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TRIP - TripAdvisor Inc at JPMorgan Tech, Media and Telecom Conference

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CORPORATE PARTICIPANTS

Ernst J. Teunissen *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Stephen Kaufer *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

CONFERENCE CALL PARTICIPANTS

Douglas Till Anmuth *JP Morgan Chase & Co, Research Division - MD*

PRESENTATION

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

All right. Good afternoon. We're going to go ahead and start. My name is Doug Anmuth. I'm the Internet Analyst at JPMorgan. It's our pleasure to have with us TripAdvisor CEO, Steve Kaufer; CFO, Ernst Teunissen.

So TripAdvisor branded sites reach nearly 400 million unique monthly visitors, featuring more than 500 million reviews and opinions, covering nearly 7 million accommodations, restaurants and attractions and the company operates sites in 49 markets worldwide.

Steve cofounded TripAdvisor in 2000 with a mission to help travelers around the world plan and have the perfect trip. Prior to that, he was President of CDS, an independent software vendor; and prior to that, Cofounder and Vice President of Engineering at CenterLine Software. Ernst has been with the company for about 1.5 years, CFO for all that time and previously CFO at Vistaprint and Cimpres.

QUESTIONS AND ANSWERS

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

So let's start out, let's set the record straight around hotel Instant Booking. You talked about kind of pushing and pulling on Instant Book when you launched it, yet everyone is kind of talking about a pullback. What's the story?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Sure. So there's no particular new story here. What we've talked about in the past couple of quarters has been delivering the Instant Book functionality, the ability to actually book on TripAdvisor without leaving the site as appropriate for the particular traveler. So what we like to do at this point is make sure it's available for those who we think want to use it, especially on the phone. It's always available to everyone, but it's a question of where we place it on the site. And so we refer to this as floating the Instant Book position. So if you look at a particular property, there's a lead provider, usually a button and then all the other folks that can offer a price, offer a reservation for this hotel. And TripAdvisor will almost always be there. When Instant Book has the best price, of course, it's going to take pole position because that's going to be best for the traveler. Where Instant Book has a price that's worse, then it's never going to be in that very first position even though it might have been, mind you, a couple of years ago. So when we talk about pushing and pulling, we talk about delivering the Instant Book value proposition where it's best utilized: on the phone, especially for someone who has booked already with us via Instant Book. If you think about what's best for the traveler, you'll come to the same conclusion we have, which is, hey, that traveler is much more likely to be interested in Instant Book, and therefore, finish the transaction. Therefore, that's the experience we're aiming for.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So how do you think about the near-term and long-term economic value of Instant Book versus metasearch?



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Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

