



# 2019 Investor Day

November 21, 2019

# Disclaimers

## **Forward-Looking Statements**

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, growth and expansion opportunities, benefits from the Trip.com partnership, future costs, market potential, future financial prospects, the timing of the variable postpaid forward and margin loan transactions, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, possible changes in market acceptance of new services, the ability of TripAdvisor to monetize its website traffic, the ability of TripAdvisor to execute on expansion into adjacent services, competitive issues, regulatory matters, TripAdvisor's ability to capitalize on acquisition opportunities and changes in law. These forward-looking statements speak only as of the date of this presentation, and Liberty TripAdvisor expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Liberty TripAdvisor's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of Liberty TripAdvisor, including the most recent Annual and Quarterly Reports on Forms 10-K and 10-Q, for additional information about Liberty TripAdvisor and about the risks and uncertainties related to Liberty TripAdvisor's business which may affect the statements made in this presentation.

## **Non-GAAP Financial Measures**

This presentation includes non-GAAP financial measures, including Free Cash Flow for TripAdvisor. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations can be found in the earnings release available on TripAdvisor's website.

## **Market and Financial Information**

Market data provided herein is as of 11/13/2019. Financial data pertaining to Liberty TripAdvisor provided herein is as reported in our Form 10-Q filed 11/8/2019 for the quarter ended September 30, 2019. Information regarding TripAdvisor is based on most recent publicly available information.



“[TripAdvisor] Vacation, All I Ever Wanted”

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Greg Maffei – Chairman, President & CEO

# TripAdvisor Has Undeniably Strong Brand and Traffic

*460 million* average monthly unique visitors

- *830 million* reviews and opinions
- *195 million* candid traveler photos



tripadvisor®



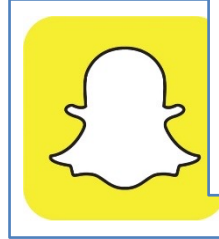
Game of Thrones  
finale viewers:  
**19 million**



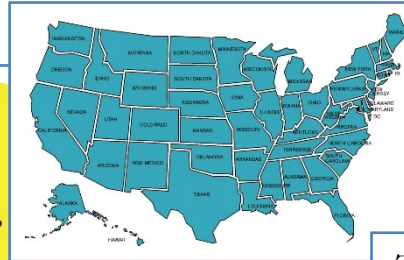
Super Bowl  
viewers:  
**101 million**



Pinterest monthly  
active users:  
**291 million**



Snapchat monthly  
active users:  
**311 million**



U.S.  
population:  
**327 million**

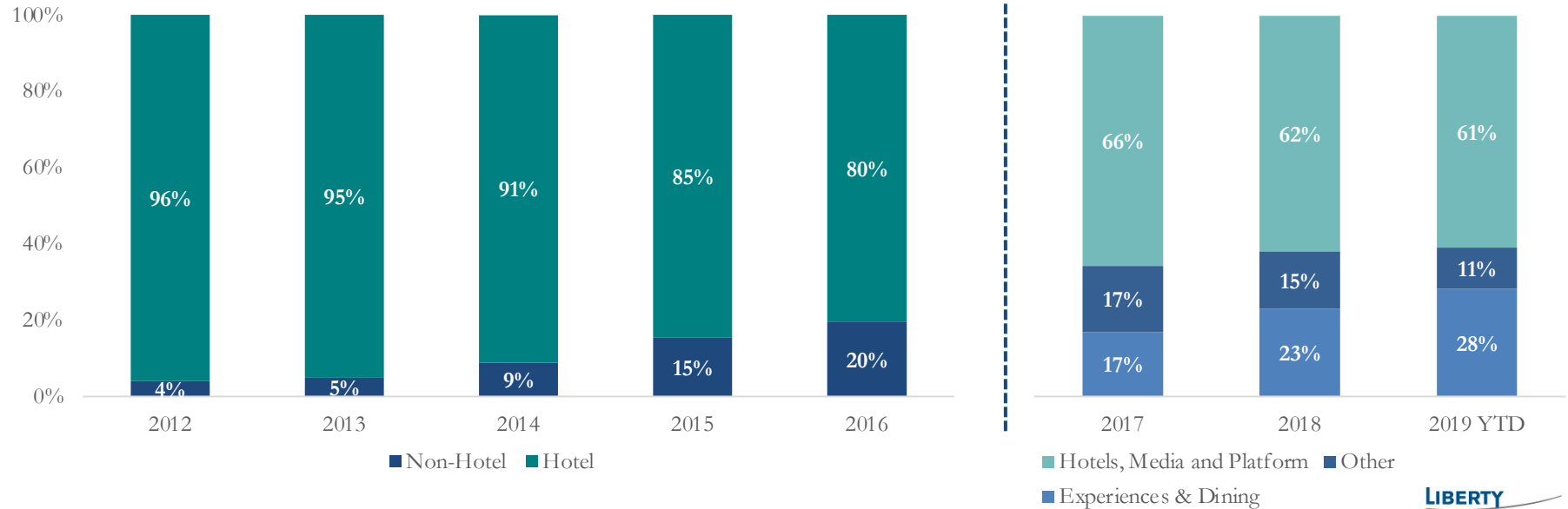


Twitter monthly  
active users:  
**330 million**

# Monetization of this Traffic Continues to Evolve

- Hotel revenue 96% of total in 2012 → Hotels, Media and Platform only 61% of revenue YTD
- Newer revenue streams emerging, with room to grow
  - Experiences & Dining
  - Advertising

