follow closely behind.

**Building an exciting future beyond the recovery.** The Tripadvisor growth story extends well beyond the recovery. We remain laser-focused on leveraging Tripadvisor's unique position with consumers and to serve members and deliver more value, creating durable long-term growth and profitability for our business. These objectives coalesce nicely within our new consumer subscription service, Tripadvisor Plus.

**Plus progress.** Launching a subscription service gives Tripadvisor the imperative to super-serve subscription members and deliver them increasing value over time. Subscribers continue to achieve attractive average savings of more than \$300, which is well in excess of the \$99 subscription fee. This year we have added car rental savings and benefits through our partnership with Hertz and flight discounts through Dollar Flight Club. We are exploring a number of potential partnership opportunities to broaden the offering and drive wider distribution.

In June, we rolled out Plus to 100% of U.S. consumers and have started to amplify Plus consumer messaging, both on and off the Tripadvisor platform. For example, on Tripadvisor, we have been adding improvements to the hotel shopping experience, including Plus-focused marketing on our website and in our email campaigns to members, and within our mobile experience, including on the new Tripadvisor native app. We are also testing merchandising Plus during check-out for an Experiences transaction.

Delivering hotel savings is an important part of the Plus value proposition. We made progress recently on a number of fronts:

- First, we entered into a partnership with one of the leading global OTAs, Trip.com Group.
- Second, as we indicated last quarter, we have been extensively testing ways to merchandise Plus and increase the opportunities for consumers to see a Plus offer. We are making gains and, at present, we can offer Plus deals on more than 100,000 hotels.
- Third, we entered our first hotel-direct partnerships with four hotel chains - Barceló Hotels, Melia Hotels International, Millennium Hotels and Resorts, and Pestana Hotel Group. Once fully integrated, this adds direct connections with approximately 850 properties to Plus and enables Plus subscribers to access special room rates and guest perks, such as welcome gifts, dining, and spa credits, and late check-out.
- Fourth, we partnered with four hotel technology providers, which enables connectivity to independent hotels, the top 10 hotel groups, as well as hundreds of regional hotel chains of all sizes throughout

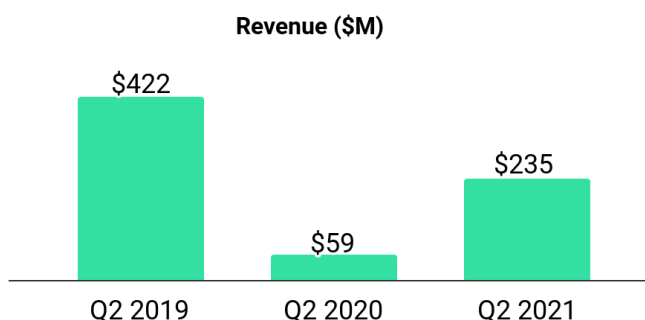
Europe, China, and North America. This gives us the opportunity to potentially sign up an estimated additional 45,000 hotels.

- Fifth, we have developed a new way to communicate hotel discounts that we believe will help increase adoption, addressing initial concerns from large hotel chains during our early beta. Feedback from the major chains on these new designs has been quite positive. We have also been able to leverage our instant booking infrastructure, which was developed over the years and has been leveraged by thousands of brands and independents, in order to speed up the onboarding of Plus hotel supply. We also expect to leverage our Trip.com partnership, including their extensive supply, to facilitate this service.

We are just getting started and, while our 2021 expectations remain measured, we are very excited about the opportunity, our positioning, and what we are building. As we outlined earlier this year, hundreds of millions of consumers have chosen their preferred subscription services across categories like music, online shopping, and video content. However, there has been a notable void of an affordable, high-value subscription offering in travel. We believe the global market opportunity is tens of millions of subscribers, implying multi-billion dollars of recurring revenue. With our global audience of hundreds of millions of visitors per month, and our influence with travelers and travel partners, we believe we are uniquely positioned to capture a meaningful share of this long-term opportunity.