I think if we continue to focus on delivering the absolute best pricing availability and consumer experience, the company is going to do quite well. Where Instant Book allows us to get better pricing in front of consumers, great, Instant Book is the perfect opportunity. Where Instant Book helps someone develop a habit of booking on TripAdvisor, especially on the phone, excellent, that's wonderful value. Where the consumers say, hey, I like these other sites, where I see no reason to use Instant Book and they were to click off to one of our partner site, that's great. They're happy, and we've made our click offer for them.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So what can you do to improve partner ROI on the platform to drive conversion and bids higher? And then in that process, how does adding Expedia Hilton Intercontinental help?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Sure. So kind of 2 different questions. What can we do to drive higher benefit to our clients, our paying clients? And then how does Expedia and Hilton in the Instant Book product? I'll address the second one first. Expedia and Hilton in its book give more choice, and therefore, marginally better pricing across the Instant Book product line so that travelers are more likely to have the ability to book the lowest price. Remember, think back for a second to that original vision of Instant Book, especially on the phone, where I love everything that TripAdvisor does for me. I'm searching for a hotel. I find the one I want. We've already scoured the web. Now including Hilton and Expedia and Priceline companies and other suppliers to find the absolute best price we can and in the future with a thumbprint, I get to actually finish my transaction with whoever supplied the lowest price without having to enter my credit card or click off to another site. So that vision still holds, and that's what we love about having Instant Book in the portfolio. Winding it back to the first part of the question, where, hey, how are we providing additional value to our partners as we grow? Yes, Instant Book is a piece of that, but it's also how do we get our travelers to appreciate TripAdvisor not just as a review site, but as a great site to help them find the best deal. So as with our new TV campaign, as with our site experience changing, we're pulling travelers from just thinking about TripAdvisor as a review site to one where, hey, we're saving you some money, we're doing some of that work for you to help you save a few dollars here or \$100 there. But if in your mind as a traveler, you're coming to TripAdvisor to get the best shopping experience, which includes the absolute best price by the time you click downstream to a client of ours, well, you're going to be much more likely to actually buy that because the confidence that we've built up that we have delivered the best price. The more confidence we deliver means the better downstream conversion rate. The better downstream conversion rate means our clients can afford to pay us a higher CPC, and the whole thing works quite well.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So let's kind of put all that all together. Over the last several years, you've made a lot of changes in terms of the products and investments, right, so removing pop-ups, obviously doing metasearch, adding Instant Book. How does this all come together in the new streamlined hotel shopping experience that you're about to launch?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Well, that's just it. We've taken a bit of a step back and said, what are all the things that make TripAdvisor great for consumers planning their trip? Pluck, pluck, pluck, summarize, deliver that rich content experience. What do people want in terms of finding the absolute best price? Show the lowest price first; highlight it; take your hotel sort, which is the list of hotels when you're going to a particular city; and make sure very great hotels but affordable ones are front and center on that list. Do all the things that consumers would appreciate to help that hotel shopping experience, step one; step two, take away the irritants, take away some of the ads that were clutter, take away some of the pop-up or pop-under experiences that -- yes, that made us some money, that's why we did them in the first place, but were in the way of that clean shopping experience; combine them; test the bejesus out of it so that as we give up some revenue here, we gain some revenue there. And we've been doing that over the past several months as we're getting ready to launch the site. And now we're approaching that very breakeven goal and then we go on from there. So



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we've been able to do this by really focusing on that streamlined user experience with a heavy emphasis on finding you the best price. With that, we're now ready to launch real soon now.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

And launch time is...weeks? Real soon?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Yes. Weeks. One could say days or weeks, yes.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So is the message here for consumers that they should think about you as the low-price provider?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

So as you'll see in some of the TV advertising, that launches, we really feel like we have an opportunity to explain this new value proposition that TripAdvisor offers of helping you find the lowest price for that hotel. We've had some of the functionality on the site for years, but it's been buried or it's been sort of not displayed as prominently as it could. We want to make sure that it's not just reviews that you're coming to us for. It's not just for those photos, the experiences, but saving you money. So the TV campaigns will really hope -- will really focus on delivering that value proposition. It's not the convenience of booking on TripAdvisor. It's saving dollars. Saving dollars, if it can, as I expect it will, yield to a higher-quality customer visiting TripAdvisor, a higher booking intent. We're going to see that pretty quickly in our click-through ratios and downstream revenue.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So Ernst, you're returning to TV marketing to promote the new shopping experience. You've talked about \$70 million to \$80 million toward brand advertising in '17. So what gives you the confidence that the brand spend in TV can help shift that user perception and behavior on Trip?

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

We have 3 years of experience with TV. We were on TV in 2013, '14 and '15, and were able to really observe what the impact was on our site and also what it did for us, some of the metrics like, how customers perceive us. With the product ready as Steve was just describing, we believe we have a real opportunity now to move that user perception from "I'm going to the site mostly due to the planning, to now I also come back when I'm ready to book". And TV is the right medium for us to make that shift and, of course, continuing to communicate that on the site itself but to do that on TV. And all the experience that we've had over those years and a lot of updates that we've done to our modeling of it, we feel confident that we can get this to a profitable proposition. It will not be [profitable] right away. It's dilutive near term. We're compensating for that. We're mitigating that impact. As we've said, we're not changing our EBITDA outlook for 2017. We're pulling back on some performance-based marketing. We see some overage in non-hotel, but we've seen that TV in itself is -- takes a while to be profitable. We are confident that we can get it to profitability, but it's probably going to take a few years to really get there.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. And what kind of metrics are you going to provide along the way to help people understand the progress of what you're seeing along that TV spend?



