

**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): November 7, 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 November 7, 2022, Tripadvisor, Inc. issued a press release announcing its preliminary financial results for the three and nine months ended September 30, 2022. Tripadvisor, Inc. also posted a letter to shareholders from Matt Goldberg, Chief Executive Officer, Michael Noonan, Chief Financial Officer, and Ernst Teunissen, Senior Vice President, Finance and Chief Executive of Viator, TheFork and Cruise Critic, 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 November 7, 2022 regarding earnings.
99.2	Q3 2022 Letter to Shareholders dated November 7, 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: November 7, 2022

By: _____ /s/ Michael Noonan
Michael Noonan
Chief Financial Officer



Tripadvisor Reports Third Quarter 2022 Financial Results

NEEDHAM, MA, November 7, 2022 — Tripadvisor, Inc. (Nasdaq: TRIP) today announced financial results for the third quarter ended September 30, 2022.

“A combination of positive factors drove strong third quarter 2022 performance, which exceeded our expectations,” stated Chief Executive Officer Matt Goldberg. “The Tripadvisor group of brands and offerings continue to provide a trusted source of travel and experiences, delivering value to consumers hungry to connect with the world as travel recovery continues. All of our segments delivered another quarter of sequential revenue improvement, thanks to the focus and execution from our teams. We look forward to finishing out the year and setting our sights on 2023.”

Third Quarter 2022 Summary

(In millions, except percentages and per share amounts)	Three months ended September 30,		% Change
	2022	2021	
Total Revenue	\$ 459	\$ 303	51 %
Tripadvisor Core (1)	\$ 284	\$ 212	34 %
Viator	\$ 174	\$ 73	138 %
TheFork	\$ 35	\$ 30	17 %
Intersegment eliminations (1)	\$ (34)	\$ (12)	183 %
GAAP Net Income (Loss)	\$ 25	\$ 1	2,400 %
Total Adjusted EBITDA (2)	\$ 115	\$ 72	60 %
Tripadvisor Core	\$ 112	\$ 73	53 %
Viator	\$ 12	\$ 1	1,100 %
TheFork	\$ (9)	\$ (2)	350 %
Non-GAAP Net Income (Loss) (2)	\$ 41	\$ 23	78 %
Diluted Earnings (Loss) per Share:			
GAAP	\$ 0.17	\$ 0.01	1,600 %
Non-GAAP (2)	\$ 0.28	\$ 0.16	75 %
Cash flow from operating activities	\$ 60	\$ (64)	n.m.
Free cash flow (2)	\$ 46	\$ (79)	n.m.

n.m. = not meaningful

(1) Tripadvisor Core segment revenue figures shown in this table are gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.

(2) “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 third quarter of 2022, average monthly unique users on Tripadvisor-branded websites, a leading indicator of consumer travel demand, increased 8% year-over-year and was approximately 82% of the comparable period in 2019 (pre-COVID-19 timeframe), as compared to approximately 76% of the comparable period in 2019 in Q3 2021.

Revenue – Q3 2022 total revenue of \$459 million increased 51% year-over-year, exceeding parity with the comparable period in 2019 (pre-COVID-19 timeframe), as compared to 71% of the comparable period in 2019 in Q3 2021. Improvement during Q3 2022 was primarily driven by increased consumer demand for travel industry related services, despite the impact of foreign currency fluctuations which we estimate negatively impacted total revenue performance during the quarter in the amount of \$34 million.

Cost performance – Total operating expenses were \$389 million for the third quarter, an increase of 36% year-over-year, primarily driven by the following:

- Cost of revenue was \$32 million for the third quarter, an increase of 39% year-over-year, primarily due to increased direct costs from credit card payments and other revenue-related transaction costs in our Viator segment in correlation with the increase in revenue.
- Selling and marketing costs were \$234 million for the third quarter, an increase of 58% year-over-year, primarily due to an increase in our SEM, other paid online traffic acquisition spend, and other marketing costs, the substantial majority of which was within our Tripadvisor Core and Viator segments, in response to increasing consumer demand for travel industry related services, amidst the ongoing recovery of the travel industry.
- Technology and content costs were \$55 million for the third quarter, an increase of 6% year-over-year.
- General and administrative costs were \$45 million for the third quarter, an increase of 22% year-over-year, primarily due to additional headcount to help support business growth during the growing travel demand recovery and an increase in digital services taxes in Europe, partially offset by a decrease in stock-based compensation expense.

Profitability – Q3 2022 consolidated net income of \$25 million improved from net income of \$1 million in Q3 2021, primarily driven by an increase in consolidated revenue. Q3 2022 Adjusted EBITDA of \$115 million improved from Adjusted EBITDA of \$72 million in Q3 2021.

Cash & Liquidity – As of September 30, 2022, the Company had approximately \$1.07 billion of cash and cash equivalents, an increase of \$343 million from December 31, 2021, driven by an increase in operating cashflows.