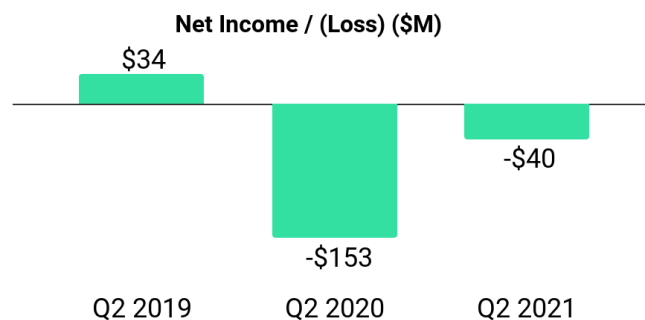
### Q2 2021 Financial Update

Q2 2021 revenue was \$235 million, representing a year-over-year increase of 298% and a 91% increase versus Q1 2021, which is well beyond typical seasonality for these periods. At approximately 56% of 2019's comparable period, Q2 2021 revenue performance improved by 23-percentage points versus Q1 2021, which performed at 33% of 2019's comparable period. Moreover, monthly revenue performance improved throughout the quarter, driven primarily by strengthening U.S. travel demand as well as improved travel demand in Europe in May and June.



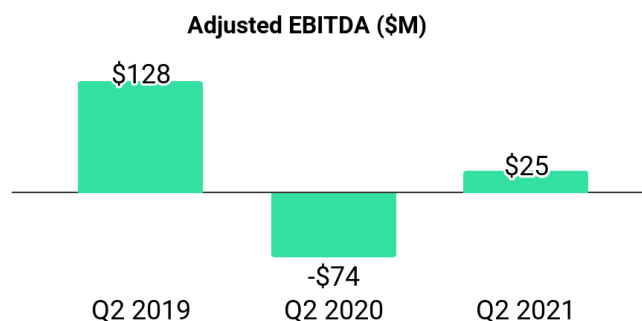
Q2 2021 operating expenses increased 21% year-over-year to \$270 million. The year-over-year and sequential quarterly expense increases were driven primarily by increased variable expenses (including performance-based marketing and the transaction-based cost of revenue), which reflected the recovering travel demand environment through the summer travel planning season, as well as increased marketing expenses on performance-based channels in order to lean into the recovery in the U.S. and boost our competitive position in Experiences in particular. We expect variable expenses will track generally in line with consumer travel demand trends moving forward, though we may seek additional opportunities to gain share during the recovery.

On the fixed cost side, during Q2 2021 we maintained rigorous cost controls in workforce-related and discretionary expense areas and these costs remained roughly flat versus both Q2 2020 and Q1 2021. Our ending headcount was 2,648, or 10% lower year-over-year, and 32% lower than at the end of 2019, and we continue to expect the majority of the 2020 fixed cost savings will persist in 2021. (Note that these estimated cost savings levels do not consider depreciation, amortization, restructuring and other related reorganization costs, or stock-based compensation.)



Q2 2021 consolidated net loss narrowed by \$113 million year-over-year driven primarily by revenue improvement, partially offset by increased variable marketing expenses.

Q2 2021 Adjusted EBITDA was \$25 million and improved by \$99 million year-over-year, driven primarily by revenue improvement against our stable fixed cost base, partially offset by increased variable marketing expenses. We believe we have positioned the business for operating leverage as travel demand and our revenue recovers further.



Moving to the balance sheet, we had \$775 million of cash and cash equivalents as of June 30, 2021, an increase of \$101 million since the end of Q1 2021, driven by positive operating cash inflow.

As for cash flow, we had a \$126 million operating cash inflow in Q2, driven primarily by an increase in working capital during the period, offset in part by our net loss. This inflow compares very favorably to the \$78 million operating cash outflow in Q2 2020, which was the first full quarter with impact from the pandemic, and was a quarter in which consumers canceled their experiences and rentals bookings at historically high rates. This is also reflected in deferred merchant payables, which increased \$116 million year-over-year (from a \$14 million outflow in Q2 2020 to a \$102 million inflow in Q2 2021), primarily driven by significant increases in experiences bookings on our platform.

## 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.)*

Recovery year-to-date, including the notable progress since the beginning of Q2, is encouraging. We believe leisure travel's eventual full recovery will be defined by rising consumer confidence and traveler safety including a full return of travel activity in urban destinations as well as international travel. Achieving these milestones remains related to factors such as vaccine progress, reaching herd immunity, and/or easing government restrictions.

As such, while we remain mindful of the ongoing risks posed by the virus and its variants, and near-term results will likely remain materially impacted by travel market conditions and government restrictions, we continue to expect that leisure travel, and our business, could experience a more robust second-half rebound as vaccinations increase, countries reopen, and the leisure travel recovery broadens. This includes our expectation for Q3 revenue and adjusted EBITDA performance to meaningfully improve versus Q2, both in absolute dollar terms and as a percentage of 2019.