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Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Yes. We're going to determine over the next few months or so what we want to share with The Street. But what we're going to be tracking internally and what we share will be a derivative of that. What we will be tracking internally is, first of all, what's happening to that user perception statistic. We have always tracked aided and unaided awareness of TripAdvisor as a... travel site; planning site; site to go to, to book; site to go to, to do price comparison; get the best price. And we're going to measure those and particularly unaided awareness of a great place to go to when you're ready to make that booking and to price compare. So that's one set of metrics that we're going to be tracking, and then, of course, all the site behavior. We're going to track revenue and revenue per shopper, ultimately. But before that, what's happening to branded traffic? What's happening to dated searches or undated searches? What's happening to repeat behavior on the site? What's happening to people that declare that they come in because of television? How well do they convert compared to others? So all those metrics we're going to be watching like hawks. And we have currently made predictive models for what we expect to see and we'll determine over the next 2 months what we disclose to you all.

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

And I can add, kind of when we look at TV, we look at the return on ad spend through a couple of different lenses. Certainly, there's the domestic, international. There's the by device. But there's also that we know by being on TV, like every brand, we will attract some new travelers, some folks that maybe knew TripAdvisor in the past but were not otherwise going to visit, [except] for the reminder and the message on TV. If we were a brand-new brand or any brand is going to see that. We also have the benefit of having close to 400 million visitors a month, including 150 million hotel shoppers a month who were already going to be visiting TripAdvisor. And so when you think about that audience, hearing the message on television about, "hey, you can use TripAdvisor to find the lowest price", we expect that to have an incremental impact on all those hotel shoppers, pulling them further down the funnel, thinking about doing price comparison shopping while they're on the site, not just reading reviews. So we have 2 wins from the TV campaign: One, brand-new shoppers coming to the site, great, and you'll see that in some shopper growth. And then all the existing shoppers and the behavior Ernst was just talking about in terms of doing more lower funnel or dated shopping behavior, which is for our business is a very good predictor of clicks and purchases. So again, 2 ways to measure the return on ad spend.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. And the \$70 million to \$80 million, so you kind of talked about that for the, I guess, for the rest of the year, essentially. Help us understand what that means for the spend, the degree of spend and the level in '18 and how to think about that in terms of '18 EBITDA.

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

So we've said we see this as a multi-year, robust campaign. So it's not a one-off thing in 2017. We've not finalized our plans for 2018 yet. So it's too early to share our plans for 2018. We're going to assess that over the next 6 months, obviously, also based on the results of what we see. But as you say, \$70 million to \$80 million is roughly for 0.5 year of investment. And obviously, we're going to be looking at a more consistent spend in 2018. We're rolling out to many of our important markets, U.S. and a handful of other markets. But it's not a global campaign as of yet. So there's some scope to potentially add to other markets as well. So between that, it gives you a rough sense of what it could be. But as I said, we're going to put a finer point on that over the next months to come.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay, that's helpful. So in 1Q, the core business showed some good turnaround metrics. So U.S. revenue per hotel shopper was back to pre-IB levels. Click-based and transaction revenue grew 12%. You also had uniques and hotel shopper growth accelerating in the quarter. But yet you cautioned about extrapolating 1Q results. So what are the key things to keep in mind here?



