UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-36603

LIBERTY TRIPADVISOR HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

State of Delaware (State or other jurisdiction of incorporation or organization)	**46-3337365** (I.R.S. Employer Identification No.)
12300 Liberty Boulevard **Englewood, Colorado** (Address of principal executive offices)	**80112** (Zip Code)

Registrant's telephone number, including area code: **(720) 875-5200**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock, par value $.01 per share	LTRPA	The Nasdaq Stock Market LLC
Series B common stock, par value $.01 per share	LTRPB	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of Liberty TripAdvisor Holdings, Inc. computed by reference to the last sales price of such stock, as of the closing of trading on June 28, 2019, was approximately $854 million.

The number of outstanding shares of Liberty TripAdvisor Holdings, Inc.'s common stock as of January 31, 2020 was:

	Series A	Series B
Liberty TripAdvisor Holdings, Inc. common stock	72,154,703	2,929,401

Documents Incorporated by Reference

The Registrant's definitive proxy statement for its 2020 Annual Meeting of Stockholders is hereby incorporated by reference into Part III of this Annual Report on Form 10-K.

LIBERTY TRIPADVISOR HOLDINGS, INC.
2019 ANNUAL REPORT ON FORM 10-K

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PART I.

Item 1. Business.

General Development of Business

Liberty TripAdvisor Holdings, Inc. ("TripCo" or the "Company") was formed in 2013 as a Delaware corporation. TripCo was a subsidiary of Liberty Interactive Corporation (subsequently renamed Qurate Retail, Inc. ("Qurate Retail")) until the completion of its spin-off from Qurate Retail on August 27, 2014 ("TripCo Spin-Off"). Following the TripCo Spin-Off, Qurate Retail and TripCo operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. TripCo holds its subsidiary, Tripadvisor, Inc. ("Tripadvisor") and held its former subsidiary, BuySeasons, Inc. ("BuySeasons") until BuySeasons was sold on June 30, 2017. As of December 31, 2019, TripCo held an approximate 23% equity interest and 58% voting interest in Tripadvisor.

In connection with the TripCo Spin-Off, TripCo entered into certain agreements, including the services agreement, the facilities sharing agreement and the tax sharing agreement, with Qurate Retail and/or Liberty Media Corporation ("Liberty Media") (or certain of their subsidiaries) in order to govern certain of the ongoing relationships between the companies after the TripCo Spin-Off and to provide for an orderly transition.

Pursuant to the services agreement (except as described below in respect to Gregory B. Maffei), Liberty Media provides TripCo with general and administrative services including legal, tax, accounting, treasury and investor relations support. TripCo reimburses Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and TripCo pays a services fee to Liberty Media under the services agreement that is subject to adjustment semi-annually, as necessary.

In December 2019, TripCo entered into an amendment to the services agreement with Liberty Media in connection with Liberty Media's entry into a new employment arrangement with Gregory B. Maffei, TripCo's Chairman, President and Chief Executive Officer. Under the amended services agreement, components of his compensation will either be paid directly to him by each of TripCo, Liberty Broadband Corporation ("LBC"), GCI Liberty, Inc. ("GCI Liberty") and Qurate Retail (collectively, the "Service Companies") or reimbursed to Liberty Media, in each case, based on allocations among Liberty Media and the Service Companies set forth in the amended services agreement, currently set at 5% for the Company. The new agreement between Liberty Media and Mr. Maffei provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an aggregate annual base salary of $3 million (with no contracted increase), an aggregate one-time cash commitment bonus of $5 million, an aggregate annual target cash performance bonus of $17 million, aggregate annual equity awards of $17.5 million and aggregate equity awards granted in connection with his entry into his new agreement of $90 million (the "upfront awards"). A portion of the grants made to our CEO in the year ended December 31, 2019 related to our Company's allocable portion of these upfront awards.

Under the facilities sharing agreement, TripCo shares office space with Liberty Media and related amenities at Liberty Media's corporate headquarters in Englewood, Colorado.

The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and TripCo and other agreements related to tax matters.

BuySeasons' results of operations were included in the consolidated financial statements of TripCo until June 30, 2017. BuySeasons is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on TripCo's operations and financial results.

* * * * *

Certain statements in this Annual Report on Form 10-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding business, product and marketing strategies; new product and service offerings; the recoverability of our goodwill and other long-lived assets; projected sources and uses of cash; anticipated debt obligations; fluctuations in interest rates and foreign exchange rates; and the anticipated impact of certain contingent liabilities related to tax rules and other matters arising in the ordinary course of business. In particular, statements under Item 1. "Business," Item 1A. "Risk Factors," Item 2. "Properties," Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" contain forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties and there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- our ability to obtain cash in amounts sufficient to service our obligations;
- our ability to obtain additional financing or to refinance our existing indebtedness;
- the effects of our current or future indebtedness and the related agreements;
- impairments of intangible assets;
- Tripadvisor’s ability to attract visitors to its websites and mobile apps and cost-effectively convert visitors into revenue-generating users;
- the impact of changes in search engine algorithms and dynamics or search engine disintermediation;
- reductions in spending by advertisers or the loss of advertising partners;
- damage to Tripadvisor’ brands;
- declines or disruptions in the economy in general or the travel industry in particular;
- the ability of Tripadvisor to successfully compete in an increasingly competitive global environment;
- the ability of Tripadvisor to adapt to technological developments or industry trends;
- the retention and motivation of key personnel;
- the impact of acquisitions, investments, significant commercial arrangements and new business strategies on Tripadvisor’s ongoing business;
- challenges associated with operating globally;
- claims, lawsuits, government investigations and other proceedings as well as changes to laws, rules and regulations and any resulting adverse outcomes;
- infringement on intellectual property rights by competitors or Tripadvisor;
- the occurrence of system security issues, data protection breaches, cyberattacks and system outage issues;
- fluctuations in foreign currency exchange rates;
- consumer spending levels, including the availability and amount of individual consumer debt; and
- threatened terrorist attacks, political unrest in international markets and ongoing military action around the world.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind the factors described in Item 1A, "Risk Factors" and other cautionary statements contained in this Annual Report. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

This Annual Report includes information concerning Tripadvisor, a public company in which we have a controlling interest that files reports and other information with the Securities and Exchange Commission (the “SEC”) in accordance with the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Information in this Annual Report concerning Tripadvisor has been derived from the reports and other information filed by Tripadvisor with the SEC. If you would like further information about Tripadvisor, the reports and other information it files with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

Narrative Description of Business

Tripadvisor

Tripadvisor is a leading online travel company and its mission is to help people around the world plan, book and experience the perfect trip. Tripadvisor operates a global travel platform that connects the world’s largest audience of prospective travelers with travel partners through rich content, price comparison tools and online reservation and related services for destinations, accommodations, travel activities and experiences, and restaurants.

Under its flagship brand, Tripadvisor, it launched www.Tripadvisor.com in the United States in 2000. Since then, Tripadvisor has launched localized versions of the Tripadvisor website in 48 markets and 28 languages worldwide. Tripadvisor’s rich content and engaged community attract the world’s largest travel audience based on monthly unique visitors, including 463 million average monthly unique visitors in the third quarter of 2019 during the peak summer travel season.

Tripadvisor’s systems infrastructure for Tripadvisor-branded websites is housed at two geographically separate facilities and hosted by Amazon Web Services. Tripadvisor’s infrastructure installations have multiple communication links as well as continuous monitoring and engineering support. Each facility is fully self-sufficient and operational with its own hardware, networking, software and content, and is structured in an active/passive, fully redundant configuration. Substantially all of its software components, data, and content are replicated in multiple datacenters and development centers, as well as backed up at offsite locations. Tripadvisor’s systems are monitored and protected through multiple layers of security. Several of its individual subsidiaries and businesses have their own data infrastructure and technology teams.

Tripadvisor’s Industry and Market Opportunity

Tripadvisor operates in the global travel industry, focusing exclusively on online travel and travel-related activity, and the online advertising market.

According to Phocuswright, an independent travel, tourism and hospitality research firm, the annual global travel market represents $1.7 trillion in sales and is increasingly shifting online. As consumer online travel media consumption and online travel commerce activity increases, Tripadvisor believes travel and travel-related businesses will continue to allocate greater percentages of their marketing budgets to online channels in order to grow their businesses. Tripadvisor believes this creates a significant long-term growth opportunity of its business.

Business Model

Tripadvisor's businesses match demand, or consumers that seek to discover, research, price compare and book the best travel experiences online with supply from Tripadvisor's travel partners around the world that provide travel accommodations and experiences.

Consumer Offerings

Tripadvisor enables consumers to plan, book and experience the perfect trip by providing content, supply, price, and convenience. Content and supply have enabled Tripadvisor to become a well-known global brand, one that has attracted the world's largest travel audience, based on average monthly unique visitors, and influences a significant amount of travel commerce. Tripadvisor is focused on creating the best online experience in travel planning and booking, making it easier for consumers to research destinations and experiences, read and contribute user-generated content, compare destinations and businesses based on quality, price and availability, and complete bookings powered by its travel partners.

Travel Partners

Tripadvisor's portfolio of travel-related websites, enables its travel partners to be discovered, to advertise and to sell their services to a global travel audience. Travel partners may include hotel chains, independent hoteliers, online travel agencies ("OTAs"), destination marketing organizations, and other travel-related and non-travel related product and service providers – that seek to market and sell their products and services to a global audience. Tripadvisor enables media advertising opportunities – and in some cases, facilitates transactions between consumers and travel partners in a number of ways, including by sending referrals to its travel partners' websites, facilitating bookings on behalf of its travel partners, or by serving as the merchant of record – particularly in its Experiences and Rentals businesses – and by offering advertising placements on Tripadvisor websites and mobile applications ("app").

Businesses and Products

Tripadvisor manages its business based on the following reportable segments: (1) Hotels, Media & Platform and (2) Experiences & Dining.

The Hotels, Media & Platform segment includes revenue generated from the following sources:

- ***Tripadvisor-branded Hotels Revenue.*** Tripadvisor's largest source of Hotels, Media & Platform segment revenue is generated from click-based advertising on Tripadvisor-branded websites, which is primarily comprised of contextually-relevant booking links to its travel partners' websites. Tripadvisor's click-based travel partners are predominantly OTAs and direct suppliers in the hotel category. Click-based advertising is generally priced on a cost-per-click, or "CPC", basis, with payments from travel partners determined by the number of travelers who click on a link multiplied by the CPC rate for each specific click. CPC rates are determined in a dynamic, competitive auction process, also known as its hotel metasearch auction, where travel partner CPC bids for rates and availability to be listed on Tripadvisor's site are submitted.

  Tripadvisor also offers subscription-based advertising to hotel partners, owners of B&Bs and other specialty lodging properties, enabling subscribers to advertise their businesses on Tripadvisor's websites, as well as manage and promote their website URL, email address, phone number, special offers and other information related to their business. Subscription-based advertising services are predominantly sold for a flat fee for a contracted period of time of one year or less. Tripadvisor also offers travel partners the opportunity to advertise and promote their business through hotel sponsored placements on its websites. This service is generally priced on a CPC basis, with payments from travel partners determined by the number of travelers who click on the sponsored link multiplied by the CPC rate for each specific click. CPC rates for hotel sponsored placements that Tripadvisor's travel partners pay are based on a pre-determined contractual rate.

In addition, transaction revenue is generated from Tripadvisor's hotel instant booking feature, which enables hotel shoppers to book directly with a travel partner, with the latter serving as the merchant of record for the transaction, without leaving Tripadvisor's website. Tripadvisor earns a commission from its travel partners for each traveler that completes a hotel reservation on its website based on a pre-determined contractual commission rate.

- ***Tripadvisor-branded Display and Platform Revenue.*** Tripadvisor offers travel partners the ability to promote their brands in a contextually-relevant manner through a variety of display-based advertising placements on its websites. Tripadvisor's display-based advertising clients are predominantly direct suppliers of hotels, air travel and cruises, as well as destination marketing organizations. Other display advertising partners include OTAs and other travel-related businesses, as well as advertisers from non-travel categories. Display-based advertising is sold predominantly on a cost per thousand impressions basis.

The Experiences & Dining segment includes revenue generated from the following sources:

- ***Experiences.*** Tripadvisor provides information and services that allow consumers to research and book activities and attractions in popular travel destinations both through Viator, its dedicated Experiences offering, and on its Tripadvisor website and mobile apps. Tripadvisor also powers travel activities and experiences booking capabilities to consumers on affiliate partner websites, including some of the world's top airlines, hotel chains, and online and offline travel agencies. Tripadvisor works with local tour or travel activities/experiences operators ("the supplier") to provide consumers the ability to book tours, activities and experiences ("the activity") in popular destinations worldwide. Tripadvisor generates commissions for each booking transaction it facilitates through its online reservation system. To a lesser extent, Tripadvisor earns commissions from affiliate partners, or third-party merchant partners who display and promote on Tripadvisor's websites the supplier activities available on its platform to generate bookings.

- ***Dining.*** Tripadvisor provides information and services for consumers to research and book restaurants in popular travel destinations through its dedicated restaurant reservations offering, TheFork, and on its Tripadvisor-branded websites and mobile apps. TheFork is an online restaurant booking platform operating on a number of websites (including www.thefork.com, www.lafourchette.com, www.eltenedor.com, www.restorando.com and www.bookatable.co.uk), with a network of restaurant partners located primarily across the United Kingdom (the "U.K."), Europe, Australia, and South America. Tripadvisor primarily generates transaction fees (or per seated diner fees) that are paid by restaurants for diners seated primarily from bookings through TheFork's online reservation system. To a lesser extent, Tripadvisor also generates subscription fees for subscription-based advertising to restaurants, access to certain online reservation management services, marketing analytic tools and menu syndication services provided by TheFork and Tripadvisor. In addition, Tripadvisor also offers restaurant partners the opportunity to advertise and promote their business through restaurant media advertising placements on its website. This service is generally priced on a CPC basis, with payments from restaurant partners determined by the number of users who click on the sponsored link multiplied by the CPC rate for each specific click. CPC rates for media advertising placements that restaurant partners pay are based on a pre-determined contractual rate.

Included in Corporate and other is Tripadvisor's Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China business units. Corporate and other includes revenue generated from the following sources:

- Tripadvisor's Rentals offering provides information and services that allow travelers to research and book vacation and short-term rental properties, including full homes, condominiums, villas, beach properties, cabins and cottages. Rentals generates revenue primarily by offering individual property owners and managers the ability to list their properties on Tripadvisor's websites and mobile apps thereby connecting with travelers through a free-to-list, commission-based option or, to a lesser extent, by an annual subscription-based fee structure. These properties are listed on www.flipkey.com, www.holidaylettings.co.uk, www.housetrip.com, www.niumba.com, www.vacationhomerentals.com, and on Tripadvisor-branded websites and mobile apps. In addition, Corporate and other also includes revenue generated from flights, cruise, and car offerings on Tripadvisor, as well as revenue from non-Tripadvisor-branded websites not otherwise described above, such as www.bookingbuddy.com, www.cruisecritic.com, www.onetime.com and www.smartertravel.com, and Tripadvisor China, which primarily includes click-based advertising and display-based advertising revenue.

For further information regarding segments, including a change in reportable segments during 2019, refer to note 14 in the accompanying consolidated financial statements.

Commercial Relationships

Tripadvisor has a number of commercial relationships that are important to the success of its business. Although these relationships are memorialized in agreements, many of these agreements are for limited terms or are terminable at will or on short notice. As a result, Tripadvisor seeks to ensure the mutual success of these relationships.

Tripadvisor has commercial relationships with a majority of the world's leading OTAs, as well as thousands of other travel partners pursuant to which these companies primarily purchase traveler leads from Tripadvisor, generally on a click-based advertising basis. For the years ended December 31, 2019, 2018 and 2017, Tripadvisor's two most significant travel partners were Expedia Group, Inc. ("Expedia") and Booking Holdings Inc. ("Booking Holdings"), which each accounted for more than 10% of Tripadvisor's consolidated revenue and together accounted for approximately 33%, 37% and 43%, respectively, of its consolidated revenue, with nearly all of this revenue concentrated in the Tripadvisor-branded Hotels revenue line within the Hotels, Media & Platform segment for these reporting periods.

Intellectual Property

Tripadvisor's intellectual property, including patents, trademarks, copyrights, domain names, trade dress, proprietary technology and trade secrets, is an important component of its business. Tripadvisor relies on its intellectual property rights in its content, proprietary technology, software code, ratings indexes, databases of reviews and forum content. Tripadvisor has acquired some of its intellectual property rights through licenses and content agreements with third parties and these agreements may place restrictions on its use of the intellectual property.

Tripadvisor protects its intellectual property by relying on its terms of use, confidentiality agreements and contractual provisions, as well as on international, national, federal, state and common law rights. Tripadvisor protects its brands by pursuing the trademark registration of its core brands, as appropriate, maintaining its trademark portfolio, securing contractual trademark rights protection when appropriate, and relying on common law trademark rights when appropriate. Tripadvisor also registers copyrights and domain names as deemed appropriate. Additionally, Tripadvisor protects its trademarks, domain names and copyrights with the use of intellectual property licenses and an enforcement program.

Tripadvisor has considered, and will continue to consider, the appropriateness of filing for patents to protect future inventions, as circumstances may warrant. However, many patents protect only specific inventions and there can be no assurance that others may not create new products or methods that achieve similar results without infringing upon patents owned by Tripadvisor.

In connection with Tripadvisor's copyrightable content, it posts and institutes procedures under the United States ("U.S.") Digital Millennium Copyright Act and similar "host privilege" statutes worldwide to gain immunity from copyright liability for photographs, text and other content loaded on its sites by users. However, differences between statutes, limitations on immunity, and moderation efforts in the many jurisdictions in which Tripadvisor operates may affect its ability to claim immunity.

From time to time, Tripadvisor may be subject to legal proceedings and claims in the ordinary course of its business, including claims of alleged infringement by Tripadvisor of the trademarks, copyrights, patents, and other intellectual property rights of third parties. In addition, litigation may be necessary in the future to enforce Tripadvisor's intellectual property rights, protect its trade secrets or determine the validity and scope of proprietary rights claimed by others. Any such litigation, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could materially harm Tripadvisor's business.

Seasonality

Consumers' travel expenditures follow a seasonal pattern. Correspondingly, travel partners' advertising investments, and therefore Tripadvisor's revenue and profits, also follow a seasonal pattern. Tripadvisor's financial performance tends to be seasonally highest in the second and third quarters of a given year, which includes the seasonal peak in consumer demand, traveler hotel and rental stays, and travel activities and experiences taken, compared to the first and fourth quarters, which represent seasonal low points. Significant shifts in Tripadvisor's business mix or adverse economic conditions could result in future seasonal patterns that are different from historical trends.

Terms of Investment in Tripadvisor

We own an approximate 23% equity interest and 58% voting interest in Tripadvisor as of December 31, 2019. Tripadvisor's amended and restated certificate of incorporation provides that the holders of Tripadvisor common stock, acting as a single class, are entitled to elect a number of directors equal to 25% of the total number of directors, rounded up to the next whole number, which is currently three directors. We consolidate Tripadvisor as we control a majority of the voting interest in Tripadvisor. We are subject to a Governance Agreement with Tripadvisor which provides us with certain director nomination, registration and other rights and imposes certain restrictions on our shares of Class B common stock.

Regulatory Matters

Tripadvisor is subject to a number of laws and regulations that affect companies conducting business on the Internet and relating to the travel industry, the vacation rental industry and the provision of travel services. As Tripadvisor continues to expand the reach of its brands into additional international markets, it is increasingly subject to additional laws and regulations. These include laws and regulations regarding, among other matters, consumer privacy, data protection, libel, rights of publicity, content, intellectual property, distribution, electronic contracts and other communications, consumer protection, taxation, online payment services, competition and protection of minors. These laws and regulations are constantly evolving and can be subject to significant change. Many of these laws and regulations are being tested in courts, and could be interpreted by regulators and courts in ways that could harm Tripadvisor's business. In addition, the application and interpretation of these laws and regulations is often uncertain, particularly in the new and rapidly-evolving industry in which Tripadvisor operates.

In addition, Tripadvisor provides advertising data and information and conducts marketing activities that are subject to consumer protection laws and regulations that regulate unfair and deceptive practices, domestically and internationally, including, in some countries, pricing display requirements, licensing and registration requirements and industry specific value-added tax regimes. The United States (as well as individual states), the European Union (the "E.U.") (as well as member states) and other countries have adopted laws and regulations that regulate certain aspects of the Internet, among other matters, including online editorial and user-generated content, data privacy, behavioral targeting and online advertising, taxation, and liability for third-party activities.

It is difficult to accurately predict how such legislation will be interpreted and applied or whether new taxes or regulations will be imposed on Tripadvisor's services, and whether or how Tripadvisor might be affected. Increased regulation of the Internet could increase the cost of doing business or otherwise materially adversely affect Tripadvisor's business, financial condition or operating results.

Tripadvisor is subject to laws that require protection of user privacy and user data. As business has evolved, Tripadvisor has begun to receive and store a greater volume of personally identifiable data. These data are increasingly subject to laws and regulations in numerous jurisdictions around the world. For example, the E.U. adopted the General Data Protection Regulation ("GDPR"), effective in May 2018, which requires companies, including Tripadvisor, to meet enhanced requirements regarding the handling of personal data. In addition, the State of California adopted the Consumer Privacy Protection Act which became effective January 1, 2020 and also enhances privacy rights and consumer protection for residents of California. In addition, similar laws have been adopted or are currently under discussion in other jurisdictions. The enactment, interpretation and application of these laws is still in a state of flux.

On June 23, 2016, the U.K. passed a referendum to exit the E.U., known as Brexit, and the U.K. ceased to be a member of the E.U. on January 31, 2020. The E.U. and U.K. will continue to work on the terms of the departure through a transition period ending December 31, 2020. Since the final terms of the U.K.'s exit from the E.U. remain uncertain, Tripadvisor is unable to predict the effect Brexit will have on its business and results of operations; however, Tripadvisor will likely face new regulatory costs and challenges if the U.K. regulations diverge from those of the E.U.

Marketing and Competition

Tripadvisor competes with other companies in rapidly evolving categories of the travel industry. In these areas, Tripadvisor competes for content, traffic, advertising dollars, and, more generally, to attract and retain users' attention, both in terms of reach and engagement. Since Tripadvisor's products and those of its competitors are typically free, Tripadvisor competes based on its brand, the quality and nature of its product offerings and its online travel search and price comparison services (or metasearch), rather than on price. As such, Tripadvisor invests heavily in constantly improving its user experience and expanding content, listings and bookable inventory.

Tripadvisor also invests to amplify its global brand and raise consumer awareness of, and engagement with, its end-to-end product offerings. Tripadvisor leverages a number of online and offline marketing channels, including online search engines (primarily Google), social media, email and brand advertising (primarily television advertising). The relative success of Tripadvisor's marketing strategy is more measurable on some of these channels than others, and can be influenced by changes that Tripadvisor, its travel partners, or its competitors make to their respective products and marketing strategies. During 2019, Tripadvisor's advertising expense was primarily driven by investments in online search engines, and to a lesser extent, investments in offline marketing channels, which was primarily television advertising. Tripadvisor intends to promote brand awareness through both online and offline advertising efforts. Tripadvisor competes globally with both online and offline, established and emerging, providers of travel, lodging, experiences and restaurant reservation and related services. The markets for the services Tripadvisor offers are intensely competitive, and current and new competitors can launch new services at a relatively low cost.

Tripadvisor also competes with different types of companies in the various markets and geographies where it operates, including large and small companies in the travel space as well as broader service providers. More specifically:

- Tripadvisor's Hotels, Media & Platform businesses compete, and in some cases partner, with the following businesses: OTAs (including Expedia, Booking Holdings, Trip.com Group Limited (formerly known as Ctrip.com International, Ltd) and their respective subsidiaries and operating companies; hotel metasearch providers (including Google, trivago (a subsidiary of Expedia), Kayak and HotelsCombined (subsidiaries of Booking Holdings)); large online search, social media, and marketplace platforms and companies (including Google, Facebook, Microsoft's Bing, Yahoo, Baidu, Alibaba and Amazon); traditional offline travel agencies; and global hotel chains seeking to promote direct bookings.
- Tripadvisor's Experiences & Dining business, Experiences, competes with online travel agencies, such as Airbnb, Booking Holdings, GetYourGuide and Klook; traditional travel agencies; online travel service providers; and wholesalers, among others. Tripadvisor's Dining businesses compete with other online restaurant reservation services, such as SeatMe (owned by Yelp) and OpenTable (a subsidiary of Booking Holdings).

Employees

Pursuant to a services agreement between Liberty Media and TripCo, 86 Liberty Media corporate employees provide certain management services to TripCo for a determined fee. As of December 31, 2019, Tripadvisor had approximately 4,194 employees. Of those employees, 45% were based in the United States. Tripadvisor believes it has good relationships with its employees, including relationships with employees represented by international works councils or other similar organizations.

Available Information

All of our filings with the SEC, including our Form 10-Ks, Form 10-Qs and Form 8-Ks, as well as amendments to such filings are available on our Internet website free of charge generally within 24 hours after we file such material with the SEC. Our website address is www.libertytripadvisorholdings.com.

Our corporate governance guidelines, code of business conduct and ethics, compensation committee charter, nominating and corporate governance committee charter, and audit committee charter are available on our website. In addition, we will provide a copy of any of these documents, free of charge, to any shareholder who calls or submits a request in writing to Investor Relations, Liberty TripAdvisor Holdings, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (877) 772-1518.

The information contained on our website is not incorporated by reference herein.

Item 1A. Risk Factors

The risks described below and elsewhere in this annual report are not the only ones that relate to our businesses or our capitalization. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events described below were to occur, our businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

Factors Relating to Our Corporate History and Structure

We are a holding company, and we could be unable in the future to obtain cash in amounts sufficient to service our financial obligations or meet our other commitments.

Our ability to meet our financial obligations and other contractual commitments, including to make debt service payments under the Margin Loan Agreement (as defined below) and any other credit facilities that we may obtain in the future, depends upon our ability to access cash. We are a holding company, and our sources of cash include our available cash balances, any dividends and interest we may receive from our investments and proceeds from any asset sales we may undertake in the future. We currently have no plans with respect to any asset sales. The ability of Tripadvisor to pay dividends or to make other payments or advances to us depends on its operating results and any statutory, regulatory or contractual restrictions to which it may be or may become subject.

We do not have access to the cash that Tripadvisor generates from its operating activities.

Tripadvisor generated $424 million, $405 million and $238 million of cash from its operations during the years ended December 31, 2019, 2018 and 2017, respectively. Tripadvisor uses the cash it generates from its operations to fund its investing activities and to service its debt and other financing obligations. We do not have access to the cash that Tripadvisor generates unless Tripadvisor declares a dividend on its capital stock payable in cash, repurchases any or all of its outstanding shares of capital stock for cash or otherwise distributes or makes payments to its stockholders, including us. Other than the special dividend paid in December 2019, Tripadvisor has not historically paid any dividends on its capital stock or, with limited exceptions, otherwise distributed cash to its stockholders and instead has used all of its available cash in the expansion of its business and to service its debt obligations. Covenants in Tripadvisor's existing debt instruments also restrict the payment of dividends and cash distributions to stockholders. We expect that Tripadvisor will continue to apply its available cash to the expansion of its business.

Our company may have future capital needs and may not be able to obtain additional financing, or refinance our existing indebtedness, on acceptable terms.

We had outstanding borrowings of $355 million (the "Margin Loan") at December 31, 2019, including paid in kind interest, under a margin loan agreement (the "Margin Loan Agreement") entered into by our bankruptcy remote wholly-owned subsidiary ("TripSPV"). Borrowings under the Margin Loan Agreement are guaranteed solely by our company and secured by our ownership interest in Tripadvisor. The Margin Loan matures in November 2022, and if we decide to refinance the Margin Loan, we may not be able to do so on acceptable terms. All of our equity interests in Tripadvisor are and will be held through TripSPV. Because our primary asset consists of our equity interests in Tripadvisor and the Margin Loan Agreement prohibits, with limited exceptions, the incurrence of additional indebtedness by TripSPV, our company is very limited in its ability to incur additional financing and our cash reserves may be insufficient to satisfy our financial obligations. In addition, the Margin Loan Agreement provides that, among other triggering events, if at any time the closing price per share of Tripadvisor common stock falls below certain minimum values, a partial repayment of the Margin Loan to a certain specified amount will be due and payable with respect to each such circumstance, together with accrued and unpaid interest. If the company or TripSPV is unable to pay such amounts, the lenders may foreclose on the pledged stock of Tripadvisor that TripSPV holds and any other collateral that then secures TripSPV's obligations under the Margin Loan Agreement, which would materially adversely affect our asset composition and financial condition as well as our access to capital on a going forward basis.

In addition, the availability of capital for our company will be subject to prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, all of which are beyond the control of our company. In light of periodic uncertainty in the capital and credit markets, there can be no assurance that sufficient financing will be available on desirable terms, if at all, to fund investments, acquisitions, stock repurchases, dividends, debt refinancing or extraordinary actions or that counterparties in any such financings would honor their contractual commitments. If financing is not available when needed or is not available on favorable terms, our company may be unable to complete acquisitions, repurchase equity or otherwise take advantage of business opportunities, any of which could have a material adverse effect on the business, financial condition and results of operations of our company. If we raise additional funds through the issuance of equity securities, our stockholders may experience significant dilution.

Our company has significant indebtedness, which could adversely affect our business and financial condition.

As discussed above, we entered into the Margin Loan Agreement as the guarantor with TripSPV as the borrower, pursuant to which TripSPV had outstanding borrowings of $355 million at December 31, 2019, including paid in kind interest. As a result of this significant indebtedness, our company may:

- Experience increased vulnerability to general adverse economic and industry conditions;
- Be required to dedicate a substantial portion of its available cash to make payments on its indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, strategic acquisitions and investments and other general corporate purposes (and we further note that, in the case of our company, we have a limited amount of cash and do not have access to the cash of Tripadvisor as a result of the significant non-controlling interest in Tripadvisor);
- Be handicapped in its ability to optimally capitalize and manage the cash flow for its businesses;
- Be limited in its flexibility in planning for, or reacting to, changes in its businesses and the markets in which it operates;
- Possibly be placed at a competitive disadvantage compared to its competitors that have less debt;
- Be exposed to the risk of increased interest rates with respect to any variable rate portion of its indebtedness; and
- Be limited in its ability to borrow additional funds or to borrow funds at rates or on other terms that it finds acceptable.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. However, there is no assurance that additional financing will be available to our company on terms favorable to us, if at all. If new debt is added to the current debt levels, the risks described above could intensify. In addition, TripSPV is prohibited from incurring additional indebtedness under the Margin Loan Agreement, and we expect our company to have limited capacity to incur indebtedness outside of TripSPV.

Although Tripadvisor has substantial cash flow from operations, we have limited sources of cash and liquidity. Our cash balance is expected to enable us to fund our parent level operating expenses and debt service obligations for the foreseeable future; however, we cannot assure you that we will not experience unexpected expenses or that we will have sufficient liquidity to fund our operations and service our direct debt obligations during the foreseeable future. For additional information about our company's ability to potentially service our direct debt obligations, see "*We are a holding company, and we could be unable in the future to obtain cash in amounts sufficient to service our financial obligations or meet our other commitments."* and *"We do not have access to the cash that Tripadvisor generates from its operating activities."* above.

The Margin Loan Agreement contains various covenants that will restrict the activities of TripSPV and could trigger an early repayment obligation.

As discussed above, we entered into the Margin Loan Agreement as the guarantor with TripSPV as the borrower, pursuant to which we had outstanding borrowings of $355 million, including paid in kind interest at December 31, 2019. The Margin Loan Agreement contains various covenants, including those that limit our ability to, among other things:

- Incur indebtedness by TripSPV;
- Enter into financing arrangements with respect to the stock of Tripadvisor; and
- Cause TripSPV to enter into unrelated businesses or otherwise conduct business other than owning common stock or other shares of Tripadvisor.

In addition, as discussed above, the Margin Loan Agreement provides that, among other triggering events, if at any time the closing price per share of Tripadvisor common stock falls below certain minimum values, a partial repayment of the Margin Loan to certain specified amounts will be due and payable with respect to each such circumstance, together with accrued and unpaid interest, and if the company or TripSPV is unable to pay such amounts, the lenders may foreclose on the pledged stock of Tripadvisor that TripSPV holds and any other collateral that then secures TripSPV's obligations under the Margin Loan Agreement, which would materially adversely affect our asset composition and financial condition.

Any failure to comply with the restrictions of the Margin Loan Agreement may result in an event of default under the agreement governing such facility. Such default may allow the applicable creditors to accelerate the debt incurred thereunder. For additional information regarding the potential impact of the restrictions in this debt arrangement, see "*Our company may have future capital needs and may not be able to obtain additional financing, or refinance our existing indebtedness, on acceptable terms*."

Our company has overlapping directors and officers with Qurate Retail, Liberty Media, LBC and GCI Liberty, which may lead to conflicting interests.

As a result of the TripCo Spin-Off and other transactions between 2011 and 2018 that resulted in the separate corporate existence of Qurate Retail, Liberty Media, LBC and GCI Liberty, most of our executive officers also serve as executive officers of Qurate Retail, Liberty Media, LBC and GCI Liberty and there are overlapping directors. Other than GCI Liberty's current ownership of shares of LBC's non-voting Series C common stock, none of the foregoing companies has any ownership interest in any of the others. Our executive officers and members of our company's board of directors have fiduciary duties to our stockholders. Likewise, any such persons who serve in similar capacities at Qurate Retail, Liberty Media, LBC, GCI Liberty or any other public company have fiduciary duties to that company's stockholders. For example, there may be the potential for a conflict of interest when our company, Qurate Retail, Liberty Media, LBC or GCI Liberty looks at acquisitions and other corporate opportunities that may be suitable for each of them. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting more than one of the companies to which they owe fiduciary duties. Moreover, many of our company's directors and officers own Qurate Retail, Liberty Media, LBC and/or GCI Liberty stock and equity awards. These ownership interests could create, or appear to create, potential conflicts of interest when the applicable individuals are faced with decisions that could have different implications for our company, Qurate Retail, Liberty Media, LBC and GCI Liberty. Each of our company, LBC and GCI Liberty has renounced its rights to certain business opportunities and their respective restated certificate of incorporation provides that no director or officer of the respective company will breach their fiduciary duty and therefore be liable to the respective company or its stockholders by reason of the fact that any such individual directs a corporate opportunity to another person or entity (including Qurate Retail, Liberty Media, LBC, GCI Liberty and TripCo, as the case may be) instead of the respective company, or does not refer or communicate information regarding such corporate opportunity to the respective company, unless (x) such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of the respective company or as a director or officer of any of the respective company's subsidiaries, and (y) such opportunity relates to a line of business in which the respective company or any of its subsidiaries is then directly engaged. In addition, any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K) is subject to review by an independent committee of the applicable issuer's board of directors in accordance with its corporate governance guidelines. Any other potential conflicts that arise will be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each issuer. From time to time, we may enter into transactions with Qurate Retail, Liberty Media, LBC, GCI Liberty and/or their subsidiaries or other affiliates. There can be no assurance that the terms of any such transactions will be as favorable to our company, Qurate Retail, Liberty Media, LBC, GCI Liberty or any of their respective subsidiaries or affiliates as would be the case where there is no overlapping officer or director.

Certain of our inter-company agreements were negotiated while we were a subsidiary of Qurate Retail.