We also remain committed to operating a fundamentally leaner fixed cost structure and continue to expect the majority of the 2020 fixed cost savings will persist in 2021. We expect variable costs will continue to generally move in line with travel demand, and we may also seek additional opportunities to efficiently lean into the recovery and gain share in strategic areas.

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## 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 August 6, 2021. 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 6944807.

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## **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 adjusted EBITDA), free cash flow, and constant currency measurements, such as, non-GAAP revenue before effects of foreign exchange, and adjusted EBITDA before effects of foreign exchange, which are considered non-GAAP financial measures as they are not prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). These non-GAAP financial measures are not prepared under a comprehensive set of accounting rules and, therefore, should only be reviewed alongside results reported under GAAP.

We encourage investors to review our earnings press release as it contains important information about our financial results, including tabular reconciliations to the most directly comparable GAAP financial measure, definitions, limitations and other related information about these non-GAAP financial measures. 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 August 5, 2021, 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](http://www.sec.gov).

## **Key Business Metrics**

We review a number of metrics, including unique visitors, 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.

06-Aug-2021

# TripAdvisor, Inc. (TRIP)

Q2 2021 Earnings Call

## CORPORATE PARTICIPANTS

### Will Lyons

*Vice President, Investor Relations, TripAdvisor, Inc.*

### Stephen Kaufer

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

### Ernst J. Teunissen

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

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## OTHER PARTICIPANTS

### Naved Khan

*Analyst, Truist Securities, Inc.*

### Shweta Khajuria

*Analyst, Evercore ISI*

### Jason Boisvert Bazinet

*Analyst, Citigroup Global Markets, Inc.*

### Deepak Mathivanan

*Analyst, Wolfe Research LLC*

### Richard J. Clarke

*Analyst, Sanford C. Bernstein & Co. LLC*

### Mario Lu

*Analyst, Barclays Capital, Inc.*

### James Lee

*Analyst, Mizuho Securities USA LLC*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good morning, and welcome to the Tripadvisor second quarter 2021 earnings conference call. As a reminder, today's conference call is being recorded.

At this time, I would like to turn the conference over to Tripadvisor's Vice President of Investor Relations, Mr. Will Lyons. Please go ahead.

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### Will Lyons

*Vice President, Investor Relations, TripAdvisor, Inc.*

Thanks, Valerie. Good morning, everyone, and welcome to our call. Joining me today are Tripadvisor's CEO, Steve Kaufer, and our CFO, Ernst Teunissen.

Last night, after market close, we distributed and filed our second quarter 2021 earnings release and made available our Shareholder Letter on our Investor Relations website. In the release, you will find reconciliations of non-GAAP financial measures to the most comparable GAAP financial measures discussed on this call. On our Investor Relations website, you will find supplemental financial information, which also includes reconciliations of certain non-GAAP financial measures discussed on this call as well as other metrics.

Before we begin, I'd like to remind you that this call may contain estimates and other forward-looking statements that represent management's views as of today, August 6, 2021. Tripadvisor disclaims any obligation to update these statements to reflect future events or circumstances. Please refer to our earnings release as well as our

filings with the SEC for information concerning factors that could cause actual results to differ materially from these forward-looking statements.

And now with that, I'll pass the call to Steve.

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## Stephen Kaufer

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

Thank you, Will, and good morning, everyone. Thanks for joining us today. As covered in our Shareholder Letter, we were pleased to report that Q2 grew by 91% versus Q1, our net loss narrowed, and adjusted EBITDA turned positive. Both monthly unique users and revenue as a percentage of 2019 levels improved each month throughout the quarter, whereas last quarter, we saw strength predominantly in the US market. In Q2, we saw the recovery start to broaden, particularly in Europe. These results indicate that the recovery is well underway and that Tripadvisor is positioned well. We note that traffic and revenue improved in July versus June. And while we are mindful of the variants and their potential impacts on travel and the high percentage of domestic travel, we remain optimistic about the second half of the year and 2022 when the recovery broadens as both urban and international travel return in full.

While we are pleased with how we are successfully navigating the recovery, the Tripadvisor story remains much more than just getting past COVID. We see a huge opportunity to drive long-term growth and delivering more value to consumers and partners on our platform. We have and will continue to position the business for future growth by leveraging Tripadvisor's global scale, influence and competitive strengths to execute on our strategic growth initiatives. This includes building our direct-to-consumer subscription offering, Tripadvisor Plus, which we rolled out to all the US users in the quarter. We will continue to invest in our product offerings, our tech and our go-to-market strategies in order to deliver customers the best experience possible and drive diverse growth across our platform.