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Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Yes. Indeed, Q1 had a strong performance. And again, the pace car was the U.S., like it was in Q3 and Q4. Very impressive growth in the U.S., accelerating shopper growth as well as revenue per shopper growth. Number of reasons why we cautioned about Q2: The first is Q1 year-on-year was a year in which we saw a lot more ability to spend on external marketing. It was just a softer comp a year ago, which was pronounced for the quarter, less so of an impact in Q2. A few other reasons as well. Steve talked about the product testing that we've been doing around our user experience. That has had a negative impact on Q2 growth as we've been testing. We are now approaching that breakeven point, as Steve were saying, versus not rolling it out. But initially, we saw some headwinds because of the testing itself. International, the markets outside of the U.S., are still recovering slower than the U.S. And even though, in the previous quarter, we lapped the rollout in most of the world of our Instant Booking product, we see there's a little bit more going on than just the lapping or currency and some more softness in the international markets. It's going to take a little bit longer to recover that. We also announced that we would be pulling back on some external marketing to fund some of the TV that we're rolling out, and we've started doing some of that in Q2 as well. So that's going to have an impact as well. So all in all, we're still reiterating our outlook that we're going to get double-digit growth in our click-based and transaction revenue line for TripAdvisor. But Q2, we could see some of deceleration, actually, from the first quarter. And it could be, in our expectation, sort of mid to high single-digit growth in the second quarter relative to the 12% growth that we saw in the first quarter. Again, expecting double-digit growth for that line item for the full year, but the second quarter for the reasons I mentioned could see a bit of a deceleration.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So maybe, Steve, you can just talk a little bit more about what gives you the confidence in getting to that double-digit growth level. And do you need to have the new hotel shopping experience to get there?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

So I do have quite a bit of confidence because I see that the hotel shopping experience -- I mean, I get to see what hasn't been released yet, but it's a really nice experience that has been tested with live consumers on the site, and it is now performing well enough that we can go forward. When you talk about the resources to make that experience happen, great -- not close the door because it's never done, but we get to move forward from that and start applying our resources to revenue optimization and the rest of the cadence that we're really quite good at in terms of improving revenue per shopper globally. So I look and say, all right, Q1 good results; Q2, a little softer; but now we have this rollout. Then you look at television and the potential impact, and I don't think that we're being terribly optimistic in terms of what television can do given the multiple years of data points that we have from the past. So we try to take a modest approach to what that would deliver for the business, clearer upside as well. And so that still settles on double-digit growth in that category for us.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. So display and subscription and other hotel revenue growth slowed some recently. What's been happening in these products? And can you just talk about how you think about the growth outlook there going forward?

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Yes, that second revenue line we break out is indeed our display and subscription business, which are both revenue streams on our TripAdvisor site. Display is display advertising on our TripAdvisor site and subscription is predominantly our business listing subscription product that we have for hotels. Display has been a significant grower for us in the past. In more recent quarters, hovering around 0% growth. We see some opportunities there to keep improving. But the shift to the phone is going to put a long-term break on the real potential of that business to be a significant grower. But growth potential is still there in that business despite that. The subscription business is a business where we expect more long-term growth, particularly because we're planning to roll out some new products that we can offer to our hotel customers. But in the near term, near term being 2017, the revenue for that group is more likely to be around 0% year-on-year growth, potentially a little better single-digit growth in that business for the year, but more likely to be around 0. Now the third line, the other hotel business is, to a large extent, a group of companies, a group of



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brands under our SmarterTravel group. There are a lot of puts and takes going on in that business. We printed negative 17% growth year-on-year in the first quarter, expecting that to improve significantly. There were some one-off reasons why that was the case in Q1. Improving that significantly for the year and also being around flat to potentially a little bit better.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Okay. Let's go to some questions in the audience. And I think there's a mic coming around. Just raise your hand if you have one. Up here.

Unidentified Analyst

Steve, you seem to be positioning Trip as a site where consumers can find the lowest price. But traditionally, the placement of your advertisers has been based more on auction dynamics versus solely the lowest price. So can you just explain how your partners will be ranked now in the meta results when they have the highest bid but they may not have the lowest price?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Sure, excellent question. So in conjunction with the advertising campaign that talks about Trip as a great place to save you money, we know that the site has to live up to that. One of the things that has happened already is that we changed our ranking algorithm for the individual offers for a specific property. What you see on the site now or very soon, if not immediately now, is the lowest price will be listed first. So in price parity situations, all the prices being the same, yes, whoever is going to be paying us the most will tend to get the first billing. But where we have the lowest price, it is shown first. The other thing about the general delivery of that TripAdvisor has lowest price is just merchandising and showing off the fact that we've done a lot of work for you to find affordable properties with good deals on them. So a sort of a list of properties in Paris will feature affordable properties, not just the one that happens to be ranked the absolute highest. When you look at a list of properties, you'll see some great prices and strike-through pricing, showing you how much we saved you by shopping around on your behalf. So it's all about delivering the visual indicators that we've done a lot of the work for you to save you money. A final comment, already, people know us so well as a great planning site, an awesome review site, love those photos, 360 pictures of the hotel. I get so immersed. I want to go to every spot that I examine. If we can translate -- as we translate that appreciation for everything that we do into the end, wow, I was right there. And look, TripAdvisor saving me \$50 on this property. Look, here's another deal, it's \$20 cheaper and almost as good or even better. Wonderful. Now I've finished that experience, that hotel shopping experience, addressing the #1 thing that consumers are looking for, which is a great deal on the hotels they're staying at. So combination of TV ads and all of our marketing, trying to drive home that message with the site delivering on that message to your point, yes, the lowest price is always in the first position now.