We entered into a number of inter-company agreements covering matters such as tax sharing and our responsibility for certain liabilities previously undertaken by Qurate Retail for certain of our businesses. In addition, we entered into a services agreement with Liberty Media pursuant to which it provides to us certain management, administrative, financial, treasury, accounting, tax, legal and other services, for which we pay Liberty Media a services fee, and pursuant to a recent amendment to the services agreement, components of our President and Chief Executive Officer's compensation will either be paid directly to him by our company or reimbursed to Liberty Media, in each case, based on the allocation set forth in the amendment. The terms of all of these agreements (other than the amendment to the services agreement relating to Mr. Maffei's compensation) were established while we were a wholly owned subsidiary of Qurate Retail, and hence may not be the result of arms' length negotiations. Although we believe that the negotiations with Liberty Media were at arms' length, the persons negotiating on behalf of Liberty Media also serve as officers of Qurate Retail, as described above. We believe that the terms of these inter-company agreements are commercially reasonable and fair to all parties under the circumstances; however, conflicts could arise in the interpretation or any extension or renegotiation of the foregoing agreements.

Goodwill and other identifiable intangible assets, specifically trademarks, represent a significant portion of our total assets, and we may never realize the full value of our intangible assets.

As of December 31, 2019, we had intangible assets not subject to amortization, which consisted of goodwill and trademarks, of approximately $3,507 million, which represented approximately 74% of total assets as of December 31, 2019. These intangible assets were recorded in connection with our acquisition of a controlling interest in Tripadvisor in 2012 and subsequent acquisitions by Tripadvisor. We perform our annual assessment of the recoverability of our goodwill and other non-amortizable intangible assets during the fourth quarter, or more frequently if events and circumstances indicate impairment may have occurred. Impairments may result from, among other things, deterioration in financial and operational performance, declines in stock price, increased attrition, adverse market conditions, adverse changes in applicable laws and/or regulations, deterioration of general macroeconomic conditions, fluctuations in foreign exchange rates, increased competitive markets in which Tripadvisor operates in, declining financial performance over a sustained period, changes in key personnel and/or strategy, and a variety of other factors.

Due to deteriorations in revenue, impairment losses of $288 million and $527 million were recorded during the years ended December 31, 2019 and December 31, 2017, respectively, related to trademarks. The trademarks were related to the hotels, media & platform reporting unit in 2019 and the legacy hotels reporting unit in 2017, which is now included in the hotels, media & platform reporting unit. Due to certain marketplace factors impacting Tripadvisor's operating results, which led to a decline in Tripadvisor's stock price, an impairment loss of $1,271 million was recorded during the year ended December 31, 2017 related to goodwill, related to the legacy hotels reporting unit, which is now included in the hotels, media & platform reporting unit TripCo will continue to monitor Tripadvisor's financial performance, stock price and other events and circumstances that may negatively impact the estimated fair values to determine if an additional impairment assessment is necessary.

The amount of any quantified impairment must be expensed immediately as a charge to results of operations. Any impairment charge relating to goodwill or other intangible assets would have the effect of decreasing our earnings or increasing our losses in such period. At least annually, or as circumstances arise that may trigger an assessment, we will test our goodwill for impairment. There can be no assurance that our future evaluations of goodwill will not result in our recognition of impairment charges, which may have a material adverse effect on our financial statements and results of operations.

Factors Relating to Tripadvisor

If Tripadvisor is unable to continue to attract a significant amount of visitors to its websites and mobile apps and to cost-effectively convert these visitors into revenue-generating users, and to continue to engage its users, its revenue, financial results and business could be harmed.

Tripadvisor's long-term success depends on its continued ability to attract a significant number of visitors to its platforms in a cost effective manner, to convert those visitors into consumers and to then to continue to engage those consumers throughout the travel planning, booking and trip-taking phases. Tripadvisor's traffic and user engagement could be adversely affected by a number of factors, including but not limited to increased competition; inability to provide quality content, inventory or supply to its consumers; declines or inefficiencies in traffic acquisition; reduced awareness of Tripadvisor's brands; and macroeconomic conditions. Certain of Tripadvisor's competitors have advertising campaigns expressly designed to drive traffic directly to their websites, and these campaigns may negatively impact traffic to Tripadvisor's site. Tripadvisor's traffic growth could decline over time and its success could become increasingly dependent on Tripadvisor's ability to increase levels of user engagement on its platform. There can be no assurances that Tripadvisor will continue to provide content and products in a manner that meets rapidly changing demand. Any failure to obtain and manage content and products in a cost-effective manner that will engage users, or any failure to provide content and products that are perceived as useful, reliable and trustworthy, could adversely affect user experiences and their repeat behavior, reduce traffic to its websites and negatively impact its business and financial performance.

Tripadvisor relies on Internet search engines and application marketplaces to drive traffic to its platform, certain providers of which offer products and services that compete directly with its products. If links to its websites and apps are not displayed prominently, traffic to Tripadvisor's platform could decline and its business would be negatively affected.

Tripadvisor relies heavily on Internet search engines to generate a significant amount of traffic to its websites, principally through search engine marketing, or SEM (i.e., the purchase of travel-related keywords) as well as through search engine optimization, or SEO (i.e., free, or organic, search). The number of consumers Tripadvisor attracts from search engines to its platform is due in large part to how and where information from, and links to, Tripadvisor's websites are displayed on search engine results pages, or SERPs. The display, including rankings, of search results can be affected by a number of factors, many of which are not in Tripadvisor's control and may change frequently. Search engines frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to Tripadvisor's websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing Tripadvisor's websites to place lower in search query results. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking of Tripadvisor's websites or those of its travel partners, or if competitive dynamics impact the cost or effectiveness of SEO or SEM in a negative manner, Tripadvisor's business and financial performance would be adversely affected. Furthermore, Tripadvisor's failure to successfully manage its SEO and SEM strategies and/or other traffic acquisition strategies could result in a substantial decrease in traffic to its websites, as well as increased costs to the extent Tripadvisor replaces free traffic with paid traffic.

In some instances, search and metasearch companies and application marketplaces may change their displays or rankings in order to promote their own competing products or services or the products or services of one or more of Tripadvisor's competitors. For example, Google, a significant source of traffic to Tripadvisor's website accounting for a substantial portion of the visits to its websites, frequently promotes its own competing products in its web search results, which has negatively impacted placement of references to Tripadvisor's company and its website on the SERP. Google's promotion of its own competing products, or similar actions by Google in the future that have the effect of reducing Tripadvisor's prominence or ranking on its search results, could have a substantial negative effect on its business and results of operations.

Tripadvisor also relies on application marketplaces, or app stores such as Apple's App Store and Google's Play, to drive downloads of its applications. In the future, Apple, Google or other marketplace operators may make changes to their marketplaces that make access to Tripadvisor's products more difficult. For example, Google has entered various aspects of the online travel market, including by establishing a flight metasearch product and a hotel metasearch product, as well as reservation functionality. Tripadvisor's applications may receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order in which they appear within marketplaces. Similarly, if problems arise in Tripadvisor's relationships with providers of application marketplaces, traffic to its site and its user growth could be harmed.

Tripadvisor derives a substantial portion of its revenue from advertising and any significant reduction in spending by advertisers or redirections of advertising spend could harm its business. In addition, Tripadvisor relies on a relatively small number of significant advertising partners and any reduction in spending by or loss of these partners could seriously harm its business.

Tripadvisor derives a substantial portion of its revenue from the sale of advertising, primarily through click-based advertising and, to a lesser extent, display-based and subscription-based advertising. Tripadvisor enters into advertising contracts with its advertising partners; however, the agreement terms are generally limited to legal matters, with campaign details and economics governed by insertion orders, and most of these contracts can be terminated by its partners at will or on short notice. Tripadvisor's ability to grow advertising revenue with its existing or new advertising partners is dependent in large part on its ability to generate revenue for them relative to other alternatives. Advertisers will not continue to do business with Tripadvisor if their investment in such advertising does not generate sales leads, customers, bookings, or revenue and profit on a cost-effective basis. Tripadvisor's ability to provide value to its advertising partners depends on a number of factors, including effectiveness of online advertising, competitiveness of its products, traffic quality, perception of its platform, availability and accuracy of analytics and measurement solutions to demonstrate its value, and macroeconomic conditions, whether in the advertising industry generally, among specific types of marketers or within particular geographies. Tripadvisor cannot guarantee that its current advertisers will fulfill their obligations under existing contracts, continue to advertise beyond the terms of existing contracts or enter into any additional contracts with it.

In addition, advertising revenue could be impacted by a number of other factors, including, but not limited to, the following:

- Tripadvisor's inability to increase or maintain user engagement;
- Tripadvisor's inability to increase or maintain the quantity and quality of ads shown to consumers, including as a result of technical infrastructure constraints;
- The development of technologies that can block the display of Tripadvisor's ads or block its ad measurement tools, particularly for advertising displayed on tablets and/or on mobile platforms;
- The effectiveness of Tripadvisor's ad targeting or degree to which consumers opt out of certain types of ad targeting;
- Adverse government actions or legal developments relating to advertising, including legislative and regulatory developments and developments in litigation that limit Tripadvisor's ability to deliver or target advertising; and
- The impact of macroeconomic conditions, whether in the advertising industry in general or among special types of marketers or within particular geographies.

The occurrence of any of these or other factors could result in a reduction in demand for Tripadvisor's ads, which may reduce the prices it receives for ads, or cause marketers to stop advertising with Tripadvisor altogether, either of which would negatively affect Tripadvisor's revenue and financial results.

Click-based advertising revenue accounts for the majority of Tripadvisor's advertising revenue. Tripadvisor's CPC pricing for click-based advertising depends, in part, on competition between advertisers. If its large advertisers become less competitive with each other, merge with each other or with its competitors, focus more on per-click profit than on traffic volume, or are able to reduce CPCs, this could have an adverse impact on Tripadvisor's click-based advertising revenue which would, in turn, have an adverse effect on its business, financial condition and results of operations.

Tripadvisor derives a substantial portion of its revenue from a relatively small number of advertising partners and relies significantly on these relationships. For example, for the year ended December 31, 2019, Tripadvisor's two most significant advertising partners, Expedia and Booking Holdings, accounted for a combined 33% of total revenue. While Tripadvisor enters into master advertising contracts with its partners, as discussed above, most of these contracts can be terminated by its partners at will or on short notice. If any of its significant advertisers were to cease or significantly curtail advertising on Tripadvisor's websites, Tripadvisor could experience a rapid decline in its revenue over a relatively short period of time which would have a material impact on its business.

Tripadvisor's business depends on a strong brand and any failure to maintain, protect and enhance its brand could hurt its ability to retain and expand its base of consumers and partners, as well as increase the frequency with which consumers utilize its products and services.

Tripadvisor believes that the strength of its brands (particularly the Tripadvisor brand) has contributed significantly to its success. Tripadvisor also believes that maintaining, protecting and enhancing its brands is critical to expanding its base of consumers, increasing the frequency with which consumers utilize its solutions and attracting advertisers and business partners. Tripadvisor's ability to maintain and protect its brand depends, in part, on its ability to maintain consumer trust in its products and in the quality, integrity, reliability of usefulness of the content and other information found on its platform. For example, if consumers do not view Tripadvisor's reviews to be useful and reliable, they may seek other sources to obtain the information they are looking for and may not return to Tripadvisor's platform as often in the future, or at all. This would negatively impact Tripadvisor's ability to attract and retain consumers and partners and the frequency with which they use its platform.

Tripadvisor dedicates significant resources to these goals, primarily through its computer algorithms and teams of moderators that are focused on identifying inappropriate, unreliable or deceptive content. Tripadvisor removes those types of content from its website and, in certain cases, takes legal action against individuals or businesses that it believes have engaged in deceptive practices.

Media, legislative or regulatory scrutiny of Tripadvisor's decisions regarding user privacy, content, advertising, and other issues may adversely affect its reputation and brands. Negative publicity about Tripadvisor, including its content, technology, business practices or strategic plans, could diminish Tripadvisor's reputation and confidence in Tripadvisor's brand, thereby negatively affecting the use of its products and potentially even Tripadvisor's share price. For example, certain media outlets have alleged that Tripadvisor has improperly filtered or screened reviews, that it has not properly verified reviews, or that Tripadvisor manipulates reviews, ranking and ratings in favor of its advertisers against non-advertisers. Tripadvisor expends significant resources to ensure the integrity of its reviews and to ensure that the most relevant reviews are available to its consumers; Tripadvisor does not establish rankings and ratings in favor of its advertisers. Nevertheless, Tripadvisor's reputation and brand, the traffic to its platform, its business and potentially even Tripadvisor's share price may suffer from negative publicity about Tripadvisor or if consumers otherwise perceive that its content is manipulated or biased. In addition, regulatory inquiries or investigations require management time and attention and could result in further negative publicity, regardless of their merits or ultimate outcomes.

In addition, unfavorable publicity regarding, for example, Tripadvisor's practices relating to privacy and data protection, product changes, competitive pressures, litigation or regulatory activity could adversely affect Tripadvisor's reputation with its consumers and its partners. Such negative publicity also could have an adverse effect on the size, engagement, and loyalty of its user base and result in decreased revenue.

Tripadvisor continues to invest significant time and effort towards educating users about its brand and its product offerings and there can be no assurances that these efforts will continue to be successful.

In an effort to enhance its brand, Tripadvisor invests significantly in brand marketing, including, but not limited to, television advertising. Tripadvisor expects these investments to continue, and potentially even increase, as a result of a variety of factors, including relatively high levels of advertising spending by competitors, the increasing costs of supporting multiple brands, expansion into new geographies, product positioning where Tripadvisor's brands are less well known and the continued emergence and relative traffic share growth of search engines as destination sites for travelers. Tripadvisor expects to continue its television advertising campaign and to adjust its marketing efforts and spend among the different marketing channels, in each case as Tripadvisor thinks appropriate based on the relative growth opportunity, the expected returns and the competitive environment in the different businesses in which Tripadvisor operates.

Such efforts may not maintain or enhance consumer awareness of Tripadvisor's brands and, even if Tripadvisor is successful in its branding efforts, such efforts may not be cost-effective or as efficient as they have been historically. If Tripadvisor is unable to maintain or enhance consumer awareness of its brands or to generate demand in a cost-effective manner, it would have a material adverse effect on Tripadvisor's business and financial performance. In addition, there are no assurances that these actions will have a positive impact on Tripadvisor's marketing efficiencies or operating margins or when the financial benefit expected to result from these efforts will exceed the costs of such efforts. Furthermore, some of Tripadvisor's current and potential competitors have access to significantly greater and more diverse resources than Tripadvisor does, and they may also be able to leverage other aspects of their businesses to enable them to compete more effectively with Tripadvisor.

Consumer adoption and use of mobile devices creates new challenges. If Tripadvisor is unable to operate effectively on these platforms or its products for such devices are not compelling, its business may be adversely affected.

Widespread adoption of mobile devices, such as the iPhone, Android-enabled smartphones and tablets, such as the iPad, coupled with web browsing functionality and development of thousands of useful apps available on these devices, is driving substantial online traffic and commerce to mobile platforms. Tripadvisor has experienced a significant shift of business to mobile platforms and its advertising partners are also experiencing a rapid shift of traffic to mobile platforms. Tripadvisor anticipates that the rate of use of these devices will continue to grow. The functionality and user experience associated with these alternative devices, such as a smaller screen size or lack of a screen, may make the use of Tripadvisor's platform through such devices more difficult. Tripadvisor's websites and apps, when utilized on mobile phone devices, monetize at a significantly lower rate than desktops and advertising opportunities are more limited on these mobile devices. Additionally, consumer purchasing patterns differ on alternative devices. For example, accommodation reservations made on a mobile device typically are for shorter lengths of stay and are not made as far in advance. Mobile consumers may also be unwilling to download multiple apps from multiple companies providing similar services or contribute high quality content through such devices. As a result, the consumer experience with mobile apps and brand recognition are likely to become increasingly important. Tripadvisor expects that the ways in which consumers engage with its platform will continue to change over time as consumers increasingly engage via alternative devices.

It is increasingly important for Tripadvisor to develop and maintain effective platforms to drive adoption and user engagement by providing consumers with an appealing, easy-to-use experience. As new devices and platforms are continually being released, it is difficult to predict the problems Tripadvisor may encounter in adapting its products and services to them – and developing competitive new products and services - and Tripadvisor may need to devote significant resources to the creation, support and maintenance of such products. If Tripadvisor is unable to continue to rapidly innovate and create new, user-friendly and differentiated offerings and efficiently and effectively advertise and distribute on these platforms, or if Tripadvisor's offerings are not used by consumers, Tripadvisor could lose market share and its business, future growth and results of operations could be adversely affected.

Tripadvisor's success will also depend on the interoperability of its products with a range of technologies, systems, networks and standards or in creating, maintaining and developing relationships with key participants in related industries, some of which may be Tripadvisor's competitors. For example, Google's Android and Apple's iPhone are the leading smartphones in the world; therefore, Tripadvisor's products need to synergistically function on their respective operating systems in order to create a positive user experience on a mobile device. However, Google could leverage its Android operating system to give its travel services a competitive advantage, either technically or with prominence on its Google Play app store or within its mobile search results. Similarly, Apple obtained a patent for "iTravel," a mobile app that would allow a traveler to check in for a travel reservation. In addition, Apple's iPhone operating system includes "Wallet," a virtual wallet app that holds tickets, boarding passes, coupons and gift cards, and, along with iTravel, may be indicative of Apple's intent to enter the travel reservations business in some capacity. Apple has substantial market share in the smartphone category and controls integration of offerings, including travel services, into its mobile operating system. Apple also has more experience producing and developing mobile apps and has access to greater resources than Tripadvisor does. Apple may use or expand iTravel, Wallet, Siri (Apple's voice recognition "concierge" service), Apple Pay (Apple's mobile payment system) or another mobile app or functionality as a means of entering the travel reservations marketplace. To the extent Google or Apple use their mobile operating systems, app distribution channels or, in the case of Google, search services, to favor their own travel service offerings, there may be an adverse effect on Tripadvisor's ability to compete in the mobile space. Tripadvisor may not be successful in developing products that operate effectively with these technologies, systems, networks and standards or in creating, maintaining and developing relationships with key participants in related industries. If Tripadvisor experiences difficulties or increased costs in integrating its products into alternative devices, or if manufacturers elect not to include its products in their devices, make changes that degrade the functionality of its products, give preferential treatment to competitive products or prevent Tripadvisor from delivering advertising, Tripadvisor's user growth and results of operations may be harmed. This risk may be exacerbated by the frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support Tripadvisor's platform or do not install its products when they change or upgrade their devices, Tripadvisor's traffic and user engagement may be harmed.

In addition, the market for advertising products on mobile and other devices is rapidly evolving. As new devices and platforms are released, consumers may begin consuming content in a manner that is more difficult to monetize. Similarly, as advertising products for mobile and other platforms develop, demand may increase for products that Tripadvisor does not offer or that may alienate its user base, which it must balance against its commitment to prioritizing the quality of user experience over short-term monetization. If Tripadvisor is not able to balance these competing considerations successfully to develop compelling advertising products, advertisers may stop or reduce their advertising with Tripadvisor and Tripadvisor may not be able to generate meaningful revenue from alternative devices despite the expected growth in their usage.

Declines or disruptions in the economy in general and the travel industry, in particular, could adversely affect Tripadvisor's businesses and financial performance.

Tripadvisor's businesses and financial performance are affected by the health of the global economy generally as well as the travel industry and leisure travel in particular. Sales of travel services tend to decline or grow more slowly during economic downturns and recessions when consumers engage in less discretionary spending, are concerned about unemployment or economic weakness, have reduced access to credit or experience other concerns that reduce their ability or willingness to travel. The global economy may be adversely impacted by unforeseen events beyond Tripadvisor's control, including incidents of actual or threatened terrorism, regional hostilities or instability, unusual weather patterns, natural disasters, political instability and health concerns (including epidemics or pandemics), defaults on government debt, significant increases in fuel and energy costs, tax increases and other matters that could reduce discretionary spending, tightening of credit markets and declines in consumer confidence. Decreased travel spending could reduce the demand for Tripadvisor's services and have a negative impact on its business and financial performance.

In addition, the uncertainty of macro-economic factors and their impact on consumer behavior, which may differ across regions, makes it more difficult to forecast industry and consumer trends and the timing and degree of their impact on Tripadvisor's markets and business, which in turn could adversely affect Tripadvisor's ability to effectively manage its business and its results of operations.

For example, since the United Kingdom (the "U.K.") initiated the process to exit the European Union (the "E.U."), known as Brexit, global markets and foreign exchange rates have experienced increased volatility, including a decline in the value of the British pound as compared to the U.S. Dollar. Tripadvisor has significant operations in both the U.K. and the E.U. Tripadvisor's operations and those of its merchants are highly integrated across the U.K. and the E.U. and are highly dependent on the free flow of labor and goods in those regions. Although the U.K. ceased to be a member of the E.U. on January 31, 2020, the U.K. and E.U. will continue to work on the terms of the departure through a transition period ending December 31, 2020. As a result, there remains significant uncertainty about the future relationship between the U.K. and the E.U. The ongoing uncertainty and potential outcomes could negatively impact Tripadvisor's merchant and customer relationships and financial performance. In addition, uncertainty could continue to adversely affect consumer confidence and spending in the U.K. Tripadvisor could face new regulatory costs and challenges when the final terms of the governing relationships and final U.K. regulations are determined. Since the final terms of that exit and the U.K. regulatory environment are uncertain, Tripadvisor is unable to predict the effect Brexit will have on its business and results of operations.

As another example, Tripadvisor's financial results may be negatively impacted by the 2019 Novel Coronavirus outbreak. The extent and duration of such impacts remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the coronavirus, the extent and effectiveness of containment actions taken and the impact of these and other factors on travel behavior.

Tripadvisor operates in an increasingly competitive global environment and its failure to compete effectively could reduce its market share and harm its financial performance.

Tripadvisor competes in a rapidly evolving and competitive industry. It faces competition for content, consumers, advertisers, online travel search and price comparison services, or what is known in the industry as metasearch, and online reservations. Tripadvisor competes globally with both online and offline, established and emerging, providers of travel, lodging, experiences and restaurant reservation and related services. The markets for the services Tripadvisor offers are intensely competitive, and current and new competitors can launch new services at a relatively low cost.

Tripadvisor also competes with different types of companies in the various markets and geographies where it operates, including large and small companies in the travel space as well as broader service providers. More specifically:

- Tripadvisor's Hotels, Media & Platform segment faces competition, and in some cases partners with, the following businesses: OTAs (including Expedia and Booking Holdings and many of their respective subsidiaries and operating companies); hotel metasearch providers (including trivago, Kayak and HotelsCombined, subsidiaries of Booking Holdings and Trip.com Group Limited, formerly known as Ctrip.com International, Ltd.); large online search, social media, and marketplace platform and companies (including Google, FaceBook, Microsoft's Bing, Yahoo, Baidu, Alibaba, and Amazon); and traditional offline travel agencies, and global hotel chains seeking to promote direct bookings.

- Tripadvisor also faces competition from different companies in each of the Experiences & Dining segment businesses. Experiences competes with online travel agencies, such as Airbnb, Booking Holdings, GetYourGuide and Klook; traditional travel agencies; online travel service providers; and wholesalers, among others. Dining competes with other online restaurant reservation services, such as SeatMe (owned by Yelp) and OpenTable (a subsidiary of Booking Holdings).

There has been a proliferation of new channels through which providers can offer accommodations, experiences and restaurant reservations. Metasearch services may lower the cost for new companies to enter the market by providing a distribution channel without the cost of promoting the new entrant's brand to drive consumers directly to its website. Some of Tripadvisor's competitors and potential competitors offer a variety of online services, many of which are used by competitors more frequently than online travel services. In addition, in some cases, Tripadvisor's competitors are willing to make little or no profit on a transaction, or offer travel services at a loss, in order to gain market share. Many of Tripadvisor's competitors (such as Google, Booking Holdings and Trip.com Group Limited) have significantly greater financial, technical, marketing and other resources than Tripadvisor and have more expertise in developing online commerce and facilitating Internet traffic as well as large client bases. They also have the ability to leverage other aspects of their business to enable them to compete more effectively against Tripadvisor. For example, Google has entered various aspects of the online travel market, including by establishing a flight metasearch product ("Google Flights") and a hotel metasearch product ("Google Hotel Ads") that are growing rapidly, as well as its "Book on Google" reservation functionality and its Google Trips app.

In addition, Google and other large, established companies with substantial resources and expertise in developing online commerce and facilitating Internet traffic have launched travel or travel-related search, metasearch and/or reservation booking services and may create additional inroads into online travel. Google's travel metasearch services, Google Hotel Ads and Google Flights, are growing rapidly and have achieved significant market share in a relatively short time. In addition, many of Tripadvisor's competitors, including online search companies, continue to expand their voice and artificial intelligence capabilities, which may provide them with a competitive advantage in travel. Tripadvisor cannot provide assurance that it will be able to compete successfully against its current, emerging and future competitors or on platforms that may emerge, or provide differentiated products and services to its traveler base.

Tripadvisor competes with certain companies that Tripadvisor also does business with, including some of its click-based advertising travel partners. The consolidation of Tripadvisor's competitors and travel partners, including Expedia (through its acquisitions of Orbitz, Travelocity, and HomeAway) and Booking Holdings (through its acquisitions of KAYAK and OpenTable), may affect Tripadvisor's relative competitiveness and its travel partner relationships. Competition and consolidation could result in higher traffic acquisition costs, reduced margins on Tripadvisor's advertising services, loss of market share, reduced customer traffic to its websites and reduced advertising by travel companies on its websites.

As the industry shifts towards online travel services and the technology supporting it continues to evolve, including platforms such as mobile phone and tablet computing devices, competition is likely to intensify. Competition in Tripadvisor's industry may result in pricing pressure, loss of market share or decreased user engagement, any of which could adversely affect its business and financial performance.

Tripadvisor relies on information technology to operate its business and remain competitive, and any failure to adapt to technological developments or industry trends could harm its businesses.

Tripadvisor depends on the use of sophisticated information technologies and systems for website and mobile apps, supplier connectivity, communications, reservations, payment processing, procurement, customer service and fraud prevention. Tripadvisor's future success depends on its ability to continuously improve and upgrade its systems and infrastructure to meet rapidly evolving consumer trends and demands while at the same time maintaining the reliability and integrity of its systems and infrastructure. Tripadvisor may not be able to maintain or replace its existing systems or introduce new technologies and systems as quickly as it would like or in a cost-effective manner. Tripadvisor may not be successful, or as successful as its competitors, in developing technologies and systems that operate effectively across multiple devices and platforms in a way that is appealing to its consumers. In addition, the emergence of alternative devices such as mobile phones and tablets and the emergence of niche competitors who may be able to optimize products, services or strategies for such platforms, will require additional investment in technology. New developments in other areas could also make it easier for competitors to enter Tripadvisor's markets due to lower up-front technology costs. Technology changes, including new devices, services and home assistants, such as Amazon's Alexa Voice and Google Home, and developing technologies, such as machine learning and artificial intelligence, could negatively impact Tripadvisor's business.

If Tripadvisor does not continue to innovate and provide products, services and features that are useful to users, it may not remain competitive, and its business and financial performance could suffer.

Tripadvisor's success depends in part on continued innovation to provide products, features and services that make its platform compelling to users and engage its consumers. Its competitors are continually developing innovations in online travel-related services and features. As a result, Tripadvisor is continually working to improve its business model and consumer experience in order to engage its consumers and drive user traffic and conversion rates. Tripadvisor has invested, and expects to continue to invest significant resources in developing and marketing these innovations. Tripadvisor can give no assurances that the changes it makes will yield the benefits it expects and will not have unintended or adverse impacts that Tripadvisor did not anticipate. If Tripadvisor is unable to continue offering innovative products and services and quality features that users want to use, existing consumers may become dissatisfied and use competitors' offerings and it may be unable to attract additional consumers, which could adversely affect its business and financial performance.

Tripadvisor's dedication to making the user experience its highest priority may cause it to prioritize rapid innovation and user experience over short-term financial results.

Tripadvisor strives to create the best experience for its users, providing them with the information, products and tools to enable them to plan, book and experience the perfect trip. Tripadvisor believes that in doing so it will increase its rates of conversion, revenuer and, ultimately, its financial performance over the long-term. Tripadvisor has taken actions in the past and may continue to make decisions in the future that have the effect of reducing its short-term revenue or profitability if it believes that the decisions benefit the overall user experience. For example, Tripadvisor may introduce new products or changes to existing products or the user experience that decrease rates of conversion but increases revenue. In addition, Tripadvisor's approach of putting users first may negatively impact its relationship with existing or prospective partners. These actions and practices could result in a loss of partners, which in turn could harm Tripadvisor's results of operations. The short-term reductions in revenue or profitability could be more severe than Tripadvisor anticipates or these decisions may not produce the long-term benefits that Tripadvisor expects, in which case its user growth and engagement, its relationships with consumers and travel partners, and its business and results of operations could be harmed. In addition, if new or enhanced products fail to engage users or if Tripadvisor is unsuccessful in its effort to monetize these initiatives, Tripadvisor may fail to generate sufficient revenue, profit margin or other value to justify its investments, in which case Tripadvisor's business and results of operations would be adversely affected.

Tripadvisor is dependent upon the quality of traffic in its network to provide value to Tripadvisor's partners, and any failure in its ability to deliver quality traffic and/or the metrics to demonstrate the value of the traffic could have a material adverse effect on the value of its websites to its partners and adversely affect its revenue.

Tripadvisor uses technology and processes to monitor the quality of the Internet traffic that it delivers to its partners and has identified metrics to demonstrate the quality of that traffic. These metrics are used to not only identify the value of advertising on Tripadvisor's website, but also to identify low quality clicks such as non-human processes, including robots, spiders or other software; the mechanical automation of clicking; and other types of invalid clicks or click fraud. Even with such monitoring in place, there is a risk that a certain amount of low-quality traffic, or traffic that online advertisers deem to be invalid, will be delivered to such online advertisers. As a result, Tripadvisor may be required to credit amounts owed to it by its partners. Furthermore, low-quality or invalid traffic may be detrimental to Tripadvisor's relationships with partners, and could adversely affect its advertising pricing and revenue.

Tripadvisor relies on assumptions and estimates and data to calculate certain of its key metrics, and real or perceived inaccuracies in such metrics may harm Tripadvisor's reputation and negatively affect its business.

Tripadvisor believes certain metrics are key to Tripadvisor's business. As both the industry in which Tripadvisor operates and its businesses continue to evolve, so too might the metrics by which Tripadvisor evaluates its businesses and the company. In addition, while the calculation of the metrics Tripadvisor uses is based on what Tripadvisor believes to be reasonable estimates, Tripadvisor's internal tools are not independently verified by a third party and have a number of limitations and, furthermore, its methodologies for tracking these metrics may change over time. For example, a single person may have multiple accounts or browse the Internet on multiple browsers or devices, some consumers may restrict Tripadvisor's ability to accurately identify them across visits, some mobile apps automatically contact its servers for regular updates with no user action, and it is not always able to capture user information on all of its platforms. As such, the calculations of its unique visitors may not accurately reflect the number of people actually visiting its platforms. Tripadvisor continues to improve upon its tools and methodologies to capture data and believes that its current metrics are accurate; however, the improvement of its tools and methodologies could cause inconsistency between current data and previously reported data, which could confuse investors or lead to questions about the integrity of its data. Also, if the internal tools Tripadvisor uses to track these metrics under-count or over-count performance or contain algorithm or other technical errors, the data Tripadvisor reports may not be accurate. Finally, Tripadvisor may, in the future, identify new or other metrics that enable it to more accurately evaluate its business. Accordingly, readers should not place undue reliance on these metrics.

Tripadvisor relies on the performance of highly skilled personnel and, if it is unable to retain or motivate key personnel, or hire, retain and motivate qualified personnel, Tripadvisor's business would be harmed.

Tripadvisor's future success is largely dependent on the talents and efforts of highly skilled individuals. In particular, the contributions of Stephen Kaufer, Tripadvisor's co-founder, Chief Executive Officer and President, the contributions of key senior management and the contributions of software engineers and other technology professionals, are critical to its overall management and the success of its business. Tripadvisor cannot ensure that it will be able to retain the services of its existing key personnel, and the loss of one or more of its key personnel could seriously harm its business. Tripadvisor does not maintain any key person life insurance policies.

In addition, competition remains intense for well-qualified employees in certain aspects of Tripadvisor's business, including software engineers, developers, product management and development personnel, and other technology professionals. Tripadvisor's continued ability to compete effectively depends on its ability to attract new employees and to retain and motivate existing employees. As a global company, Tripadvisor aims to attract quality employees from all over the world, so any restrictions on travel for professional or personal purposes, may cause significant disruption to Tripadvisor's businesses or negatively affect its ability to attract and retain employees on a global basis. If Tripadvisor does not succeed in attracting well-qualified employees or retaining or motivating existing employees, its business would be adversely affected.

Acquisitions, investments, significant commercial arrangements and/or new business strategies could disrupt Tripadvisor's ongoing business and present new challenges and risks.

Tripadvisor's success will depend, in part, on its ability to expand its product offerings in order to grow its business in response to changing technologies, user and travel partner demands and competitive pressures. As a result, Tripadvisor has acquired, invested in and/or entered into significant commercial arrangements with a number of new businesses in the past and its future growth may depend, in part, on future acquisitions, investments, commercial arrangements and/or changes in business strategies. Such endeavors may involve significant risks and uncertainties, including, but not limited to, the following:

- Expected and unexpected costs incurred in identifying and pursuing these endeavors, and performing due diligence on potential targets that may or may not be successful;
- Use of cash resources and incurrence of debt and contingent liabilities in funding these endeavors that may limit other potential uses of Tripadvisor's cash, including product development, stock repurchases and/or dividend payments;
- Amortization expenses related to acquired intangible assets and other adverse accounting consequences;
- Diversion of Tripadvisor's management's attention or other resources from its existing business;
- Difficulties and expenses in integrating the operations, products, technology, privacy protection systems, information systems or personnel of the company, including the assimilation of corporate cultures;
- Difficulties in implementing and retaining uniform standards, controls, procedures, policies and information systems;
- The assumption of known and unknown debt and liabilities of the acquired company, including costs associated with litigation, cybersecurity risks, and other claims relating to the acquired company;
- Failure of any company which Tripadvisor has acquired, in which it has invested, or with which it has a commercial arrangement, to achieve anticipated revenue, earnings or cash flows or to retain key management or employees;
- Failure to generate adequate returns on acquisitions and investments;
- With respect to minority investments, limited management or operational control and reputational risk, which risk is heightened if the controlling person in such case has business interests, strategies or goals that are inconsistent with those of Tripadvisor;
- Entrance into markets in which Tripadvisor has no direct prior experience and increased complexity in its business;
- Impairment of goodwill or other intangible assets such as trademarks or other intellectual property arising from acquisitions; and
- Adverse market reaction to acquisitions.

Tripadvisor has invested, and may in the future invest, in privately-held companies and these investments are currently accounted for using the measurement alternative for equity investments without a readily determinable fair value, which measures these investments at cost while subtracting any impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Such investments are inherently risky in that such companies are typically at an early stage of development, may have no or limited revenue, may not be or may never become profitable, may not be able to secure additional funding or their technologies, services or products may not be successfully developed or introduced into the market. Further, Tripadvisor's ability to liquidate any such investments is typically dependent upon some liquidity event, such as a public offering or acquisition, since no public market exists for such securities. Valuations of such privately-held companies are inherently complex and uncertain due to the lack of liquid market for the company's securities. Moreover, Tripadvisor could lose the full amount of any of its investments and any impairment of its investments could have a material adverse effect on its financial condition and results of operations.