So, in summary, Q2 had many encouraging developments. I want to thank Tripadvisor employees for their passion and commitment to helping hundreds of millions of consumers and partners get back to travel. To our loyal customers and partners, we will keep building our products and services to drive more value to you. I remain very optimistic about what's ahead.

And with that, Ernst, let me turn it over to you for some additional thoughts.

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## Ernst J. Teunissen

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

Thank you, Steve, and good morning, everyone. Q2 results were beyond our expectations, and the progression of traffic and revenue improvements versus 2019 levels throughout the quarter is very encouraging. Increased case count and other challenges posed by the pandemic add to near-term uncertainty for the pace of the ongoing travel recovery, of course. However, we expect another positive step forward in Q3. Our expectation is that Q3 revenue as well as adjusted EBITDA will meaningfully improve versus Q2, both in absolute dollar terms, but also as a percentage of 2019, driven primarily by further improvement in Europe.

In summary, uncertainty remains, but we believe the industry has entered a return to travel period, and initial release of significant pent-up demand that we've already seen. We continue to expect a better second half rebound and are optimistic about further significant travel recovery into 2022. This has already been demonstrated in terms of demand for domestic travel, primarily in the US, and we expect international travel as

well as Europe and the rest of the world to follow closely behind. We believe we are positioning Tripadvisor well for, not only a strong recovery, but for the long run.

With that, we will now open the call for questions.

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## QUESTION AND ANSWER SECTION

**Operator:** Thank you. [Operator Instructions] Our first question comes from Naved Khan of Truist. Your line is open.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

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Hi. Thanks a lot. A couple of questions from me. Maybe just on your commentary about Q3 and how July saw further improvement from June, although pace of that improvement slowed. Maybe can you parse it out for us between US versus Europe? Are you seeing that continued improvement more in Europe and US sort of flatlining or is improvement continuing across both the markets? And then I have a follow-up question on Tripadvisor Plus.

**Ernst J. Teunissen**

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

A

Hi, Naved, this is Ernst. Yes, we've seen July improve from June levels in terms of percentage of 2019. The rate of improvement slowed May to June, as you saw in our numbers, was a pretty significant step-up as a percentage of 2019. But we saw continued progress. If you go underneath that, we saw Europe starting to increase more significantly where early in the quarter it has been primarily the US. We saw, on the Hotels side, the auction maybe take a little bit of a step back in July relative to June as a percentage, but only a few points. But our Experiences and Dining business continued to accelerate in July. And so overall, our July numbers as a percentage of 2019 were actually a little better than June, but not as much better as May to June.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

Q

Understood, that's helpful. On Tripadvisor Plus, it's been live on your site for a month and a half now, available to anyone. Maybe any color or commentary on the uptake that you might have seen with consumers since the full launch versus your own expectations? And also maybe just on usage, do you see the primary use case being that people who become subscribers to Plus use it right away, or is that with a lag, or is there a percentage that do not end up using it? And then can you just maybe speak to that?

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

Sure thing. Thanks, Naved, obviously a topic I love to talk about. I got to start with the – it is very early days, but I have to say, I think we're really on to something here. As I mentioned before, we have plenty of examples of fantastic subscription businesses in a bunch of other categories, but not yet in travel. And so with our traffic, our brand trust, we think Tripadvisor is just the ideal company to create a really affordable planning that lets everyone, as we say, up their travel.

As you know, we just launched probably a couple months ago in the US. So the question I guess you're asking is like what have we learned so far? I'd say the biggest thing absolutely above our expectations is that we're saving

a lot of money for travelers. The average savings is an impressive \$350. There are some bookings every single day that are saving a traveler over \$1,000. That's pretty amazing stuff and user discounts that hotels are passing along to our travelers, and they're just like, that's a great value proposition. Travelers pay \$99 for this privilege to be able to get all these discounts. And as a matter of fact, we're testing an expansion into our experiences booking flow, not just the hotel booking flow, as we really want to kind of expand the offering. As you know, we have discounts on not only hotels, but experiences, and we want to leverage all the traffic to help even more travelers take advantage of these savings.

But to be fair, no product ever launches without some hitches. And so while I'm excited about the travelers' savings exceeding our expectations, to be candid, we haven't made as much progress signing big chains as I would have hoped. But hey, we are great at listening, we're great at iterating and improving. And so we've taken to heart some of the feedback that we've heard from our hotel chain partners and believe we have a solution that will be much more in line with their goals and that won't hurt the great value proposition that we've created for travelers.