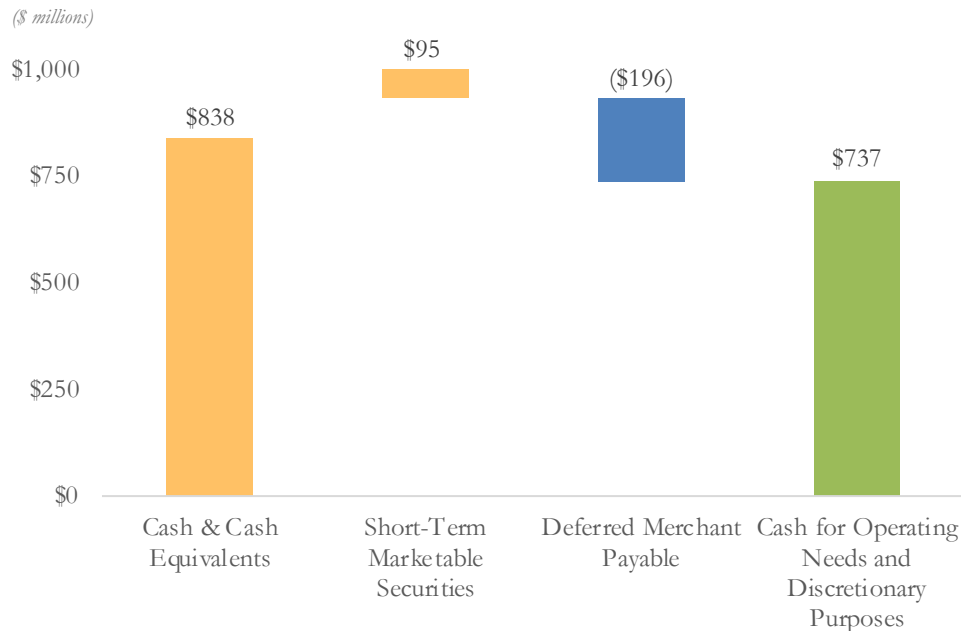
## Revenue Mix Shifting Away from Hotel



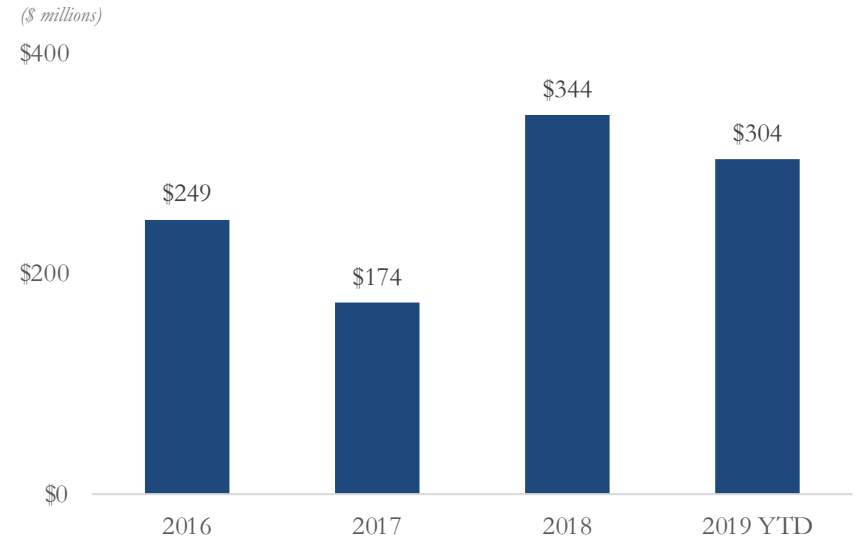
# Strong Free Cash Flow and Underlevered Balance Sheet Create Options

- Committed to returning capital to shareholders
  - Announced \$490m special cash dividend
  - Increased repurchase authorization
- FYI - Liberty has returned capital to shareholders through special dividends in past, while also increasing repurchase authorizations
  - SiriusXM in 2012, HSN in 2015

## Healthy Liquidity Position with no Debt on Balance Sheet



## High Free Cash Flow Conversion



# Strengthening LTRP Capital Structure Using Special Dividend Proceeds

- Unwind variable postpaid forward (“VPF”) due June 2020
  - \$270m current loan liability owed by LTRP
  - Intend to pay this off with:
    - \$108m proceeds from special dividend
    - Cash upon settlement of VPF
      - Amount based on TRIP trading price relative to collar and option value
      - If settled today, cash received would be approximately \$62 million
    - Borrowings under upsized margin loan
- Upsize margin loan and extend maturity three years to November 2022
  - Following completion of VPF unwind, all 31m owned TRIP shares will be pledged
- Transactions expected to be completed by year-end
  - No cash tax impact to LTRP