Tripadvisor cannot assure you that these investments will be successful or that such endeavors will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that may be possible or that Tripadvisor will achieve these benefits within a reasonable period of time.

If Tripadvisor fails to manage its growth effectively, its brand, results of operations and business could be harmed.

Over the years, Tripadvisor has experienced rapid growth in some areas of it business, including through acquisitions of other businesses and in new international markets. Tripadvisor continues to make substantial investments in its technology, product and sales, and marketing organizations. This growth places substantial demands on Tripadvisor's management and its operational infrastructure. In addition, as Tripadvisor's business matures, it makes periodic changes and adjustments to its organization in response to various internal and external considerations, including market opportunities, the competitive landscape, new and enhanced products and acquisitions. These changes may result in a temporary lack of focus or productivity or otherwise impact Tripadvisor's business.

To manage its growth, Tripadvisor may need to improve its operational, financial and management systems and processes which may require significant capital expenditures and allocation of valuable management and employee resources. As Tripadvisor continues to grow, it must effectively integrate, develop and motivate a large number of new employees, including employees in international markets, while maintaining the beneficial aspects of its company culture. If Tripadvisor does not manage the growth of its business and operations effectively, the quality of its platform and efficiency of its operations could suffer, which could harm its brand, results of operations and business.

Tripadvisor is a global company that operates in many different jurisdictions and these operations expose Tripadvisor to additional risks, which risks increase as its business continues to expand.

Tripadvisor operates in a number of jurisdictions both inside and outside of the United States and continues to expand its operations both domestically and internationally. Many regions have different economic conditions, languages, currencies, consumer expectations, legislation, regulatory environments (including labor laws and customs), tax laws, levels of consumer acceptance and use of the Internet for commerce and levels of political stability. Tripadvisor is subject to associated risks typical of global businesses, including but not limited to, the following:

- Compliance with additional laws and regulations (including the Foreign Corrupt Practices Act, the U.K. Bribery Act, the E.U. General Data Protection Regulation (or GDPR) and the California Consumer Privacy Act (or CCPA)), data privacy requirements, labor and employment law, laws regarding advertisements and promotions and anti-competition regulations;
- Diminished ability to legally enforce contractual rights;
- Increased risk and limits on enforceability of intellectual property rights;
- Restrictions on repatriation of cash as well as restrictions on investments in operations in certain countries;
- Financial risk arising from transactions in multiple currencies, as well as foreign currency exchange restrictions;
- Difficulties in managing staff and operations due to distance, time zones, language and cultural differences;
- Uncertainty regarding liability for services, content and intellectual property rights, including uncertainty as a result of local laws and lack of precedent;

- Economic or political instability or laws and regulations involving economic or trade prohibitions or sanctions; and
- Threatened or actual acts of terrorism.

Tripadvisor's strategy includes continued expansion in existing international and new international markets. Many of these markets have different economic conditions, customers, languages, currencies, consumer expectations, levels of consumer acceptance and use of the Internet for commerce, legislation, regulatory environments, tax laws and levels of political stability, and Tripadvisor is subject to associated risks typical of international businesses. International markets have strong local competitors with established brands and travel service providers or relationships that may make expansion in certain markets difficult and costly and take more time than anticipated. In addition, compliance with legal, regulatory or tax requirements in multiple jurisdictions places demands on Tripadvisor's time and resources, and it may nonetheless experience unforeseen and potentially adverse legal, regulatory or tax consequences. In some markets, legal and other regulatory requirements may prohibit or limit participation by foreign businesses, such as by making foreign ownership or management of Internet or travel-related businesses illegal or difficult or may make direct participation in those markets uneconomic, which could make Tripadvisor's entry or expansion in those markets difficult or impossible, require that Tripadvisor work with a local partner or result in higher operating costs. If Tripadvisor is unsuccessful in expanding in new and existing markets and effectively managing that expansion, its business and results of operations could be adversely affected. A number of countries are actively pursuing changes to their tax laws applicable to corporate multinationals, such as the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). Foreign governments may enact tax laws that could result in further changes to global taxation and materially affect Tripadvisor's financial position and results of operations.

The Tax Act resulted in significant changes to the U.S. corporate income tax system. The Tax Act requires complex computations to be performed that were not previously required under U.S. tax law, significant judgments to be made in the interpretation of the provisions of the Tax Act, and significant estimates in calculations, and the preparation and analysis of information not previously relevant or regularly produced. The U.S. Treasury Department, the Internal Revenue Service ("IRS") and other standard-setting bodies could interpret or issue guidance on how provisions of the Tax Act will be applied or otherwise administered that is different from Tripadvisor's interpretation.

Tripadvisor is regularly subject to claims, lawsuits, government investigations, and other proceedings that may result in adverse outcomes.

Tripadvisor is regularly subject to claims, lawsuits, government investigations and other proceedings involving, among other matters, patent and intellectual property rights (including alleged infringement of third-party intellectual property rights), tax matters (including value-added, excise, transient, occupancy and accommodation taxes), regulatory compliance (including competition and consumer protection matters), defamation and free speech (including intermediary liability and platform immunity challenges), labor and employment matters and commercial disputes.

Such claims, lawsuits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome, any of these types of legal proceedings could have an adverse impact on Tripadvisor because of legal costs, diversion of management resources, injunctions or damage awards and other factors. Determining reserves for Tripadvisor's pending litigation or other legal proceedings is a complex, fact-intensive process that requires significant judgment. It is possible that a resolution of one or more such proceedings could result in substantial damages, fines or penalties that could adversely affect Tripadvisor's business, consolidated financial position, results of operations, or cash flows in a particular period. These proceedings could also result in reputational harm, criminal sanctions, consent decrees, the release of confidential information or orders preventing Tripadvisor from offering certain features, functionalities, products, or services, requiring a change in Tripadvisor's business practices or other field action, or requiring development of non-infringing or otherwise altered products or technologies. Any of these consequences could adversely affect its business and results of operations.

A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect Tripadvisor's businesses or financial performance.

Tripadvisor's business and financial performance could be adversely affected by unfavorable changes in, or interpretations of, existing laws, rules and regulations or the promulgation of new laws, rules and regulations applicable to Tripadvisor and its business, including those relating to Internet and online commerce, Internet advertising, consumer protection, intermediary liability, data security and privacy, travel and rental licensing and listing requirements and tax. In some cases, these laws continue to evolve.

For example, there is, and likely will continue to be, an increasing number of laws and regulations pertaining to Internet and online commerce that may relate to liability for information retrieved from or transmitted over the Internet, online editorial and user-generated content, user privacy, data security, behavioral targeting and online advertising, taxation, liability for third-party activities and the quality of products and services. In addition, the growth and development of online commerce may prompt calls for more stringent consumer protection laws and more aggressive enforcement efforts, which may impose additional burdens on online businesses generally. Also, evolving case law and new legislation involving worker classification, including a new law in California, increases the potential for litigation and government audits in this area and may have ramifications as to how Tripadvisor operates certain segments of its business and its engagement with independent contractors.

Further, Tripadvisor's Rentals business has been and continues to be subject to regulatory developments globally that affect the rental industry and the ability of companies like Tripadvisor to list those rentals online. For example, some states and local jurisdictions, both domestically and internationally, have adopted, or are considering adopting, statutes or ordinances that prohibit property owners and managers from renting certain properties on a short-term basis or otherwise limit their ability to do so, and other states and local jurisdictions may introduce similar regulations. Some states and local jurisdictions have fair housing or other laws governing whether and how properties may be rented, which they assert apply to vacation rentals. In addition, many homeowners, condominium and neighborhood associations have adopted, or are considering adopting, rules that prohibit or restrict property owners and managers from short-term rentals. Operating in this dynamic regulatory environment requires significant management attention and financial resources. Tripadvisor cannot assure that its efforts will be successful, and the investment and additional resources required to manage growth will produce the desired levels of revenue or profitability.

Tripadvisor also has been subject, and it will likely be subject in the future, to inquiries from time to time from regulatory bodies concerning compliance with consumer protection, competition, tax, data privacy and travel industry-specific laws and regulations. The failure of its businesses to comply with these laws and regulations could result in fines and/or proceedings against Tripadvisor by governmental agencies, regulatory authorities, courts and/or consumers, which if material, could adversely affect its business, financial condition and results of operations. Further, if such laws and regulations are not enforced equally against other competitors in a particular market, Tripadvisor's compliance with such laws may put it at a competitive disadvantage vis-à-vis competitors who do not comply with such requirements.

The promulgation of new laws, rules and regulations, or the new interpretation of existing laws, rules and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which Tripadvisor provides services could require it to change certain aspects of its business, operations and commercial relationships to ensure compliance, which could decrease demand for services, reduce revenue, increase costs and/or subject the company to additional liabilities. For example, the E.U. adopted the GDPR, effective in May 2018, implementing enhanced data protection requirements and, in 2018, the State of California adopted the California Consumer Privacy Act ("CCPA") implementing privacy rights and consumer protections for California residents. Other jurisdictions have adopted or are contemplating similar legislation. This legislation will continue to change the landscape for the use and protection of data and could increase the cost and complexity of delivering Tripadvisor's services. Unfavorable changes could decrease demand for products and services, limit marketing methods and capabilities, impede development of new products, result in negative publicity, require significant management time, increase costs and/or subject Tripadvisor to additional liabilities. Violations of these laws and regulations could result in penalties and/or criminal sanctions against Tripadvisor, its officers or its employees and/or restrictions on the conduct of parts of its business in certain jurisdictions.

Likewise, the SEC, Department of Justice ("DOJ") and Office of Foreign Assets Controls ("OFAC"), as well as foreign regulatory authorities, have continued to increase the enforcement of economic sanctions and trade regulations, anti-money laundering, and anti-corruption laws, across industries. U.S. economic sanctions relate to transactions with designated foreign countries, including Cuba, Iran, North Korea, Syria and nationals and others of those countries, Ukraine/Russia related sanctions, as well as certain specifically targeted individuals and entities. Tripadvisor believes that its activities comply with OFAC, E.U., U.K. and other regulatory authorities' economic sanction and trade regulations, as well as anti-money laundering and anti-corruption regulations, including the Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and the U.K. Criminal Finances Act. As regulations continue to evolve and regulatory oversight continues to increase, Tripadvisor cannot guarantee that its programs and policies will be deemed compliant by all applicable regulatory authorities. In the event Tripadvisor's controls should fail or are found to be out of compliance for other reasons, Tripadvisor could be subject to monetary damages, civil and criminal monetary penalties, litigation and damage to its reputation and the value of its brands.

Tripadvisor cannot be sure that its intellectual property is protected from copying or use by others, including potential competitors.

Tripadvisor's websites rely on content, brands and technology, much of which is proprietary. Tripadvisor protects its proprietary content, brands and technology by relying on a combination of trademarks, copyrights, trade secrets, patents and confidentiality agreements. Any misappropriation or violation of its rights could have a material adverse effect on Tripadvisor's business. Even with these precautions, it may be possible for another party to copy or otherwise obtain and use Tripadvisor's proprietary technology, content or brands without authorization or to develop similar technology, content or brands independently.

Effective intellectual property protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and expenses and the costs of defending Tripadvisor's rights. In addition, effective intellectual property protection may not be available in every jurisdiction in which its services are made available, and policing unauthorized use of its intellectual property is difficult and expensive. Therefore, in certain jurisdictions, Tripadvisor may be unable to protect its intellectual property adequately against unauthorized third-party copying or use, which could adversely affect its business or ability to compete. Tripadvisor cannot be sure that the steps it has taken will prevent misappropriation or infringement of its intellectual property. Furthermore, Tripadvisor may need to go to court or other tribunals or administrative bodies in order to enforce its intellectual property rights, to protect its trade secrets or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention. Tripadvisor's failure to protect its intellectual property in a cost-effective or effective manner could have a material adverse effect on its business and ability to protect its technology, content and brands.

Tripadvisor currently licenses from third parties and incorporates the technologies and content into its websites. As Tripadvisor continues to introduce new services that incorporate new technologies and content, it may be required to license additional technology or content. Tripadvisor cannot be sure that such technology or content will be available on commercially reasonable terms, if at all.

Tripadvisor's processing, storage and use of personal information and other data subjects it to additional laws and regulations and failure to comply with those laws and regulations could give rise to liabilities.

Tripadvisor collects, processes, stores and transmits data, including personal information, for its consumers and its workforce. As a result, Tripadvisor is subject to a variety of laws in the United States and abroad regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information, the scope of which is changing; and subject to differing interpretations, and which may be inconsistent between countries or conflict with other existing laws. In addition, the security of data when engaging in electronic commerce is essential to maintaining consumer and travel service provider confidence in its services. The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the Internet have recently come under increased public scrutiny. The U.S. Congress and federal agencies, including the Federal Trade Commission and the Department of Commerce, are reviewing the need for greater regulation for the collection and use of information concerning consumer behavior on the Internet in the United States. Various U.S. courts also are considering the applicability of existing federal and state statutes, including computer trespass and wiretapping laws, to the collection and exchange of information online.

In addition, Tripadvisor is subject to legislation intended to enhance the privacy and security of personal data, including credit card information (such as the GDPR and the CCPA and other country specific data protection laws). There are a number of proposals for data privacy laws pending or proposed in other jurisdictions, including at both the federal and state level of the United States, as well as internationally. Implementing and complying with these laws and regulations may be more costly or take longer than Tripadvisor anticipates, or could otherwise affect its business operations. Tripadvisor strives to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. Any failure or perceived failure by Tripadvisor to comply with its privacy policies, privacy-related obligations to consumers or other third parties, or privacy-related legal obligations, may result in governmental enforcement actions, including, for example, fines and/or penalties, compliance orders, litigation or public statements that could harm Tripadvisor's reputation and cause its users and travel partners to lose trust in it, any of which could have an adverse effect on Tripadvisor's business, brand, market share and results of operations.

Tripadvisor is subject to risks associated with processing credit card and other payment transactions and failure to manage those risks may subject it to fines, penalties and additional costs and could have a negative impact on its business.

Tripadvisor accepts payments from consumers and travel partners using a variety of methods, including credit card, debit card, direct debit from a customer's bank account, and invoicing. For existing and future payment options Tripadvisor offers to its customers, Tripadvisor may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes). These regulations and/or requirements could result in significant costs and reduce the ease of use of its payment products, and yet may still be susceptible to fraudulent activity. In addition, Tripadvisor may be held liable for accepting fraudulent credit cards on its websites as well as other payment disputes with its customers. For certain payment methods, including credit and debit cards, Tripadvisor pays interchange and other fees, which may increase over time and raise its operating costs and lower profitability. Tripadvisor relies on third parties to provide certain payment methods and payment processing services, including the processing of credit cards and debit cards. In each case, Tripadvisor's business could be disrupted, if these companies become unwilling or unable to provide these services to Tripadvisor. Tripadvisor is also subject to payment card association operating rules, including data security rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for Tripadvisor to comply. If Tripadvisor fails to comply with these rules or requirements, or if its data security systems are breached or compromised, it may be liable for card issuing banks' costs, subject to fines and higher transaction fees, and/or lose its ability to accept credit and debit card payments, process electronic funds transfers, or facilitate other types of online payments.

Tripadvisor is also subject to a number of other laws and regulations relating to payments, money laundering, international money transfers, privacy and information security, and electronic fund transfers. If Tripadvisor is found to be in violation of applicable laws or regulations, it could be subject to additional requirements and civil and criminal penalties, or forced to cease providing certain services.

System security issues, data protection breaches, cyberattacks and system outage issues could disrupt Tripadvisor's operations or services provided to its consumers, and any such disruption could damage its reputation and adversely affect its business, financial results and stock price.

Tripadvisor's reputation and ability to attract, retain and service its consumers and travel partners is dependent upon the reliable performance and security of its computer systems, workforce and those of third parties it utilizes in its operations. Significant security issues, data breaches, cyberattacks and outages, interruptions or delays, in Tripadvisor's systems or third party systems upon which it relies, could impair Tripadvisor's ability to display content or process transactions and significantly harm its business. Breaches of Tripadvisor's security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about Tripadvisor, its consumers or its travel partners could expose Tripadvisor, its consumers and its travel partners to a risk of loss or misuse of this information, damage Tripadvisor's brand and reputation or otherwise harm its business and financial performance and result in government enforcement actions and litigation and potential liability for Tripadvisor.

Computer programmers and hackers also may be able to develop and deploy viruses, worms, ransomware and other malicious software programs that attack Tripadvisor's products or otherwise exploit any security vulnerabilities of its products, or attempt to fraudulently induce Tripadvisor's employees, consumers, or others to disclose passwords or other sensitive information or unwittingly provide access to its systems or data. In addition, sophisticated hardware and operating system software and applications that Tripadvisor produces or procures from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the system. Tripadvisor may need to expend significant resources to protect against security breaches or to investigate and address problems caused by cyber or other security problems.

Tripadvisor may be unable to proactively address these techniques or to implement adequate preventive measures and its efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede Tripadvisor's sales, manufacturing, distribution or other critical functions. Failure to adequately protect against attacks or intrusions, whether for its own systems or systems of vendors, could expose Tripadvisor to security breaches that could have an adverse impact on Tripadvisor's financial performance. The costs of enhancing infrastructure to attain improved stability and redundancy may be time consuming and expensive and may require resources and expertise that are difficult to obtain. In addition, to the extent that Tripadvisor experiences a data breach, remediation may be costly and Tripadvisor may not have adequate insurance to cover such costs.

Much of Tripadvisor's business is conducted with third party partners and vendors, for example, marketing agencies and SaaS providers. A security breach at such third party could be perceived by consumers as a security breach of Tripadvisor's systems and could result in negative publicity or damage its reputation, expose it to risk of loss or litigation and possible liability and subject Tripadvisor to regulatory penalties and sanctions. In addition, such incidents may also result in a decline in Tripadvisor's active user base or engagement levels. Finally, failure of such third parties to comply with applicable disclosure requirements could expose Tripadvisor to liability.

Tripadvisor has acquired a number of companies over the years and may continue to do so in the future. As a result of these acquisitions, Tripadvisor may increase the volume of personal data that it collects, stores, processes and transmits. While Tripadvisor makes significant efforts to address any information security issues and personal data protection issues with respect to its acquisitions, Tripadvisor may still inherit such risks when it integrates the acquired businesses.

Media coverage of data breaches and consumer rights has escalated, in part because of the increased number of enforcement actions, investigations and lawsuits. Security breaches could result in negative publicity, damage to reputation, exposure to risk of loss or litigation and possible liability due to regulatory penalties and sanctions. As this focus and attention on privacy and data protection increases, Tripadvisor also risks exposure to potential liabilities and costs resulting from the compliance with, or any failure to comply with applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security. Security breaches could also cause travelers and potential consumers to lose confidence in Tripadvisor's security, which would have a negative effect on the value of its brand.

Evolving guidance on use of "cookies" and similar technology could negatively impact the way Tripadvisor does business.

A "cookie" is a text file that is stored on a user's web browser by a website. Cookies are common tools used by thousands of websites, including Tripadvisor's, to, among other things, store or gather information (e.g., remember log-on details so a user does not have to re-enter them when revisiting a website), market to consumers, improve site security and enhance the user experience on a website. Cookies and similar tracking technologies are valuable tools for websites and apps like Tripadvisor's to improve the customer experience and increase conversion on their websites. Many countries have adopted data protection laws that introduce regulations governing the use of "cookies and other similar tracking technologies" by websites and app developers servicing consumers. To the extent any such regulations require "opt-in" or "affirmative" consent before certain cookies or trackers can be placed on a user's device, or the ability of users to "opt-out" or control their preferences, Tripadvisor's ability to serve certain customers in the manner it currently does, including with respect to retargeting or personalized advertising, might be adversely affected and its ability to continue to improve and optimize performance on Tripadvisor's websites might be impaired, either of which could negatively affect a consumer's experience using its services and its business, market share and results of operations.

Tripadvisor may have future capital needs and may not be able to obtain additional financing on acceptable terms.

Tripadvisor is currently party to a credit agreement with respect to a $1.2 billion revolving credit facility maturing in May 2022 ("2015 Credit Facility"), as more fully discussed in note 7. This agreement includes restrictive covenants that may impact the way Tripadvisor manages its business and may limit its ability to secure significant additional financing in the future on favorable terms. Tripadvisor's ability to secure additional financing and satisfy its financial obligations outstanding from time to time will depend upon its future operating performance, which is subject to then prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond its control. There can be no assurance that sufficient financing will be available or desirable, or even any, terms to fund investments, acquisitions, stock repurchases, dividends, debt refinancing or extraordinary actions or that counterparties in any such financings would honor their contractual commitments.

Tripadvisor has indebtedness which could adversely affect its business and financial condition.

As of December 31, 2019, Tripadvisor had no outstanding long-term debt; however, Tripadvisor continues to have existing credit facilities from which it can borrow significant amounts. As such, Tripadvisor is still subject to risks relating to its potential indebtedness that include:

- Increasing its vulnerability to general adverse economic and industry conditions;
- Requiring Tripadvisor to dedicate a portion of its cash flow from operations to principal and interest payments on its indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- Making it more difficult for Tripadvisor to optimally capitalize and manage the cash flow for its businesses;
- Limiting Tripadvisor's flexibility in planning for, or reacting to, changes in its businesses and the markets in which it operates;
- Possibly placing Tripadvisor at a competitive disadvantage compared to its competitors that have less debt;
- Limiting Tripadvisor's ability to borrow additional funds or to borrow funds at rates or on other terms that it finds acceptable; and
- Exposing Tripadvisor to the risk of increased interest rates because its outstanding debt is expected to be subject to variable rates of interest.

In addition, it is possible that Tripadvisor may need to incur additional indebtedness in the future in the ordinary course of business. The terms of the 2015 Credit Facility allow Tripadvisor to incur additional debt subject to certain limitations; however, there is no assurance that additional financing will be available to Tripadvisor on terms favorable to it, if at all. In addition, if new debt is added to the then existing debt levels, the risks described above could intensify.

Tripadvisor's 2015 Credit Facility provides for various provisions that limit its discretion in the operation of its business and require Tripadvisor to meet financial maintenance tests and other covenants and the failure to comply with these covenants could have a material adverse effect on Tripadvisor.

Tripadvisor is party to a credit agreement providing for the 2015 Credit Facility. The agreements that govern the 2015 Credit Facility contain various covenants, including those that limit Tripadvisor's ability to, among other things:

- Incur indebtedness;
- Pay dividends on, redeem or repurchase its capital stock;

- Enter into certain asset sale transactions, including partial or full spin-off transactions;
- Enter into secured financing arrangements;
- Enter into sale and leaseback transactions; and
- Enter into unrelated businesses.

These covenants may limit Tripadvisor's ability to optimally operate its business. In addition, the 2015 Credit Facility requires that Tripadvisor meet certain financial tests, including a leverage ratio test. Any failure to comply with the restrictions of the 2015 Credit Facility may result in an event of default under the agreements governing such facility. Such default may allow the creditors to accelerate the debt incurred thereunder. In addition, lenders may be able to terminate any commitments they had made to supply Tripadvisor with further funds (including periodic rollovers of existing borrowings).

Tripadvisor's effective income tax rate is impacted by a number of factors that could have a material impact on its financial results and could increase the volatility of those results.

Due to the global nature of its business, Tripadvisor is subject to income taxes in the United States and other foreign jurisdictions. In the event Tripadvisor incurs net income in certain jurisdictions but incurs losses in other jurisdictions, it generally cannot offset the income from one jurisdiction with the loss from another. This lack of flexibility increases Tripadvisor's effective income tax rate. Furthermore, significant judgment is required to calculate Tripadvisor's worldwide provision for income taxes and depends on its ability to operate its business in a manner consistent with its corporate structure and intercompany arrangements. In the ordinary course of its business, there are many transactions and calculations where the ultimate tax determination is uncertain.

Tripadvisor believes its tax estimates are reasonable. However, Tripadvisor is routinely under audit by federal, state and foreign taxing authorities. The taxing authorities of jurisdictions in which Tripadvisor operates may challenge its methodologies for valuing developed technology or intercompany arrangements, including its transfer pricing, or determine that the manner in which it operates its business does not achieve the intended tax consequences, which would increase Tripadvisor's effective income tax rate and harm its financial position and results of operations. As Tripadvisor operates in numerous taxing jurisdictions, the application of tax laws can also be subject to diverging and sometimes conflicting interpretations by taxing authorities of these jurisdictions. It is not uncommon for taxing authorities of different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. For example, the OECD has recently recommended changes to numerous long-standing international tax principles. If countries amend their tax laws to adopt certain parts of the OECD guidelines, this may increase tax uncertainty and may adversely impact Tripadvisor's tax liabilities. Any of these changes could affect Tripadvisor's financial performance.

The final determination of audits could be materially different from Tripadvisor's income tax provisions and accruals and could have a material effect on its financial position, results of operations, or cash flows in the period or periods for which that determination is made. Also, Tripadvisor's future effective income tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation. If Tripadvisor's effective income tax rates were to increase, its results of operations and cash flows would be adversely affected.

The income tax effects of the accounting for share-based compensation may significantly impact Tripadvisor's effective income tax rate. In periods in which Tripadvisor's stock price is higher than the grant-date price of the share-based compensation awards vesting in that period, it will recognize excess tax benefits that will decrease its income tax rate. In periods in which Tripadvisor's stock price is lower than the grant-date price of the share-based compensation awards vesting in that period, its effective income tax rate will increase.

Application of U.S. state and local or international tax laws, changes in tax laws or tax rulings, or the examination of Tripadvisor's tax positions, could materially affect its financial position and results of operations.

As an international business, Tripadvisor is subject to income taxes and non-income-based taxes in the United States and various other international jurisdictions Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Tripadvisor's existing corporate structure and intercompany arrangements have been implemented in a manner Tripadvisor believes is in compliance with current prevailing tax laws. However, due to economic and political conditions, tax rates and tax regimes in various jurisdictions may be subject to significant changes and the tax benefits that Tripadvisor intends to eventually derive could be undermined due to changing tax laws. Governments are increasingly focused on ways to increase tax revenue, which has contributed to an increase in audit activity, more aggressive positions taken by tax authorities and an increase in tax legislation. Any such additional taxes or other assessments may be in excess of Tripadvisor's current tax provisions or may require Tripadvisor to modify its business practices in order to reduce its exposure to additional taxes going forward, any of which could have a material adverse effect on Tripadvisor's business, results of operations and financial condition.

The Tax Act has resulted in significant changes to the U.S. corporate income tax system. The tax law changes by the Tax Act are broad and complex and there are still uncertainties about how the Tax Act will be interpreted at both the U.S. federal and state levels. The U.S. Treasury Department, the IRS and other standard-setting bodies could interpret or issue guidance on how provisions of the Tax Act will be applied or otherwise administered that is different from Tripadvisor's interpretation. This could materially change the taxes that Tripadvisor recorded since 2017, and the expected future impact of the Tax Act on its business.

The OECD has been working on a Base Erosion and Profit Shifting Project, and issued the Action 1 report in 2015 to address the tax challenges arising from digitalization. Since then, the OECD/G20 Inclusive Framework has issued various guidelines, policy notes, and proposals that if adopted could result in an overhaul of the international taxation system under which Tripadvisor's current tax obligations are determined. As the OECD/G20 Inclusive Framework drives toward a consensus long-term solution, several countries have introduced unilateral digital service tax initiatives which impose new types of non-income taxes, including taxes based on a percentage of revenue. In July 2019, France signed into law a 3% digital services tax to be applied retroactively as of January 1, 2019. Tripadvisor recorded an estimate of $3 million for digital service tax to general and administrative expense on its consolidated statement of operations during the year ended December 31, 2019, however it continues to assess the financial impact of this new law. Tripadvisor is also monitoring other U.S. states and countries in which it does business, such as Italy, Spain, and the U.K., which have enacted or proposed similar taxes that will be applicable or are likely to be applicable during 2020. Tripadvisor will continue to monitor developments and determine the financial impact worldwide of these initiatives.

Any changes to international tax laws, including new definitions of permanent establishment, could affect the tax treatment of Tripadvisor's foreign earnings and adversely impact its effective income tax rate. Further, changes to tax laws and additional reporting requirements could increase the complexity, burden and cost of compliance. Due to the large and expanding scale of Tripadvisor's international business activities, any changes in U.S. or international taxation of its activities or the combined effect of tax laws in multiple jurisdictions may increase Tripadvisor's worldwide effective income tax rate, increase the complexity and costs associated with tax compliance (especially if changes are implemented or interpreted inconsistently across tax jurisdictions) and adversely affect its cash flows and results of operations.

In addition, the taxing authorities in the United States and other jurisdictions where Tripadvisor does business regularly examine its income and other tax returns as well as the tax returns of Expedia, Tripadvisor's former parent. The ultimate outcome of these examinations (including the IRS audit described below) cannot be predicted with certainty. Should the IRS or other taxing authorities assess additional taxes as a result of examinations, Tripadvisor may be required to record charges to its operations, which could harm its operating results and financial condition.

Changes in the tax treatment of companies engaged in e-commerce may adversely affect the commercial use of Tripadvisor's sites and its financial results.

Due to the global nature of the internet, it is possible that various states or foreign countries might attempt to levy additional or new sales, income or other taxes relating to Tripadvisor's activities. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in e-commerce. For example, Congress is considering various approaches to legislation that would require companies engaged in e-commerce to collect sales tax on Internet revenue and a growing number of U.S. states and certain foreign jurisdictions have adopted or are considering proposals to impose obligations on remote sellers and online marketplaces to collect taxes on their behalf. Additionally, the U.S. Supreme Court's ruling in South Dakota v. Wayfair Inc., which a Court reversed longstanding precedent that remote sellers are not required to collect state and local sales taxes, may have an adverse impact on Tripadvisor's business. Also, as described in more detail above, the European Commission released two draft directives on the Taxation of the Digital Economy and, on July 24, 2019, President Macron signed into law the French Digital Services Tax. New or revised international, federal, state or local tax regulations or court decisions may subject Tripadvisor or its customers to additional sales, occupancy, income and other taxes. Tripadvisor cannot predict the effect of these and other attempts to impose sales, income or other taxes on e-commerce. New or revised taxes and, in particular, sales taxes, occupancy taxes, value added taxes ("VAT") and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products and services over the Internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on Tripadvisor's business, financial condition and operating results.

Taxing authorities may successfully assert that Tripadvisor should have collected or in the future should collect sales and use, occupancy, VAT or similar taxes, and Tripadvisor could be subject to liability with respect to past or future sales, which could adversely affect its operating results.

Tripadvisor does not collect and remit sales and use, occupancy, VAT or similar taxes in all jurisdictions in which it has sales, based on its belief that such taxes are not applicable or legally required. Several states and other taxing jurisdictions have presented or threatened Tripadvisor with assessments, alleging that Tripadvisor is required to collect and remit certain taxes there. While Tripadvisor does not believe that it is subject to such taxes and intends to vigorously defend its position in these cases, it cannot be sure of the outcome of its discussions and/or appeals with these states or cases that are pending in the courts. In the event of an adverse outcome, Tripadvisor could face assessments for additional time periods since the last assessments it received, plus any additional interest and penalties. Tripadvisor also expects additional jurisdictions may make similar assessments or pass similar new laws in the future, and any of the jurisdictions where Tripadvisor has sales may apply more rigorous enforcement efforts or take more aggressive positions in the future that could result in greater tax liability allegations. Such tax assessments, penalties and interest or future requirements may materially adversely affect Tripadvisor's business, financial condition and operating results.

Tripadvisor continues to be subject to significant potential tax liabilities in connection with its spin-off from Expedia (the "Spin-Off").

Under the tax sharing agreement between Tripadvisor and Expedia entered into in connection with the Spin-Off, Tripadvisor is generally required to indemnify Expedia for any taxes resulting from the Spin-Off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies) to the extent such amounts resulted from (i) any act or failure to act by Tripadvisor described in the covenants in the tax sharing agreement, (ii) any acquisition of Tripadvisor's equity securities or assets or those of a member of its group, or (iii) any failure of the representations with respect to Tripadvisor or any member of its group to be true or any breach by Tripadvisor or any member of its group of any covenant, in each case, which is contained in the separation documents or in the documents relating to the IRS private letter ruling and/or the opinion of counsel.

Tripadvisor continues to be responsible for potential tax liabilities in connection with consolidated income tax returns filed with Expedia prior to or in connection with the Spin-Off. By virtue of previously filed consolidated tax returns with Expedia, Tripadvisor is currently under IRS audit for the 2009, 2010, and 2011 tax years. In connection with that audit, Tripadvisor received, in January 2017 and April 2019, Notices of Proposed Adjustment from the IRS for the 2009, 2010 and 2011 tax years, which would result in an increase in Tripadvisor's worldwide income tax expense. The proposed adjustments would result in a reimbursement to Expedia in an estimated range totaling $15 million to $20 million for those specific years related to the pre spin-off years after consideration of competent authority relief, exclusive of interest and penalties. The outcome of these matters or any other audits could subject Tripadvisor to significant tax liabilities.

Tripadvisor is subject to fluctuation in foreign currency exchange risk.

Tripadvisor conducts a significant and growing portion of its business outside the United States, but reports its results in U.S. dollars. As a result, Tripadvisor faces exposure to movements in foreign currency exchange rates, particularly those related to the Euro, British pound and Australian dollar. These exposures include, but are not limited to re-measurement of gains and losses from changes in the value of foreign denominated assets and liabilities; translation gains and losses on foreign subsidiary financial results that are translated into U.S. dollars upon consolidation; and planning risk related to changes in exchange rates between the time Tripadvisor prepares its annual and quarterly forecasts and when actual results occur. For example, Brexit caused significant volatility in currency exchange rates, especially between the U.S. dollar and the British pound. Continued uncertainty regarding the final terms of Brexit may result in future exchange rate volatility. In addition, in the event that one or more European countries were to replace the Euro with another currency, Tripadvisor's sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established. Accordingly, fluctuations in foreign currency exchange rates, such as the strengthening of the U.S. dollar against the Euro or the British pound, could adversely affect Tripadvisor's net revenue growth in future periods.

Depending on the size of the exposures and the relative movements of exchange rates, if Tripadvisor were to choose not to hedge or were to fail to hedge effectively its exposure, Tripadvisor could experience a material adverse effect on its financial statements and financial condition. As seen in some recent periods, in the event of severe volatility in exchange rates, the impact of these exposures can increase, and the impact on results of operations can be more pronounced. In addition, the current environment and the increasingly global nature of Tripadvisor's business have made hedging these exposures more complex. Tripadvisor hedges certain short-term foreign currency exposures with the purchase of forward exchange contracts. These forward exchange contracts only help mitigate the impact of changes in foreign currency rates that occur during the term of the related contract period and carry risks of counter-party failure. There can be no assurance that its forward exchange contracts will have their intended effects.

Significant fluctuations in foreign currency exchange rates can affect consumer travel behavior. Volatility in foreign currency exchange rates and its impact on consumer behavior, which may differ across regions, makes it more difficult to forecast industry and consumer trends and the timing and degree of their impact on Tripadvisor's markets and business, which in turn could adversely affect its ability to effectively manage its business and adversely affect its results of operations.

Future sales of shares of Tripadvisor's or our common stock in the public market, or the perception that such sales may occur, may depress its or our stock price.