So unfortunately, right now I'm not ready to announce anything, but we're getting a much better reception from chains to the changes that we're making to the product, and that's a critical part of building this two-sided marketplace. As you know, we signed a couple of other hotel chains. We're excited about that. And we've also partnered with Trip.com specifically around Plus, and we're working closely with them to bring all of their supply, and they have a lot, into the Plus ecosystem.

In terms of the question on are users booking right away, I'd say most users are seeing – in the flow of booking their hotel, they are seeing that they can save money if they subscribe kind of along the way. And that's the no-brainer moment that we had talked about in prior calls, pointing out that the savings that you make on this particular booking can more than pay for the subscription. Not all like that, but certainly most.

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**Naved Khan**

*Analyst, Truist Securities, Inc.*

Got it. Thank you, Ernst. And thank you, Steve.

Q

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**Ernst J. Teunissen**

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

Thanks.

A

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**Operator:** Thank you. Our next question comes from Shweta Khajuria of Evercore ISI. Your line is open.

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**Shweta Khajuria**

*Analyst, Evercore ISI*

On your part on your signing up more hotel chains, you mentioned in the letter that you've developed new ways to communicate hotel discounts slightly differently. That's been more – that's been well received. So I guess what was it? What was the change? And how has the reception been so far from larger chains? That's the first question.

Q

And on the second one, also on TripAdvisor Plus, is the supply side onboarding a slower than expected process in general? Is that a product development focus for you in terms of once, let's say, a hotel says okay, we are on board, what is the process like until discounts start showing up? Thanks.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

Sure. So I'd say the biggest challenge some properties have had with our current implementation is along the topic of rate parity where we're showing a discounted rate and hotels care a lot about having a standard rate across the Internet. And so we've heard that loud and clear. And so, as I just mentioned, we're making some changes that we think goes a long way towards addressing those changes. And hopefully, you'll see those come to fruition in the next few months, as in live on the site and offering the opportunity for more and more hotel chains to join in. To be clear, with partners like Trip.com, they have already a lot of inventory that is going to make a big difference, we believe, on the supply equation for Plus.

When it comes to your question about asking individual hotels to sign up, we currently ask for a kind of the zero-commission rate or a discount rate that we can then show our travelers. There is some work for the hotelier to go create that rate so that we can show the savings. That's what earns the hoteliers a higher position on our site and gets them more bookings because we're certainly preferencing hotels that are better deals for the consumer, and that's always what a consumer is interested in. So, we think with some of the new things that we have under the covers, we can actually even make that sign-up process simpler. And again, I'll have a bunch more to say on that the next time we chat.

**Shweta Khajuria**

*Analyst, Evercore ISI*

Q

Okay, Thanks, Steve.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

Thank you.

**Operator:** Thank you. Our next question comes from Jason Bazinet of Citi. Your line is open.

**Jason Boisvert Bazinet**

*Analyst, Citigroup Global Markets, Inc.*

Q

Sorry to just belabor Trip Plus, but two quick questions. Is it fair to say that that \$350 savings you talked about, in a weird way, what we'd want to see over time is that savings number come down? Because it implies sort of deeper penetration and more receptivity for the consumer or am I thinking about that wrong? And then second, have there been any sort of impediments in terms of signing up hotel property owners because of COVID, where they just look at you and they say, demand is so strong we don't really need any help at this particular moment because sort of everyone wants to get out and travel and things get a little bit easier sort of as the world goes back to normal? Or is that not a fair characterization of the types of discussions you're having?

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

So, two terrific questions, Jason. So, if I had to project out over several years, as we look to build more and more properties that will have some level of discounts that we can share or pass back to the travelers, yes, I would expect that overall savings on average to come down. But I think of that as more because we're hopefully building a habit with consumers that they're coming back to us to not only book that \$1,000 trip, but now that they're getting the savings for an entire year, they're coming back to book the \$200 trip. And that property may not have a great discount on it, but it may have a good discount on it. And of course, it's a lower overall spend. So, they



literally – that traveler may have saved \$150 on the first purchase, a nice discount on the big ticket and it's going to save \$25 on the second purchase because it's a one-night stay at a moderately priced hotel.

Traveler is happy about that. They're building more loyalty, reusing our product over and over again, coming to us first because they're able to find that discount on more and more inventory. But you just do the math, and it was \$150 savings the first time, \$25 savings the second time, and that's going to be bringing your average down. I absolutely believe that we will always have a set of properties in pretty much every market that will have tremendous savings on them because there's always – just in the hotel distribution industry, there's always a set of great properties that could use some extra demand at certain points in time. And TripAdvisor has the opportunity to be a great channel to distribute those rooms on a very incremental basis to hoteliers.