Third Quarter 2022 Revenue by Source

(In millions, except percentages)	Three months ended September 30,		% Change
	2022	2021	
Tripadvisor Core			
Tripadvisor-branded hotels	\$ 188	\$ 143	31 %
Tripadvisor-branded display and platform	33	29	14 %
Tripadvisor experiences and dining (1)	45	23	96 %
Other	18	17	6 %
Total Tripadvisor Core Revenue	284	212	34 %
Viator	174	73	138 %
TheFork	35	30	17 %
Intersegment eliminations (1)	(34)	(12)	183 %
Total Revenue	\$ 459	\$ 303	51 %

(1) Tripadvisor experiences and dining revenue within the Tripadvisor Core segment shown in this table are gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.

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, November 8, 2022, at 8:30 a.m., Eastern Time, to discuss the Company's third quarter 2022 financial results, and which may include forward looking information about Tripadvisor's business. 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. A replay of the conference call will be available on Tripadvisor's website for three months.

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, September 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		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Revenue	\$ 459	\$ 303	\$ 1,138	\$ 661
Costs and expenses:				
Cost of revenue (1) (exclusive of depreciation and amortization as shown separately below)	32	23	85	54
Selling and marketing (1)	234	148	591	343
Technology and content (1)	55	52	162	161
General and administrative (1)	45	37	114	121
Depreciation and amortization	23	27	73	85
Total costs and expenses	<u>389</u>	<u>287</u>	<u>1,025</u>	<u>764</u>
Operating income (loss)	70	16	113	(103)
Other income (expense):				
Interest expense	(11)	(12)	(33)	(34)
Interest income	4	—	7	1
Other income (expense), net	(1)	(1)	(4)	(2)
Total other income (expense), net	<u>(8)</u>	<u>(13)</u>	<u>(30)</u>	<u>(35)</u>
Income (loss) before income taxes	62	3	83	(138)
(Provision) benefit for income taxes	(37)	(2)	(61)	19
Net income (loss)	<u>\$ 25</u>	<u>\$ 1</u>	<u>\$ 22</u>	<u>\$ (119)</u>
Earnings (loss) per share attributable to common stockholders:				
Basic	\$ 0.18	\$ 0.01	\$ 0.16	\$ (0.87)
Diluted	\$ 0.17	\$ 0.01	\$ 0.15	\$ (0.87)
Weighted average common shares outstanding:				
Basic	140	138	140	137
Diluted	146	144	144	137

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

Cost of revenue	\$ —	\$ —	\$ 1	\$ 1
Selling and marketing	\$ 3	\$ 4	\$ 9	\$ 13
Technology and content	\$ 9	\$ 12	\$ 27	\$ 35
General and administrative	\$ 10	\$ 13	\$ 28	\$ 40

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

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,066	\$ 723
Accounts receivable and contract assets, net of allowance for credit losses of \$28 and \$28, respectively	205	142
Income taxes receivable	—	49
Prepaid expenses and other current assets	38	26
Total current assets	1,309	940
Property and equipment, net of accumulated depreciation of \$512 and \$460, respectively	195	215
Operating lease right-of-use assets	28	42
Intangible assets, net of accumulated amortization of \$197 and \$202, respectively	55	65
Goodwill	803	843
Non-marketable investments	34	36
Deferred income taxes, net	51	54
Other long-term assets, net of allowance for credit losses of \$10 and \$10, respectively	90	94
TOTAL ASSETS	\$ 2,565	\$ 2,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 67	\$ 27
Deferred merchant payables	240	113
Deferred revenue	51	36
Accrued expenses and other current liabilities	215	181
Total current liabilities	573	357
Long-term debt	836	833
Finance lease obligation, net of current portion	60	65
Operating lease liabilities, net of current portion	16	29
Deferred income taxes, net	1	1
Other long-term liabilities	266	215
Total Liabilities	1,752	1,500
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: 146,591,387 and 144,656,649, respectively		
Shares outstanding: 127,746,773 and 125,812,035, 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	1,380	1,326
Retained earnings	263	241
Accumulated other comprehensive income (loss)	(108)	(56)
Treasury stock-common stock, at cost, 18,844,614 and 18,844,614 shares, respectively	(722)	(722)
Total Stockholders' Equity	813	789
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,565	\$ 2,289