Sales of substantial amounts of Tripadvisor's common stock in the public market, particularly sales by its directors, officers, employees and significant stockholders, or the perception that these sales might occur, could depress the market price of its common stock and hence our common stock and could impact our respective abilities to raise capital through the sale of additional equity securities. For example, sales of or hedging transactions, such as collars, in our shares by any of our directors or executive officers could cause a perception in the marketplace that our stock price (and hence Tripadvisor's stock price) has peaked or that adverse events or trends have occurred or may be occurring at our company or Tripadvisor. This perception could result notwithstanding any personal financial motivation for these insider transactions. In addition, we have the right to require Tripadvisor to file registration statements covering Tripadvisor shares we own or to include Tripadvisor shares in registration statements that it may file for itself or other stockholders. If we or some other Tripadvisor stockholder sells substantial amounts of Tripadvisor's common stock in the public market, or if there is a perception in the public market that we might sell shares of Tripadvisor common stock, the market price of Tripadvisor's common stock could decrease significantly. A decline in the price of shares of Tripadvisor's common stock or our common stock might impede its or our ability to raise capital through the issuance of additional shares of common stock or other equity securities.

Factors Relating to our Common Stock and the Securities Market

Our stock price may be disproportionately affected by the results of operations of Tripadvisor and developments in its business.

The fair value of our investment in Tripadvisor, on an as-converted basis, was approximately $941 million as of December 31, 2019, which represents a significant portion of our total market value. Since the TripCo Spin-Off in 2014, our share price has had a tendency to move in tandem with the share price of Tripadvisor's common stock. As a result, our stock price may be disproportionately affected by the results of operations of Tripadvisor and developments in its business.

It may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a change in control of our company that a stockholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple series of common stock: a Series B that entitles the holders to ten votes per share, a Series A that entitles the holders to one vote per share and a Series C that, except as otherwise required by applicable law, entitles the holders to no voting rights;
- authorizing the issuance of "blank check" preferred stock, which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- classifying our board of directors with staggered three-year terms, which may lengthen the time required to gain control of our board of directors;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- requiring stockholder approval by holders of at least 66 2/3% of our voting power or the approval by at least 75% of our board of directors with respect to certain extraordinary matters, such as a merger or consolidation of our company, a sale of all or substantially all of our assets or an amendment to our certificate of incorporation; and
- the existence of authorized and unissued stock which would allow our board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us.

In addition, Gregory B. Maffei, our Chairman, President and Chief Executive Officer, beneficially owns shares representing the power to direct approximately 39% of the aggregate voting power in our company, due to his beneficial ownership of approximately 97% of the outstanding shares of our Series B common stock as of January 31, 2020.

Holders of a single series of our common stock may not have any remedies if an action by our directors has an adverse effect on only that series of our common stock.

Principles of Delaware law and the provisions of our certificate of incorporation may protect decisions of our board of directors that have a disparate impact upon holders of any single series of our common stock. Under Delaware law, the board of directors has a duty to act with due care and in the best interests of all of our stockholders, including the holders of all series of our common stock. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a board of directors owes an equal duty to all common stockholders regardless of class or series and does not have separate or additional duties to any group of stockholders. As a result, in some circumstances, our directors may be required to make a decision that is viewed as adverse to the holders of one series of our common stock. Under the principles of Delaware law and the business judgment rule, holders may not be able to successfully challenge decisions that they believe have a disparate impact upon the holders of one series of our stock if our board of directors is disinterested and independent with respect to the action taken, is adequately informed with respect to the action taken and acts in good faith and in the honest belief that the board is acting in the best interest of all of our stockholders.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties.

In connection with the TripCo Spin-Off, a wholly owned subsidiary of Liberty Media entered into a facilities sharing agreement with TripCo, pursuant to which TripCo shares office facilities with Liberty Media and related amenities at Liberty Media's corporate headquarters located at 12300 Liberty Boulevard, Englewood, Colorado.

Tripadvisor did not legally own any real estate as of December 31, 2019. Tripadvisor currently leases approximately 280,000 square feet for its corporate headquarters in Needham, Massachusetts, pursuant to a lease with an expiration date of December 2030, with an option to extend the lease term for two consecutive terms of five years each. Tripadvisor also leases an aggregate of approximately 505,000 square feet of office space in approximately 50 other locations across North America, Europe, Asia Pacific and South America, primarily for its sales offices, subsidiary headquarters and international management teams, pursuant to lease agreements. Tripadvisor believes that its current facilities are adequate for its current operations and that additional leased space can be obtained on reasonable terms if needed.

Item 3. Legal Proceedings

In the ordinary course of its business, our subsidiary Tripadvisor and its subsidiaries are party to legal proceedings and claims arising out of their operations. These matters may relate to claims involving alleged infringement of third-party intellectual property rights, defamation, taxes, regulatory compliance and other claims. We do not believe there are any material pending legal proceedings or claims to which we or our subsidiaries are party or of which any of our property is the subject. There may be claims or actions pending or threatened against us or our subsidiaries of which we are currently not aware and the ultimate disposition of which could have a material adverse effect on us.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters of Equity Securities.

Market Information

Our Series A and Series B common stock trade on the Nasdaq Global Select Market under the symbols "LTRPA" and "LTRPB," respectively. Stock price information for securities traded on the Nasdaq Global Select Market can be found on the Nasdaq's website at www.nasdaq.com. The following table sets forth the range of high and low sales prices of shares of our Series B common stock for the years ended December 31, 2019 and 2018. Although our Series B common stock is traded on the Nasdaq Global Select Market, an established published trading market does not exist for the stock, as it is not actively traded.

	Liberty TripAdvisor Holdings, Inc.		
	Series B		
	High		Low
2018			
First quarter	$	12.42	9.00
Second quarter	$	17.05	9.40
Third quarter	$	18.00	13.60
Fourth quarter	$	21.98	14.75
2019			
First quarter	$	18.29	14.35
Second quarter	$	14.71	12.44
Third quarter	$	12.92	9.17
Fourth quarter	$	9.71	6.72

Holders

As of January 31, 2020, there were approximately 838 and 44 record holders of our Series A and Series B common stock, respectively. The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

We have not paid any cash dividends on our common stock, and we have no present intention of so doing. Payment of cash dividends, if any, in the future will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to our definitive proxy statement for our 2020 Annual Meeting of stockholders.

Purchases of Equity Securities by the Issuer

There were no repurchases of our common stock during the three months ended December 31, 2019. 3,336 shares of our Series A common stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock during the three months ended December 31, 2019.

Item 6. Selected Financial Data.

The following tables present selected historical information relating to our financial condition and results of operations for the past five years. Certain prior period amounts have been reclassified for comparability with current year presentation. The following data should be read in conjunction with our consolidated financial statements.

	December 31,					
		2019	2018	2017	2016	2015
Summary Balance Sheet Data:	amounts in millions					
Cash and cash equivalents	$	341	672	695	654	644
Intangible assets not subject to amortization (1)	$	3,507	3,709	3,717	5,476	5,492
Intangible assets subject to amortization, net	$	277	311	382	487	625
Total assets	$	4,726	5,224	5,484	7,282	7,285
Long-term debt	$	353	267	704	555	620
Deferred income tax liabilities	$	254	325	332	659	719
Total stockholders' equity	$	320	336	424	803	808
Noncontrolling interest	$	2,981	3,400	3,329	4,621	4,628

	Years ended December 31,					
		2019	2018	2017	2016	2015
Summary Statement of Operations Data:	amounts in millions, except per share amounts					
Revenue	$	1,560	1,615	1,569	1,532	1,565
Impairment of intangible assets (1)	$	(288)	—	(1,798)	—	(2)
Operating income (loss)	$	(159)	128	(1,792)	23	15
Interest expense	$	(22)	(26)	(25)	(25)	(28)
Realized and unrealized gains (losses) on financial instruments, net	$	36	(59)	24	53	2
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$	(22)	(64)	(397)	21	(40)
Basic net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. stockholders per common share:						
Series A and Series B common stock	$	(0.29)	(0.86)	(5.29)	0.28	(0.53)
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. stockholders per common share:						
Series A and Series B common stock	$	(0.29)	(0.86)	(5.29)	0.28	(0.53)

(1) During the year ended December 31, 2019, TripCo recorded $288 million of impairment losses related to trademarks that were initially recorded in conjunction with the acquisition of Tripadvisor. During the year ended December 31, 2017, TripCo recorded $1,798 million of impairment losses related to trademarks and goodwill (related to legacy hotels reporting unit) that were also initially recorded in conjunction with the acquisition of Tripadvisor.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto.

See note 2 in the accompanying consolidated financial statements for an overview of new accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

Overview

Liberty TripAdvisor Holdings, Inc. ("TripCo" or the "Company") holds its subsidiary Tripadvisor, Inc. ("Tripadvisor") and held its former subsidiary, BuySeasons, Inc. ("BuySeasons") until BuySeasons was sold on June 30, 2017. As of December 31, 2019, TripCo held an approximate 23% equity interest and 58% voting interest in Tripadvisor.

The financial information represents the historical consolidated results of TripCo and its subsidiaries as discussed in note 1 in the accompanying consolidated financial statements. In the following discussion, TripCo and its subsidiaries are referred to as "TripCo," "the Company," "us," "we" and "our" in the notes to the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Our "Corporate and Other" category includes our interest in BuySeasons, until its disposition on June 30, 2017, and corporate expenses.

Strategies and Challenges

Executive Summary

Results for TripCo are largely dependent upon the operating performance of Tripadvisor. Therefore, the executive summary below contains the strategies and challenges of Tripadvisor for an understanding of the business objectives of Tripadvisor.

Tripadvisor's Growth Strategy

Tripadvisor's growth strategy aims to increase revenue by deepening customer engagement on its platform by pursuing the following key strategies, including:

- continue building products that reduce friction throughout the travel planning and trip-taking journey and delight travelers;
- deepen consumer engagement with Tripadvisor's platform (including, but not limited to, membership growth, mobile app engagement and overall repeat usage);
- invest in technology to further improve customer and supplier experiences;
- deepen travel partner engagement with Tripadvisor's platform by expanding the number of products and services offered;
- invest in and grow certain categories where Tripadvisor leads the broader travel market today and/or can leverage unique assets, such as hotel business to business ("B2B") services, media advertising, experiences and restaurants;
- leverage Tripadvisor's technological and operational efficiencies; and
- opportunistically pursue strategic acquisitions.

Current Trends Affecting Tripadvisor's Business

The online travel industry is large and growing and remains highly dynamic and competitive. Tripadvisor's overall strategy is to deliver more value to consumers and travel partners in order to generate more monetization on its platform. While Tripadvisor operates with a long-term growth focus, its specific growth objectives and resource allocation strategies can differ in both duration and magnitude within the reportable segments. Descriptions of these dynamics, as well as other trends in Tripadvisor's business, are below.

Hotels, Media & Platform Segment

Tripadvisor operates the Hotels, Media & Platform segment by delivering consumers a holistic product experience and by offering travel partners a diversified number of advertising opportunities.

For consumers, Tripadvisor seeks to implement product enhancements that deliver a more engaging and comprehensive hotel shopping experience. This includes providing rich, immersive content – reviews, photos, videos and ratings, among other contributions – as well as increasing the number of travel partners and properties as well as the available hotel supply on its platform. Tripadvisor believes providing consumers tools to discover, research, price shop and book a comprehensive selection of accommodations, helps increase brand awareness and brand loyalty and, over time, can result in deeper consumer engagement, more qualified leads delivered to travel partners and greater monetization on its platform.

Tripadvisor seeks to monetize its influence and achieve revenue growth through hotel-related product improvements, supply and marketing efforts and customer advertising opportunities. Tripadvisor relies heavily on search engines, such as Google, to generate a significant amount of hotel shoppers to its websites, principally through search engine marketing, or SEM, as well as through search engine optimization, or SEO. Tripadvisor defines hotel shoppers as visitors who view either a listing of hotels in a city or on a specific hotel page. Given Tripadvisor's ongoing focus on Hotels, Media & Platform profitability, a key ongoing objective is to attract or acquire hotel shoppers at or above its desired marketing return on investment targets. To that end, starting in mid-2017, Tripadvisor began to reduce inefficient direct selling and marketing investments on paid online channels, primarily SEM, to improve profitability. This reduced the number of hotel shoppers to Tripadvisor's platform and reduced Tripadvisor-branded hotels revenue, specifically in hotel metasearch auction into 2019, while generating meaningful overall Hotels, Media & Platform segment profit growth and margin expansion, including year-over-year profit growth during both the years ended December 31, 2019 and December 31, 2018. Following moderate revenue growth resulting from SEO during 2018, Tripadvisor experienced revenue headwinds in this marketing channel in 2019 and expects this trend to continue, which it believes is impacted by search engines (primarily Google) increasing the prominence of their own hotel products in search results. Tripadvisor believes executing its long-term growth strategy can enable Tripadvisor to deepen customer engagement on its platform, monetize its influence and stabilize – and eventually grow – Hotels, Media & Platform segment revenue.

For example, in Tripadvisor-branded display and platform revenue, Tripadvisor enables travel partners to amplify their brand, generate brand impressions, and potentially drive qualified leads and bookings for their businesses. Historically, Tripadvisor has limited both the type and number of display-based advertising opportunities it makes available to travel partners, particularly on mobile phone, which, in turn, has limited display-based advertising revenue growth. However, Tripadvisor is working on initiatives to better leverage its audience, content, data, travel influence and platform breadth to open up new media advertising opportunities through a more modern, high-powered advertising suite spanning native, video and programmatic solutions. Tripadvisor also intends to deliver this broadened solution to a larger set of advertising travel endemic and non-travel endemic advertising partners, including industries such as airlines, finance and beauty.

In addition, Tripadvisor is focused on initiatives to increase its traffic quality and deepen customer engagement on its platform, including membership growth, personalization, and mobile app initiatives Tripadvisor believes can lead to increased monetization over time in this segment. For example, there remains not only an opportunity to continue to grow its member base, but also to deepen member engagement by making membership more valued, through building communities and leveraging content to further personalize trip-planning features.

Experiences & Dining Segment

During 2019, Tripadvisor's Experiences & Dining segment growth strategy prioritized near-term investments for platform expansion and bookings and revenue growth. Tripadvisor has increased investments in product, supply and marketing to enhance its long-term growth prospects. Tripadvisor has done this by, for example, growing bookable supply in newer experience categories in lower-priced options, such as events, tickets, and other experiences, and also non-English markets and mobile offerings. These categories have grown rapidly and added to Tripadvisor's total bookable experience products, which reached approximately 345,000 as of December 31, 2019. Tripadvisor believes offering consumers more selection can contribute to its goals to build deeper, more durable consumer relationships with its platform.

Tripadvisor also continues to seek selective acquisition opportunities in this segment. For example, in December 2019, Tripadvisor acquired U.K.-based Bookatable, which offers an online restaurant reservation and booking platform. This further strengthens Tripadvisor's position in certain of its existing European markets as well as expands it into new countries, such as the U.K., Germany, Austria, Finland and Norway. Once fully integrated, Bookatable should add approximately 14,000 more restaurants to TheFork's online restaurant booking platform, which, including Booktable, had approximately 84,000 total bookable restaurants, as of December 31, 2019.

Over the long-term, Tripadvisor's Experiences and Dining offerings enable Tripadvisor to deliver consumers a more comprehensive experience, which Tripadvisor believes will increase awareness of, loyalty to, and engagement with its products, drive more bookings to Experiences and Dining partners and generate greater revenue and increased profitability on its platform. Given the significant market opportunities in these large and growing categories, as well as competition aiming to provide consumers a similar multimodal experience, Tripadvisor expects to continue to invest to drive bookings and revenue growth.

Corporate and other

Corporate and other is a combination of Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China business units. In 2019, Tripadvisor contributed a portion of its business in China, including a long-term exclusive brand and content license and other assets, to form a new entity with Ctrip Investment Holding Ltd., in return for a 40% equity ownership interest. This investment is being accounted for as an equity method investment.

Profits have been relatively stable to positive and revenue has declined in recent periods primarily due to strategic re-alignments and resource re-allocation to other areas of business. Tripadvisor operates these offerings opportunistically as they complement its overall strategic objectives to deliver more value to consumers and travel partners.

Results of Operations—Consolidated

General. We provide in the tables below information regarding our historical Consolidated Operating Results and Other Income and Expense, as well as information regarding the contribution to those items from our reportable segments.

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Revenue			
Hotels, Media & Platform	$ 939	1,001	1,022
Experiences & Dining	456	372	264
Corporate and other	165	242	283
Total revenue	1,560	1,615	1,569
Operating expense, excluding stock-based compensation	332	309	289
SG&A, excluding stock-based compensation	799	895	958
Stock-based compensation	131	123	103
Depreciation and amortization	169	160	213
Impairment of intangible assets	288	—	1,798
Operating income	(159)	128	(1,792)
Other income (expense):			
Interest expense	(22)	(26)	(25)
Realized and unrealized gains (losses) on financial instruments, net	36	(59)	24
Other, net	13	5	(17)
	27	(80)	(18)
Earnings (loss) before income taxes	(132)	48	(1,810)
Income tax (expense) benefit	16	(57)	229
Net earnings (loss)	$ (116)	(9)	(1,581)
Adjusted OIBDA	$ 430	416	322

Revenue. Tripadvisor's Hotels, Media & Platform revenue decreased by $62 million and $21 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. Tripadvisor's Hotels, Media & Platform segment has two revenue sources, as described below: (1) Tripadvisor-branded hotels, which includes Hotel auction and B2B revenue; and (2) Tripadvisor-branded display and platform. The decreases in Hotels, Media & Platform revenue are detailed as follows:

	Years ended December 31,		
	2019	**2018**	**2017**
Tripadvisor-branded hotels	$ 779	848	866
Tripadvisor-branded display and platform	160	153	156
Total Hotels, Media & Platform	$ 939	1,001	1,022

Tripadvisor-branded hotels revenue primarily includes hotel metasearch auction revenue, and to a lesser extent, hotel B2B revenue, which includes click-based revenue generated from hotel sponsored placements that enable hotels to enhance their visibility on Tripadvisor hotel pages, and subscription-based advertising services that Tripadvisor offers to travel partners. For the years ended December 31, 2019, 2018 and 2017, 83%, 85% and 85%, respectively, of Tripadvisor's total Hotels, Media & Platform segment revenue was derived from Tripadvisor-branded hotels revenue. Tripadvisor-branded hotels revenue decreased $69 million or 8% during the year ended December 31, 2019 when compared to the same period in 2018. This decrease was due to factors impacting Tripadvisor's hotel metasearch auction revenue, primarily reduced revenue generated through its SEO marketing channel, which Tripadvisor believes is impacted by search engines (primarily Google) increasing the prominence of their own hotel products in search results. Tripadvisor-branded hotels revenue was also impacted by its progressive optimizations in SEM and other online paid traffic acquisition spend, and to a lesser extent, the general trend of an increasing percentage of hotel shoppers visiting via mobile phones which monetize at a significantly lower rate than hotel shoppers visiting via desktop or tablet. Declines in Tripadvisor-branded hotels was partially offset, to a lesser extent, by growth in hotel sponsored placements revenue.

Tripadvisor-branded hotels revenue decreased $18 million or 2% during the year ended December 31, 2018 when compared to the same period in 2017. This decrease was primarily due to factors impacting Tripadvisor's hotel metasearch auction revenue including travel partners bidding lower CPCs in its hotel metasearch auction during the second half of 2017, which created difficult year-over-year comparisons during the first half of 2018. The decrease in revenue can also be attributed to a significant reduction of Tripadvisor's direct marketing spend on its least-profitable paid online marketing campaigns as part of its progressive optimizations in SEM and other online paid traffic acquisition spend, as well as a greater percentage of hotel shoppers visiting Tripadvisor-branded websites and apps on mobile phones. The decline in Tripadvisor-branded hotels revenue was partially offset, to a lesser extent, by growth in its hotel sponsored placements revenue and product enhancements focused on increasing traffic quality.

For the years ended December 31, 2019, 2018, and 2017, 17%, 15%, and 15%, respectively, of total Hotels, Media & Platform segment revenue was derived from Tripadvisor-branded display and platform revenue. Tripadvisor-branded display and platform revenue increased $7 million or 5% during the year ended December 31, 2019, when compared to the same period in 2018, primarily due to an increase in pricing, and to a lesser extent, new initiatives launched in the later part of 2019. Tripadvisor-branded display and platform revenue decreased $3 million or 2% during the year ended December 31, 2018, when compared to the same period in 2017, primarily due to a general trend of an increasing percentage of traffic visiting Tripadvisor's websites on mobile phones, which yielded smaller impression opportunities due to the smaller screen size.

For the years ended December 31, 2019, 2018 and 2017, Experiences & Dining segment revenue accounted for 29%, 23% and 17%, respectively, of total consolidated revenue. Experiences & Dining segment revenue increased by $84 million or 23% during the year ended December 31, 2019 when compared to the same period in 2018, primarily driven by growth in both Experiences and Dining bookings, including increased bookings and revenue from Tripadvisor websites, partially offset by adverse changes in foreign currency, which Tripadvisor estimates negatively impacted Experiences & Dining revenue by 4%. Experiences & Dining segment revenue increased by $108 million or 41% during the year ended

December 31, 2018, when compared to the same period in 2017, primarily driven by growth in both Experiences and Restaurants bookings, including increased bookings and revenue from Tripadvisor websites.

Experiences revenue growth during the years ended December 31, 2019 and 2018, when compared to the same periods in 2018 and 2017, respectively, was primarily driven by growth in consumer demand, mobile reservations, and bookable supply on Tripadvisor's platform contributing to overall bookings growth, as consumers are offered a greater selection of travel experiences, which Tripadvisor believes was supported by platform improvements for both consumers and suppliers and expansion. Dining revenue growth during the years ended December 31, 2019 and 2018, when compared to the same period in 2018 and 2017, respectively, was primarily driven by growth in the following: seated diners, bookable supply of restaurant listings, mobile reservations, dining sponsored placement revenue and subscription service revenue, as well as, to a lesser extent, incremental revenue related to 2019 acquisitions.

Corporate and other revenue, which primarily includes click-based advertising and display-based advertising revenue from rentals, and flights, cruises and car offerings on Tripadvisor and non-Tripadvisor branded websites, such as www.smartertravel.com, www.bookingbuddy.com, www.cruisecritic.com and www.onetime.com, decreased by $77 million or 32%, and $41 million or 14% during the years ended December 31, 2019 and 2018, respectively, when compared to the same periods in 2018 and 2017. This was primarily driven by the elimination of some marginal and unprofitable revenue within these offerings near the end of 2018, as well as strategic resource re-allocation of investment across other areas of Tripadvisor's business and continued competition in the rentals offering.

Operating Expense. The most significant drivers of operating expense are technology and content costs, which increased by $15 million during the year ended December 31, 2019 when compared to the same period in 2018, primarily due to additional headcount in the Experiences & Dining segment to support business growth, partially offset by a decrease of personnel and overhead costs in Corporate and other as a result of strategic personnel re-allocation across the business. Technology and content costs increased by $21 million during the year ended December 31, 2018, when compared to the same period in 2017, primarily due to increased personnel and overhead costs, primarily as a result of an increase to headcount to support the business growth in Tripadvisor's Experiences & Dining businesses, as well as an increase in software and other professional licensing costs.

Selling, general and administrative. The most significant driver of selling, general and administrative expense is selling and marketing expenses. These include direct costs, including traffic generation costs from SEM and other online traffic acquisition costs, syndication costs and affiliate program commissions, social media costs, brand advertising (including television and other offline advertising), promotions and public relations. In addition, indirect sales and marketing expense consists of personnel and overhead expenses, including salaries, commissions, benefits, bonuses for sales, sales support, customer support and marketing employees.

Total selling and marketing costs decreased $108 million during the year ended December 31, 2019 when compared to the same period in 2018, primarily due to an overall decrease in SEM and other online traffic acquisition costs, as well as lower television advertising costs, driven by the Hotels, Media & Platform segment and Corporate and other. This decrease was partially offset by an increase in similar marketing expenditures in the Experiences & Dining segment and increased personnel and overhead costs related to additional headcount in the Experiences & Dining segment to support business growth.

Total selling and marketing costs decreased $71 million during the year ended December 31, 2018 when compared to the same period in 2017, primarily due to decreased SEM and online traffic acquisition costs in Tripadvisor's Hotels, Media & Platform businesses, partially offset by an increase in its television advertising campaign spend of $40 million during the year ended December 31, 2018, and by an increase in online and offline advertising costs in its Experiences & Dining businesses during the year ended December 31, 2018, when compared to the same period in 2017, as well as increased personnel and overhead costs due to an increase in headcount to support business growth.

Stock-based compensation. Stock based compensation increased $8 million and $20 million for the years ended December 31, 2019 and 2018, respectively, when compared to the same period in the prior year due to continued grants of stock options.

Depreciation and amortization. Depreciation and amortization increased $9 million during the year ended December 31, 2019 when compared to the same period in 2018, primarily due to incremental amortization for the right-of-use asset related to Tripadvisor's headquarters lease in Needham, Massachusetts (Tripadvisor's "Headquarters Lease") recorded upon adoption of ASC 842 and to a lesser extent increased amortization related to capitalized software and website development costs.

Depreciation and amortization decreased $53 million during the year ended December 31, 2018 when compared to the same period in 2017, due to the decrease in amortization expense associated with certain intangible assets that were fully amortized in 2017.

Impairment of intangible assets. Due to deteriorations in revenue, impairment losses of $288 million and $527 million were recorded during the years ended December 31, 2019 and December 31, 2017, respectively, related to trademarks. The trademarks were related to the hotels, media & platform reporting unit in 2019 and the legacy hotels reporting unit in 2017, which is now included in the hotels, media & platform reporting unit. Due to certain marketplace factors impacting Tripadvisor's operating results, which led to a decline in Tripadvisor's stock price, an impairment loss of $1,271 million was recorded during the year ended December 31, 2017 related to goodwill, related to the legacy hotels reporting unit, which is now included in the hotels, media & platform reporting unit.

Operating Income (Loss). Our consolidated operating income (loss) declined $287 million and improved $1,920 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. Operating income was impacted by the above explanations.

Adjusted OIBDA. To provide investors with additional information regarding our financial results, we also disclose Adjusted OIBDA, which is a non-GAAP financial measure. We define Adjusted OIBDA as Operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, restructuring, acquisition and other related costs and impairment charges. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our business and make decisions about our resources. We believe this is an important indicator of the operational strength and performance of our businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA:

	Years ended December 31,		
	2019	**2018**	**2017**
	amounts in millions		
Operating income (loss)	$ (159)	128	(1,792)
Depreciation and amortization	169	160	213
Stock-based compensation	131	123	103
Impairment of intangible assets	288	—	1,798
Restructuring and other related reorganization costs	1	—	—
Legal settlement	—	5	—
Adjusted OIBDA	$ 430	416	322

Adjusted OIBDA is summarized as follows:

	Years ended December 31,		
	2019	**2018**	**2017**
	amounts in millions		
Adjusted OIBDA			
Hotels, Media & Platform	$ 378	329	267
Experiences & Dining	5	48	23
Corporate and other	47	39	32
Consolidated TripCo	$ 430	416	322

Consolidated Adjusted OIBDA increased $14 million and $94 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. Hotels, Media & Platform Adjusted OIBDA increased $49 million for the year ended December 31, 2019 when compared to the same period in 2018, primarily due to reduced direct selling and marketing expenses related to SEM and other online paid traffic acquisition channels, and television advertising, which more than offset the decrease in revenue. Hotels, Media & Platform Adjusted OIBDA increased $62 million for the year ended December 31, 2018 when compared to the same period in 2017, primarily due to a decrease in direct selling and marketing expenses related to SEM and other online paid traffic acquisition costs as Tripadvisor continued to optimize and improve its marketing efficiency from its online marketing campaigns, which more than offset the decrease in revenue.

Experiences & Dining Adjusted OIBDA decreased $43 million during the year ended December 31, 2019 when compared to the same period in 2018, primarily due to increased people costs to drive product and supply investments, as well as increased marketing investments to fund long-term growth initiatives, partially offset by an increase in revenue, as noted above. Experiences & Dining Adjusted OIBDA increased $25 million during the year ended December 31, 2018 when compared to the same period in 2017, primarily due to an increase in revenue, as noted above, partially offset by increased people costs to drive product and supply investments and increased marketing investments to fund long-term growth initiatives.

Corporate and other Adjusted OIBDA increased $8 million and $7 million during the years ended December 31, 2019 and 2018, when compared to the same periods in 2018 and 2017, respectively, primarily due to reduced costs related to marketing and operational re-alignments, primarily offset by a decrease in revenue, as described above. Corporate and other Adjusted OIBDA also includes $8 million, $5 million and $6 million of TripCo level selling, general and administrative expenses for the years ended December 31, 2019, 2018 and 2017, respectively.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Interest expense			
Tripadvisor	$ (7)	(12)	(15)
Corporate and other	(15)	(14)	(10)
Consolidated TripCo	$ (22)	(26)	(25)
Realized and unrealized gains (losses) on financial instruments, net			
Tripadvisor	$ 1	(3)	(1)
Corporate and other	35	(56)	25
Consolidated TripCo	$ 36	(59)	24
Other, net			
Tripadvisor	$ 13	5	2
Corporate and other	—	—	(19)
Consolidated TripCo	$ 13	5	(17)

Interest expense. Interest expense decreased $4 million during the year ended December 31, 2019, when compared to the same period in 2018, primarily due to lower finance costs related to Tripadvisor's Headquarters Lease under ASC 842 and no outstanding borrowings on Tripadvisor's 2015 Credit Facility (as defined in note 7 in the accompanying consolidated financial statements). These decreases at Tripadvisor were partially offset by increased corporate interest expense due to higher outstanding borrowings under the margin loan agreement entered into by TripCo's bankruptcy remote wholly-owned subsidiary (the "Margin Loan") for the year ended December 31, 2019. Interest expense increased $1 million during the year ended December 31, 2018, when compared to the same period in 2017, related to higher average outstanding borrowings and effective interest rates on corporate debt during 2018, partially offset by no outstanding borrowings on Tripadvisor's debt during the year ended December 31, 2018.

Realized and unrealized gains (losses) on financial instruments, net. Realized and unrealized gains (losses) on financial instruments, net is primarily comprised of the change in the fair value of the variable postpaid forward (the "VPF") as described in notes 5 and 7 in the accompanying consolidated financial statements. TripCo unwound the VPF during the fourth quarter of 2019.

Other, net. The primary components of other, net are income and interest earned on money market funds and marketable securities offset by net foreign exchange losses. Other, net also includes a loss on disposition of $18 million during the year ended December 31, 2017 resulting from the sale of BuySeasons on June 30, 2017. Other, net income increased $8 million for the year ended December 31, 2019, when compared to the same period in 2018, primarily due to an increase in interest income earned from Tripadvisor's money market funds and other investments due to increased average interest rates and increased average invested funds during 2019. Other, net income increased $22 million for the year ended December 31, 2018, when compared to the same period in 2017, primarily due to no dispositions in 2018, as well as transactions gains and losses at Tripadvisor as a result of the fluctuation of foreign exchanges rates.

Income taxes. The Company had income tax benefits of $16, income tax expenses of $57 million, and income tax benefits of $229 million for the years ended December 31, 2019, 2018 and 2017, respectively.

During 2019, the Company recognized additional tax expense for changes in unrecognized tax benefits and dividends from Tripadvisor not recognized for book purposes, net of a dividends received deduction. These expense items were partially offset by a net income tax benefit from earnings in foreign jurisdictions taxed at rates other than the 21% United States ("U.S.") federal tax rate and federal income tax credits.

During 2018, the Company recognized additional tax expense related to the recognition of deferred tax liabilities for basis differences in the stock of a consolidated subsidiary and changes in unrecognized tax benefits. These expense items were partially offset by a net income tax benefit from earnings in foreign jurisdictions taxed at rates other than the 21% U.S. federal tax rate.

The Company recorded a discrete net tax benefit in the period ending December 31, 2017. This net benefit primarily consists of a net benefit for the corporate rate reduction, offset partially by a net tax expense related to a transition tax on the deemed repatriation of foreign earnings. In addition, the Company recognized an impairment loss on its goodwill that is not deductible for tax purposes.

Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders. We had net losses attributable to Liberty TripAdvisor Holdings, Inc. shareholders of $22 million, $64 million and $397 million for the years ended December 31, 2019, 2018 and 2017, respectively. The changes in net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders were the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Liquidity and Capital Resources

As of December 31, 2019, substantially all of our cash and cash equivalents consist of cash on hand in global financial institutions, money market funds and marketable securities, with maturities of 90 days or less at the date purchased.

The following are potential sources of liquidity: available cash balances, proceeds from asset sales, monetization of our investments, outstanding or anticipated debt facilities, debt and equity issuances, and dividend and interest receipts.

As of December 31, 2019, TripCo had a cash balance of $341 million. Approximately $319 million of the cash balance is held at Tripadvisor. Although TripCo has a 58% voting interest in Tripadvisor, Tripadvisor is a separate public company with a significant non-controlling interest, as TripCo has only a 23% equity interest in Tripadvisor. Even though TripCo controls Tripadvisor through its voting interest and board representation, decision making with respect to using Tripadvisor's cash balances must consider Tripadvisor's minority holders. Accordingly, any potential distributions of cash from Tripadvisor to TripCo would generally be on a pro rata basis based on economic ownership interests. Covenants in Tripadvisor's debt instruments also restrict the payment of dividends and cash distributions to stockholders. See note 7 in the accompanying consolidated financial statements.

As of December 31, 2019, approximately $151 million of TripCo cash is held by Tripadvisor foreign subsidiaries, of which approximately 50% were located in the U.K., with the majority of Tripadvisor's international cash denominated in U.S. dollars, Euros, and, to a lesser extent, British pounds, Australian dollars and other currencies. As of December 31, 2019, Tripadvisor had $619 million of cumulative undistributed earnings in foreign subsidiaries. As a result of the Tax Act, foreign earnings may now generally be repatriated back to the U.S. without incurring U.S. federal income tax. See note 9 in the accompanying consolidated financial statements for additional information.

On November 1, 2019, Tripadvisor's Board of Directors declared a special cash dividend of $3.50 per share, or approximately $488 million in the aggregate. The dividend was payable on December 4, 2019 to stockholders of record on November 20, 2019. TripCo received approximately $108 million based on our ownership in Tripadvisor. Tripadvisor funded this special cash dividend with available cash primarily from the U.S. and to a lesser extent from a foreign subsidiary, with no material related income tax impacts.

As of December 31, 2019, Tripadvisor had no outstanding borrowings and approximately $1.2 billion in borrowing capacity available under the 2015 Credit Facility and $30 million of borrowing capacity available under the Tripadvisor Chinese Credit Facility—BOA (as defined in note 7 in the accompanying consolidated financial statements).

Historically, Tripadvisor's operating cash flows have been sufficient to fund its working capital requirements, capital expenditures and long term debt obligations and other financial commitments and are expected to be sufficient in future periods.