To your second question on COVID impacting signing hotels, yes, but I think it probably has, but for a slightly different reason, I think, than what you had shared. We're happy to sign hotels at a variety of discount levels. Our message is simply the higher discount that you sign with us, the more visibility you're going to get on our site. But you can also start with a discount that is similar or even less than what your other distribution channels – than what you're paying to other distribution channels. And so, every hotel, even if they have a lot of demand, would always prefer to, A, they prefer to get bookings direct, but then when they go to alternate channels, they would like it to be the most cost efficient for them, and we think we can help do that for the hoteliers.

The reason why I think COVID is impacting our ability to sign, to some degree, is simply being able to reach people. Whether the hotel has not come back to full staff or whether they're really focused on making sure their hotel is safe for guests, or perhaps dealing – I'm sure there are some cases where they are sold out and just don't want to kind of bother signing a new channel. But I think it's probably more that they're still just getting back on their feet and growing their business globally, all of which very solvable. It comes back to, as travel recovers, hotels are always going to be looking for alternative distribution opportunities. For our model, we're a cheaper channel for hotels, a very flexible channel for hotels. So, like the reaction, when we talk to individual hoteliers or groups, has always been very positive. It's just been a matter of time and sometimes connectivity issues in terms of getting them all live on the site.

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**Jason Boisvert Bazinet**

*Analyst, Citigroup Global Markets, Inc.*

Super-helpful, thank you.

Q

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**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

You bet.

A

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**Operator:** Thank you. Our next question comes from Deepak Mathivanan of Wolfe Research. Your line is open.

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**Deepak Mathivanan**

*Analyst, Wolfe Research LLC*

Hey, guys. Thanks for taking the question. Just a couple ones. So first, I wanted to ask about the auction. Are you seeing mix of advertisers different now versus pre-COVID in terms of revenue contribution? Are smaller advertisers, hotels, OTAs now leveraging the platform more effectively than some of your larger customers from before?

Q

And then second one on Plus, you have one large OTA right now on the platform. What do you think it takes to bring some of the other large OTAs to Tripadvisor Plus? Anything you can share there would be great.

**Ernst J. Teunissen**

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

Hey Deepak, I'll take the first and I'll let Steve answer the second. Not really a change in advertiser mix versus pre-pandemic that we can discern at this point, so nothing really to call out in terms of a trend. Steve?

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

So on Plus, we certainly have a lot of experience going back quite a few years with our Instant Booking initiative, bringing lots of aggregators all around the globe onto the platform. It takes time. In fact, some of the new product direction pieces that I alluded to actually, fortunately for us, get to reuse some of the instant book infrastructure that we had in place and have kept live. So I do think over time, you will see some additional aggregators or OTAs as part of the equation. But they're not kind of, from our perspective, they're not critical to have. We have a pretty good supply footprint now with Trip.com coming online and their global reach.

From our perspective, while it's always nice as we surface an offer to a consumer, to be able to pick amongst kind of the best discounts for a particular property, it's actually a little less interesting from a consumer perspective because our goal is to always be surfacing offers that are better than the retail rate that is out there. And so, whether we have 5 or 10 OTAs to kind of choose from surfacing a particular offer is less important than having a good offer. And as I've said, the supply footprint from Trip.com, just the sheer number of properties that are available on their platform is really quite impressive. So, we will continue to pursue additional aggregators, additional OTAs, but we don't view it as kind of critical to the success of the product.

**Deepak Mathivanan**

*Analyst, Wolfe Research LLC*

Okay, that makes sense. Thanks, Steve. Thanks, Ernst.

**Operator:** Thank you. Our next question comes from Richard Clarke of Bernstein. Your line is open.

**Richard J. Clarke**

*Analyst, Sanford C. Bernstein & Co. LLC*

Hi, good morning, guys. Thanks for taking my questions. A couple, if I may. First one just on Viator, obviously a bright spot of the quarter. And maybe you can just talk about, what is the potential for that kind of B2B side of experiences and maybe putting that into context of the deal you've done with Booking, how big can that be, what Google is doing in that space? And how can you kind of rectify that against using Tripadvisor as the sort of top of the funnel for that, and is there any conflict there?

And just one question on Trip Plus. It looks like you've softened the language a little bit. You used to talk about it potentially being a multibillion-dollar product. Now you're saying you can get a share of a multibillion-dollar market. Is that because you're seeing some copycat products coming in, or is this just a sort of, am I reading too much into that change of language?