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

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating activities:				
Net income (loss)	\$ 25	\$ 1	\$ 22	\$ (119)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	23	27	73	85
Stock-based compensation expense	22	29	65	89
Deferred income tax expense (benefit)	(6)	2	8	(26)
Provision for expected credit losses	1	(2)	3	1
Other, net	3	3	6	10
Changes in operating assets and liabilities, net	(8)	(124)	263	3
Net cash provided by (used in) operating activities	60	(64)	440	43
Investing activities:				
Capital expenditures, including capitalized website development	(14)	(15)	(41)	(40)
Other investing activities, net	3	1	4	(1)
Net cash provided by (used in) investing activities	(11)	(14)	(37)	(41)
Financing activities:				
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 exercise of stock options	—	—	—	8
Payment of withholding taxes on net share settlements of equity awards	(9)	(10)	(18)	(39)
Payments of finance lease obligation and other financings activities, net	(2)	(2)	(5)	(5)
Net cash provided by (used in) financing activities	(11)	(12)	(23)	269
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(17)	(3)	(37)	(7)
Net increase (decrease) in cash, cash equivalents and restricted cash	21	(93)	343	264
Cash, cash equivalents and restricted cash at beginning of period	1,045	775	723	418
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,066</u>	<u>\$ 682</u>	<u>\$ 1,066</u>	<u>\$ 682</u>

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

	Three Months Ended		% Change
	September 30, 2022	September 30, 2021	
Revenue:			
Tripadvisor Core (1)	\$ 284	\$ 212	34 %
Viator	174	73	138 %
TheFork	35	30	17 %
Intersegment eliminations (1)	(34)	(12)	183 %
Total revenue	<u>\$ 459</u>	<u>\$ 303</u>	51 %
Adjusted EBITDA:			
Tripadvisor Core	\$ 112	\$ 73	53 %
Viator	12	1	1,100 %
TheFork	(9)	(2)	350 %
Total Adjusted EBITDA (2)	<u>\$ 115</u>	<u>\$ 72</u>	60 %
Adjusted EBITDA Margin:			
Tripadvisor Core	39 %	34 %	
Viator	7 %	1 %	
TheFork	(26) %	(7) %	
Total Adjusted EBITDA Margin (2)	25 %	24 %	
Net Income (Loss) (3)	\$ 25	\$ 1	
Net Income (Loss) Margin	5 %	0 %	

	Nine Months Ended		% Change
	September 30, 2022	September 30, 2021	
Revenue:			
Tripadvisor Core (1)	\$ 749	\$ 503	49 %
Viator	366	125	193 %
TheFork	93	55	69 %
Intersegment eliminations (1)	(70)	(22)	218 %
Total revenue	<u>\$ 1,138</u>	<u>\$ 661</u>	72 %
Adjusted EBITDA:			
Tripadvisor Core	\$ 284	\$ 128	122 %
Viator	(8)	(25)	(68) %
TheFork	(24)	(32)	(25) %
Total Adjusted EBITDA (2)	<u>\$ 252</u>	<u>\$ 71</u>	255 %
Adjusted EBITDA Margin:			
Tripadvisor Core	38 %	25 %	
Viator	(2) %	(20) %	
TheFork	(26) %	(58) %	
Total Adjusted EBITDA Margin (2)	22 %	11 %	
Net Income (Loss) (3)	\$ 22	\$ (119)	
Net Income (Loss) Margin	2 %	(18) %	

n.m. = not meaningful

(1) Tripadvisor Core segment revenue figures shown in this table are gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis.

- (2) 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.
- (3) 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				Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2020	September 30, 2022	September 30, 2021
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP):						
GAAP Net Income (Loss)	\$ 25	\$ 31	\$ 1	\$ (48)	\$ 22	\$ (119)
Add: Provision (benefit) for income taxes	37	22	2	(10)	61	(19)
Add: Other (income) expense, net	8	10	13	12	30	35
Add: Depreciation and amortization	23	25	27	30	73	85
Add: Impairment of goodwill	—	—	—	3	—	—
Add: Legal reserves and settlements	—	—	—	—	1	—
Add: Stock-based compensation expense	22	21	29	28	65	89
Adjusted EBITDA (Non-GAAP)	<u>\$ 115</u>	<u>\$ 109</u>	<u>\$ 72</u>	<u>\$ 15</u>	<u>\$ 252</u>	<u>\$ 71</u>
Revenue (GAAP)	\$ 459		\$ 303		\$ 1,138	\$ 661
Net Income (loss) margin (GAAP)	5%		0%		2%	(18)%
Adjusted EBITDA margin (Non-GAAP) (1)	25%		24%		22%	11%
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)	\$ 25		\$ 1			
Add: Stock-based compensation expense	22		29			
Add: Amortization of intangible assets	3		5			
Add: (Gain)/Loss on investment	(1)		(1)			
Subtract: Income tax effect of Non-GAAP adjustments (2)	8		11			
Non-GAAP net income (loss)	<u>\$ 41</u>		<u>\$ 23</u>			
GAAP diluted shares	146		144			
GAAP Net Income (loss) per diluted share	\$ 0.17		\$ 0.01			
Non-GAAP net income (loss) per diluted share (3)	\$ 0.28		\$ 0.16			
Reconciliation of GAAP cash flows from operating activities to Free Cash Flow (Non-GAAP):						
Net cash provided by (used in) operating activities (GAAP)	\$ 60		\$ (64)			
Subtract: Capital expenditures	14		15			
Free cash flow (Non-GAAP)	<u>\$ 46</u>		<u>\$ (79)</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) 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.