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Cash flow information			
Tripadvisor cash provided (used) by operating activities	$ 424	405	238
Corporate and other cash provided (used) by operating activities	(33)	(5)	(19)
Net cash provided (used) by operating activities	$ 391	400	219
Tripadvisor cash provided (used) by investing activities	$ (176)	(49)	6
Corporate and other cash provided (used) by investing activities	—	—	(7)
Net cash provided (used) by investing activities	$ (176)	(49)	(1)
Tripadvisor cash provided (used) by financing activities	$ (580)	(358)	(200)
Corporate and other cash provided (used) by financing activities	38	—	1
Net cash provided (used) by financing activities	$ (542)	(358)	(199)

During the year ended December 31, 2019, TripCo's primary uses of cash were dividends paid by Tripadvisor to noncontrolling interests of $380 million, debt repayments of $359 million, including $259 in principal payments on the VPF and $100 million in principal payments on the original margin loans, purchases of marketable securities of $133 million, acquisitions, net of cash acquired of $108 million, capital expenditures of $83 million, share repurchases of $60 million and payment of withholding taxes on net share settlements on equity awards of $29 million. These uses of cash were funded primarily with cash provided by operations, borrowings of debt of $235 million, proceeds from sales and maturities of marketable securities of $150 million and derivative proceeds from counterparties of $71 million.

During the year ended December 31, 2018, TripCo's primary use of cash was net debt repayments of $238 million. This use of cash was funded primarily with available cash, cash provided by operations and approximately $64 million in sales and maturities of short term investments and other marketable securities. During the year ended December 31, 2017, TripCo's primary use of cash was approximately $250 million of share repurchases under Tripadvisor's authorized share repurchase program, as well as $369 million in debt repayments, $63 million in purchases of short term investments and other marketable securities and $65 million of capital expenditures. These uses of cash were funded primarily with cash provided by operations, proceeds from sales and maturities of short term investments and other marketable securities and borrowings of debt.

The projected use of TripCo's corporate cash will primarily be to pay fees (not expected to exceed $5 million annually) to Liberty Media for providing certain services pursuant to the services agreement and the facilities sharing agreement, and to pay any other corporate level expenses and may also include repayment of the Margin Loan (discussed in note 7 in the accompanying consolidated financial statements). The debt service costs of the Margin Loan are paid in kind and become outstanding principal.

Tripadvisor's available cash and cash equivalents, combined with expected cash flows generated by operating activities and available cash from its credit facilities are expected to be sufficient to fund Tripadvisor's foreseeable working capital requirements, capital expenditures, existing business growth initiatives, debt obligations, lease commitments, and other financial commitments through at least the next twelve months. Tripadvisor's future capital requirements may also include capital needs for acquisitions, share repurchases, cash dividends and/or other expenditures in support of its business strategy, and may potentially reduce Tripadvisor's cash balance and/or increase its debt.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

We have contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business including potential tax obligations associated with certain transactions following the formation of TripCo. Although it is reasonably possible we may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations, excluding uncertain tax positions as it is undeterminable when payments will be made, is summarized below.

	Payments due by period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
	amounts in millions				
Consolidated contractual obligations					
Finance and operating lease obligations (1)	$ 198	32	62	41	63
Long-term debt (2)	$ 412	—	412	—	—
Other obligations (3)	$ 45	5	6	19	15
Total	$ 655	37	480	60	78

(1) Estimated future lease payments for Tripadvisor's Headquarters Lease in Needham, Massachusetts and operating leases, primarily for office space, with non-cancelable lease terms. See note 8 in the accompanying consolidated financial statements for further information.

(2) Amounts (i) are stated at the face amount at maturity of our debt instruments, (ii) do not assume additional borrowings or refinancings of existing debt and (iii) assume interest rates remain at the December 31, 2019 rates.

(3) Includes transition tax liabilities as a result of the Tax Act, other purchase obligations and expected commitment fee payments on the Tripadvisor 2015 Credit Facility (as defined in note 7 in the accompanying consolidated financial statements).

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported.

Recognition and Recoverability of Goodwill, Intangible and Long-lived Assets

We account for acquired businesses using the acquisition method of accounting which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. We test goodwill for impairment at the reporting unit level (operating segment or one level below an operating segment). Goodwill is allocated to our reporting units at the date the goodwill is initially recorded. Once goodwill has been allocated to the reporting units, it no longer retains its identification with a particular acquisition and becomes identified with the reporting unit in its entirety. Accordingly, the fair value of the reporting unit as a whole is available to support the recoverability of its goodwill.

Our non-financial instrument valuations are primarily comprised of our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as trademarks and our evaluation of the recoverability of our other long-lived assets upon certain triggering events and the initial recognition of such assets through the application of the purchase accounting method. If the carrying value of our definite lived intangible assets and long-lived assets exceeds their undiscounted cash flows, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value.

During the first quarter of 2019 the composition of our reportable segments was revised, as discussed in note 14. As a result of the change in reporting units, we assessed the recoverability of our goodwill and concluded the estimated fair values were in excess of the carrying values for these reporting units. Therefore, no indications of impairment were identified as a result of these changes in the first quarter of 2019.

As of December 31, 2019, the intangible assets not subject to amortization for each of our significant reportable segments was as follows:

	Goodwill	Trademarks	Total
	amounts in millions		
Hotels, Media & Platform	$ 1,923	980	2,903
Experiences & Dining	333	—	333
Corporate and other	271	—	271
	$ 2,527	980	3,507

We perform our annual assessment of the recoverability of our goodwill and other non-amortizable intangible assets during the fourth quarter, or more frequently, if events and circumstances indicate impairment may have occurred. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes. If, based on the qualitative analysis, it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

During the fourth quarter of 2019, we elected to bypass a qualitative assessment and proceed directly to performing a quantitative impairment test for our trademarks. The fair value of our indefinite-lived trademarks was determined using the relief from royalty method. Due to deteriorating revenue, an impairment loss of $288 million was recorded during the year ended December 31, 2019 related to trademarks, related to the hotels, media & platform reporting unit. As a result of the impairment, the estimated fair value of the trademark does not significantly exceed its carrying value as of December 31, 2019.

Following the trademark impairment, also during the fourth quarter of 2019, we performed qualitative assessments for our reporting units and performed quantitative assessments for our Rentals and China reporting units and concluded it was not more likely than not that an impairment existed.

During the fourth quarter of 2018, we performed a qualitative assessment for each reporting unit and concluded it was not more likely than not that an impairment existed.

During the fourth quarter of 2017, we elected to bypass a qualitative assessment and proceed directly to performing a quantitative impairment test for our non-amortizable intangible assets. The fair value of the non-amortizable intangible assets, which consist of indefinite-lived trademarks, was determined using the relief from royalty method. The fair values of the reporting units were determined using a combination of the income approach and the market approach. Due to certain marketplace factors impacting Tripadvisor's operating results, which led to a decline in Tripadvisor's stock price, impairments of $527 million and $1,271 million were recorded during the year ended December 31, 2017 related to trademarks and goodwill, respectively, related to the hotel reporting unit at that time.

Income Taxes

We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Additionally, Tripadvisor records liabilities to address uncertain tax positions taken in previously filed tax returns or that are expected to be taken in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that the tax position, based on its technical merits, will be sustained upon examination. For those positions for which a conclusion is reached that it is more likely than not it will be sustained, the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the taxing authority is recognized. The difference between the amount recognized and the total tax position is recorded as a liability. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk in the normal course of business due to our ongoing investment and financial activities and the conduct of operations by Tripadvisor in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We expect to manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We expect to achieve this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of December 31, 2019, our debt is comprised of the following amounts:

	Variable rate debt	
	Principal amount	Weighted avg interest rate
	amounts in millions	
TripCo debt	$ 355	5.2 %

TripCo is exposed to foreign exchange rate fluctuations related primarily to the monetary assets and liabilities and the financial results of Tripadvisor's foreign subsidiaries. Assets and liabilities of foreign subsidiaries for which the functional currency is the local currency are translated into U.S. dollars at period-end exchange rates, and the statements of operations are generally translated at the average exchange rate for the period. Exchange rate fluctuations on translating foreign currency financial statements into U.S. dollars that result in unrealized gains or losses are referred to as translation adjustments. Cumulative translation adjustments are recorded in accumulated other comprehensive earnings (loss) as a separate component of stockholders' equity. Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses, which are reflected in income as unrealized (based on period-end translations) or realized upon settlement of the transactions. Cash flows from our operations in foreign countries are translated at the average rate for the period. Accordingly, TripCo may experience economic loss and a negative impact on earnings and equity with respect to our holdings solely as a result of foreign currency exchange rate fluctuations.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements of Liberty TripAdvisor Holdings, Inc. are filed under this Item, beginning on Page II-25. The financial statement schedules required by Regulation S-X are filed under Item 15 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of December 31, 2019 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

See page II-19 for Management’s Report on Internal Control Over Financial Reporting.

See page II-20 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended December 31, 2019 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Liberty TripAdvisor Holdings, Inc.'s (the "Company") management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2019, using the criteria in *Internal Control-Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2019, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm that audited the consolidated financial statements and disclosures in the Annual Report on Form 10-K has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page II-20 of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty TripAdvisor Holdings, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Liberty TripAdvisor Holdings, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements), and our report dated February 19, 2020 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Denver, Colorado
February 19, 2020

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty TripAdvisor Holdings, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Liberty TripAdvisor Holdings, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2020 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the sufficiency of audit evidence over revenue

As discussed in Note 2 to the consolidated financial statements, and disclosed in the consolidated statements of operations, the Company had $1.560 billion in revenue for the year ended December 31, 2019, of which $779 million was hotels related, $160 million was display and platform related, $456 million related to experiences and dining and $165 million of other revenue. Each of these categories of revenue has multiple revenue streams and the Company's processes and information technology (IT) systems differ between each revenue stream.

We identified the evaluation of sufficiency of audit evidence over revenue as a critical audit matter. This matter required especially subjective auditor judgment due to the number of revenue streams and the related IT applications utilized throughout the revenue recognition processes. Subjective auditor judgment was required to evaluate that relevant revenue data was captured and aggregated throughout these various IT applications. This matter also included determining the revenue streams over which procedures would be performed and evaluating the nature and extent of evidence obtained over each revenue stream, both of which included the involvement of IT professionals with specialized skills and knowledge.

The primary procedures performed to address this critical audit matter included the following. We performed risk assessment procedures and applied auditor judgment to determine the nature and extent of procedures to be performed over revenue. For each revenue stream where procedures were performed, we:

- Tested certain internal controls over the Company's revenue processes, including the Company's controls over the accurate recording of amounts.
- For certain revenue streams, assessed the recorded revenue by selecting a sample of transactions and compared the amounts recognized for consistency with underlying documentation, including evidence of contracts with customers.
- For certain revenue streams, assessed the recorded revenue by comparing the total cash received during the year to the revenue recognized, including evaluating the relevance and reliability of the inputs to the assessment.

We involved IT professionals with specialized skills and knowledge, who assisted in:

- Testing certain IT applications used by the Company in its revenue recognition process.
- Testing the transfer of relevant revenue data between certain systems used in the revenue recognition process.

In addition, we evaluated the overall sufficiency of audit evidence obtained over revenue.

Evaluation of impairment analysis for the Tripadvisor trademark

As discussed in Notes 2 and 6 to the consolidated financial statements, the trademark balance as of December 31, 2019 was $980 million, all of which relate to Tripadvisor. The Company performs an assessment of the recoverability of intangible assets with indefinite useful lives annually, or more frequently if events and circumstances indicate impairment may have occurred. As a result of the annual impairment assessment, the Company recorded an impairment of the Tripadvisor trademark of $288 million.

We identified the evaluation of the impairment analysis for the Tripadvisor trademark as a critical audit matter. There was a high degree of subjective auditor judgment in applying and evaluating the results of our audit procedures over the discounted cash flow model used to calculate the fair value of the trademark. Specifically, testing the forecasted revenue and discount rate, which were used to calculate the estimated fair value, involved a high degree of subjectivity. In addition, the fair value of the trademark was challenging to test due to the sensitivity of the fair value determinations to changes in these assumptions.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's trademark impairment assessment process, including controls related to the determination of the estimated fair value of the trademark and the development of the key assumptions noted above. We evaluated the Company's forecasted revenue for the trademark by comparing the revenue growth to historical actual results and forecasted growth rates of analyst and peer companies. We compared the Company's historical revenue forecasts to actual results to assess the Company's ability to accurately forecast. In addition, we involved a valuation professional with specialized skill and knowledge, who assisted in:

- Evaluating the Company's discount rate by comparing it to a discount rate range that was independently developed using publicly available market data for comparable entities; and

- Assessing the estimate of trademark fair value considering the application of the discounted cash flow method, forecasted revenue, and discount rate.

/s/ KPMG LLP

We have served as the Company's auditor since 2014.

Denver, Colorado
February 19, 2020

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Balance Sheets

December 31, 2019 and 2018

	2019	2018
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	$ 341	672
Accounts receivable and contract assets, net of allowance for doubtful accounts of $25 million and $21 million, respectively	183	212
Other current assets	33	48
Total current assets	557	932
Property and equipment, at cost	254	234
Accumulated depreciation	(99)	(80)
	155	154
Intangible assets not subject to amortization (note 6):		
Goodwill	2,527	2,443
Trademarks	980	1,266
	3,507	3,709
Intangible assets subject to amortization, net (note 6)	277	311
Other assets, at cost, net of accumulated amortization	230	118
Total assets	$ 4,726	5,224

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Balance Sheets (Continued)

December 31, 2019 and 2018

	2019	2018
	amounts in millions	
Liabilities and Equity		
Current liabilities:		
Deferred merchant and other payables	$ 170	179
Current portion of debt (note 7)	—	220
Deferred revenue	62	63
Accrued liabilities and other current liabilities	205	151
Total current liabilities	437	613
Long-term debt (note 7)	353	267
Deferred income tax liabilities (note 9)	254	325
Other liabilities	381	283
Total liabilities	1,425	1,488
Equity		
Preferred stock, $.01 par value. Authorized 50,000,000 shares; no shares issued.	—	—
Series A common stock, $.01 par value. Authorized 200,000,000 shares; issued and outstanding 72,152,848 at December 31, 2019 and 72,146,903 at December 31, 2018.	1	1
Series B common stock, $.01 par value. Authorized 7,500,000 shares; issued and outstanding 2,929,401 at December 31, 2019 and 2,929,777 at December 31, 2018.	—	—
Series C common stock, $.01 par value. Authorized 200,000,000 shares; no shares issued.	—	—
Additional paid-in capital	237	231
Accumulated other comprehensive earnings (loss), net of taxes	(29)	(29)
Retained earnings	111	133
Total stockholders' equity	320	336
Noncontrolling interests in equity of subsidiaries	2,981	3,400
Total equity	3,301	3,736
Commitments and contingencies (note 13)		
Total liabilities and equity	$ 4,726	5,224

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Operations

Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in millions, except per share amounts		
Service revenue	$ 1,560	1,615	1,556
Other revenue	—	—	13
Total revenue, net	1,560	1,615	1,569
Operating costs and expenses:			
Operating expense, including stock-based compensation (note 2 and 11)	388	361	329
Selling, general and administrative, including stock-based compensation (note 2 and 11)	874	966	1,021
Depreciation and amortization	169	160	213
Impairment of intangible assets (note 6)	288	—	1,798
	1,719	1,487	3,361
Operating income (loss)	(159)	128	(1,792)
Other income (expense):			
Interest expense	(22)	(26)	(25)
Realized and unrealized gains (losses) on financial instruments, net	36	(59)	24
Other, net	13	5	(17)
	27	(80)	(18)
Earnings (loss) before income taxes	(132)	48	(1,810)
Income tax (expense) benefit (note 9)	16	(57)	229
Net earnings (loss)	(116)	(9)	(1,581)
Less net earnings (loss) attributable to the noncontrolling interests	(94)	55	(1,184)
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$ (22)	(64)	(397)
Basic net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 2):	$ (0.29)	(0.86)	(5.29)
Diluted net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 2):	$ (0.29)	(0.86)	(5.29)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Comprehensive Earnings (Loss)

Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in millions		
Net earnings (loss)	$ (116)	(9)	(1,581)
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	5	(28)	59
Reclassification adjustment for net losses included in net income	(2)	—	—
Other comprehensive earnings (loss)	3	(28)	59
Comprehensive earnings (loss)	(113)	(37)	(1,522)
Less comprehensive earnings (loss) attributable to the noncontrolling interests	(91)	33	(1,138)
Comprehensive earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	$ (22)	(70)	(384)

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in millions		
Cash flows from operating activities:			
Net earnings (loss)	$ (116)	(9)	(1,581)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	169	160	213
Stock-based compensation	131	123	103
Impairment of intangible assets (note 6)	288	—	1,798
Realized and unrealized (gains) losses on financial instruments, net	(36)	59	(24)
Deferred income tax expense (benefit)	(79)	(8)	(329)
Other charges (credits), net	(18)	10	25
Changes in operating assets and liabilities			
Current and other assets	52	38	(71)
Payables and other liabilities	—	27	85
Net cash provided (used) by operating activities	391	400	219
Cash flows from investing activities:			
Capital expended for property and equipment, including internal-use software and website development	(83)	(61)	(65)
Acquisitions, net of cash acquired (note 3)	(108)	(24)	—
Purchases of short term investments and other marketable securities	(133)	(16)	(63)
Sales and maturities of short term investments and other marketable securities	150	64	133
Other investing activities, net	(2)	(12)	(6)
Net cash provided (used) by investing activities	(176)	(49)	(1)
Cash flows from financing activities:			
Borrowings of debt	235	7	435
Repayments of debt	(359)	(245)	(369)
Cash dividend paid by Tripadvisor to noncontrolling interests (note 10)	(380)	—	—
Shares repurchased by subsidiary (note 10)	(60)	(100)	(250)
Payment of withholding taxes on net share settlements of equity awards	(29)	(26)	(17)
Derivative proceeds from counterparties	71	—	—
Other financing activities, net	(20)	6	2
Net cash provided (used) by financing activities	(542)	(358)	(199)
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	(4)	(16)	17
Net increase (decrease) in cash, cash equivalents and restricted cash	(331)	(23)	36
Cash, cash equivalents and restricted cash at beginning of period	672	695	659
Cash, cash equivalents and restricted cash at end of period	$ 341	672	695

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Consolidated Statements of Equity

Years ended December 31, 2019, 2018 and 2017

	Stockholders' equity								
	Preferred stock	Series A	Series B	Series C	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	amounts in millions								
Balance at December 31, 2016	$ —	1	—	—	245	(36)	593	4,621	5,424
Net earnings (loss)	—	—	—	—	—	—	(397)	(1,184)	(1,581)
Other comprehensive earnings (loss)	—	—	—	—	—	13	—	46	59
Stock-based compensation	—	—	—	—	30	—	—	85	115
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(17)	—	—	—	(17)
Shares repurchased by subsidiary (note 10)	—	—	—	—	(2)	—	—	(248)	(250)
Other, net	—	—	—	—	(6)	—	—	9	3
Balance at December 31, 2017	—	1	—	—	250	(23)	196	3,329	3,753
Net earnings (loss)	—	—	—	—	—	—	(64)	55	(9)
Other comprehensive earnings (loss)	—	—	—	—	—	(6)	—	(22)	(28)
Stock-based compensation	—	—	—	—	35	—	—	101	136
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(26)	—	—	—	(26)
Shares repurchased by subsidiary (note 10)	—	—	—	—	(20)	—	—	(80)	(100)
Other, net	—	—	—	—	(8)	—	1	17	10
Balance at December 31, 2018	—	1	—	—	231	(29)	133	3,400	3,736
Net earnings (loss)	—	—	—	—	—	—	(22)	(94)	(116)
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	3	3
Stock-based compensation	—	—	—	—	37	—	—	109	146
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	(29)	—	—	—	(29)
Cash dividends paid by Tripadvisor to noncontrolling interests (note 10)	—	—	—	—	—	—	—	(380)	(380)
Shares repurchased by subsidiary (note 10)	—	—	—	—	7	—	—	(67)	(60)
Other, net	—	—	—	—	(9)	—	—	10	1
Balance at December 31, 2019	$ —	1	—	—	237	(29)	111	2,981	3,301

See accompanying notes to consolidated financial statements.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(1) Basis of Presentation

Liberty TripAdvisor Holdings, Inc. ("TripCo" or the "Company") was formed in 2013 as a Delaware corporation. TripCo was a subsidiary of Liberty Interactive Corporation (subsequently renamed Qurate Retail, Inc. ("Qurate Retail")) until the completion of its spin-off from Qurate Retail on August 27, 2014 ("TripCo Spin-Off"). TripCo does not have any operations outside of its controlling interest in its subsidiary Tripadvisor, Inc. ("Tripadvisor") and its former wholly owned subsidiary, BuySeasons, Inc. ("BuySeasons"). TripCo sold its ownership in BuySeasons effective June 30, 2017. Both Tripadvisor and BuySeasons operated as stand-alone operating entities. Tripadvisor's financial performance tends to be seasonally highest in the second and third quarters of a given year, which includes the seasonal peak in consumer demand, traveler hotel and rental stays, and travel activities and experiences taken, compared to the first and fourth quarters, which represent seasonal low points.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and represent a consolidation of the historical financial information of Tripadvisor (see note 4 for a more detailed discussion of transactions related to Tripadvisor) and BuySeasons. The results of BuySeasons are included in the accompanying consolidated financial results of TripCo until June 30, 2017. These financial statements refer to the consolidation of Tripadvisor and BuySeasons as "TripCo," "the Company," "us," "we" and "our" in the notes to the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Additionally, certain prior period amounts have been reclassified for comparability with the current period presentation.

Description of Business

Tripadvisor is a leading online travel company and its mission is to help people around the world plan, book and experience the perfect trip. Tripadvisor operates a global travel platform that connects the world's largest audience of prospective travelers with travel partners through rich content, price comparison tools and online reservations and related services for destinations, travel activities and experiences, and restaurants.

Under its flagship brand, Tripadvisor, it launched www.Tripadvisor.com in the United States in 2000. Since then, Tripadvisor has launched localized versions of the Tripadvisor website in 48 markets and 28 languages worldwide. Tripadvisor's rich content and engaged community attract the world's largest travel audience based on monthly unique visitors, including 463 million average monthly unique visitors in the third quarter of 2019 during the peak summer travel season. In addition to the flagship Tripadvisor brand, Tripadvisor owns and operates a portfolio of travel media brands and businesses, operating under various websites, connected by the common goal of providing consumers the most comprehensive travel-planning and trip-taking resources in the travel industry.

During the first quarter of 2019, as part of our continuous review of the business, we evaluated our operations and realigned the reportable segment information which our chief operating decision maker, or CODM, regularly assesses to evaluate performance for operating decision-making purposes, including evaluation and allocation of resources. The revised segment reporting structure includes the following reportable segments: (1) Hotels, Media & Platform; and (2) Experiences & Dining.

Spin-Off of TripCo from Qurate Retail

The TripCo Spin-Off was completed on August 27, 2014. Following the TripCo Spin-Off, Qurate Retail and TripCo operate as separate, publicly traded companies, and neither has any stock ownership, beneficial or otherwise, in the other. In connection with the TripCo Spin-Off, TripCo entered into certain agreements, including the services agreement, the facilities sharing agreement and the tax sharing agreement, with Qurate Retail and/or Liberty Media

Corporation ("Liberty Media") (or certain of their subsidiaries) in order to govern certain of the ongoing relationships between the companies after the TripCo Spin-Off and to provide for an orderly transition.

Pursuant to the services agreement (except as described below in respect to Gregory B. Maffei), Liberty Media provides TripCo with general and administrative services including legal, tax, accounting, treasury and investor relations support. Liberty TripCo reimburses Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and TripCo pays a services fee to Liberty Media under the services agreement that is subject to adjustment semi-annually, as necessary.

In December 2019, TripCo entered into an amendment to the services agreement with Liberty Media in connection with Liberty Media's entry into a new employment arrangement with Gregory B. Maffei, TripCo's Chairman, President and Chief Executive Officer. Under the amended services agreement, components of his compensation will either be paid directly to him by each of TripCo, Liberty Broadband Corporation, GCI Liberty, Inc. and Qurate Retail (collectively, the "Service Companies") or reimbursed to Liberty Media, in each case, based on allocations among Liberty Media and the Service Companies set forth in the amended services agreement, currently set at 5% for the Company. The new agreement between Liberty Media and Mr. Maffei provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an aggregate annual base salary of $3 million (with no contracted increase), an aggregate one-time cash commitment bonus of $5 million, an aggregate annual target cash performance bonus of $17 million, aggregate annual equity awards of $17.5 million and aggregate equity awards granted in connection with his entry into his new agreement of $90 million (the "upfront awards"). A portion of the grants made to our CEO in the year ended December 31, 2019 related to our company's allocable portion of these upfront awards.

Under the facilities sharing agreement, TripCo shares office space with Liberty Media and related amenities at Liberty Media's corporate headquarters in Englewood, Colorado.

The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and TripCo and other agreements related to tax matters. Pursuant to the tax sharing agreement, TripCo has agreed to indemnify Qurate Retail, subject to certain limited exceptions, for losses and taxes resulting from the TripCo Spin-Off to the extent such losses or taxes result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by TripCo (applicable to actions or failures to act by TripCo and its subsidiaries following the completion of the TripCo Spin-Off).

Under these agreements, approximately $4 million and $3 million were reimbursable to Liberty Media for the years ended December 31, 2019 and 2018, respectively.

(2) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, including money market funds and marketable debt securities, with maturities of three months or less at the time of acquisition.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recognized when the right to consideration becomes unconditional and are recorded net of an allowance for doubtful accounts. Such allowance aggregated $25 million and $21 million at December 31, 2019 and 2018, respectively. Our customer invoices are generally due 30 days from the time of invoicing. For accounts outstanding longer than the contractual payment terms, the Company determines an allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history, a specific customer's ability to pay its obligations to us, and the condition of the general economy and industry as a whole.

Investments

All marketable debt and equity securities held by the Company are carried at fair value, generally based on quoted market prices. Fair values are determined for each individual security in the investment portfolio. Unrealized gains and losses, net of taxes, arising from changes in fair value are reported in accumulated other comprehensive income (loss) as a component of equity.

For those investments in which the Company has the ability to exercise significant influence, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the affiliate as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event the Company is unable to obtain accurate financial information from an equity affiliate in a timely manner, the Company records its share of earnings or losses on a lag.

For those equity securities without readily determinable values, the Company elected the measurement alternative (defined as the cost of the security, adjusted for changes in fair value when there are observable prices, less impairments).

The classification of investments is determined at the time of purchase and reevaluated at each balance sheet date. We invest in highly-rated securities, and our investment policy limits the amount of credit exposure to any one issuer, industry group and currency. The policy requires investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss and providing liquidity of investments sufficient to meet our operating and capital spending requirements and debt repayments.

Marketable debt securities are classified as either short-term or long-term based on each instrument's underlying contractual maturity date and as to whether and when we intend to sell a particular security prior to its maturity date. Marketable debt securities with maturities greater than 90 days at the date of purchase and 12 months or less remaining at the balance sheet date will be classified as short-term and marketable debt securities with maturities greater than 12 months from the balance sheet date will generally be classified as long-term. We classify our marketable equity securities, limited to money market funds and mutual funds, as either a cash equivalent, short-term or long-term based on the nature of each security and its availability for use in current operations.

Realized gains and losses on the sale of securities are determined by specific identification of each security's cost basis. We may sell certain of our marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipation of credit deterioration and liquidity and duration management. The weighted average maturity of our total invested cash shall not exceed 18 months, and no security shall have a final maturity date greater than three years.

Derivative Instruments

All of the Company's derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. If the derivative is not designated as a hedge, changes in the fair value of the derivative are recognized in earnings. None of the Company's derivatives are currently designated as hedges.

The fair value of certain of the Company's derivative instruments are estimated using the Black-Scholes-Merton model. The Black-Scholes-Merton model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtains volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate is obtained at the inception of the derivative instrument and updated each reporting period, based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considered its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Management judgment is required in estimating the Black-Scholes-Merton model variables.

Property and Equipment

Property and equipment consists of the following (amounts in millions):

	December 31,	
	2019	2018
Buildings (1)	$ —	123
Finance lease right-of-use asset (1)	114	—
Leasehold improvements	49	41
Computer equipment and purchased software	70	52
Furniture, office equipment and other	21	18
Total property and equipment	$ 254	234

(1) Refer to note 8 regarding the transition accounting related to the adoption of ASC 842 and subsequent accounting for Tripadvisor's headquarters lease in Needham, Massachusetts (Tripadvisor's "Headquarters Lease").

Property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is three to five years for computer equipment and furniture, office equipment and other. Leasehold improvements are depreciated using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

Leases

The Company, through its consolidated companies, leases facilities in several countries around the world and certain equipment under non-cancelable lease agreements. Refer to note 8 for a discussion on accounting for leases and other financial disclosures.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible assets with indefinite useful lives (collectively, "indefinite lived intangible assets") are not amortized, but instead are tested for impairment at least annually. Our annual impairment assessment of our indefinite-lived intangible assets is performed during the fourth quarter of each year.

The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period.

In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it was more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current year and prior year for other purposes. If, based on the qualitative analysis, it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

The quantitative goodwill impairment test compares the estimated fair value of a reporting unit to its carrying value. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in TripCo's valuation analyses, where applicable, are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There can be no assurance that actual results will approximate these forecasts.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset, other than goodwill, is impaired. The accounting guidance also allows entities the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company’s indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. See note 6 for discussion of goodwill and trademark impairments.

Websites and Internal Use Software Development Costs

Certain costs incurred during the application development stage related to the development of websites and internal use software are capitalized and included in other intangible assets subject to amortization. Capitalized costs include internal and external costs, if direct and incremental, and deemed by management to be significant. Costs related to the planning and post-implementation phases of software and website development are expensed as these costs are incurred. Maintenance and enhancement costs (including those costs in the post-implementation stages) are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the website or software resulting in added functionality, in which case the costs are capitalized.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, including its ultimate disposition, an impairment adjustment is recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

Noncontrolling interest relates to the equity ownership interest in Tripadvisor that the Company does not own. The Company reports noncontrolling interests of consolidated companies within equity in the consolidated balance sheets and the amount of net income attributable to the parent and to the noncontrolling interest is presented in the consolidated statements of operations. Also, changes in ownership interests in consolidated companies in which the Company maintains a controlling interest are recorded in equity.

Foreign Currency Translation and Transaction Gains and Losses

The functional currency of the Company is the United States ("U.S.") dollar. The functional currency of the Company's foreign operations generally is the applicable local currency for each foreign subsidiary. Assets and liabilities of foreign subsidiaries are translated at the spot rate in effect at the applicable reporting date, and the consolidated statements of operations are translated at the average exchange rates in effect during the applicable period. The resulting unrealized cumulative translation adjustment, net of applicable income taxes, is recorded as a component of accumulated other comprehensive earnings (loss) in equity.

Transactions denominated in currencies other than the functional currency are recorded based on exchange rates at the time such transactions arise. Subsequent changes in exchange rates result in transaction gains and losses which are reflected in the accompanying consolidated statements of operations and comprehensive earnings (loss) as unrealized (based on the applicable period-end exchange rate) or realized upon settlement of the transactions.

Accordingly, we have recorded foreign currency exchange losses of $3 million and $6 million and gains of $1 million for the years ended December 31, 2019, 2018, and 2017, respectively, in other, net on our consolidated statements of operations.

Revenue Recognition

Tripadvisor generates all of its revenue from contracts with customers. It recognizes revenue when it satisfies a performance obligation by transferring control of the promised services to a customer in an amount that reflects the consideration that it expects to receive in exchange for those services. When Tripadvisor acts as an agent in the transaction, it recognizes revenue for only its commission on the arrangement. Tripadvisor determines revenue recognition through the following steps:

(1) Identification of the contract, or contracts, with a customer
(2) Identification of the performance obligations in the contract
(3) Determination of the transaction price
(4) Allocation of the transaction price to the performance obligations in the contract
(5) Recognition of revenue when, or as, Tripadvisor satisfies a performance obligation

At contract inception, Tripadvisor assesses the services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a service (or bundle of services) that is distinct. To identify the performance obligations, Tripadvisor considers all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. There was no significant revenue recognized in the years ended December 31, 2019 and 2018 related to performance obligations satisfied in prior periods. Tripadvisor has applied a practical expedient and does not disclose the value of unsatisfied performance obligations that have an original expected duration of less than one year, and Tripadvisor does not have any material unsatisfied performance obligations over one year. The value related to Tripadvisor's remaining or partially satisfied performance obligations relates to subscription services that are satisfied over time or services that are recognized at a point in time, but not yet achieved. The timing of services, invoicing and payments do not include a significant financing component. Tripadvisor's customer invoices are generally due 30 days from the time of invoicing.

Tripadvisor recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the benefit of those costs to be longer than one year. Although the substantial majority of its contract costs have an amortization period of less than one year, Tripadvisor has determined contract costs arising from certain sales incentives have an amortization period in excess of one year given the high likelihood of contract renewal. Sales incentives are not paid upon renewal of these contracts and therefore are not commensurate with the initial sales incentive costs. Total capitalized costs to obtain a contract were approximately $4 million and $2 million as of December 31, 2019 and 2018, respectively. These contract costs are amortized on a straight-line basis over the estimated customer life, which is based on historical customer retention rates. Amortization expense recorded to selling, general and administrative expense during years ended December 31, 2019 and 2018, respectively, were $1 million and not material. Tripadvisor assesses such assets for impairment when events or circumstances indicate that the carrying amount may not be recoverable.

The recognition of revenue may require the application of judgment related to the determination of the performance obligations, the timing of when the performance obligations are satisfied and other areas. The determination of Tripadvisor's performance obligations does not require significant judgment given that it generally does not provide multiple services to a customer in a transaction, and the point in which control is transferred to the customer is readily determinable. In instances where Tripadvisor recognizes revenue over time, it generally has either a subscription service that is recognized over time on a straight-line basis using the time-elapsed output method, or based on other output measures that provide a faithful depiction of the transfer of Tripadvisor's services. When an estimate for cancellations is included in the transaction price, the estimate is based on historical cancellation rates. There have been no significant adjustments to Tripadvisor's cancellation estimates and the cancellation estimates are not material. Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue–producing transaction, that are collected by Tripadvisor from a customer, are reported on a net basis, or in other words, excluded from revenue on its consolidated financial statements, which is consistent with prior periods. The application of Tripadvisor's revenue recognition policies and a description of the principal activities from which it generates revenue, are presented below.

Hotels, Media & Platform Segment

Tripadvisor-branded Hotels Revenue. Tripadvisor's largest source of Hotel, Media & Platform segment revenue is generated from click-based advertising on Tripadvisor-branded websites, which is primarily comprised of contextually-relevant booking links to its travel partners' websites. Click-based advertising is generally priced on a cost-per-click, or "CPC," basis, with payments from travel partners determined by the number of travelers who click on a link multiplied by the CPC rate for each specific click as determined in a dynamic, competitive auction process.

In addition, Tripadvisor offers subscription-based advertising to hotel partners, owners of B&Bs and other specialty lodging properties. Subscription-based advertising services are predominantly sold for a flat fee for a contracted period of time of one year or less and revenue is recognized on a straight-line basis over the period of the subscription service as efforts are expended evenly throughout the contract period.

Tripadvisor also offers travel partners the opportunity to advertise and promote their business through hotel sponsored placements on Tripadvisor's websites. This service is generally priced on a fixed CPC basis, with payments from travel partners determined by the number of travelers who click on the sponsored link multiplied by the CPC rate for each specific click.

To a lesser extent, Tripadvisor generates transaction revenue from Tripadvisor's hotel instant booking feature, which enables hotel shoppers to book directly with a travel partner, with the latter serving as the merchant of record for the transaction, without leaving Tripadvisor's website. Tripadvisor earns a commission from its travel partners for each traveler that completes a hotel reservation on Tripadvisor's website, based on a pre-determined contractual commission rate.