Unidentified Analyst

Would you discuss competitive pressures from others in the industry? And also would you discuss the quality of the reviews and how important that is to establishing a relationship with the customer?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Sure. So both long answers. Competitive pressures on the very top of the funnel, you have Google where lots of people start at. And the more they push the organic results down the fold, the harder it is. But we've been dealing with that for years and years and years. So that's kind of nothing new. And it doesn't appear that Google has made meaningful advances in teaching people to go to Google to go plan their trip. So we have the Expedias and Pricelines of the world, amazing companies. They do that transaction piece extremely well. And they are very large, powerful clients of ours. And we help them grow and they help us grow, nicely symbiotic, and they're both Instant Book partners. You have a Trivago as a sort of named competitor in the meta space with a good product, but very focused on just meta search. And they're very -- to read the press, they're very proud of that. Whereas we have a much better, fuller solution to actually help you have a great vacation with a focus now on improving that price comparison piece of that, hey, nobody can find you a better price anywhere else you look than TripAdvisor. And with that kind of as a check box,



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we've got the awesome content upfront, the best price comparison engine, all the information you want when you're actually on the trip in a brand that, frankly, most people really love to associate with. It's a brand. It's a story. It's not just kind of a tool you might use in a particular point in the purchase. And then to the question on quality of reviews, we think we are certainly best in class of any review site for the trustworthiness, the value, the richness of the reviews. And I'll extend reviews to be in the ratings, in the candid photos, in the room tips, in the forums, in the Q&A with owners of attractions and restaurants. And everything forms that picture to give that kind of trusted recommendation. And wow, that does seem to work. People do seem to come back over and over again. And even though others have added reviews by way of quantity, I don't think anyone is approaching us in terms of trustworthiness for recommendations.

Douglas Till Anmuth - JP Morgan Chase & Co, Research Division - MD

Let me just ask one and we'll go to that one. Your share buyback program has been pretty active. In 1Q, I think you bought back about \$150 million worth, which was more than in all of last year. How does that fit with your organic investments and strategic acquisition potential as well?

Ernst J. Teunissen - TripAdvisor, Inc. - CFO, SVP and Treasurer

Yes. We're cash generative as a business. We have a significant amount of cash on our balance sheet, a credit facility that we recently renewed and extended. So we have substantial firepower. Some of that firepower we would like to keep dry for potential acquisitions. We look at the M&A market continuously and from time to time find good investments to make. Last year, we allocated a relatively small amount of capital to acquisitions. We spent a total of about \$55 million on 9 different investments, smaller investments, but important for the business. But we may over time see more significant acquisitions on our path, like we did 3 years ago with Viator and TheFork, LaFourchette. And share repurchases is another area where we, as a management team and the board, see attractive opportunity at different points in our time depending on where our share price is. And definitely, in the first quarter, we saw an opportunity to spend \$150 million of the \$250 million in total that the board had approved for us for share repurchases in January. And we'll continue to look at opportunities there.

Douglas Till Anmuth - JP Morgan Chase & Co, Research Division - MD

Great. [Andrew]? Good, okay. [Mark]?