Contacts

Investors

ir@tripadvisor.com

Media

northamericapr@tripadvisor.com



Q3 2022

Letter to Shareholders

	Q3 2022	Q3 2021	Q2 2022
Revenue	\$459M	\$303M	\$417M
Net Income / (Loss)	\$25M	\$1M	\$31M
Adjusted EBITDA (1)	\$115M	\$72M	\$109M

(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

We are pleased to share our third quarter 2022 results, which demonstrated continued strength across Tripadvisor. Our results reflect a sustained demand for travel and dining, and another quarter of steady progress to full recovery. Importantly, our results reinforce the strong position we hold in travel, through a portfolio of trusted brands and offerings that serve the needs of millions of travelers, experience seekers, and diners.

Consolidated revenue reached 107% of 2019 levels in Q3 2022 (with currency headwinds of approximately 5 percentage points versus Q3 2019), the first quarter we've exceeded 2019 levels since the pandemic. Accelerating sequentially, and leading the recovery was Viator, at 179% of 2019 levels, followed by TheFork, at 103% (with currency headwinds of approximately 9 points versus Q3 2019). Tripadvisor Core saw sequential improvements, led by branded hotels and experiences and dining, which reached 95% and 125% of 2019 levels, respectively.

Viator, in particular, continued to see strong growth this quarter and continues to pace far ahead of 2019 levels. We believe this is indicative not only of pent-up demand, but also the opportunity available in a large and underpenetrated category as well as the continued execution by the team, all of which have positioned our Viator brand as a market-leader in experiences. At TheFork, our revenue growth rates reflect solid demand for our products in key European markets, despite the restaurant industry as a whole still operating below 2019 levels. Finally, our branded hotels results demonstrate our continued relevance in this marketplace, and particularly in the U.S., our recovery was strong.

Net income was \$25 million in Q3 2022, and consolidated adjusted EBITDA was \$115 million, or 25% of revenue. Our Tripadvisor Core segment adjusted EBITDA margin was at pre-pandemic levels the last few quarters, despite revenue still not fully recovered. This is a reflection of our disciplined approach to spend, and has allowed us to fund investment in our Viator and TheFork segments.

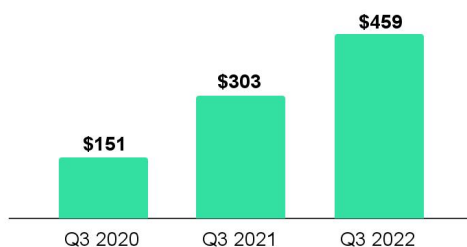
We are very pleased with the progress we've made year to date. Throughout the year we've seen quarter over quarter improvements in recovery levels. Despite some variability across regions, currency impacts, and the macro uncertainty, all of which we expect to continue, we believe performance in 2022 has been reflective of the overall travel market trends in the various distinct sub-categories in which we compete.

While too early to share specifics on our strategic priorities or other details on 2023, we believe that we are well positioned to capitalize on the numerous opportunities for growth in the broader travel industry. We are already seeing these opportunities emerge strongly at Viator and TheFork. In the Tripadvisor Core segment, we recognize the opportunity to reinforce our relevance to consumers and partners and reimagine the leadership role we play in travel. The landscape around these offerings has changed considerably, and continues to evolve, and we believe we can set a course to compete from an even more customer-centric, engagement-driven approach. Our brand, our reach, and our community, as well as other enduring assets such as our data and content, are strengths that we intend to leverage as we set our strategic priorities. We look forward to sharing more with you next year.

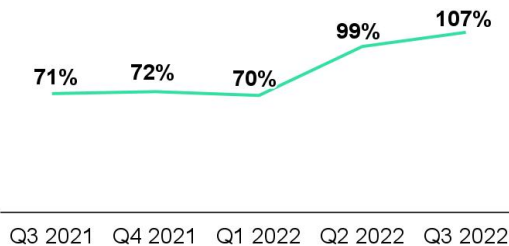
Third Quarter 2022 Consolidated Financial Results

Third quarter revenue was \$459 million, growing 51% year over year, and reaching 107% of 2019 levels. Revenue recovery was strongest in our Viator and TheFork segments, and in branded hotels within the Tripadvisor Core segment. Revenue in Q3 2019 included approximately \$12 million, or 3% of Q3 2019 revenue, related to SmarterTravel and China businesses, which no longer contribute to revenue.