Tripadvisor-branded Display and Platform Revenue. Tripadvisor offers travel partners the ability to promote their brands through display-based advertising placements on Tripadvisor's websites across all of its segments and business units. Tripadvisor display-based advertising clients are predominantly direct suppliers of hotels, airlines and cruises, as well as destination marketing organizations. Tripadvisor also sells display-based advertising to online travel agencies and other travel related businesses, as well as advertisers from non-travel categories. Display-based advertising is sold predominantly on a cost per thousand impressions basis.

Experiences & Dining Segment

Tripadvisor provides information and services that allow consumers to research and book activities and attractions in popular travel destinations primarily through Viator, Tripadvisor's dedicated Experiences offering, and on the Tripadvisor website and mobile apps. Tripadvisor generates commissions for each booking transaction it facilitates through its online reservation system.

Tripadvisor also provides information and services for consumers to research and book restaurants in popular travel destinations through its dedicated restaurant reservations offering, TheFork, and on Tripadvisor-branded websites and mobile apps. TheFork is an online restaurant booking platform operating on a number of websites with a network of restaurant partners located primarily across the United Kingdom (the "U.K."), Europe, Australia, and South America. Tripadvisor primarily generates transaction fees (or per seated diner fees) that are paid by restaurants for diners seated primarily from bookings through TheFork's online reservation system.

Other

Tripadvisor provides information and services that allow travelers to research and book vacation and short-term rental properties. The Rentals offering generates revenue primarily by offering individual property owners and managers the ability to list their properties on Tripadvisor's websites and mobile apps thereby connecting with travelers through a free-to-list, commission-based option or, to a lesser extent, by an annual subscription-based fee structure. Tripadvisor earns commissions associated with rental transactions through its free-to-list model from both the traveler, and the property owner or manager.

In addition, Other also includes revenue generated from flights, cruises, and car offerings on Tripadvisor, as well as revenue from non-Tripadvisor-branded websites not otherwise described above, such as www.bookingbuddy.com, www.cruisecritic.com, www.onetime.com and www.smartertravel.com, and Tripadvisor China, which primarily includes click-based advertising and display-based advertising revenue.

Practical Expedients and Exemptions

Tripadvisor expenses costs to obtain a contract as incurred, such as sales incentives, when the amortization period would have been one year or less.

Tripadvisor does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which it recognizes revenue at the amount to which it has the right to invoice for services performed.

Disaggregation of Revenue

Tripadvisor disaggregates revenue from contracts with customers into major products/revenue sources. Tripadvisor has determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Revenue is recognized primarily at a point in time for all reported segments.

	Years ended December 31, 2019	2018
	amounts in millions	
Hotels, Media & Platform		
Tripadvisor-branded hotels	$ 779	848
Tripadvisor-branded display and platform	160	153
Total Hotels, Media & Platform	939	1,001
Experiences & Dining	456	372
Corporate and other	165	242
Total Revenue	$ 1,560	1,615

The following table provides information about the opening and closing balances of accounts receivable and contract assets from contracts with customers (in millions):

	December 31, 2019	December 31, 2018
Accounts receivable	$ 176	205
Contract assets	7	7
Total	$ 183	212

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Accounts receivable are recognized when the right to consideration becomes unconditional. Contract assets are rights to consideration in exchange for services that Tripadvisor has transferred to a customer when that right is conditional on something other than the passage of time, such as commission payments that are contingent upon the completion of the service by the principal in the transaction. Contract liabilities generally include payments received in advance of performance under the contract, and are realized as revenue as the performance obligation to the customer is satisfied, which Tripadvisor presents as deferred revenue on its consolidated balance sheets. As of January 1, 2019 and 2018, Tripadvisor had $63 million and $59 million, respectively, recorded as deferred revenue on its consolidated balance sheet, of which $61 million and $57 million, respectively, was recognized into revenue and $2 million was refunded due to cancellations by travelers during both years ended December 31, 2019 and 2018. The difference between the opening and closing balances of Tripadvisor's deferred revenue primarily results from the timing differences between when Tripadvisor receives customer payments and the time in which Tripadvisor satisfies its performance obligations. The difference between the opening and closing balances of Tripadvisor's contract assets primarily results from the timing difference between when Tripadvisor satisfies its performance obligations and the time when the principal completes the service in the transaction. There were no significant changes in contract assets or deferred revenue during the years ended December 31, 2019 and 2018, related to business combinations, impairments, cumulative catch-ups or other material adjustments.

Operating Expense

Operating expenses consist primarily of certain technology and content expenses, including personnel and overhead expenses which include salaries, benefits and bonuses for salaried employees and contractors engaged in the design, development, testing content support and maintenance of Tripadvisor's websites and mobile apps. Operating expense also includes, to a lesser extent, costs of services which are expenses that are closely correlated or directly related to service revenue generated, including credit card and other booking transaction payment fees, data center costs, costs associated with prepaid tour tickets, ad serving fees, flight search fees and other transactions. Other costs include licensing, maintenance expense, computer supplies, telecom costs, content translation and localization costs and consulting costs.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead costs, including personnel engaged in leadership, finance, legal and human resource functions as well as professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense and non-income taxes, such as sales, use and other non-income related taxes.

Selling and Marketing

Selling and marketing expenses primarily consist of direct costs, including traffic generation costs from search engine marketing, or SEM, and other online traffic acquisition costs, syndication costs and affiliate program commissions, social media costs, brand advertising (including television and other offline advertising), promotions and public relations. In addition, our indirect sales and marketing expense consists of personnel and overhead expenses, including salaries, commissions, benefits, and bonuses for sales, sales support, customer support and marketing employees.

Tripadvisor incurs advertising expense consisting of traffic generation costs from SEM and other online traffic costs, affiliate program commissions, display advertising, social media, other online and offline (primarily television) advertising expense, and promotions and public relations to promote its brands. Costs associated with communicating the advertisements are expensed in the period in which the advertisement takes place. Production costs associated with advertisements are expensed in the period in which the advertisement first takes place.

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Notes to Consolidated Financial Statements (Continued)

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Stock-Based Compensation

As more fully described in note 11, TripCo grants to its directors, employees and employees of its subsidiaries restricted stock and options (collectively, "Awards") to purchase shares of TripCo common stock. TripCo measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). TripCo measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date. Certain outstanding awards that were previously granted by Qurate Retail were assumed by TripCo upon the completion of the TripCo Spin-Off. Additionally, Tripadvisor is a consolidated company and has issued stock-based compensation to its employees related to its common stock. The consolidated statements of operations include stock-based compensation related to TripCo Awards and Tripadvisor equity awards.

Included in the accompanying consolidated statements of operations are the following amounts of stock-based compensation for the years ended December 31, 2019, 2018 and 2017 (amounts in millions):

	December 31,		
	2019	2018	2017
Operating expense	$ 56	52	40
Selling, general and administrative	75	71	63
	$ 131	123	103

During the years ended December 31, 2019, 2018 and 2017, Tripadvisor capitalized $19 million, $13 million and $13 million, respectively, of stock-based compensation expense as internal-use software and website development costs.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted income tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it more likely than not that such net deferred tax assets will not be realized. We consider all relevant factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as assessing available tax planning strategies. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in income tax (expense) benefit in the accompanying consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in income tax (expense) benefit in the accompanying consolidated statements of operations.

We recognize in our consolidated financial statements the impact of a tax position, if that position is more likely than not to be sustained upon an examination, based on the technical merits of the position.

Deferred Merchant Payables

In Tripadvisor's Rentals free-to-list model and its Experiences businesses, Tripadvisor receives cash from travelers at the time of booking and it records these amounts, net of commissions, on its consolidated balance sheets as deferred merchant payables. Tripadvisor pays the suppliers, or the vacation rental owners and tour providers, respectively, after the travelers' use. Therefore, it receives cash from the traveler prior to paying the suppliers and this operating cycle represents a working capital source or use of cash to Tripadvisor. Tripadvisor's deferred merchant payables balance was $159 million and $164 million for the years ended December 31, 2019 and 2018, respectively.

Certain Risks and Concentrations

The Tripadvisor business is subject to certain risks and concentrations, including concentrations related to dependence on relationships with its customers. For the years ended December 31, 2019, 2018 and 2017, Tripadvisor's two most significant travel partners, Expedia Group Inc. ("Expedia") and Booking Holdings Inc., which each accounted for more than 10% of Tripadvisor's consolidated revenue and combined accounted for approximately 33%, 37% and 43%, respectively, of its total revenue.

Contingent Liabilities

Periodically, the Company reviews the status of all significant outstanding matters to assess any potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. The Company provides disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the consolidated financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. Accruals are based on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss), cumulative foreign currency translation adjustments, and unrealized gains and losses on available-for-sale securities, net of tax.

Earnings (Loss) per Common Share (EPS)

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Excluded from EPS for each of the years ended December 31, 2019, 2018 and 2017 are 2 million potential common shares because their inclusion would be antidilutive.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

	Years ended December 31, 2019	2018	2017
	number of shares in millions		
Basic EPS	75	74	75
Potentially dilutive shares	—	—	—
Diluted EPS	75	74	75

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) recoverability and recognition of goodwill, intangible and long-lived assets and (ii) accounting for income taxes to be its most significant estimates.

(3) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31, 2019	2018	2017
	amounts in millions		
Acquisitions, net of cash acquired:			
Intangibles not subject to amortization	$ 85	12	—
Intangibles subject to amortization	26	14	—
Fair value of other assets acquired	5	—	—
Net liabilities assumed	(8)	—	—
Deferred tax assets (liabilities)	—	(2)	—
Acquisitions, net of cash acquired	$ 108	24	—
Equity method investment acquired for non-cash consideration	$ 41	—	—
Cash paid for interest	$ 28	8	13
Cash paid for income taxes	$ 47	53	62

(4) Acquisitions and Dispositions

Acquisitions

During the year ended December 31, 2019, Tripadvisor completedthree acquisitions of businesses aggregating total purchase price consideration of $110 million. Tripadvisor acquired 100% ownership of the following: SinglePlatform, a leading online content management and syndication platform company based in the U.S.; BookaTable, an online restaurant reservation and booking platform company based in the U.K.; and Restorando, an online restaurant reservation and booking platform company based in Argentina. Tripadvisor paid cash consideration of $108 million, net of $2 million of cash acquired.

During the year ended December 31, 2018, Tripadvisor acquiredone business for a purchase price and net cash consideration of $23 million.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The following table presents the preliminary purchase price allocation for the 2019 acquisitions and the final purchase price allocation for the 2018 acquisition as recorded on our consolidated balance sheet:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Goodwill (1)	$ 85	11	—
Intangible assets	26	14	—
Net tangible assets (liabilities)	(1)	—	—
Deferred tax liabilities, net	—	(2)	—
Total purchase price consideration	$ 110	23	—

(1) Goodwill of $50 million is not deductible for tax purposes.

Intangible assets acquired during 2019 were comprised of trademarks of $2 million, customer lists and supplier relationships of $10 million, subscriber relationships of $6 million and technology and other of $8 million. The overall weighted-average life of the intangible assets acquired in the purchase of these businesses was 6 years, and will be amortized on a straight-line basis over the estimated useful lives from acquisition date.

Intangible assets acquired during 2018 were comprised of supplier relationships of $6 million and technology and other of $8 million. The overall weighted-average life of the intangible assets acquired in the purchase of this business was 8 years, and will be amortized on a straight-line basis over the estimated useful lives from acquisition date.

Dispositions

On June 30, 2017, TripCo sold BuySeasons. The sale resulted in an $18 million loss, which is included in other, net in the accompanying consolidated statement of operations. BuySeasons is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on TripCo's operations and financial results. Included in other revenue in the accompanying consolidated statements of operations is $13 million for the year ended December 31, 2017, related to BuySeasons. Included in net earnings (loss) in the accompanying consolidated statements of operations are losses of $2 million for the year ended December 31, 2017, related to BuySeasons.

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The Company's assets and liabilities measured at fair value are as follows:

	December 31, 2019			December 31, 2018		
Description	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**
			amounts in millions			
Cash equivalents	$ 22	22	—	145	140	5
Marketable securities	$ —	—	—	15	—	15
Variable postpaid forward	$ —	—	—	20	—	20

On June 6, 2016, TripCo entered into a variable postpaid forward transaction (the "VPF") with a financial institution with respect to 7 million Tripadvisor common shares held by the Company with a forward floor price of $38.90 per share and a forward cap price of $98.96 per share. TripCo borrowed $259 million against the VPF on June 23, 2016 (see note 7). TripCo unwound and terminated the VPF during the fourth quarter of 2019. The proceeds from the unwind of the VPF, together with additional borrowings under the Margin Loan (defined in note 7) and a special dividend from Tripadvisor, were used to pay all outstanding borrowings against the VPF, which aggregated $270 million, including accrued interest (see note 7). The asset associated with this instrument was included in the other assets line item in the consolidated balance sheet at December 31, 2018. Changes in the fair value of the VPF were recognized in realized and unrealized gains (losses) on financial instruments in the consolidated statements of operations.

The fair value of Level 2 cash equivalents and marketable securities were obtained from pricing sources for identical or comparable instruments, rather than direct observations of quoted prices in active markets. Marketable securities are included in other current assets in the accompanying consolidated balance sheets. The fair value of Level 2 derivative assets were derived from a Black-Scholes-Merton model using observable market data as the significant inputs.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued and other current liabilities, current portion of debt and long-term debt. With the exception of debt, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our consolidated balance sheets. The carrying value of our debt bears interest at a variable rate and therefore is also considered to approximate fair value.

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(6) Goodwill and Other Intangible Assets

Goodwill and Indefinite Lived Intangible Assets

Changes in the carrying amount of goodwill are as follows:

	Tripadvisor	Hotels, Media & Platform	Experiences & Dining	Corporate and other	Total
			(in millions)		
Balance at January 1, 2018	$ 2,445	-	-	-	2,445
Acquisition (1)	11	-	-	-	11
Other (2)	(13)	-	-	-	(13)
Balance at December 31, 2018	$ 2,443	-	-	-	2,443
Allocation to new segments (3)	(2,443)	1,923	250	270	-
Acquisition (1)	-	-	85	-	85
Other (2)	-	-	(2)	1	(1)
Balance at December 31, 2019	$ -	1,923	333	271	2,527

(1) Additions to goodwill relate to Tripadvisor's acquisitions (see note 4).
(2) Other changes are primarily due to foreign currency translation on goodwill.
(3) See note 14 for information regarding changes to our reportable segments in the first quarter of 2019.

As presented in the accompanying consolidated balance sheets, trademarks are the other significant indefinite lived intangible asset. See the disclosure below for information related to the 2019 and 2017 impairments of the Company's trademarks. Other fluctuations in the trademark balance from the prior year were due to the change in foreign exchange rates.

Intangible Assets subject to amortization

Intangible assets subject to amortization are comprised of the following:

		December 31, 2019			December 31, 2018		
	Weighted Average Remaining Useful Life	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	in years			amounts in millions			
Customer relationships	2	$ 1,036	(910)	126	1,007	(838)	169
Other	3	552	(401)	151	466	(324)	142
Total		$ 1,588	(1,311)	277	1,473	(1,162)	311

Intangible assets are being amortized generally on an accelerated basis as reflected in amortization expense and in the future amortization table below.

Amortization expense was $139 million, $137 million and $188 million for the years ended December 31, 2019, 2018 and 2017, respectively.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The estimated future amortization expense for the next five years related to intangible assets with definite lives as of December 31, 2019, assuming no subsequent impairment of the underlying assets, is as follows (amounts in millions):

2020	$	92
2021	$	77
2022	$	35
2023	$	32
2024	$	29

Impairments

Due to deteriorations in revenue, impairment losses of $288 million and $527 million were recorded during the years ended December 31, 2019 and December 31, 2017, respectively, related to trademarks. The trademarks were related to the hotels, media & platform reporting unit in 2019 and the legacy hotels reporting unit in 2017, which is now included in the hotels, media & platform reporting unit. The fair value of the trademarks was determined using the relief from royalty method.

Due to certain marketplace factors impacting Tripadvisor's operating results, which led to a decline in Tripadvisor's stock price, an impairment loss of $1,271 million was recorded during the year ended December 31, 2017 related to goodwill, related to the legacy hotel reporting unit, which is now included in the hotels, media & platform reporting unit. The fair values of the reporting units were determined using a combination of market multiples (market approach) and discounted cash flow (income approach) calculations (Level 3). As of December 31, 2019, accumulated goodwill impairment losses for Tripadvisor totaled $1,271 million.

There were no impairments recognized for the year ended December 31, 2018.

(7) Debt

Outstanding debt at December 31, 2019 and 2018 is summarized as follows:

		December 31, 2019	December 31, 2018
		amounts in millions	
TripCo margin loans	$	355	220
TripCo variable postpaid forward		—	267
Deferred financing costs		(2)	—
Total consolidated TripCo debt	$	353	487
Less debt classified as current		—	(220)
Total long-term debt	$	353	267

TripCo Margin Loans and Variable Postpaid Forward

In connection with the VPF transaction entered into on June 6, 2016, as described in note 5, TripCo borrowed $259 million against the VPF on June 23, 2016. TripCo unwound and terminated the VPF during the fourth quarter of 2019. The proceeds from the VPF, together with additional borrowings under the Margin Loan (defined below) and a special dividend from Tripadvisor were used to pay all outstanding borrowings against the VPF, which aggregated $270 million, including accrued interest.

On June 23, 2016, TripCo amended the terms of two margin loan agreements with respect to borrowings of $200 million. On November 7, 2017, pursuant to another amendment to the margin loan agreements, interest on the margin loans accrued at a rate of 2.4% plus LIBOR per year. During June of 2019, the outstanding borrowings of $200 million in principal and $22 million of paid in kind interest were repaid with proceeds from the Margin Loan (defined below). Based on the lenders involved in the original margin loan agreements and the Margin Loan, half of the repayment of the original margin loans was accounted for as a modification of debt and half was accounted for as an extinguishment of debt.

On June 10, 2019, a wholly owned subsidiary of TripCo ("TripSPV") entered into a margin loan agreement which included borrowings of $225 million under a term loan and an additional $25 million available under a delayed draw term loan (collectively, the "Margin Loan"). Borrowings under the Margin Loan bore interest at a rate of 2.0% plus LIBOR per annum and TripCo was required to pay a quarterly commitment fee of 0.75% per annum based on the daily unused amount of the Margin Loan. On November 13, 2019, TripSPV borrowed $15 million under the delayed draw term loan. Pursuant to an amendment to the Margin Loan on November 19, 2019, TripSPV borrowed an additional $75 million under the term loan, and, beginning on such date, interest on all outstanding amounts under the Margin Loan accrued at a rate of 3.0% plus LIBOR per annum. In addition, availability under the delayed draw term loan was limited to the $15 million already outstanding and the maturity of the Margin Loan was extended to November 19, 2022. Also pursuant to the November 19, 2019 amendment, on December 20, 2019, TripSPV borrowed an additional $33 million under the term loan. Effective as of December 20, 2019, borrowings under the Margin Loan bear interest at a rate of 3.225% per annum. Interest and commitment fees can be paid in kind or in cash at the election of TripCo. The Company expects that interest and commitment fees will be paid in kind and added to the principal amount of the Margin Loan.

Based on the lenders involved and terms of the Margin Loan, the November 19, 2019 amendment was treated as a modification of debt. Common Stock and Class B Common Stock of Tripadvisor were pledged as collateral pursuant to this agreement. The agreement contains language that indicates that TripSPV, as transferor of underlying shares as collateral, has the right to exercise all voting, consensual and other powers of ownership pertaining to the transferred shares for all purposes, provided that it will not vote the shares in any manner that would reasonably be expected to give rise to transfer or certain other restrictions. Similarly, the loan agreement indicates that no lender party shall have any voting rights with respect to the shares transferred, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreement. The agreement also contains certain restrictions related to additional indebtedness and margin calls. The initial margin call would require the outstanding balance to be reduced to $157.5 million, plus 50% of the additional borrowings on December 20, 2019, if at any time the closing price per share of Tripadvisor common stock were to fall below a certain minimum value. The maturity date of the Margin Loan is November 19, 2022. The Margin Loan contains various affirmative and negative covenants that restrict the activities of the borrower. The loan agreement does not include any financial covenants.

During the year ended December 31, 2019, TripCo recorded $6 million of non-cash interest related to the Margin Loan.

As of December 31, 2019, the values of Tripadvisor's shares pledged as collateral pursuant to the Margin Loan, determined based on the trading price of the Common Stock and on an as-if converted basis for the Class B Common Stock, are as follows:

Pledged Collateral	Number of Shares Pledged as Collateral as of December 31, 2019	Share value as of December 31, 2019
	amounts in millions	
Common Stock	18.2	$ 552
Class B Common Stock	12.8	$ 389

Tripadvisor Credit Facilities

Tripadvisor is party to a credit agreement, with a group of lenders, which, among other things, provides for a $1.2 billion unsecured revolving credit facility (the "2015 Credit Facility") with a maturity date of May 12, 2022. Borrowings under the 2015 Credit Facility generally bear interest, at Tripadvisor's option, at a rate per annum equal to either (i) the Eurocurrency Borrowing rate, or the adjusted LIBOR for the interest period in effect for such borrowing; plus an applicable margin ranging from1.25% to 2.00%, based on Tripadvisor's leverage ratio; or (ii) the Alternate Base Rate Borrowing, which is the greatest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus 1/2 of 1.00% per annum and (c) the Adjusted LIBOR (or LIBOR multiplied by the Statutory Reserve Rate) for an interest period of one month plus 1.00%; in addition to an applicable margin ranging from0.25% to 1.00%, based on Tripadvisor's leverage ratio. Tripadvisor may borrow from the 2015 Credit Facility in U.S. dollars, Euros and British pound. In addition, Tripadvisor's 2015 Credit Facility includes $15 million of borrowing capacity available for letters of credit and $40 million for Swing Line borrowings on same-day notice. As of December 31, 2019, Tripadvisor had issued $3 million of outstanding letters of credit under the 2015 Credit Facility. Tripadvisor is also required to pay a quarterly commitment fee, at an applicable rate ranging from 0.15% to 0.30%, on the daily unused portion of the revolving credit facility for each fiscal quarter and additional fees in connection with the issuance of letters of credit. As of December 31, 2019, Tripadvisor's unused revolver capacity was subject to a commitment fee of 0.15%, given Tripadvisor's leverage ratio.

As of both December 31, 2019 and 2018, Tripadvisor hadno outstanding borrowings and approximately $1.2 billion of borrowing capacity under the 2015 Credit Facility. During the year ended December 31, 2018, Tripadvisor made a net repayment of $230 million on the 2015 Credit Facility. These net repayments were primarily made from a one-time cash repatriation of $325 million of foreign earnings to the United States during the first quarter of 2018.

There is no specific repayment date prior to the maturity date for any borrowings under this credit agreement. Tripadvisor may voluntarily repay any outstanding borrowing under the 2015 Credit Facility at any time without premium or penalty, other than customary breakage costs with respect to Eurocurrency loans. Additionally, Tripadvisor believes that the likelihood of the lender exercising any subjective acceleration rights, which would permit the lenders to accelerate repayment of any outstanding borrowings, is remote. As such, Tripadvisor classifies any borrowings under this facility as long-term debt. The 2015 Credit Facility contains a number of covenants that, among other things, restrict Tripadvisor's ability to: incur additional indebtedness, create liens, enter into sale and leaseback transactions, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions, make investments, loans or advances, prepay certain subordinated indebtedness, make certain acquisitions, engage in certain transactions with affiliates, amend material agreements governing certain subordinated indebtedness, and change its fiscal year. The 2015 Credit Facility also requires Tripadvisor to maintain a maximum leverage ratio and contains certain customary affirmative covenants and events of default, including a change of control. If an event of default occurs, the lenders under the 2015 Credit Facility will be entitled to take various actions, including the acceleration of all amounts due under the 2015 Credit Facility.

Tripadvisor's Chinese subsidiary is party to a $30 million, one-year revolving credit facility with the Bank of America (the "Tripadvisor Chinese Credit Facility—BOA") that is currently subject to review on a periodic basis with no specific expiration period. This credit facility generally bears interest at a rate based on the People's Bank of China benchmark, including certain adjustments, which may be made in accordance with market conditions at the time of borrowing. As of both December 31, 2019 and 2018, there were no outstanding borrowings under this credit facility.

Fair Value

Due to the primarily variable rate nature, TripCo believes that the carrying amount of its debt approximated fair value at December 31, 2019 and 2018.

Debt Covenants

As of December 31, 2019, each of the Company and Tripadvisor was in compliance with its respective debt covenants.

(8) Leases

In February 2016 and subsequently, the FASB issued new guidance which revises the accounting for leases ("ASC 842"). Under the new guidance, entities that lease assets are required to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases regardless of whether they are classified as finance or operating leases. In addition, new disclosures are required to meet the objective of enabling users of the financial statements to better understand the amount, timing, and uncertainty of cash flows arising from leases. We adopted ASC 842 on January 1, 2019 and elected the optional transition method that allowed for a cumulative-effect adjustment in the period of adoption. Results for reporting periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts were not adjusted and continue to be reported under the accounting standards in effect for those periods.

We elected the following practical expedients available in transition upon adoption of ASC 842 and accounting policy updates: 1) the "practical expedients package of three", which allows us to not reassess the following as of the adoption date: a) whether any expired or existing contracts are or contain a lease, b) the lease classification of any expired or existing leases; and c) the accounting treatment for initial direct costs for existing leases; 2) the "short-term lease recognition exemption", which allows entities to forego recognition of right-of-use ("ROU") assets and lease liabilities for leases with a lease term of twelve months or less and which also do not include an option to renew the lease term that the entity is reasonably certain to exercise; 3) elect by asset class as an accounting policy, to combine lease and non-lease components as a single component and subsequently account for the combined single component as the lease component; and 4) apply the portfolio approach to similar types of leases where the Company does not reasonably expect the outcome to differ materially from applying the new guidance to individual leases.

Tripadvisor's lease contracts contain both lease and non-lease components. Tripadvisor accounts separately for the lease and non-lease components of office space leases and certain other leases, such as data center leases. However, for certain categories of equipment leases, such as network equipment and others, Tripadvisor accounts for the lease and non-lease components as a single lease component. Additionally, for certain equipment leases that have similar characteristics, Tripadvisor applies a portfolio approach to effectively account for operating lease ROU assets and lease liabilities, hence Tripadvisor does not expect the outcome to differ materially from applying the new guidance to individual leases.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The adoption of ASC 842 did not have a material impact to our consolidated statement of operations and statement of cash flows during the year ended December 31, 2019. The effect of the adoption on our consolidated balance sheet as of January 1, 2019 from the adoption of ASC 842 is as follows:

		Balance at December 31, 2018	Adjustments due to ASC 842	Balance at January 1, 2019
			in millions	
Assets:				
Other current assets	$	48	(3)	45
Property and equipment, net	$	154	8	162
Other assets, at cost, net of accumulated amortization	$	118	73	191
Liabilities:				
Accrued liabilities and other current liabilities	$	151	21	172
Deferred income tax liabilities	$	325	1	326
Other liabilities	$	283	53	336
Retained earnings	$	133	1	134
Noncontrolling interests in equity of subsidiaries	$	3,400	2	3,402

Operating Leases

Tripadvisor leases office space in a number of countries around the world under non-cancelable lease agreements. Tripadvisor's office space leases, exclusive of its Headquarters Lease, are operating leases. Operating lease ROU assets and liabilities are recognized at the lease commencement date, or the date the lessor makes the leased asset available for use, based on the present value of the lease payments over the lease term using Tripadvisor's estimated incremental borrowing rate.

Tripadvisor's office space operating leases expire at various dates with the latest maturity in June 2027. Certain leases include options to extend the lease term for up to 6 years and/or terminate the leases within 1 year, which Tripadvisor includes in the lease terms if it is reasonably certain to exercise these options.

Finance Lease

In June 2013, Tripadvisor entered into its Headquarters Lease and pursuant to that lease, the landlord built an approximately 280,000 square foot rental building in Needham, Massachusetts (the "Premises") and leased the Premises to Tripadvisor as its new corporate headquarters for an initial term of 15 years and 7 months or through December 2030. Tripadvisor also has an option to extend the term of the Headquarters Lease for two consecutive terms of five years each. As required under the transition guidance in ASC 842, Tripadvisor assessed the lease classification for its Headquarters Lease and concluded it should be classified and accounted for as a finance lease upon adoption on January 1, 2019. Accordingly, on January 1, 2019, Tripadvisor derecognized the previous asset and liability associated with the Headquarters Lease's previous build-to-suit designation, with the exception of prepaid rent, as discussed below, and recognized an ROU asset and a finance lease liability of $114 million and $88 million, respectively, on its consolidated balance sheet. The difference between the finance lease ROU asset and finance lease liability consists of a net asset of $26 million, primarily related to structural improvements paid by Tripadvisor, net of tenant incentives and accumulated amortization, which is classified as prepaid rent under the new guidance.

Finance lease ROU assets and finance lease liabilities commencing after January 1, 2019 are recognized similar to an operating lease, at the lease commencement date or the date the lessor makes the leased asset available for use. Finance lease ROU assets are generally amortized on a straight-line basis over the lease term, and the carrying amount of the finance lease liabilities are (1) accreted to reflect interest using the incremental borrowing rate if the rate implicit in the lease is not readily determinable, and (2) reduced to reflect lease payments made during the period. Amortization expense for finance lease ROU assets and interest accretion on finance lease liabilities are recorded to depreciation and interest expense, respectively, in the consolidated statements of operations.

The components of lease expense during the year ended December 31, 2019 were as follows:

	Year ended December 31, 2019 in millions
Operating lease cost (1)	$ 24
Finance lease cost:	
Amortization of right-of-use assets (2)	$ 9
Interest on lease liabilities (3)	4
Total finance lease cost	$ 13
Sublease income (1)	(3)
Total lease cost, net	$ 34

(1) Included in operating expense, including stock-based compensation in the consolidated statement of operations.
(2) Included in depreciation expense in the consolidated statement of operations.
(3) Included in interest expense in the consolidated statement of operations.

For the years ended December 31, 2018 and 2017, TripCo recorded rental expense of $17 million and $19 million, respectively.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Supplemental balance sheet information related to leases is as follows:

		December 31, 2019 in millions
Operating leases:		
Operating lease right-of-use assets (1)	$	74
Current operating lease liabilities (2)	$	20
Operating lease liabilities (3)		64
Total operating lease liabilities	$	84
Finance Lease:		
Finance lease right-of-use assets (4)	$	105
Current finance lease liabilities (2)	$	5
Finance lease liabilities (3)		78
Total finance lease liabilities	$	83

(1) Included in other assets, at cost, net of accumulated amortization in the consolidated balance sheet.
(2) Included in accrued liabilities and other current liabilities in the consolidated balance sheet.
(3) Included in other liabilities in the consolidated balance sheet.
(4) Included in property and equipment, net in the consolidated balance sheet.

Additional information related to leases is as follows for the periods presented:

		Year ended December 31, 2019 in millions
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$	26
Operating cash outflows from finance lease	$	4
Financing cash outflows from finance lease	$	5
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	$	106
Finance lease	$	88

	As of December 31, 2019
Weighted-average remaining lease term	
Operating leases	4.4 years
Finance lease	11.0 years
Weighted-average discount rate	
Operating leases	4.11%
Finance lease	4.49%

Future lease payments under non-cancellable leases as of December 31, 2019 were as follows:

	Operating Leases	Finance Lease
	in millions	
2020	$ 23	9
2021	23	10
2022	19	10
2023	13	10
2024	8	10
Thereafter	6	57
Total future lease payments	$ 92	106
Less: imputed interest	(8)	(23)
Total	$ 84	83

As of December 31, 2019, we did not have any additional operating or finance leases that have not yet commenced but that create significant rights and obligations.

(9) Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made broad and complex changes to the U.S. tax code, the most significant of which was a reduction to the U.S. federal corporate tax rate from 35 percent to 21 percent. The Company reflected the income tax effects of those aspects of the Tax Act for which the accounting was known as of December 31, 2017 and made immaterial revisions to such amounts during the allowed one year measurement period. As of December 31, 2018, the Company had completed its analysis of the tax effects of the Tax Act.

The corporate tax rate reduction was applied to our inventory of deferred tax assets and deferred tax liabilities, which resulted in the net tax benefit in the period ending December 31, 2017. Additionally, we are subject to the one-time transition tax on certain unrepatriated earnings on previously untaxed accumulated and current earnings and profits.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Current:			
Federal	$ (31)	(39)	(92)
State and local	(6)	(12)	(2)
Foreign	(26)	(14)	(6)
	$ (63)	(65)	(100)
Deferred:			
Federal	$ 27	14	288
State and local	20	(5)	30
Foreign	32	(1)	11
	79	8	329
Income tax benefit (expense)	$ 16	(57)	229

The following table presents a summary of our domestic and foreign earnings (losses) from continuing operations before income taxes:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Domestic	$ (178)	3	(1,720)
Foreign	46	45	(90)
Total	$ (132)	48	(1,810)

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Computed expected tax benefits (expense)	$ 28	(10)	634
State and local taxes, net of federal income taxes	2	(14)	17
Foreign taxes, net of foreign tax credits	13	11	2
Transition tax	—	—	(67)
Change in tax rate due to Tax Act	—	—	139
Taxable dividend net of dividends received deduction	(13)	—	—
Basis difference in consolidated subsidiary	22	(17)	(8)
Change in valuation allowance	(11)	(4)	(27)
Change in unrecognized tax benefits	(25)	(12)	(11)
Federal tax credits	11	9	8
Stock-based compensation	(4)	(8)	(12)
Impairment of nondeductible goodwill	—	—	(445)
Other	(7)	(12)	(1)
Income tax (expense) benefit	$ 16	(57)	229

During 2019, the Company recognized additional tax expense for changes in unrecognized tax benefits and dividends from Tripadvisor not recognized for book purposes, net of a dividends received deduction. These expense items were partially offset by a net income tax benefit from earnings in foreign jurisdictions taxed at rates other than the 21% U.S. federal tax rate and federal income tax credits.

During 2018, the Company recognized additional tax expense related to the recognition of deferred tax liabilities for basis differences in the stock of a consolidated subsidiary and changes in unrecognized tax benefits. These expense items were partially offset by a net income tax benefit from earnings in foreign jurisdictions taxed at rates other than the 21% U.S. federal tax rate.

During 2017, the Company recognized an impairment loss on its goodwill that is not deductible for tax purposes. In connection with the initial analysis of the impact of the Tax Act, the Company estimated a one-time increase in tax expense of $67 million on the deemed repatriation of undistributed earnings of non-U.S. shareholders as a result of the Tax Act. In addition, the Company recorded a discrete net tax benefit of $139 million in the period ending December 31, 2017. This net benefit primarily consists of a net benefit for the corporate rate reduction.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The tax effects of temporary differences and tax attributes that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31, 2019	December 31, 2018
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	$ 89	77
Stock-based compensation	53	48
Lease financing obligation	24	22
Other	(23)	78
Total deferred tax assets	143	225
Less: valuation allowance	(80)	(60)
Net deferred tax assets	63	165
Deferred tax liabilities:		
Intangible assets	(297)	(387)
Investments	(17)	(41)
Other	3	(62)
Total deferred tax liabilities	(311)	(490)
Net deferred tax liability	$ (248)	(325)

During the year ended December 31, 2019, there was an $11 million increase in the Company's valuation allowance that affected tax expense and a $9 million increase related to acquisitions in 2019.