**Ernst J. Teunissen**

*Chief Financial Officer & Chief Executive, Viator, TheFork and Cruise Critic, TripAdvisor, Inc.*

Hey, Richard, I'll take the first question. Very pleased with our performance in Experiences, very pleased in particular with the performance of our Viator point of sale. We have seen Experiences as a category come back much faster than we anticipated in Q2. And we anticipated that the lack of international travel that we've historically benefited from with Experiences would slow down the recovery. But what we've seen is we've been very effective at repositioning our offer towards more domestics, particularly US domestic, but now more recently Europe and away from big city to outside the city. And that's been very, very effective for us, very strong. Our US bookings on our US points of sale across Experiences, all channels, Tripadvisor, Viator, the bookings were above 2019 in June, very, very strong even in the absence of big cities opening or really Europe opening significantly.

Cancellation rates are still a little bit elevated, but they're lower than last year, but very, very strong performance. Viator as a channel actually overall globally was with their bookings above 2019 in June, which is very, very impressive, and it's improved again in July, and so really doing well. As you know, it's a huge market. It's still early days. 80% is still offline. We're a market leader. We have very, very strong global supply. And we feel that we have a – as we've always done, a real shot to win in Experiences and we're doubling down on that now in the recovery, so very, very important.

We play that among – along three different channels. We have Viator, which is a pure-play OTA; consumer, but an OTA and then we have Tripadvisor, the channel Tripadvisor, which is much more integrated with the overall travel planning and overall travel experience on Tripadvisor. And then we have third parties that we sell to, which is just a smaller channel of the three that I'm outlining. And we have signed up the likes of Booking, but many, many other third-party parties, leveraging the strength that we have in supply to broaden the impact we can have on the industry.

So all three of those channels we believe are well positioned and all are leveraging this really superior global access to pretty amazing tours and attractions that our consumers love. So we're pretty pleased with where we're going with this.

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### Stephen Kaufer

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

This is Steve, to add on just one sentence to Ernst's comments. Think of all that supply that we've gathered, that we've perfected, that we're able to merchandise and now we want to know where are all the consumers that could want it. And you've got that pure-play OTA named viator.com, growing like a weed, looking fantastic. Tripadvisor always has a ton of people planning their entire trip to a destination of which Experiences is a key part. So great we have that piece of the funnel.

And then for the folks that aren't on our sites, we have this amazing third-party program with the likes of Expedia and Booking and most of the other big names that can capture travelers who offer our wares to travelers who are not part of our own ecosystem, all of which benefits in a two-sided marketplace like Experiences are, of which benefits the supplier because it's more bookings, which in turn helps everyone achieve all the things you get when you're the biggest player in town, so quite excited about our Experiences biz.

To the question on Plus, did the language soften? No, not at all. As I started, I'm more excited about Plus every week that goes by. To put it simply, we literally have millions of travelers looking at hotels on our site every single day. You can call it 100 million a month in normal times. We've described on these calls the 160 million, I think we call it shots on goal, as in 160 million hotel metasearch clicks in 2019 for stays that were of significance, and I called that at \$750 or more. So it's 160 million people interested in clicking to a partner site because they're interested in buying a hotel room at \$750, \$750 being the number that kind of makes this a pretty easy purchase.

Now they will add another 100 million travelers a month looking at Experiences, that's a lot of reach and influence. And of course, Tripadvisor overall has even more traffic than that. But that 200 million, they're looking at a Hotel, they're looking at Experiences. And those are the two categories that Plus plays in right now. So it's a small fraction of those travelers signing up each month for our subscription product because they know they're going to save money on these hundreds of thousands of hotels, hundreds of thousands of attractions.

We end up adding millions of subscribers over the next years with that same longer term opportunity in the tens of millions. So again, we think it's a super interesting space for Tripadvisor to occupy, fits extremely well with our focus on guidance, leveraging the traffic we have, the brand trust we have and kind of the things that people already know Tripadvisor for and now introducing the subscription product, again, proven in so many other categories and we believe is the next big thing in travel.

**Richard J. Clarke**

*Analyst, Sanford C. Bernstein & Co. LLC*

Q

Thanks for all the sense. Thanks very much.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

Thanks.