Q3 Revenue (\$M)



Quarterly Revenue as a % of 2019

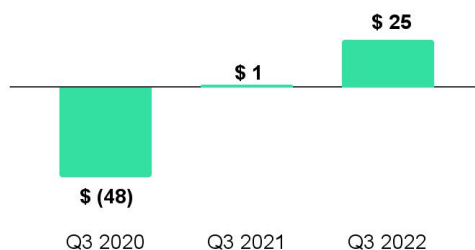


Revenue has improved significantly from a year ago, when Delta and Omicron strains impacted travel, particularly in Europe. Recovery trends have picked up considerably over the last two quarters, driven primarily by growth in Viator, branded hotels recovery in Tripadvisor Core, and growth in TheFork.

We are subject to fluctuations in currency, primarily with the Euro, which significantly declined against the USD year over year. We estimate that in Q3 2022, changes in currency resulted in a headwind of approximately 11 percentage points of revenue growth versus Q3 2021 and approximately 5 percentage points to our recovery rate versus 2019.

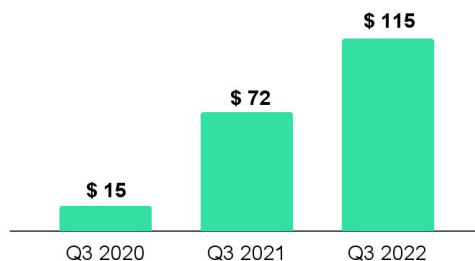
Net income for Q3 2022 was \$25 million, compared to net income of \$1 million in the same period a year ago.

Net Income (Loss) (\$M)



Consolidated adjusted EBITDA in Q3 2022 was \$115 million, or 25% of revenue, as compared to adjusted EBITDA of \$72 million, or 24% of revenue, in Q3 2021.

Adjusted EBITDA (\$M)



The improvement in net income and consolidated adjusted EBITDA was driven primarily by increases in revenue, partially offset by increases in marketing expense and higher fixed and discretionary costs in Q3 2022 when

compared to Q3 2021. In our variable costs, year over year increases are due in part to the increase in traffic spend, driven primarily by the mix shift in our revenue streams to high-growth segments. Year over year, our fixed and discretionary costs have grown more slowly than revenue and variable costs, and is related primarily to increases in headcount, mainly to support strategic initiatives at Viator and TheFork.

We ended the quarter with approximately \$1.1 billion in cash and cash equivalents.

Tripadvisor Core Segment

Included in this segment is revenue from our *Tripadvisor branded hotels, display and platform, Tripadvisor experiences and dining revenue, and other revenue derived from adjacent offerings, including rentals, flights and cars, and cruise, including some non-Tripadvisor branded revenue in our cruise and rentals offerings.*

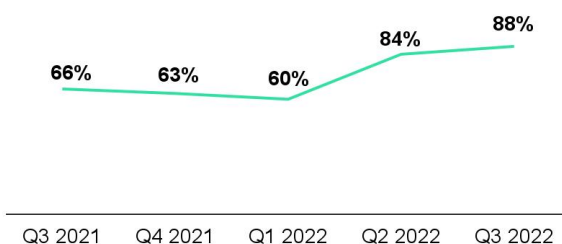
Tripadvisor Core revenue was \$284 million in Q3 2022, reflecting year over year growth of 34% and reaching 88% of 2019 levels (with currency headwinds of approximately 3 percentage points versus Q3 2019). Revenue in Q3 2019 included approximately \$12 million, or 4% of Tripadvisor Core segment revenue, related to SmarterTravel and China businesses, which no longer contribute to revenue.

Tripadvisor Core Segment Revenue (\$M)



In Q3 2022, the year over year and sequential improvement as a percent of 2019 was led by Tripadvisor branded hotels, which was 95% of 2019 revenue, and Tripadvisor experiences and dining, which was 125% of 2019 levels. Display and platform was 80% of 2019 levels.

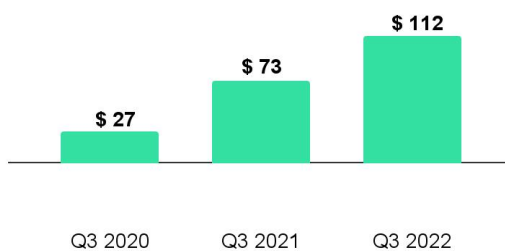
Tripadvisor Core Segment Revenue as % of 2019



Adjusted EBITDA in the Tripadvisor Core segment in Q3 2022 was \$112 million, or 39% of segment revenue, compared to \$73 million, or 34% of segment revenue, in Q3 2021. Year over year, Tripadvisor Core segment adjusted EBITDA benefited from a significant increase in revenue, which more than offset the year over year increases in online traffic spend and fixed and discretionary costs.

Notably, in Q3 2022, our adjusted EBITDA margin was near-even to 2019 levels, driven by our ability to contain fixed and discretionary costs despite higher variable costs as a percent of revenue.