As a result of the Tax Act, foreign earnings may now generally be repatriated back to the U.S. without incurring U.S. federal income tax. Historically, Tripadvisor had asserted its intention to indefinitely reinvest the cumulative undistributed earnings of its foreign subsidiaries. In response to increased cash requirements in the U.S. related to Tripadvisor's declaration of a special cash dividend and other strategic initiatives during the fourth quarter of 2019, Tripadvisor determined it no longer considers $501 million of these foreign earnings to be indefinitely reinvested. During the year ended December 31, 2019, Tripadvisor has recorded a deferred tax liability of $1 million for the U.S. state income tax and foreign withholding tax liabilities on the cumulative undistributed foreign earnings that are not indefinitely invested. Tripadvisor intends to indefinitely reinvest $118 million of its foreign earnings in its non-U.S. subsidiaries. Determination of the amount of unrecognized deferred income tax liability related to these earnings is not practicable.

At December 31, 2019, the Company has a deferred tax asset of $89 million for federal, state, and foreign net operating losses ("NOLs"), interest expense carryforwards and tax credit carryforwards. Of this amount, $72 million is recorded at Tripadvisor. If not utilized to reduce income tax liabilities at Tripadvisor in future periods, these loss carryforwards and tax credits will expire at various times between 2020 and 2038. The remaining deferred tax asset of $17 million relates to federal and state net operating loss carryforwards recorded at TripCo. If not utilized to reduce income tax liabilities at TripCo in future periods, these net operating loss carryforwards will expire at various times between 2023 and 2037. These carryforwards recorded at Tripadvisor and TripCo are expected to be utilized prior to expiration, except for $80 million of NOLs, interest expense carryforwards, and tax credit carryforwards, which based on current projections may expire unused.

A reconciliation of unrecognized tax benefits is as follows (amounts in millions):

	Years ended December 31,		
	2019	2018	2017
Balance at beginning of year	$ 136	123	105
Additions based on tax positions related to the current year	11	11	17
Additions for tax positions of prior years	1	2	1
Reductions for tax positions of prior years	(8)	—	—
Balance at end of year	$ 140	136	123

As of December 31, 2019, 2018 and 2017, the Company had recorded tax reserves of $140 million, $136 million and $123 million, respectively, related to unrecognized tax benefits for uncertain tax positions, which is classified as long-term and included in other long-term liabilities on the consolidated balance sheets. Prior to the acquisition of a controlling interest in Tripadvisor in December 2012, the Company did not have any unrecognized tax benefits for uncertain tax positions. If the unrecognized tax benefits were to be recognized for financial statement purposes, approximately $82 million, $87 million and $78 million for the years ended December 31, 2019, 2018 and 2017, respectively, would be reflected in the Company's tax expense and affect its effective tax rate. The Company's estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment. The Company anticipates that the liability for unrecognized tax benefits could decrease by up to $12 million within the next twelve months due to the settlement of examinations of issues with tax authorities.

As of December 31, 2019 and 2018, the Company had recorded approximately $29 million and $20 million, respectively, of accrued interest and penalties related to uncertain tax positions.

As of December 31, 2019, TripCo's tax years prior to 2015 are closed for federal income tax purposes, and the Internal Revenue Service ("IRS") has completed its examination of TripCo's 2016 and 2017 tax years. TripCo's 2018 and 2019 tax years are being examined currently as part of the IRS's Compliance Assurance Process program. Because TripCo's ownership of Tripadvisor is less than the required 80%, Tripadvisor does not consolidate with TripCo for federal income tax purposes.

Prior to December 2011, Tripadvisor was included in the consolidated federal income tax returns filed by Expedia. Expedia's 2009, 2010 and short-period 2011 tax years are currently being audited by the IRS. Tripadvisor and Expedia are parties to a tax sharing agreement whereby Tripadvisor is generally required to indemnify Expedia for any taxes resulting from the Expedia spin-off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies) to the extent such amounts resulted from (i) any act or failure to act by Tripadvisor described in the covenants in the tax sharing agreement, (ii) any acquisition of Tripadvisor's equity securities or assets or those of a member of its group, or (iii) any failure of the representations with respect to Tripadvisor or any member of its group to be true or any breach by Tripadvisor or any member of its group of any covenant, in each case, which is contained in the separation documents or in the documents relating to the IRS private letter ruling and/or the opinion of counsel.

Tripadvisor is undergoing an audit by the IRS for the short-period 2011, 2012-2016 tax years under an employment tax audit by the IRS for the 2013 and 2014 tax years. Various states are currently examining Tripadvisor's prior year's state income tax returns. Tripadvisor is no longer subject to tax examinations by tax authorities for years prior to 2009. As of December 31, 2019, no material assessments have resulted, except as noted below.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

In January 2017 and April 2019, as part of Expedia's IRS audit, Tripadvisor received Notices of Proposed Adjustment from the IRS for the 2009, 2010 and 2011 tax years. Subsequently, in September 2019, as part of Tripadvisor's standalone audit, Tripadvisor received Notices of Proposed Adjustment from the IRS for the 2012 and 2013 tax years. These proposed adjustments are related to certain transfer pricing arrangements with Tripadvisor's foreign subsidiaries, and would result in an increase to Tripadvisor's worldwide income tax expense in an estimated range of $35 million to $40 million at the close of the audit if the IRS prevails, after consideration of competent authority relief and transition tax, exclusive of interest and penalties. Tripadvisor disagrees with the proposed adjustments and intends to defend its position through applicable administrative and, if necessary, judicial remedies. Tripadvisor's policy is to review and update tax reserves as facts and circumstances change. Based on Tripadvisor's interpretation of the regulations and available case law, it believes the position taken with regard to transfer pricing with its foreign subsidiaries is sustainable. In addition to the risk of additional tax for 2009 through 2013 transactions, if the IRS were to seek transfer pricing adjustments of a similar nature for transactions in subsequent years, Tripadvisor would be subject to significant additional tax liabilities.

(10) Stockholders' Equity

Preferred Stock

TripCo's preferred stock is issuable, from time to time, with such powers, designations, preferences and relative, participating, optional or other rights and qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of such preferred stock adopted by TripCo's Board of Directors. As of December 31, 2019, no shares of preferred stock were issued.

Common Stock

Series A common stock entitles the holders to one vote per share, Series B common stock entitles the holders to ten votes per share and Series C common stock, except as otherwise required by applicable law, entitles the holder to no voting rights. All series of TripCo common stock participate on an equal basis with respect to dividends and distributions.

Subsidiary Purchases of Common Stock

On January 25, 2017, Tripadvisor's Board of Directors authorized the repurchase of $250 million of its shares of common stock under a share repurchase program. During the year ended December 31, 2017, Tripadvisor repurchased a total of 6,079,003 shares of its outstanding common stock for $250 million in the aggregate, and completed this share repurchase program.

On January 31, 2018, Tripadvisor's Board of Directors authorized an additional repurchase of up to $250 million of its shares of common stock under a share repurchase program. This share repurchase program has no expiration date but may be suspended or terminated by Tripadvisor's Board of Directors at any time. During the year ended December 31, 2018, Tripadvisor repurchased 2,582,198 shares of its outstanding common stock for $100 million in the aggregate.

On November 1, 2019, Tripadvisor's Board of Directors authorized the repurchase of an additional $100 million in shares of its common stock under its existing share repurchase program, which increased the amount available under this share repurchase program to $250 million. During the year ended December 31, 2019, Tripadvisor repurchased 2,059,846 shares of its outstanding common stock for $60 million in the aggregate. As of December 31, 2019, Tripadvisor had approximately $190 million remaining available to repurchase shares of its common stock under this share repurchase program.

Subsidiary Dividends

On November 1, 2019, Tripadvisor's Board of Directors declared a special cash dividend of $3.50 per share, or approximately $488 million in the aggregate. The dividend was payable on December 4, 2019 to stockholders of record on November 20, 2019. TripCo's share of the dividend was $108 million based on our ownership in Tripadvisor. During the years ended December 31, 2018 and 2017, Tripadvisor's Board of Directors did not declare any dividends on its common stock.

Any determination by Tripadvisor to pay dividends in the future will be at the discretion of Tripadvisor's Board of Directors and will depend on its results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by Tripadvisor's Board of Directors. Tripadvisor's ability to pay dividends is also limited by the terms of the 2015 Credit Facility. In connection with the declaration of such dividends, Tripadvisor's non-vested RSUs are entitled to dividend equivalents, which will be payable to the holder subject to, and upon vesting of, the underlying awards. Tripadvisor's outstanding stock options are not entitled to dividend or dividend equivalents.

(11) Stock-Based Compensation

TripCo Incentive Plans

Pursuant to the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan (the "2019 Plan"), the Company may grant Awards in respect of a maximum of 5.0 million shares of TripCo common stock. Awards generally vest over 1-5 years and have a term of 7-10 years. TripCo issues new shares upon exercise of equity awards.

TripCo – Grants

During the year ended December 31, 2019, TripCo granted 27 thousand options to purchase shares of Series B TripCo common stock, 35 thousand performance-based restricted stock units ("RSUs") of Series B TripCo common stock and 320 thousand time-based RSUs of Series B TripCo common stock to our CEO. Such options had a grant-date fair value ("GDFV") of $6.41 per share. The performance-based RSUs had a GDFV of $14.17 per share and the time-based RSUs had a GDFV of $7.23 per share at the time they were granted. The options vested on December 31, 2019, and the performance-based RSUs cliff vest one year from the month of grant, subject to the satisfaction of certain performance objectives. Performance objectives, which are subjective, are considered in determining the timing and amount of the compensation expense recognized. When the satisfaction of the performance objectives becomes probable, the Company records compensation expense. The probability of satisfying the performance objectives is assessed at the end of each reporting period. The time-based RSUs cliff vest on December 15, 2023, and represent the first upfront grant related to the CEO's new employment agreement. See discussion in note 1 regarding the new compensation agreement with TripCo's CEO.

Also during the year ended December 31, 2019, TripCo granted to its employees 73 thousand options to purchase shares of Series A TripCo common stock. Such options had a weighted average GDFV of $3.53 and vest between three and five years.

During the years ended December 31, 2019, 2018 and 2017, TripCo granted 79 thousand, 59 thousand and 105 thousand options, respectively, to purchase shares of Series A TripCo common stock to its non-employee directors. Such options had a weighted average GDFV of $3.42, $8.83 and $4.11 per share, respectively, and cliff vest over a 1-year vesting period.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

There were no exercises, forfeitures or cancellations of Series B TripCo common stock during the year ended December 31, 2019.

The Company has calculated the GDFV for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes-Merton Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2019, 2018 and 2017, the range of expected terms was 4.8 years to 6.3 years. The volatility used in the calculation for Awards is based on the historical volatility of TripCo common stock. For grants made in 2019, 2018 and 2017, the range of volatilities was 49.1% to 54.2%. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options. The Company recognizes the cost of an Award over the period during which the employee is required to provide service (usually the vesting period of the Award).

TripCo - Outstanding Awards

The following tables present the number and weighted average exercise price ("WAEP") of Awards to purchase TripCo common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	Series A in thousands	WAEP	Weighted average remaining contractual life in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2019	570	$ 15.40		
Granted	151	$ 7.20		
Exercised	—	$ —		
Forfeited/Cancelled	(4)	$ 17.19		
Outstanding at December 31, 2019	717	$ 13.65	3.3	$ —
Exercisable at December 31, 2019	565	$ 15.38	2.3	$ —

	Series B in thousands	WAEP	Weighted average remaining contractual life in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2019	1,797	$ 27.83		
Granted	27	$ 14.28		
Exercised	—	$ —		
Forfeited/Cancelled	—	$ —		
Outstanding at December 31, 2019	1,824	$ 27.63	5.0	$ —
Exercisable at December 31, 2019	1,824	$ 27.63	5.0	$ —

As of December 31, 2019, the total unrecognized compensation cost related to unvested equity Awards was $485 thousand. Such amount will be recognized in the Company's statements of operations over a weighted average period of approximately two years.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

As of December 31, 2019, TripCo reserved 2.5 million shares of Series A and Series B TripCo common stock for issuance under exercise privileges of outstanding stock Awards.

TripCo - Exercises

The aggregate intrinsic value of all TripCo options exercised during the years ended December 31, 2018 and 2017 was $117 thousand and $478 thousand, respectively. No TripCo options were exercised in 2019.

TripCo — Restricted Stock

The aggregate fair value of all restricted shares of TripCo common stock that vested during the years ended December 31, 2019, 2018 and 2017 was $159 thousand, $9 thousand and $13 thousand, respectively.

As of December 31, 2019, TripCo had approximately 402 thousand unvested restricted shares of Series A and Series B TripCo common stock held by certain directors, officers and employees of the Company with a weighted average GDFV of $8.26 per share.

Tripadvisor Equity Grant Awards

On June 21, 2018, Tripadvisor's stockholders approved the 2018 Stock and Annual Incentive Plan (the "2018 Plan") primarily for the purpose of providing sufficient reserves of shares of Tripadvisor's common stock to ensure its ability to continue to provide new hires, employees and management with equity incentives. The number of shares reserved and available for issuance under the 2018 Plan is 6,000,000 plus the number of shares available for issuance (and not subject to outstanding awards) under the Amended and Restated 2011 Stock and Annual Incentive Plan (the "2011 Plan"), as of the effective date of the 2018 Plan and no additional awards will be granted under the 2011 Plan. The 2018 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, RSUs, and other stock-based awards to Tripadvisor's directors, officers, employees and consultants. Grants were valued using a volatility of 42.1% and the applicable risk free rate for an expected term of 5.2 years for the year ended December 31, 2019, volatility of 41.9% and the applicable risk free rate for an expected term of 5.5 years for the year ended December 31, 2018 and a volatility of 42.1% and the applicable risk free rate for an expected term of 6.1 years for the year ended December 31, 2017.

Performance-based stock options and RSUs vest upon achievement of certain Tripadvisor company-based performance conditions and a requisite service period. On the date of grant, the fair value of stock options is calculated using a Black-Scholes-Merton model, which incorporates assumptions to value stock-based awards, including the risk-free rate of return, expected volatility, expected term and expected dividend yield. If, upon grant, Tripadvisor assesses the achievement of performance targets as probable, compensation expense is recorded for the awards over the estimated performance period on a straight-line basis. At each reporting period, the probability of achieving the performance targets and the performance period required to meet those targets is assessed. To the extent actual results or updated estimates differ from Tripadvisor's estimates, the cumulative effect on current and prior periods of those changes will be recorded in the period estimates are revised, or the change in estimate will be applied prospectively depending on whether the change affects the estimate of total compensation cost to be recognized or merely affects the period over which compensation cost is to be recognized.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The following table presents the number, WAEP and aggregate intrinsic value of stock options to purchase Tripadvisor common stock granted under their 2011 Plan and 2018 Plan:

	Number of Options in thousands	WAEP	Weighted Average Remaining Contractual Life in years	Aggregate Intrinsic Value in millions
Outstanding at January 1, 2019	6,041	$ 54.00		
Granted	752	$ 48.30		
Exercised	(195)	$ 42.17		
Cancelled or expired	(581)	$ 56.97		
Outstanding at December 31, 2019	6,017	$ 50.27	5.9	$ —
Exercisable at December 31, 2019	3,425	$ 57.27	4.2	$ —

The weighted average GDFV of service based stock options under their 2011 Plan and 2018 Plan was $21.25 for the year ended December 31, 2019. These stock options generally have a term of ten years from the date of grant and typically vest equally over a four year requisite service period. As of December 31, 2019, the total number of shares reserved for future stock-based awards under the 2018 Plan is approximately 10.1 million shares. Tripadvisor related stock-based compensation for the year ended December 31, 2019 was approximately $124 million. As of December 31, 2019, the total unrecognized compensation cost related to unvested Tripadvisor stock options was approximately $32 million and will be recognized over a weighted average period of approximately 2.6 years.

Restricted Stock Units and Market-based Restricted Stock Units

RSUs are stock awards that are granted to employees entitling the holder to shares of Tripadvisor common stock as the award vests. RSUs are measured at fair value based on the quoted price of Tripadvisor common stock at the date of grant. The fair value of RSUs is amortized as stock-based compensation expense over the vesting term on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the GDFV of the award that is vested at that date.

Tripadvisor issues market-based performance restricted stock units ("MSUs"), which vest upon achievement of specified levels of market conditions. The fair value of the MSUs is estimated at the date of grant using a Monte-Carlo simulation model. The probabilities of the actual number of market-based performance units expected to vest and resultant actual number of shares of Tripadvisor common stock expected to be awarded are reflected in the grant date fair values; therefore, the compensation expense for these awards will be recognized assuming the requisite service period is rendered and are not adjusted based on the actual number of awards that ultimately vest.

During the year ended December 31, 2019, Tripadvisor granted approximately 5 million of primarily service-based RSUs and market-based MSUs under the 2018 Plan. The RSUs' fair value was measured based on the quoted price of Tripadvisor common stock at the date of grant. As the MSUs provide for vesting based upon Tripadvisor's total shareholder return, or "TSR," performance, the potential outcomes of future stock prices and TSR of Tripadvisor and the Nasdaq Composite Total Return Index, was used to calculate the GDFV of these awards. The weighted average GDFV for RSUs and MSUs granted during 2019 was $47.61 per share. As of December 31, 2019, the total unrecognized compensation cost related to 9 million unvested Tripadvisor RSUs and MSUs outstanding was approximately $248 million which will be recognized over the remaining vesting term of approximately 2.5 years.

(12) Employee Benefit Plans

Tripadvisor sponsors a 401(k) plan and makes matching contributions to the plans based on a percentage of the amount contributed by employees. Employer cash contributions related to Tripadvisor were $14 million, $13 million and $9 million for the years ended December 31, 2019, 2018 and 2017, respectively.

(13) Commitments and Contingencies

Off-Balance Sheet Arrangements

TripCo did not have any other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, results of operations, liquidity, capital expenditures or capital resources.

Litigation

In the ordinary course of business, the Company and its subsidiaries are parties to legal proceedings and claims arising out of our operations. These matters may relate to claims involving patent and intellectual property rights (including alleged infringement of third-party intellectual property rights), tax matters (including value-added, excise, transient occupancy and accommodation taxes), regulatory compliance (including competition and consumer matters), defamation and other claims. Although it is reasonably possible that the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

(14) Segment Information

TripCo, through its ownership interests in Tripadvisor, is primarily engaged in the online commerce industries. TripCo identifies its reportable segments as (A) those operating segments that represent 10% or more of its consolidated annual revenue, annual adjusted operating income before depreciation and amortization ("Adjusted OIBDA") or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of TripCo's annual pre-tax earnings.

During the first quarter of 2019, as part of a continuous review of our business, we realigned our reportable segment information which our chief operating decision maker, or CODM, regularly assesses to evaluate performance for operating decision-making purposes, including evaluation and allocation of resources.

The revised segment reporting structure includes the following reportable segments: (1) Hotels, Media & Platform; and (2) Experiences & Dining. All prior period segment disclosure information has been reclassified to conform to the current reporting structure in this Form 10-K. These reclassifications had no effect on our consolidated financial statements in any period.

TripCo evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, Adjusted OIBDA, gross margin, and revenue or sales per customer equivalent. In addition, TripCo reviews nonfinancial measures such as unique website visitors, conversion rates and active customers, as appropriate.

Beginning in the first quarter of 2019, we have identified the following as reportable segments:

- Hotels, Media & Platform – includes the following revenue sources: (1) Tripadvisor-branded hotels revenue – primarily consisting of Tripadvisor-branded hotel metasearch auction-based revenue, transaction revenue from Tripadvisor's hotel instant booking feature, subscription-based advertising and hotel sponsored placements revenue; and (2) Tripadvisor-branded display and platform revenue – consisting of Tripadvisor-branded display-based revenue. All direct general and administrative costs are included in the applicable business, however, all corporate general and administrative costs are included in the Hotels, Media & Platform reportable segment. In addition, the Hotels, Media & Platform reportable segment includes all Tripadvisor-related brand advertising expenses (primarily television advertising) and technical infrastructure and other costs supporting the Tripadvisor platform.

- Experiences & Dining – Tripadvisor provides information and services for consumers to research, book and experience activities and attractions in popular travel destinations primarily through Viator, Tripadvisor's dedicated Experiences business, and on Tripadvisor's website and mobile apps. Tripadvisor generates commissions for each booking transaction it facilitates through its online reservation system. Tripadvisor also provides information and services for consumers to research and book restaurants in popular travel destinations through its dedicated restaurant reservations business, TheFork, and on Tripadvisor-branded websites and mobile apps.

Performance Measures

For segment reporting purposes, TripCo defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses (excluding stock-based compensation and specifically identified non-recurring transactions). TripCo believes this measure is an important indicator of the operational strength and performance of its businesses, by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results, and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. TripCo generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

Revenue and Adjusted OIBDA are summarized as follows:

	Years ended December 31,					
	2019		2018		2017	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in millions					
Hotels, Media & Platform	$ 939	378	1,001	329	1,022	267
Experiences & Dining	456	5	372	48	264	23
Corporate and other	165	47	242	39	283	32
Consolidated TripCo	$ 1,560	430	1,615	416	1,569	322

In addition, we do not report assets, capital expenditures and related depreciation expense by segment as our CODM does not use this information to evaluate operating segments. Accordingly, we do not regularly provide such information by segment to our CODM.

Revenue by Geographic Area

The Company measures its geographic revenue information to the physical location of the Tripadvisor subsidiary which generates the revenue, which is consistent with the measurement of long-lived physical assets, or property and equipment, net.

	December 31,		
	2019	2018	2017
	amounts in millions		
United States	$ 821	835	815
United Kingdom	466	508	530
Other countries	273	272	224
Consolidated TripCo	$ 1,560	1,615	1,569

Long-lived Assets by Geographic Area

	December 31,	
	2019	2018
	amounts in millions	
United States	$ 137	137
Other countries	18	17
Consolidated TripCo	$ 155	154

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

The following table provides a reconciliation of Adjusted OIBDA to operating income and earnings (loss) before income taxes:

	Years ended December 31,		
	2019	2018	2017
	amounts in millions		
Adjusted OIBDA	$ 430	416	322
Restructuring and related reorganization costs	(1)	—	—
Legal settlement	—	(5)	—
Stock-based compensation	(131)	(123)	(103)
Depreciation and amortization	(169)	(160)	(213)
Impairment of intangible assets	(288)	—	(1,798)
Operating income (loss)	(159)	128	(1,792)
Interest expense	(22)	(26)	(25)
Realized and unrealized gains (losses) on financial instruments, net	36	(59)	24
Other, net	13	5	(17)
Earnings (loss) before income taxes	$ (132)	48	(1,810)

LIBERTY TRIPADVISOR HOLDINGS, INC.

Notes to Consolidated Financial Statements (Continued)

December 31, 2019, 2018 and 2017

(15) Quarterly Financial Information (Unaudited)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	amounts in millions, except per share amounts			
2019:				
Revenue	$ 376	422	428	334
Operating income (loss)	$ 16	51	55	(281)
Net earnings (loss)	$ 11	23	48	(198)
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders	$ (2)	3	16	(39)
Basic earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.03)	0.04	0.21	(0.52)
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.03)	0.04	0.21	(0.52)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	amounts in millions, except per share amounts			
2018:				
Revenue	$ 378	433	458	346
Operating income (loss)	$ 9	34	76	9
Net earnings (loss)	$ (35)	(22)	57	(9)
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders	$ (31)	(39)	14	(8)
Basic earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.41)	(0.52)	0.19	(0.11)
Diluted earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. Series A and Series B stockholders per common share	$ (0.41)	(0.52)	0.19	(0.11)

PART III

The following required information is incorporated by reference to our definitive proxy statement for our 2020 Annual Meeting of Stockholders presently scheduled to be held in the second quarter of 2020:

Item 10.	Directors, Executive Officers and Corporate Governance
Item 11.	Executive Compensation
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
Item 13.	Certain Relationships and Related Transactions, and Director Independence
Item 14.	Principal Accounting Fees and Services

We expect to file our definitive proxy statement for our 2020 Annual Meeting of Shareholders with the Securities and Exchange Commission on or before April 29, 2020.

PART IV.

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) *Financial Statements*

Included in Part II of this report:

Liberty TripAdvisor Holdings, Inc.:

(a)(2) *Financial Statement Schedules*

(i) All schedules have been omitted because they are not applicable, not material or the required information is set forth in the financial statements or notes thereto.

(a)(3) *Exhibits*

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

3 -Articles of Incorporation and Bylaws:

3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 3, 2014 (File No. 001-36603) (the "8-K")).
3.2	Amended and Restated Bylaws of Liberty TripAdvisor Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 13, 2015 (File No. 001-36603)).

4 -Instruments Defining the Rights of Securities Holders, including Indentures:

4.1	Specimen Certificate for shares of Series A Common Stock, par value $.01 per share, of the Registrant (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 filed with the Securities and Exchange Commission on May 6, 2014 (File No. 333-195705) (the "S-1")).
4.2	Specimen Certificate for shares of Series B Common Stock, par value $.01 per share, of the Registrant (incorporated by reference to Exhibit 4.2 to the S-1).
4.3	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. *

10 -Material Contracts:

10.1+	Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015) (incorporated by reference to Annex A to the Registrant's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 22, 2015 (File No. 001-36603)).
10.2+	Liberty TripAdvisor Holdings, Inc. Transitional Stock Adjustment Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on September 9, 2014 (File No. 333-198649)).

10.3+	Non-Qualified Stock Option Agreement under the Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan for Gregory B. Maffei, effective December 21, 2014 (incorporated by reference to Exhibit 10.1 to Liberty TripAdvisor Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed with the Securities and Exchange Commission on August 13, 2015 (File No. 001-36603)).
10.4	Aircraft Time Sharing Agreements, dated as of November 6, 2015, by and between Liberty Media Corporation and Liberty TripAdvisor Holdings, Inc. (incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission on February 18, 2016 (File No. 001-36603) (the "2015 Form 10-K")).
10.5	Governance Agreement, by and among Tripadvisor, Inc. Liberty Interactive Corporation and Barry Diller, dated as of December 20, 2011 (incorporated by reference to Exhibit 99.2 to Qurate Retail, Inc.'s Schedule 13D in respect of common stock of Tripadvisor, Inc. filed with the Securities and Exchange Commission on December 30, 2011 (File No. 005-86536)).
10.6	Assignment and Assumption of Governance Agreement, made as of August 12, 2014, by and among Liberty TripAdvisor Holdings, Inc., Liberty Interactive Corporation and Tripadvisor, Inc. (incorporated by reference to Exhibit 7(b) to the Registrant's Schedule 13D in respect of common stock of Tripadvisor, filed with the Securities and Exchange Commission on August 29, 2014 (File No. 005-86536)).
10.7	Tax Sharing Agreement, by and between Tripadvisor, Inc. and Expedia, Inc., dated as of December 20, 2011 (incorporated by reference to Exhibit No. 10.2 to Tripadvisor's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 27, 2011 (File No. 001-35362) (the "Tripadvisor 8-K")).
10.8	Credit Agreement dated as of June 26, 2015 by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC, JPMorgan Chase Bank, N.A., as Administrative Agent; J.P. Morgan Europe Limited, as London Agent; Morgan Stanley Bank, N.A.; Bank of America, N.A.; BNP Paribas; SunTrust Bank; Wells Fargo Bank, National Association; Royal Bank of Canada; Barclays Bank PLC; U.S. Bank National Association; Citibank, N.A.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Goldman Sachs Bank USA; and Deutsche Bank AG New York Branch (incorporated by reference to Exhibit 10.1 to Tripadvisor's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 30, 2015 (File No. 001-35362)).
10.9	First Amendment, dated as of May 12, 2017, by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC, the other Subsidiary Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Europe Limited, as London agent (incorporated by reference to Exhibit 10.1 to Tripadvisor's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 15, 2017 (File No. 001-35362).
10.10	Corporate Headquarters Lease with Normandy Gap-V Needham Building 3, LLC, as landlord, dated as of June 20, 2013 (incorporated by reference to Exhibit 10.1 to Tripadvisor's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed with the Securities and Exchange Commission on July 24, 2013 (File No. 001-35362) (the "Tripadvisor 10-Q")).
10.11	Guaranty dated June 20, 2013 by Tripadvisor, Inc. for the benefit of Normandy Gap-V Needham Building 3, LLC, as landlord (incorporated by reference to Exhibit 10.2 to the Tripadvisor 10-Q).
10.12	Form of Tripadvisor Media Group Master Advertising Insertion Order (incorporated by reference to Exhibit 10.23 to Tripadvisor's Annual Report on Form 10-K for the year ended December 31, 2017 filed on February 21, 2018 (File No. 001-35362)).
10.13+	Form of Non-Qualified Stock Option Agreement under the Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015) (incorporated by reference to Exhibit 10.23 to the 2015 Form 10-K).
10.14+	Form of Restricted Stock Award Agreement under Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015) (incorporated by reference to Exhibit 10.24 to the 2015 Form 10-K).
10.15+	Amendment, dated March 14, 2018, of certain Liberty TripAdvisor Holdings, Inc. incentive plans (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 filed on May 9, 2018 (File No. 001-36603)).

10.16	Form of Amended and Restated Indemnification Agreement between the Registrant and its executive officers/directors (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 7, 2019 (File No. 001-36603)).
10.17+	Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan (incorporated by reference to Annex A to Liberty TripAdvisor Holdings, Inc.'s Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on April 18, 2019 (File No. 001-36603)).
10.18+	Form of Non-Qualified Stock Option Agreement under the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan.*
10.19+	Form of Performance-based Restricted Stock Units Award Agreement under the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan.*
10.20+	Services Agreement, dated as of August 27, 2014, by and between Liberty Media Corporation and Liberty TripAdvisor Holdings, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 3, 2014 (File No. 001-36603)).
10.21+	Form of First Amendment to Services Agreement, effective as of December 13, 2019, between Liberty Media Corporation and Qurate Retail, Inc., Liberty Broadband Corporation, GCI Liberty, Inc. and Liberty TripAdvisor Holdings, Inc.*
10.22+	Executive Employment Agreement, dated effective as of December 13, 2019, between Liberty Media Corporation and Gregory B. Maffei (incorporated by reference to Exhibit 10.1 to Liberty Media Corporations' Current Report on Form 8-K filed on December 19, 2019 (File No. 001-357047) (the "LMC 2019 8-K")).
10.23+	Form of Annual Option Award Agreement between the Registrant and Gregory B. Maffei under the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report filed on December 19, 2019 (File No. 001-36603) (the "December 2019 8-K")).
10.24+	Form of Annual Performance-based Restricted Stock Unit Award Agreement between the Registrant and Gregory B. Maffei under the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the December 2019 8-K).
10.25+	Form of Upfront Award Agreement between the Registrant and Gregory B. Maffei under the Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the December 2019 8-K).
21	Subsidiaries of Liberty TripAdvisor Holdings, Inc.*
23.1	Consent of KPMG LLP.*
31.1	Rule 13a-14(a)/15d -14(a) Certification.*
31.2	Rule 13a-14(a)/15d -14(a) Certification.*
32	Section 1350 Certification.**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Definition Document.*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* Filed herewith.
** Furnished herewith
\+ This document has been identified as a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Date: February 19, 2020

By: /s/ GREGORY B. MAFFEI
Gregory B. Maffei
Chairman, President and Chief Executive Officer

Date: February 19, 2020

By: /s/ BRIAN J. WENDLING
Brian J. Wendling
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/Gregory B. Maffei Gregory B. Maffei	Chairman of the Board, President and Chief Executive Officer	February 19, 2020
/s/Brian J. Wendling Brian J. Wendling	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 19, 2020
/s/Michael J. Malone Michael J. Malone	Director	February 19, 2020
/s/Chris Mueller Chris Mueller	Director	February 19, 2020
/s/Larry E. Romrell Larry E. Romrell	Director	February 19, 2020
/s/Albert E. Rosenthaler Albert E. Rosenthaler	Director	February 19, 2020
/s/J. David Wargo J. David Wargo	Director	February 19, 2020

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the end of the period covered by the most recent Annual Report on Form 10-K of Liberty TripAdvisor Holdings, Inc. (the "Registrant"), the following securities of the Registrant were registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) Series A Common Stock, par value $0.01 per share (the "Series A common stock"), and (2) Series B Common Stock, par value $0.01 per share (the "Series B common stock").

Description of Registrant's Common Stock

The following description of the Registrant's Series A common stock and Series B common stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Registrant's Restated Certificate of Incorporation (the "charter"), which is an exhibit to this Annual Report on Form 10-K and is incorporated by reference herein. We encourage you to read the charter and the applicable provisions of the Delaware General Corporation Law for additional information.

Authorized Capital Stock

The Registrant's authorized capital stock consists of four hundred fifty-seven million five hundred thousand (457,500,000) shares, of which four hundred seven million five hundred thousand (407,500,000) shares are designated common stock, par value $0.01 per share, and fifty million (50,000,000) shares are designated preferred stock, par value $0.01 per share (the "preferred stock"). The common stock is divided into three series. The Registrant has two hundred million (200,000,000) shares of Series A common stock, seven million five hundred thousand (7,500,000) shares of Series B common stock, and two hundred million (200,000,000) shares of Series C common stock (the "Series C common stock") authorized.

The Registrant's Common Stock

The holders of the Registrant's Series A common stock, Series B common stock and Series C common stock have equal rights, powers and privileges, except as otherwise described below.

Voting Rights

The holders of the Registrant's Series A common stock are entitled to one vote for each share held, and the holders of its Series B common stock are entitled to ten votes for each share held, on all matters voted on by the Registrant's stockholders, including elections of directors. The holders of its Series C common stock are not entitled to any voting powers, except as required by Delaware law. When the vote or consent of holders of the Series C common stock is required by Delaware law, the holders of the Registrant's Series C common stock will be entitled to 1/100th of a vote for each share held. The Registrant's charter does not provide for cumulative voting in the election of directors.

Dividends; Liquidation

Subject to any preferential rights of any outstanding series of the Registrant's preferred stock created by the board from time to time, the holders of the Registrant's common stock will be entitled to such dividends as may be declared from time to time by the board from funds available therefor. Except as otherwise described under "—Distributions," whenever a dividend is paid to the holders of one series of common stock, the Registrant will also pay to the holders of the other series of its common stock an equal per share dividend.

Conversion

Each share of the Registrant's Series B common stock is convertible, at the option of the holder, into one share of Series A common stock. The Registrant's Series A common stock and Series C common stock are not convertible into shares of any other series of the Registrant's common stock.

Distributions

Subject to the exception provided below, distributions made in shares of the Registrant's Series A common stock, Series B common stock, Series C common stock or any other security with respect to the Series A common stock, Series B common stock or Series C common stock may be declared and paid only as follows:

- a share distribution (1) consisting of shares of the Registrant's Series C common stock (or securities convertible therefor) to holders of Series A common stock, Series B common stock and Series C common stock, on an equal per share basis; or (2) consisting of (x) shares of the Registrant's Series A common stock (or securities convertible therefore other than, for the avoidance of doubt, shares of Series B common stock) to holders of Series A common stock, on an equal per share basis, (y) shares of Series B common stock (or securities convertible therefor) to holders of Series B common stock, on an equal per share basis, and (z) consisting of shares of Series C common stock (or securities convertible therefor) to holders of Series C common stock, on an equal per share basis; and

- a share distribution consisting of any class or series of securities of the Registrant or any other person, other than the Registrant's Series A common stock, Series B common stock or Series C common stock (or securities convertible therefor) on the basis of a distribution of (1) identical securities, on an equal per share basis, to holders of Series A common stock, Series B common stock and Series C common stock; or (2) separate classes or series of securities, on an equal per share basis, to holders of each such shares of the Registrant's common stock; or (3) a separate class or series of securities to the holders of one or more series of the Registrant's common stock and, on an equal per share basis, a different class or series of securities to the holders of all other series of the Registrant's common stock, provided that, in the case of (2) or (3) above, the securities so distributed do not differ in any respect other than their relative voting rights and related differences in designation, conversion and share distribution provisions, with the holders of shares of Series B common stock receiving securities of the class or series having the highest relative voting rights and the holders of shares of each other series of common stock receiving securities of the class or series having lesser relative voting rights, and provided further that, if different classes or series of securities are being distributed to holders of Series A common stock and Series C common stock, then such securities shall be distributed either as determined by the board of directors or such that the relative voting rights of the securities of the class or series of securities to be received by the holders of Series A common stock and Series C common stock corresponds, to the extent practicable, to the relative voting rights of each such series of common stock.