Unidentified Analyst

Steve, a question about Europe specifically, and I don't mean to pile on with the competition question. But I've always thought there's a very deep relationship between TripAdvisor and travelers in Europe, a very unique -- and hoteliers and so forth, there's a very close relationship there. And I wonder what's been going on the last couple of years. And Trivago has been successful and very aggressive there. I think that a number of principals have been purchasing metasearch assets and things like that. Can you give us a little perspective in terms of TripAdvisor's strength, relationship with consumers there and how you think about fortifying that position here the next couple of years as you rebuild the business -- or as you invest here with the brand?

Stephen Kaufer - TripAdvisor, Inc. - Co-Founder, CEO, President and Director

Sure. Well, you're right, we have an incredibly strong position in most of the major, if not all, the major European countries. As evidenced, just by walking down the street, you're going to see a TripAdvisor sticker in so many windows. You're going to see a certificate of excellence plaque in the hotels that you're staying at. And the business audience knows well the power of TripAdvisor by virtue of the global demand that we bring and the number of people checking the site. Trivago has been very active on television, building up the brand as a price comparison. And we haven't been on the air. So when we talk about launching a TV campaign, we talk about the U.S. and a handful of other markets, so we're getting started now. And several of those markets are, in fact, in Europe because we view it as a very meaningful market that I'm hoping, I'm thinking just need to hear from us with the price comparison message in order to get that ball rolling in terms of monetization and the growth that we deserve.



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Unidentified Analyst

Just a couple of -- just a clarification on this message that you're trying to convey to consumers. In terms of Priceline, what kind of delta is there in savings going to TripAdvisor versus, let's say, an Expedia or a Priceline? It seemed like when you go to these sites, they're basically price at parity. So what kind of noticeable advantage can you really give from a price savings perspective?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

So if you look at just sort of major U.S. hotel chains, in general, you will find a lot of price parity. But when you look at independent properties globally, you'll find a lot of price disparity even between the Expedias and the Bookings, the Pricelines, the Agodas, the Orbitz, the Travelocitys, et cetera. So in our metasearch engine, all of those guys, plus hundreds more, are clients of ours. So we're able to shop around on behalf of the consumer to basically any site you would conceivably go to as a consumer, plus a bunch of wholesalers, discounters and bring back the absolute lowest price that we can find. And when we've done that, it's going to be really hard for you to actually go yourself find the better price than that. So for a U.S. hotel chain, we'll probably show you 12 prices, and they'll all be the same. But at least the 12 will say you don't really need to look around, shop around because we've done it for you. It's the same price everywhere. Go ahead, click on one of these links or use Instant Booking and buy. When we found price differences, then, hey, we'll tell you the -- all the prices we found, the highest price. And here's the lowest price, front and center, top on the list, encouraging you to -- well, why wouldn't you want to save the \$20? And so that's the price comparison aspect.

Unidentified Analyst

At what point will you start seeing the payback from the TV advertising. Like is there a time frame or a vision as to when the TV will become effective?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

At what point will we start to see the payback on TV?

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Yes. So our experience -- as I was saying before, our experience has been near-term dilutive, as it takes some time for people to watch the TV, actually be in travel mode and be receptive to the TV, but over time accretive. And we've said expect this to be profitable in a few years. So it's taking some time, especially as you roll out in multiple markets for it to build momentum. But we expect this to be profitable and to hit that in a few years.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

All right. So Steve, we've got a tradition of word association. All right. So we're going to go for it. So 10 words, and you can just say the first thing you think of. So Instant Book?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Great product.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Revenue per hotel shopper?



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Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

On the rise.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Priceline?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Strong company.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

TV spending?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Looking forward to it.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Expedia?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Another strong company. They're all my favorite children.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

New hotel shopper experience?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Awesome.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Viator?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Terrific.



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Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Trivago?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Rrrrr. I'm not sure how you spell that.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Meta?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Great.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Buybacks?

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Your turn.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

Buybacks.

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Keep focusing on it.

Douglas Till Anmuth - *JP Morgan Chase & Co, Research Division - MD*

All right. Cool. Leave it there.

Stephen Kaufer - *TripAdvisor, Inc. - Co-Founder, CEO, President and Director*

Thanks.

Ernst J. Teunissen - *TripAdvisor, Inc. - CFO, SVP and Treasurer*

Thanks.



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