Tripadvisor Core Segment Adjusted EBITDA (\$M)



Tripadvisor Branded Hotels

Our branded hotels revenue stream, which includes our hotel meta (or “hotel auction”) and B2B subscription offerings, was \$188 million, and reached 95% of 2019 levels, an increase from 89% of the 2019 level in Q2 2022.

Within our hotel meta, even with APAC still well below 2019 levels, we were at 2019 levels, driven by U.S. recovery rates above 2019 levels and European recovery rates below 2019 levels. Within the quarter, we saw particular strength in August in our hotel meta revenue.

Our Hotel B2B revenue stream also increased sequentially as a percent of 2019 levels. While slower to recover than hotel meta, we have seen gradual improvements in recovery rates over the last year, which continue to be impacted in part by the ramp up of productivity levels of our salesforce. We also believe that SMB hotel marketing budgets for more up-funnel services like ours have not yet recovered post-pandemic.

Display & Platform

Display & Platform continues on its path to recovery. Revenue in Q3 2022 was \$33 million, reflecting 14% year over year growth and reaching 80% of 2019 levels. We believe the slight sequential decline was related to shifts mirroring the overall advertising market. We continue to launch initiatives targeting both endemic and non-endemic advertisers, and are driving opportunities to work with our partners given our unique assets and traffic.

Tripadvisor Experiences & Dining

Revenue in our Tripadvisor point-of-sale (POS) experiences and dining was \$45 million in Q3 2022, reaching 125% of 2019 levels, a sequential increase from 117% in Q2 2022. Experiences revenue increased quarter over quarter and, as a percent of 2019 levels, accelerated. In our B2B dining offering, revenue continues to demonstrate recovery from last year, although not yet recovered versus 2019, mirroring the B2B challenges in our B2B hotels.

Other

Revenue from other offerings, which includes cruises, rentals, flights, and cars, was \$18 million, or 37% of 2019 levels. In Q3 2019 we had approximately \$12 million in revenue related to the SmarterTravel and China businesses, which no longer contribute to revenue, and were approximately 24% of Q3 2019 Other revenue. In our cruise revenue, we are seeing continued improvements as cruise travel has continued to re-open.

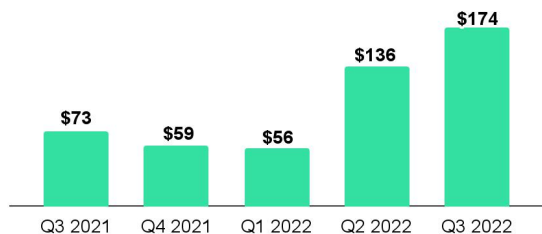
Viator Segment

Included in this segment is revenue generated from the booking of tours, attractions, and activities transacted through the Viator point of sale, as well as revenue generated from other distribution partners, such as the Tripadvisor point of sale and third party points of sale.

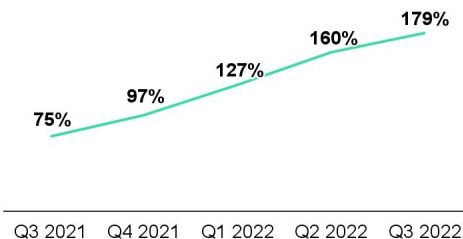
Results in our Viator segment continue to be strong and we remain enthusiastic about the large market opportunity of the experiences category. The performance we have seen in Viator this year is a reflection of the inroads we have made as a strategic market leader in a rapidly growing category of travel.

Viator segment revenue in Q3 2022 was \$174 million, reflecting year over year growth of 138% and reaching 179% of 2019 levels. As a percent of 2019, Viator growth was strong throughout each month of the quarter. Europe as both a destination and as an origin of booking saw very high recovery rates, in particular as North Americans continued to travel internationally.

Viator Revenue (\$M)