## Current LTRP NAV

	Liberty Ownership % of TRIP	Value (\$ million)
TripAdvisor Common Stock	18.2	\$560
TripAdvisor Class B	12.8	\$395
<b>Total TripAdvisor</b>	<b>31.0</b>	<b>\$955</b>
Cash		\$11
Debt		
Margin Loan		\$228
Collar		\$270
<b>Total Debt</b>		<b>\$498</b>
<b>Net Asset Value</b>		<b>\$468</b>

# Trip.com Partnership is Strategically and Financially Attractive

- Financially attractive transaction to grow China business
  - Cost-efficient way to monetize TripAdvisor content in China via long-term exclusive brand and content license to Trip.com
    - TripAdvisor will also benefit from Trip.com inventory
  - Trip.com provides more cost-effective customer acquisition tool in China
    - Global content agreement will distribute TripAdvisor content onto Trip.com, Ctrip.com, Skyscanner and Qunar
- Adds long-term strategic partner without limiting TripAdvisor's strategic opportunities





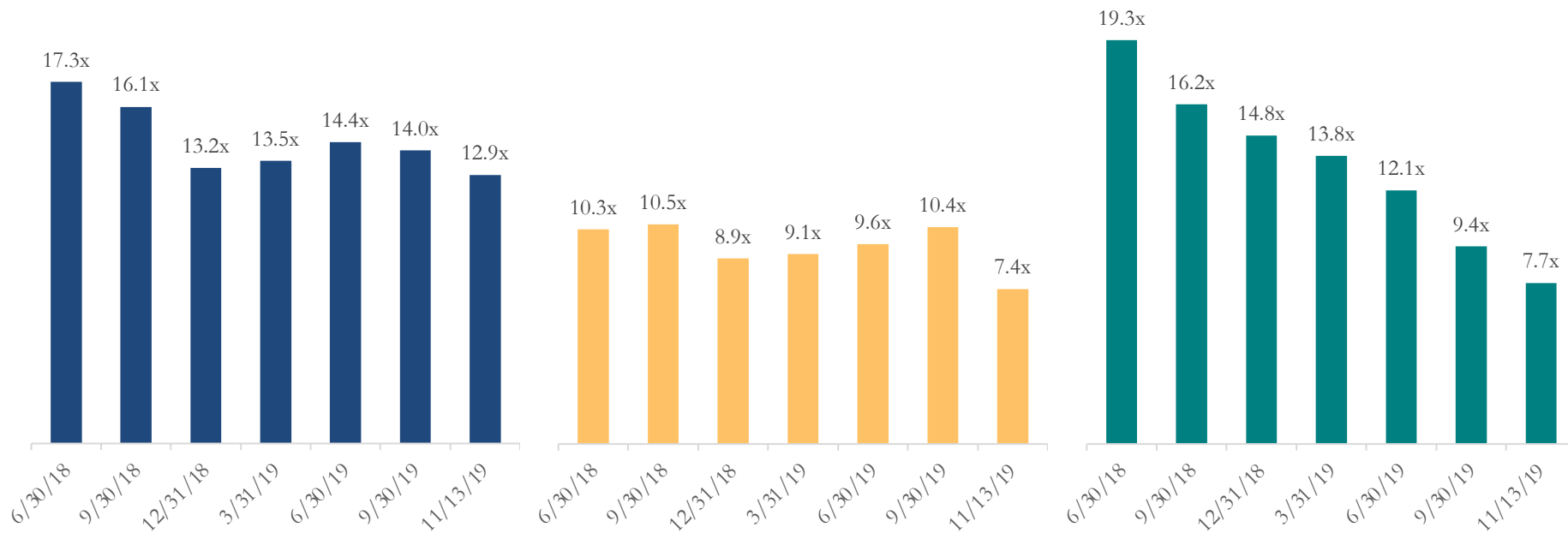
# TripAdvisor Multiple is at a Historic Low

## EV / NTM EBITDA

BKNG

EXPE

TRIP



# Appendix

# Footnotes and Other Source Information

## Slide 4

- Game of Thrones source: Deadline, <https://deadline.com/2019/05/game-of-thrones-ratings-finale-season-8-hbo-viewers-1202618943/>.
- Super Bowl source: TechCrunch, <https://techcrunch.com/2019/02/05/super-bowl-liii-set-streaming-records-while-tv-viewership-saw-massive-drop/>.
- Pinterest source: Sprout Social, <https://sproutsocial.com/insights/pinterest-statistics/>.
- Snapchat source: Omnicore, <https://www.omnicoreagency.com/snapchat-statistics/>.
- US population source: United States Census Bureau.
- Twitter source: Statista, <https://www.statista.com/statistics/282087/number-of-monthly-active-twitter-users/>.

## Slide 6

- See TripAdvisor's public filings for applicable definition of Free Cash Flow (a non-GAAP measure) and a reconciliation to the most comparable GAAP measure.

Slide 9 – Source: CapIQ, EV / NTM EBITDA.