**Operator:** Thank you. Our next question comes from Mario Lu of Barclays. Your line is open.

**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Great, thanks for taking the questions. I have two on Plus. So I believe currently you're still mainly offering the subscription as a no-brainer decision as they will pay for itself after the first booking. But I believe before you mentioned the notion of potentially offering a free trial, so curious if that's still in the works to potentially onboard more members. Then I have a follow-up.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

Sure. Yes, we have done some free trial programs. I'm sure we will continue to do some more. We're learning how to market a subscription product, as it's our first one. I think it's a great opportunity. We've chosen not to go broad as in our entire audience with a free trial. We don't think that makes sense at this point for our partners. But I'd go back to my statement that it's very early days. We feel with our audience reach, we have a lot of different ways that we can talk to them.

We have really hundreds of millions of members. The product is still rolled out just to the United States so far. And so whether it's a free trial, a bundle, better job putting it in the Experiences flow, more marketing across the site, changing how we merchandise Plus, so that I think right now, if you're going to save at least \$75, we're going to put it front and center. We can play with that number up or down. There are just lots of different ways that we are essentially iterating on every month as we look for the magic formula that helps the scale.

**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Great, that's helpful. And then, I know it's still early, but for members that have been using Plus for a few quarters, can you provide some color in terms of the magnitude of their booking frequency being a Plus member versus their historical patterns? Thanks.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

So again, early days. It's really hard for us to look at a six-month cohort at this point, given that it's in beta to a small percentage of our traffic in Q1. And it's always just hard for us to compare what that booking behavior would be, compared to what that customer does otherwise. So we can see how it compares visits on our site, a stronger repeat, that sort of thing. But I'm not sure that that's telling us enough right now. So candidly, in my view, that's going to be a great question where we're going to have a lot more interesting data in three months and six months than we do right now. But rest assured we're looking at that sort of stuff.

**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Got it, thank you.

**Operator:** Thank you. Our next question comes from James Lee of Mizuho. Your line is open.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

Hey, thanks for taking my questions. I just have a follow-up on Trip.com agreement that you guys have. I think the OTA have most of the hotel inventory in international markets. I just wanted to check on that. And also, is the discount from the OTA available all season, or does that need to be negotiated between you and Trip.com after the onboarding process? Or is it automated where the OTA can enter inventory in the system real time? Thanks.

**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

A

I don't want to give too much color on the specifics of the contract, but know that we look at the size of their inventory, their interest in sort of helping facilitate bookings to our global audience. And given the size of our global audience and the amount of inventory they have, there's not going to be anything manual about the whole process. So we aim to scale. We have experience working with OTAs and bringing breadth of inventory onboard to TripAdvisor in our sort of past lives, and Trip.com has distributed their inventory to other players as well. So again, I think it's a pretty good match.

Trip.com has global inventory. They literally have tons of hotels in every single country in the world, as historically Trip.com has served more outbound travel from China but with their acquisitions, they've established a much more global footprint of travelers as well.

And so no one supplier will ever offer the complete set of inventory that we're looking to build, but Trip.com is absolutely a key and trusted partner in helping us bring Plus to not only more hotels across the US, more hotels across the world, but over time, more hotels in more languages to serve more markets.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

And one quick follow-up, Steve. From a consumer perspective relating to Trip Plus, any tweaks to your membership benefits as you continue to learn from the consumer behavior? Thanks.

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**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

**A**

I have nothing to announce now, but absolutely we expect to be adding more benefits over time. We have Dollar Flight Club, we have Hertz, two pretty compelling benefits. And we see plenty of opportunity to add more in the years to come.

No one subscriber in a travel club is going to use all of the benefits, but every additional thing that you add that ends up getting used is another reason why that individual is going to be sure to renew in addition to the savings on the Hotels and Experiences that we already offer. So we're looking ahead towards renewal opportunities, and we want to make sure that every Trip Plus subscriber is getting value on the things we offer and things that our partners can offer.

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**James Lee**

*Analyst, Mizuho Securities USA LLC*

**Q**

Great, thank you.

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**Operator:** Thank you. There are no further questions at this time. I'd like to turn the call back over to Steve Kaufer.

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**Stephen Kaufer**

*President, Chief Executive Officer & Director, TripAdvisor, Inc.*

Terrific. Thank you, everyone, for joining the call. Travel recovery is underway. We will continue executing our long-term focused strategy to drive meaningful value in the years to come. A big thank you to all of our employees, as well as to Tripadvisor customers worldwide, and a big thank you to our shareholders for their shared belief that Tripadvisor can play a key role in shaping travel in the years ahead. Please get your vaccines and stay safe. And I look forward to updating everyone on our progress next quarter. Thanks, all.

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**Operator:** Ladies and gentlemen, this does conclude today's conference. Thank you all for participating. You may all disconnect. Have a great day.

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