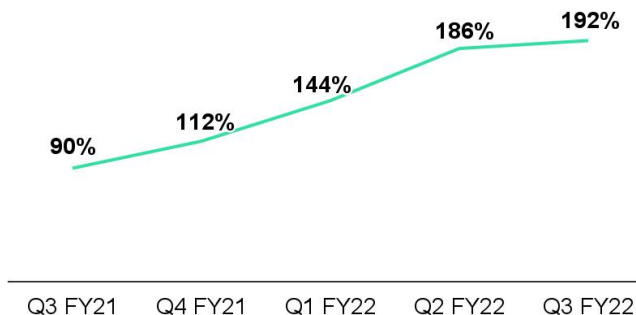


Viator Revenue as % of 2019



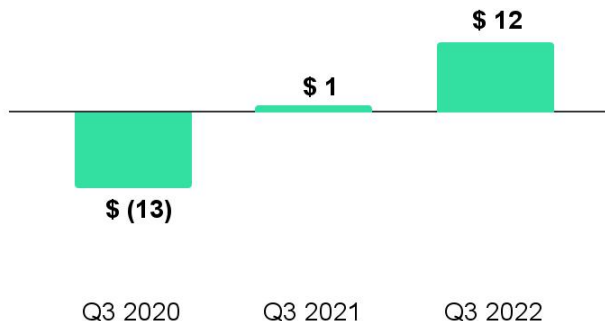
Turning to metrics, gross bookings value (GBV) was approximately \$800 million, or approximately 192% of 2019 levels. Year over year, GBV grew approximately 113% from approximately \$380 million in Q3 2021. GBV is reported at the time of booking and is gross of cancellations, whereas revenue is recorded at the time of the experience, and is net of cancellations. Year over year, cancellation rates improved slightly, but remain higher than pre-pandemic cancellation rates. This dynamic is partly due to additional payment options we have introduced which provides customers the flexibility to make payments closer to the experience date.

Viator GBV as % of 2019 Levels



Adjusted EBITDA in Q3 2022 was \$12 million, or 7% of revenue, higher than the same period in 2019 and 2021. As revenue has grown, so has adjusted EBITDA, despite significant investments in driving revenue growth and growing market share. The majority of expenses in Viator are in sales and marketing, which includes affiliate marketing fees paid to third parties and inter-company affiliate marketing fees incurred to Tripadvisor Core.

Viator Segment Adjusted EBITDA (\$M)



Relative to other OTA verticals, we believe experiences is an underpenetrated category. It's also a category with low, but increasing, awareness as consumers shift their spend from material goods to services and experiences. To capitalize on the opportunities this presents, we have invested in driving customer acquisition and improving the user experience to drive conversion and repeat users. We have also invested in helping suppliers with their marketing efforts as they seek to differentiate and reach potential customers.

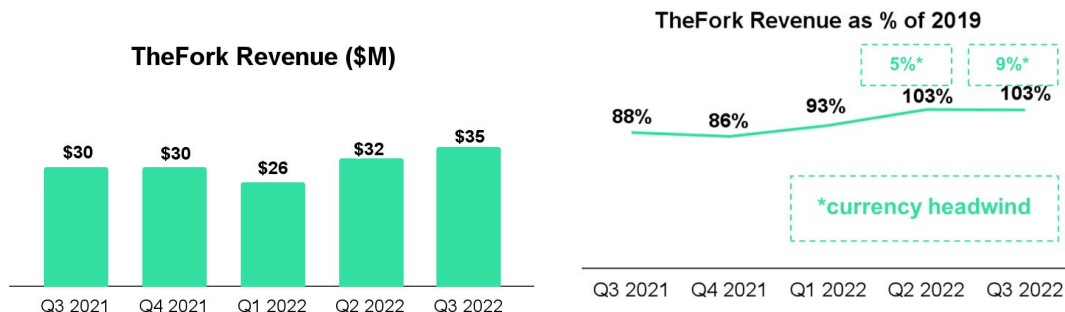
In Q3, we began a 2H 2022 investment in brand and channel expansion for the Viator brand, which will increase in Q4. We are seeing record performance in the segment. As travel recovers, and with the desire to drive brand and product awareness leading into 2023, we believe that the timing of this investment will drive revenue in 2023 and beyond. We see an opportunity to expand our channels outside of search and to drive awareness through connected TV, streaming video, and social media. Our expectation is that this investment will drive improved retention and customer loyalty, and contribute to improved lifetime value economics over time.

TheFork Segment

Included in this segment is revenue generated from the booking of reservations through TheFork point of sale, which includes revenue generated primarily by restaurant seating fees via our online reservation system.

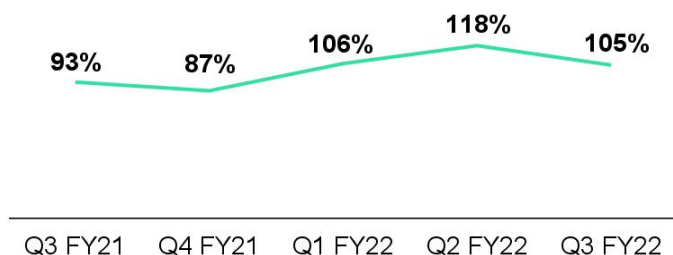
We are pleased with our performance this quarter, especially against an uneven recovery in European consumer foodservice industry, which has still not recovered to pre-pandemic levels and for 2022 is projected to be approximately 15% below 2019¹. Restaurant re-openings have still yet to reach 2019 levels. In one of our largest markets for example, our revenue recovery trends for the year to date have been above 2019 levels, though in the first half of 2022 restaurant openings in this market were lower by approximately 30% when compared to the first half of 2019².

