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# Research Summary

TripAdvisor, Inc.



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# TripAdvisor, Inc.

NYSE: TRIP

TripAdvisor is an online travel company. It focuses on online hotel reservations and bookings for transportation, lodging, restaurants, travel experience & many more. The company is headquartered in Needham, Massachusetts, United States. The company was incorporated in Feb 2000 by Stephen Kaufer, Langley Steinert.

## C-Level Executives

- Stephen Kaufer, CEO & President
- Ernst Teunissen, CFO
- Greg Maffei, Chairman

## Industry Analysis

In comparison to U.S. Travel Industry, TripAdvisor has travelers not only in the U.S. but across the globe. TripAdvisor site and app helps to browse more than 878 million reviews and opinions of 8.8 million accommodations, restaurants, experiences, airlines and cruises.

COVID vaccination is the game changer for the Travel Industry in 2021. People are thriving more for travel. (47%) of travelers surveyed globally are planning to travel internationally in 2021 out of which 45% are U.S. travelers.



## Key Financial Highlights 3Q21



101%

Revenue increased by 101% year-over-year



77%

Cost of Revenue increased 77% year-over-year



13%

Technology and content costs increased 13% year-over-year



24%

EBITDA increased by 24% to \$72 million

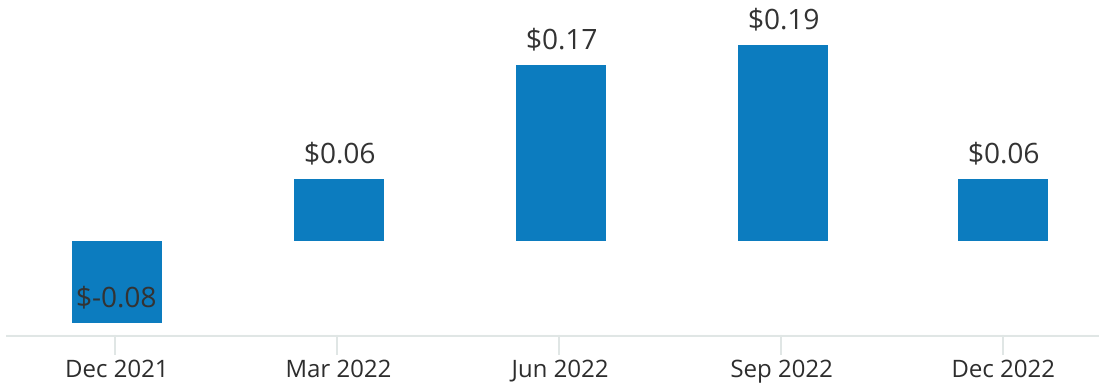
“ We remain focused on U.S. market. We want to make sure that we get to that product market fit before we expend the energy to roll it out to the rest of our audience. As everyone understands, the U.S. is a very big market so it's plenty big for us to test against and we'll continue iterating until we have that fit and then as I said, we go international. ”

**Stephen Kaufer - President & CEO**



# Outlook

## Quarterly Earnings Forecast (Consensus EPS Forecast)



Ernst Teunissen,  
CFO

“ We're not out of the woods yet with COVID, it's still impacting us and although we are cautious about Q4, we remain very optimistic that the recovery is taking root and are bullish about travel and our business in 2022. ”



# SWOT Analysis

## Strength

- The company has been successful in making it a potential player through online distribution platforms
- With its brand reputation the company has been successful in grabbing new markets worldwide
- High level of customer satisfaction has helped to build a new customer base
- International presence in 45 countries which includes U.S., U.K., India, France, Germany etc

## Weakness

- The company is solely dependent on the online channel. To survive in the long run the company need to diversify the channel for promotion
- The COVID has impacted the industry as a whole both travelling & dining

## Opportunities

- Due to online platform the company uses different pricing strategies based on festivals and locations
- The company has enough free cash flows which have helped into diversified its business and helped to create more opportunities

## Threat

- Law & Regulations prevailing in different countries could be a threat for TripAdvisor
- Currency fluctuation has created problem internationally
- Negative feedbacks & reviews have impacted the profitability of the business
- Delta (Corona Virus) entrant has impacted the Q3 revenue in the United States
- Make my trip and Yatra takes away a significant amount of profit in India



# Business Segment Analysis

1) The Hotels, Media & Platform revenue increased by 115% in Q3 2021.

2) Revenue earned from Experiences & Dining increased by 115% compared to prior quarters.

3) Revenue earned from other segments decreased by 6%.

- Hotels, Media & Platform
- Experiences & Dining
- Others

“ The hospitality industry is successfully emerging from the pandemic, we're profitable again, we have a clean set of leaders in the company and we were successful in using the time accorded to us during this pandemic to reinvent ourselves, delivering an enhanced focus on our Experiences and Dining sectors and creating and launching our first subscription product. We have a clear set of priorities and while we have a lot of work ahead to get there, we have a terrific set of team members who I know are up to the challenge. ”

**Stephen Kaufer - President & CEO**



# Strategic Drivers

- Customer focused business with product diversification.
- Strong financial profile with huge operating cashflow.
- Launch of One TripAdvisor has helped consumer subscription offering to deliver travelers even more value.
- Focusing more on customer engagement to diverse revenue streams.
- Flexible cost structure, diversification of price based on region, festival etc.
- Varieties of products offered under the same umbrella.

## Competitors

- Google
- Airbnb
- Expedia Group
- Utrip

## Stock & Stockholders

The major stockholders of TripAdvisor include:

- Liberty TripAdvisor Holdings, Inc.
- PAR Capital Management, Inc.
- The Vanguard Group, Inc.
- Capital Research & Management Co. (World Investors)
- Trip.com Group Limited
- Baillie Gifford & Co.





Bay Area, San Francisco, CA