Revenue in TheFork was \$35 million in Q3 2022, growing 17% year over year (with currency headwinds of approximately 14 percentage points), and reaching 103% of 2019 levels (and currency headwinds of approximately 9 percentage points to 2019 levels). With its revenue primarily European based, TheFork segment is particularly exposed to the significant currency movements we've seen both year over year and compared to 2019.



The number of bookings at TheFork grew 12% year over year and reached 105% of 2019 levels. As a percent of 2019 levels, the sequential step down in bookings was due primarily to timing of initiatives in 2019 versus 2022. For example, we saw a benefit in Q2 2022 due to the timing of a large marketing campaign, which in 2019 occurred in the first quarter, and we also had a campaign in Q3 2019 that re-occurred in Q3 2022 but on a more limited scale. Despite lower bookings as a percent of 2019, we drove higher monetization per booking compared to Q3 2019.

TheFork Number of Bookings as % of 2019 Levels

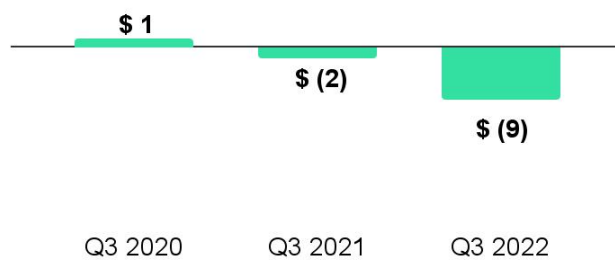


[1] Euromonitor, February 2022 (in Euro, millions, includes full service restaurants, limited services restaurants, cafe/bars, self-service cafeterias, street stalls/kiosks)

[2] Infocamere, July 2022

Adjusted EBITDA loss in Q3 2022 was \$9 million. Fixed and discretionary cost increases drove the year over year increase in losses. In 2022, we have spent more on brand marketing than in 2019 to regain awareness levels coming out of the pandemic. We also implemented a number of important technology infrastructure projects, aimed at improving revenue generation in 2023. Relative to last quarter, losses increased due to approximately \$11 million of COVID-19-related government subsidies received in Q2, which did not reoccur in Q3. We continue to expect losses in this segment in Q4, but expect significant improvement in profitability in 2023.

TheFork Segment Adjusted EBITDA (\$M)



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.)

Results in Q3 2022 mark another quarter of recovery across our segments, and continued improvement since the start of the year. We are optimistic about the long-term opportunities in travel, despite a recovery path that is likely to remain uneven by month and by specific revenue line, and less reliably consistent relative to pre-pandemic.

Our outlook for Q4 takes the following into consideration:

- Continued strong travel fundamentals despite general macro headlines.
- We expect a moderate step down of Tripadvisor Core revenue as a percent of 2019 from Q3. This step down is not related to a change in our revenue trends, but to a particularly strong August in Q3 2022 and unique items in Q4 2019 that create a tougher revenue comparison. We point out that in 2019 television advertising for brand Tripadvisor and other expenses were considerably higher in Q3 than in Q4, creating a sequentially harder comparison from an adjusted EBITDA margin perspective, in addition to the impact of the revenue step down.
- Continued robust bookings and revenue growth in Viator versus 2019 levels, with reinvestment of higher than anticipated profits year to date into brand and cross-channel marketing in Q4. The revenue impact of these marketing investments is expected to be mostly realized in 2023. This combined with typical revenue seasonality is expected to result in an adjusted EBITDA loss at Viator in Q4 following the robust adjusted EBITDA growth in Q3. We expect that Viator combined Q3 and Q4 adjusted EBITDA to be approximately break even.

The above trends lead us to the following outlook for Q4:

- Consolidated revenue of low-single digit increases from 2019 levels, implying a modest slowdown from Q3 2022.
- Consolidated adjusted EBITDA margin to step down sequentially to close to 10% of revenue, a result of the seasonal step down, a mix shift towards our lower margin growth revenue lines, and the increased investment in Viator as noted above.

We remain excited about closing out the last quarter of the year, and even more excited about the work we are doing to position the business for 2023 and beyond. We look forward to discussing more about our Q3 2022 results tomorrow morning, Tuesday, November 8, 2022 at 8:30 am Eastern Time. Joining the call will be Matt Goldberg, President & CEO, Ernst Teunissen, outgoing CFO, and Mike Noonan, who joined us as incoming CFO effective October 31, 2022.

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 November 8, 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>.

Investor relations contact

ir@tripadvisor.com

Media contact

northamericapr@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 November 7, 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, but not limited to, average monthly unique users, hotel shoppers, cost-per-click, gross booking value for experiences, seated diners, dining bookings, 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 unique 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, amortization, restructuring and other related reorganization costs, stock-based compensation, interest expense, or income taxes.

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.

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.cruise critic.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, September 2022

**Source: Tripadvisor internal log files