Reclassification

The Registrant may not reclassify, subdivide or combine any series of its common stock without reclassifying, subdividing or combining the other series of its common stock, on an equal per share basis.

Liquidation and Dissolution

In the event of the liquidation, dissolution or winding up of the Registrant, after payment or provision for payment of the debts and liabilities of the Registrant and subject to the prior payment in full of any preferential amounts to which the preferred stock holders may be entitled, the holders of Series A common stock, Series B common stock and Series C common stock will share equally, on a share for share basis, in the Registrant's assets remaining for distribution to the holders of its common stock.

Other Provisions of the Registrant's Certificate of Incorporation

The Registrant's Preferred Stock

The Registrant's charter authorizes its board of directors (the "board") to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the terms and rights of the series, including:

- the designation of the series;
- the number of authorized shares of the series, which number the board may subsequently increase or decrease but not below the number of such shares of such series preferred stock then outstanding;
- the dividend rate or amounts, if any, payable on the shares and, in the case of cumulative dividends, the date or dates from which dividends on all shares of the series will be cumulative and the relative preferences or rights of priority or participation with respect to such dividends;
- the rights of the series in the event of the Registrant's voluntary or involuntary liquidation, dissolution or winding up and the relative preferences or rights of priority of payment;
- the rights, if any, of holders of the series to convert into or exchange for other classes or series of stock or indebtedness and the terms and conditions of any such conversion or exchange, including provision for adjustments within the discretion of the board;
- the voting rights, if any, of the holders of the series;
- the terms and conditions, if any, for the Registrant to purchase or redeem the shares of the series; and
- any other relative rights, preferences and limitations of the series.

The Registrant believes that the ability of its board to issue one or more series of its preferred stock will provide it with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of preferred stock, as well as shares of common stock, will be available for issuance without further action by stockholders, unless such action is required by applicable law or the rules of any stock exchange or automatic quotation system on which the Registrant's securities may be listed or traded.

Although the Registrant has no intention at the present time of doing so, it could issue a series of preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. The board will make any determination to issue such shares based upon its judgment as to the best interests of the Registrant's stockholders. The board, in so acting, could issue preferred stock having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of the board of directors, including a tender offer or other transaction that some, or a majority, of stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

Board of Directors

The Registrant's charter provides that, subject to any rights of the holders of any series of preferred stock to elect additional directors, the number of directors will not be less than three and the exact number will be fixed from time to time by a resolution of the board. The members of the board, other than those who may be elected by holders of any then-outstanding preferred stock, are divided into three classes. Each class will consist, as nearly as possible, of a number of directors equal to one-third of the then authorized number of board members. As of December 31, 2019, the terms of the Class I, II and II directors who were then in office will expire at the annual meeting of stockholders to be held in 2022, 2020 and 2021, respectively. At each annual meeting of stockholders, the successors of that class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election. The directors of each class will hold office until the expiration of the term of such class and their respective successors are elected and qualified or until such director's earlier death, resignation or removal.

The charter provides that, subject to the rights of the holders of any series of preferred stock, directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the aggregate voting power of outstanding capital stock entitled to vote on such matter voting together as a single class.

The charter provides that, subject to the rights of the holders of any series of preferred stock, vacancies on the board resulting from death, resignation, removal, disqualification or other cause, and newly created directorships resulting from any increase in the number of directors on the board, will be filled only by the affirmative vote of a majority of the remaining directors then in office (even though less than a quorum) or by the sole remaining director. Any director so elected shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred or to which the new directorship is assigned, and until that director's successor will have been elected and qualified or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Registrant's board will shorten the term of any incumbent director, except as may be provided in any certificate of designation with respect to a series of preferred stock with respect to any additional director elected by the holders of that series of preferred stock.

These provisions would preclude a third party from removing incumbent directors and simultaneously gaining control of the board by filling the vacancies created by removal with its own nominees. Under the classified board provisions described above, it would take at least two elections of directors for any individual or group to gain control of the board. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of the Registrant.

Corporate Opportunity

The charter acknowledges that the Registrant may have overlapping directors and officers with other entities that compete with its businesses and that the Registrant may engage in material business transactions with such entities. The Registrant has renounced its rights to certain business opportunities and the charter provides that no director or officer of the Registrant will breach their fiduciary duty and therefore be liable to the Registrant or its stockholders by reason of the fact that any such individual directs a corporate opportunity to another person or entity (including Qurate Retail, Inc. or Liberty Media Corporation) instead of the Registrant, or does not refer or communicate information regarding such corporate opportunity to the Registrant, unless (x) such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of the Registrant or as a director or officer of any of the Registrant's subsidiaries, and (y) such opportunity relates to a line of business in which the Registrant or any of its subsidiaries is then directly engaged.

Limitation on Liability and Indemnification

To the fullest extent permitted by Delaware law, the Registrant's directors are not liable to the Registrant or any of its stockholders for monetary damages for breaches of fiduciary duties as a director. In addition, the Registrant indemnifies, to the fullest extent permitted by applicable law, any person involved in any suit or action by reason of the fact that such person is a director or officer of the company or, at the Registrant's request, a director, officer, employee or agent of another corporation or entity, against all liability, loss and expenses incurred by such person. The Registrant will pay expenses of a director or officer in defending any proceeding in advance of its final disposition, provided that such payment is made upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to indemnification.

No Stockholder Action by Written Consent; Special Meetings

The Registrant's charter provides that, except as provided in the terms of any series of preferred stock, any action required to be taken or which may be taken at any annual or special meeting of the stockholders may not be taken without a meeting and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of any series of preferred stock, special meetings of stockholders for any purpose or purposes may be called only by the Secretary (i) upon the written request of the holders of not less than 66 2/3% of the total voting power of the then outstanding shares of the Series A common stock, Series B common stock and, if applicable, the preferred stock, entitled to vote thereon or (ii) at the request of at least 75% of the members of the board of directors then in office.

Amendments

The Registrant's charter provides that, subject to the rights of the holders of any series of preferred stock, the affirmative vote of the holders of at least 66 2/3% of the aggregate voting power of the outstanding capital stock entitled to vote on such matter, voting together as a single class, is required to adopt, amend or repeal any provision of the charter or to add or insert any provision in the charter, provided that the foregoing enhanced voting requirement will not apply to any adoption, amendment, repeal, addition or insertion (1) as to which Delaware law does not require the consent of stockholders or (2) which has been approved by at least 75% of the members of the board then in office. The Registrant's charter further provides that the affirmative vote of the holders of at least 66 2/3% of the aggregate voting power of the outstanding capital stock entitled to vote on such matter, voting together as a single class, is required to adopt, amend or repeal any provision of the bylaws, provided that the board of directors may adopt, amend or repeal the bylaws by the affirmative vote of not less than 75% of the members of the board then in office.

Supermajority Voting Provisions

In addition to the supermajority voting provisions discussed under "—Amendments" above, the Registrant's charter provides that, subject to the rights of the holders of any series of preferred stock, the affirmative vote of the holders of at least 66 2/3% of the aggregate voting power of the outstanding capital stock entitled to vote on such matter, voting together as a single class, is required for:

- the merger or consolidation of the Registrant with or into any other corporation, provided, that the foregoing voting provision will not apply to any such merger or consolidation (1) as to which the laws of the State of Delaware, as then in effect, do not require the consent of the Registrant's stockholders, or (2) that at least 75% of the members of the board then in office have approved;

- the sale, lease or exchange of all, or substantially all, of the Registrant's assets, provided, that the foregoing voting provisions will not apply to any such sale, lease or exchange that at least 75% of the members of the board then in office have approved; or

- the Registrant's dissolution, provided, that the foregoing voting provision will not apply to such dissolution if at least 75% of the members of the board then in office have approved such dissolution.

Section 203 of the Delaware General Corporation Law

Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an "interested stockholder." An "interested stockholder" for this purpose generally is a stockholder who is directly or indirectly a beneficial owner of 15% or more of the outstanding voting power of a Delaware corporation. This provision prohibits certain business combinations between an interested stockholder including certain related persons and a corporation for a period of three years after the date on which the stockholder became an interested stockholder, unless: (1) prior to the time that a stockholder became an interested stockholder, either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation's board of directors, (2) the interested stockholder acquired at least 85% of the voting power of the corporation in the transaction in which the stockholder became an interested stockholder, or (3) the business combination is approved by a majority of the board and the affirmative vote of the holders of 66 2/3% of the outstanding voting power of the shares not owned by the interested stockholder at or subsequent to the time that the stockholder became an interested stockholder. The Registrant is subject to Section 203.

Exhibit 10.18

NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between the issuer identified in Schedule I hereto (the “Company”), and the recipient (the “Grantee”) of an Award of Options granted by the Plan Administrator (as defined in Schedule I hereto) as set forth in this Agreement.

The Company has adopted the incentive plan identified on Schedule I hereto (as has been or may hereafter be amended, the “Plan”), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Plan Administrator has determined that it would be in the interest of the Company and its stockholders to award Options to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. Definitions. The following terms, when used in this Agreement, have the following meanings:

“Base Price” means , with respect to each type of Common Stock for which Options are granted hereunder, the amount set forth on Schedule I hereto as the Base Price for such Common Stock, which is the Fair Market Value of a share of such Common Stock on the Grant Date.

“Business Day” means any day other than Saturday, Sunday or a day on which banking institutions in Denver, Colorado, are required or authorized to be closed.

“Cause” has the meaning specified as “cause” in Section 10.2(b) of the Plan.

“Close of Business” means, on any day, 5:00 p.m., Denver, Colorado time.

“Common Stock” has the meaning specified in Schedule I hereto.

“Company” has the meaning specified in the preamble to this Agreement.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Nonemployee Director” has the meaning specified in the Plan.

“Options” has the meaning specified in Section 2.

“Option Share” has the meaning specified in Section 4(c)(i).

“Option Termination Date” has the meaning specified in Schedule I hereto.

"Plan" has the meaning specified in the recitals of this Agreement.

"Plan Administrator" has the meaning specified in Schedule I hereto.

"Required Withholding Amount" has the meaning specified in Section 5.

"Section 409A" has the meaning specified in Section 21.

"Term" has the meaning specified in Section 2.

"Unvested Fractional Option" has the meaning specified in Section 3(b).

"Vesting Date" has the meaning specified in Section 3(a).

"Vesting Percentage" has the meaning specified in Section 3(a).

2. Award. Pursuant to the terms of the Plan and in consideration of the covenants and promises of the Grantee herein contained, the Company hereby awards to the Grantee as of the Grant Date nonqualified stock options to purchase from the Company at the applicable Base Price the number and type of shares of Common Stock authorized by the Plan Administrator and set forth in the notice of online grant delivered to the Grantee pursuant to the Company's online grant and administration program, subject to the conditions and restrictions set forth in this Agreement and in the Plan (the "Options"). The Options are exercisable as set forth in Section 3 during the period commencing on the Grant Date and expiring at the Close of Business on the Option Termination Date (the "Term"), subject to earlier termination as provided in Section 7 below. However, if the Term expires when trading in the Common Stock is prohibited by law or the Company's insider trading policy, then the Term shall expire on the 30th day after the expiration of such prohibition.

3. Conditions of Exercise. Unless otherwise determined by the Plan Administrator in its sole discretion, the Options will be exercisable only in accordance with the conditions stated in this Section 3.

(a) Except as otherwise provided in Section 10.1(b) of the Plan, the Options may be exercised only to the extent they have become exercisable in accordance with the provisions of this Section 3(a) or Section 3(b), and subject to the provisions of Section 3(c). That number of each type of Options that is equal to the fraction or percentage specified on Schedule I hereto (the "Vesting Percentage") of the total number of such type of Options that are subject to this Agreement, in each case rounded down to the nearest whole number of such type of Options, shall become exercisable on each of the dates specified on Schedule I hereto (each such date, together with any other date on which Options vest pursuant to this Agreement, a "Vesting Date").

(b) If rounding pursuant to Section 3(a) prevents any portion of an Option from becoming exercisable on a particular Vesting Date (any such portion, an "Unvested Fractional Option"), one additional Option to purchase a share of the type of Common Stock covered by such Option will become exercisable on the earliest succeeding Vesting Date on which the cumulative fractional amount of all

Unvested Fractional Options to purchase shares of such type of Common Stock (including any Unvested Fractional Option created on such succeeding Vesting Date) equals or exceeds one whole Option, with any excess treated as an Unvested Fractional Option thereafter subject to the application of this Section 3(b). Any Unvested Fractional Option comprising part of a whole Option that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Option.

(c) Notwithstanding the foregoing, (i) in the event that any date on which Options would otherwise become exercisable is not a Business Day, such Options will become exercisable on the first Business Day following such date, (ii) all Options will become exercisable on the date of the Grantee's termination of employment or service (including service as a Nonemployee Director) if (A) the Grantee's employment with, or service to, the Company or a Subsidiary (including service as a Nonemployee Director) terminates by reason of Disability or (B) the Grantee dies while employed by, or providing services to, the Company or a Subsidiary (including service as a Nonemployee Director) and (iii) if the Grantee's employment with, or service to, the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, any unvested Options will become exercisable to the extent, if any, indicated on Schedule I.

(d) To the extent the Options become exercisable, such Options may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Term or earlier termination thereof.

(e) The Grantee acknowledges and agrees that the Plan Administrator, in its discretion and as contemplated by Section 3.3 of the Plan, may adopt rules and regulations from time to time after the date hereof with respect to the exercise of the Options and that the exercise by the Grantee of Options will be subject to the further condition that such exercise is made in accordance with all such rules and regulations as the Plan Administrator may determine are applicable thereto.

4. Manner of Exercise. Options will be considered exercised (as to the number and type of Options specified in the notice referred to in Section 4(c)(i)) on the latest of (a) the date of exercise designated in the written notice referred to in Section 4(c)(i), (b) if the date so designated is not a Business Day, the first Business Day following such date or (c) the earliest Business Day by which the Company has received all of the following:

(i) Written notice, in such form as the Plan Administrator may require, containing such representations and warranties as the Plan Administrator may require and designating, among other things, the date of exercise and the number and type of shares of Common Stock to be purchased by exercise of Options (each, an "Option Share");

(ii) Payment of the applicable Base Price for each Option Share in any (or a combination) of the following forms: (A) cash, (B) check, (C) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) or (D) at the option of the Company, the delivery of irrevocable instructions via the Company's online grant and administration program for the Company to withhold the number of shares of Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) that would otherwise be delivered by the Company to the Grantee upon exercise of the Options; and

(iii) Any other documentation that the Plan Administrator may reasonably require.

5. Mandatory Withholding for Taxes. The Grantee acknowledges and agrees that the Company will deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of the applicable Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) that is equal to the amount of all national, federal, state and other governmental taxes required to be withheld by the Company or any Subsidiary of the Company upon such exercise, as determined by the Company (the "Required Withholding Amount"), unless provisions to pay such Required Withholding Amount have been made to the satisfaction of the Company. If the Grantee elects to make payment of the applicable Base Price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of its determination of the Required Withholding Amount.

6. Payment or Delivery by the Company. As soon as practicable after receipt of all items referred to in Section 4, and subject to the withholding referred to in Section 5, the Company will deliver or cause to be delivered to the Grantee certificates issued in the Grantee's name for, or cause to be transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, the number of shares of Common Stock purchased by exercise of Options. Any delivery of shares of Common Stock will be deemed effected for all purposes when certificates representing such shares have been delivered personally to the Grantee or, if delivery is by mail, when the stock transfer agent of the Company has deposited the certificates in the United States mail, addressed to the Grantee or at the time the stock transfer agent initiates transfer of shares to a brokerage account through Depository Trust Company for the benefit of the Grantee, if applicable.

7. Early Termination of Options. Subject to any longer period of exercisability specified in Schedule I hereto, the Options will terminate, prior to the expiration of the Term, at the time specified below:

(a) Subject to Section 7(b), if the Grantee's employment with, or service to, the Company or a Subsidiary (including service as a Nonemployee Director) is terminated, in each case other than (i) by the Company or such Subsidiary for Cause, or (ii) by reason of death or Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the 90-day period that began on the date of termination of the Grantee's employment, or, in the case of a Nonemployee Director, at the Close of Business on the first Business

Day following the expiration of the one-year period that began on the date of termination of the Grantee's service as a Nonemployee Director.

(b) If the Grantee dies while employed by, or providing services to, the Company or a Subsidiary (including service as a Nonemployee Director), or prior to the expiration of a period of time following termination of the Grantee's employment or service during which the Options remain exercisable as provided in Section 7(a) or Section 7(c), as applicable, the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of the Grantee's death .

(c) Subject to Section 7(b), if the Grantee's employment with, or service to, the Company or a Subsidiary (including service as a Nonemployee Director) terminates by reason of Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of termination of the Grantee's employment or service.

(d) If the Grantee's employment with, or service to, the Company or a Subsidiary (including service as a Nonemployee Director) is terminated by the Company or such Subsidiary for Cause, then the Options will terminate immediately upon such termination of the Grantee's employment or service.

In any event in which Options remain exercisable for a period of time following the date of termination of the Grantee's employment or service as provided above or on Schedule I, the Options may be exercised during such period of time only to the extent the same were exercisable as provided in Section 3 effective as of such date of termination of the Grantee's employment or service. Notwithstanding any period of time referenced in this Section 7 or any other provision of this Section 7 that may be construed to the contrary, the Options will in any event terminate upon the expiration of the Term.

Unless the Plan Administrator otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Plan Administrator otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

8. **Nontransferability**. Options are not transferable (either voluntarily or involuntarily), before or after the Grantee's death, except as follows: (a) during Grantee's lifetime, pursuant to a Domestic Relations Order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Plan Administrator; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Options are transferred in accordance with the provisions of the preceding sentence shall take such Options subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Options are exercisable only by the Grantee (or, during the Grantee's lifetime, by the Grantee's court appointed legal representative) or a person to whom the Options have been transferred in accordance with this Section.

9. **No Stockholder Rights**. Prior to the exercise of Options in accordance with the terms and conditions set forth in this Agreement, the Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by the Options, nor will the existence of this Agreement affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.16 of the Plan.

10. **Adjustments.**

(a) The Options will be subject to adjustment (including, without limitation, as to the Base Price) in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Options may become exercisable in accordance with Section 10.1(b) of the Plan.

11. **Restrictions Imposed by Law.** Without limiting the generality of Section 10.8 of the Plan, the Grantee will not exercise the Options, and the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock, if counsel to the Company determines that such exercise, payment or issuance would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the exercise of the Options or the resulting payment of cash or issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

12. **Notice.** Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the address specified for the Company in Schedule I hereto. Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

13. **Amendment**. Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Plan Administrator as contemplated by Section 10.7(b) of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board of Directors or the stockholders of the Company, the Options granted under this Agreement may be canceled by the Plan Administrator and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Options to the extent then exercisable.

14. Grantee Employment or Status as a Nonemployee Director. Nothing contained in the Plan or this Agreement, and no action of the Company or the Plan Administrator with respect thereto, will confer or be construed to confer on the Grantee any right to continue in the employ or service of the Company or any Subsidiary or as a Nonemployee Director or interfere in any way with the right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a Nonemployee Director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment or consulting agreement between the Grantee and the Company or any Subsidiary, or in the case of a Nonemployee Director, to the charter and bylaws of the Company, as the same may be in effect from time to time.

15. Nonalienation of Benefits. Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subjected to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

16. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of Colorado and in the State of Delaware in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum.

17. Construction. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to "Sections" in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Plan Administrator upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

18. Rules by Plan Administrator. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time.

19. Entire Agreement. This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 15, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

20. Grantee Acknowledgment. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company.

21. Code Section 409A. To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements ("Section 409A") are applicable to the Grantee in connection with the Award, this Award is subject to the provisions of Section 10.17 of the Plan regarding Section 409A.

22. Administrative Blackouts. In addition to its other powers under the Plan, the Plan Administrator has the authority to suspend (i) the exercise of Options and (ii) any other transactions under the Plan as it deems necessary or appropriate for administrative reasons.

23. Stock Ownership Guidelines. This Award may be subject to any applicable stock ownership guidelines adopted by the Company, as amended or superseded from time to time.

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Schedule I
to Liberty TripAdvisor Holdings, Inc.
Nonqualified Stock Option Agreement

Grant Date:	[●], 20[●]
Issuer/Company:	Liberty TripAdvisor Holdings, Inc., a Delaware corporation
Plan:	Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan, as the same may be amended from time to time
Plan Administrator:	The Compensation Committee of the Board of Directors of the Company appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan
Common Stock:	The Company's Series [●] Common Stock ("LTRP[●] Common Stock")
Option Termination Date:	[●], 20[●]
Base Price:	LTRP[●] Common Stock: $[●]
Vesting Dates and Percentages:	

Vesting Date	Vesting Percentage
[●], 20[●]	[●]%
[●], 20[●]	[●]%

Additional Vesting Terms Upon Termination Without Cause:	If the Grantee's employment with, or service to, the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause prior to [●], 20[●], certain Options will become exercisable effective as of the date of termination of the Grantee's employment with, or service to, the Company or a Subsidiary (the "**Termination Date**") if the Release Conditions (as defined below) are met. The Grantee acknowledges that while certain Options will retroactively vest effective as of the Termination Date if the Release Conditions are met, the Grantee will nonetheless not be able to exercise any such Options unless and until such conditions are met. **"Release Conditions"** means satisfaction of the following conditions: (1) not later than 60 days following the Termination Date the Grantee has executed and delivered to the Company in accordance with the notice requirements of this Agreement, a general release agreement in a form satisfactory to the Company and (2) not later than 60 days following the Termination Date such release has become irrevocable in accordance with its terms. The Options that become vested on each of the Vesting Dates specified above on this Schedule I are referred to as individual "Tranches." If the Release Conditions are met, then a pro rata portion of each Tranche of Options that is not fully vested on the Termination Date will vest effective as of the Termination Date, such pro rata portion with respect to each such Tranche of Options to be equal to the product of "A" multiplied by "B," where "A" equals the number of Options in such Tranche that are not vested on the Termination Date, and "B" is a fraction, the numerator of which is the number of calendar days that have elapsed from the Grant Date through the Termination Date plus (i) an additional 270 calendar days if the Grantee is an Assistant Vice President or Vice President of the Company or a Subsidiary, Liberty Media Corporation or Qurate Retail, Inc. on the Termination Date or (ii) an additional 365 calendar days if the Grantee is a Senior Vice President, Executive Vice President or Chief of the Company or a Subsidiary, Liberty Media Corporation or Qurate Retail, Inc. on the Termination Date, and the denominator of which is the number of days in the entire vesting period for such Tranche (in no event to exceed the total number of unvested Options in such Tranche as of the Termination Date). For purposes of this Agreement, the vesting period for each Tranche of Options is the period that begins on the Grant Date and ends on the Vesting Date for such Tranche.

Additional Exercisability Terms:	Section 7 of the Option Agreement is amended as follows:

1. If the Release Conditions (as defined in Schedule I hereto) are met, the following sentence is added to the end of Section 7(b):

> If the Grantee dies prior to the expiration of a period of time following termination of the Grantee's employment or service during which the Options remain exercisable as provided in Section 7(e), the Options will terminate at the Close of Business on the first Business Day following the later of the expiration of (i) the one-year period that began on the date of the Grantee's death or (ii) the Special Termination Period (as defined in Section 7(e)).

2. If the Release Conditions are met, the following provisions are added as Section 7(e):

> Subject to Section 7(b), if the Grantee's employment or service with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, the Options will terminate at the Close of Business on the first Business Day following the expiration of the Special Termination Period. The Special Termination Period is the period of time beginning on the Termination Date and continuing for the number of days that is equal to the sum of (i) 90, plus (ii) 180 multiplied by the Grantee's total Years of Continuous Service. A Year of Continuous Service means a consecutive 12-month period, measured by the Grantee's hire date (as reflected in the payroll records of Liberty Media Corporation) and the anniversaries of that date, during which the Grantee is employed by Liberty Media Corporation or a Subsidiary.

Additional Provisions Applicable to Grantees who as of the Grant Date hold the office of Assistant Vice President or above of the Company or of Liberty Media Corporation.	<u>Forfeiture for Misconduct and Repayment of Certain Amounts</u>. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated Subsidiaries) is required and (ii) in the reasonable judgment of the Plan Administrator, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Plan Administrator may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Plan Administrator, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock received upon exercise of any Options during the Misstatement Period that are not sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.
Qualifying Service:	Unless the Plan Administrator in its sole discretion determines otherwise in connection with the commencement of employment or service with Liberty Media Corporation, Qurate Retail, Inc. or any entity that is a Subsidiary of either of them, notwithstanding anything to the contrary in this Agreement, Grantee's employment or service with Liberty Media Corporation, Qurate Retail, Inc. or any entity that is a Subsidiary of either of them at the time of determination shall be deemed to be employment or service with the Company for all purposes under the Awards granted pursuant to this Agreement.

Other Clawback Policies:	Notwithstanding any other provisions in the Plan, this Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.
Company Notice Address:	Liberty TripAdvisor Holdings, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112 Attn: [●]

Exhibit 10.19

PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNITS AGREEMENT (this "Agreement") is made as of the date set forth on Schedule I hereto (the "Grant Date"), by and between the issuer identified in Schedule I of this Agreement (the "Company"), and the recipient (the "Grantee") of an Award of Restricted Stock Units (as defined below) granted by the Compensation Committee of the Board of Directors of the Company as set forth in this Agreement.

The Company has adopted the incentive plan identified on Schedule I hereto (as has been or may hereafter be amended, the "Plan"), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Compensation Committee appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan (the "Committee") has determined that it would be in the interest of the Company and its stockholders to award Restricted Stock Units to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee's personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. **Definitions**. The following terms, when used in this Agreement, have the following meanings:

"Cause" has the meaning specified as "cause" in Section 10.2(b) of the Plan.

"Close of Business" means, on any day, 5:00 p.m., Denver, Colorado time.

"Committee" has the meaning specified in the recitals to this Agreement.

"Committee Certification Date" has the meaning specified in Section 5(b).

"Common Stock" has the meaning specified in Schedule I of this Agreement.

"Company" has the meaning specified in the preamble to this Agreement.

"Grant Date" has the meaning specified in the preamble to this Agreement.

"Grantee" has the meaning specified in the preamble to this Agreement.

"Plan" has the meaning specified in the recitals of this Agreement.

"Required Withholding Amount" has the meaning specified in Section 12 .

"Restricted Stock Units" has the meaning specified in Section 2 .

"RSU Dividend Equivalents" means, to the extent specified by the Committee only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock as the shares represented by the Restricted Stock Units.

"Section 409A" has the meaning specified in Section 22.

"Unpaid RSU Dividend Equivalents" has the meaning specified in Section 5(c).

"Vested RSU Dividend Equivalents" has the meaning specified in Section 4.

"Vesting Date" means each date on which any Restricted Stock Units cease to be subject to a risk of forfeiture, as determined in accordance with this Agreement and the Plan.

2. **Award**. Subject to the terms and conditions herein, pursuant to the Plan, the Company grants to the Grantee effective as of the Grant Date an Award of the number and type of performance-based Restricted Stock Units (as defined in the Plan) authorized by the Committee and set forth in the notice of online grant delivered to the Grantee pursuant to the Company's online grant and administration program (the "Restricted Stock Units"), each representing the right to receive one share of the type of Common Stock specified in such notice of online grant, subject to the conditions and restrictions set forth below in this Agreement and in the Plan.

3. **Settlement of Restricted Stock Units**. Settlement of Restricted Stock Units that vest in accordance with Section 5 or 6 of this Agreement or Section 10.1(b) of the Plan shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than March 15 of the calendar year following the calendar year in which such Vesting Date occurs. Settlement of vested Restricted Stock Units shall be made in payment of shares of the applicable type of Common Stock, together with any related Unpaid RSU Dividend Equivalents, in accordance with Section 7 hereof.

4. **No Stockholder Rights; RSU Dividend Equivalents**. The Grantee shall have no rights of a stockholder with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 7 hereof. The Grantee will have no right to receive, or otherwise with respect to, any RSU Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units with respect to which such RSU Dividend Equivalents relate shall have become vested, or (b) such RSU Dividend Equivalents shall have become vested in accordance with the penultimate sentence of this Section 4, and, if vesting does not occur, the related RSU Dividend Equivalents will be forfeited. RSU Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of any portion of the RSU Dividend Equivalents (the "Vested RSU Dividend Equivalents"). The settlement of any Vested RSU Dividend Equivalents shall be made as soon as administratively practicable after the accelerated vesting date, but in no event later than March 15 of the calendar year following the year in which such accelerated vesting date occurs.

5. **Vesting.**

(a) Unless the Committee otherwise determines in its sole discretion, subject to earlier vesting in accordance with Section 6 of this Agreement or Section 10.1(b) of the Plan, Restricted Stock Units will vest, in whole or in part, only in accordance with this Section 5.

(b) After December 31, 20[●] but prior to March 15, 20[●], (i) the Committee will certify the number and type of Restricted Stock Units that will vest (the date as of which such certification is made, the "Committee Certification Date") based on the Committee's assessment in its sole discretion (after input from the Company's Chief Executive Officer) of the Grantee's satisfaction of such discretionary performance objectives for calendar year 20[●] as may be deemed relevant by the Committee, including the Committee's exercise of any negative discretion, and (ii) the Committee will specify the Vesting Date of such Restricted Stock Units, which Vesting Date will be not later than March 15, 20[●].

(c) Upon the satisfaction of any other applicable restrictions, terms and conditions of the Plan and this Agreement, any RSU Dividend Equivalents with respect to the Restricted Stock Units that have not theretofore become Vested RSU Dividend Equivalents ("Unpaid RSU Dividend Equivalents") will become vested to the extent that the Restricted Stock Units related thereto shall have become vested in accordance with this Agreement.

(d) Any Restricted Stock Units that do not vest pursuant to Section 5(b) will automatically be forfeited as of the Close of Business on the Committee Certification Date, together with any related Unpaid Dividend Equivalents.

(e) Notwithstanding the foregoing, the Grantee will not vest, pursuant to this Section 5, in Restricted Stock Units or related Unpaid RSU Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by or providing services to the Company or its Subsidiaries from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid RSU Dividend Equivalents to be governed instead by Section 6 hereof).

6. **Early Vesting or Forfeiture.**

(a) Unless otherwise determined by the Committee in its sole discretion and except as otherwise provided on Schedule I hereto:

i. If the Grantee's employment or service with the Company or a Subsidiary terminates prior to the Committee Certification Date for any reason other than the Grantee's death or Disability or a termination of the Grantee by the Company without Cause on or after December 31, 20[●], the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will be forfeited immediately; and

ii. If the Grantee's employment or service with the Company or a Subsidiary terminates prior to the Committee Certification Date by reason of the Grantee's death or Disability, the Restricted Stock Units, to the extent not theretofore vested, and any related Unpaid RSU Dividend Equivalents, will immediately become fully vested; and

iii. If the Grantee remains employed or continues providing services to the Company or a Subsidiary until December 31, 20[●], and the Grantee's employment or service, as applicable, is then terminated by the Company without cause on or after December 31, 20[●], but prior to the Committee Certification Date, the Restricted Stock Units and the related Unpaid Dividend Equivalents will remain outstanding until the Committee Certification Date and will thereafter vest in accordance with Section 5 to the extent the Committee certifies they have vested in accordance with such Section.

(b) Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, including pursuant to Section 3 and this Section 6, such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

(c) Unless the Committee otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Committee otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

7. **Delivery by Company.** As soon as practicable after the vesting of Restricted Stock Units, and any related Unpaid RSU Dividend Equivalents, pursuant to Section 5 or 6 hereof or Section 10.1(b) of the Plan (but no later than March 15 of the calendar year following the year in which such vesting occurs), and subject to the withholding referred to in Section 12 of this Agreement, the Company will (a) cause to be issued and transferred to a brokerage account through Depository Trust Company for the benefit of the Grantee, or cause to be issued and delivered to the Grantee, certificates issued in the Grantee's name for, that number and type of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid RSU Dividend Equivalents, and (b) cause to be delivered to the Grantee any cash payment representing related vested Unpaid RSU Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when (i) certificates representing such securities and, in the case of any Unpaid RSU Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee, have been delivered personally to the Grantee or, if delivery is by mail, when the Company or its stock transfer agent has deposited the certificates and/or such other documents in the United States mail, addressed to the Grantee or (ii) in the case of a book-entry transfer, at the time the Company's stock transfer agent initiates the transfer of such securities to a brokerage account through Depository Trust Company for the benefit of the Grantee. Any cash payment will be deemed effected when a check from the Company, payable to or at the direction of the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to or at the direction of the Grantee or deposited in the United States mail, addressed to the Grantee or his or her nominee.

8. **Nontransferability of Restricted Stock Units**. Restricted Stock Units and any related Unpaid RSU Dividend Equivalents, are not transferable (either voluntarily or involuntarily and whether by sale, assignment, gift, pledge, exchange or otherwise) before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order issued by a court of competent jurisdiction that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Committee; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Restricted Stock Units are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Stock Units and any related Unpaid RSU Dividend Equivalents subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Certificates representing Restricted Stock Units that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or to a person to whom the Restricted Stock Units have been transferred in accordance with this Section.

9. **Adjustments**.

(a) The Restricted Stock Units and any related Unpaid RSU Dividend Equivalents will be subject to adjustment pursuant to Section 4.2 of the Plan in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence following the Grant Date of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Restricted Stock Units and any related Unpaid RSU Dividend Equivalents may become vested in accordance with Section 10.1(b) of the Plan.

10. **Company's Rights**. The existence of this Agreement will not affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.16 of the Plan.

11. **Restrictions Imposed by Law.** Without limiting the generality of Section 10.8 of the Plan, the Company shall not be obligated to deliver any shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid RSU Dividend Equivalents to comply with any such law, rule, regulation, or agreement. Any certificates representing any such securities issued or delivered under this Agreement may bear such legend or legends as the Company deems appropriate in order to assure compliance with applicable securities laws.

12. **Mandatory Withholding for Taxes.** To the extent that the Company or any Subsidiary of the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting thereof, or the designation of any RSU Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must make arrangements satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the "Required Withholding Amount"). To the extent such withholding is required because the Grantee vests in some or all of the Restricted Stock Units and any related RSU Dividend Equivalents, the Company shall withhold (a) from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of the applicable type of Common Stock and/or (b) from any related RSU Dividend Equivalents otherwise deliverable to the Grantee an amount of such RSU Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock represented by vested Restricted Stock Units and any related RSU Dividend Equivalents may be postponed until any required withholding taxes have been paid to the Company.

13. **Notice**. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the Company's then current headquarters, which as of the Grant Date is the address specified for the Company on Schedule I hereto . Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

14. **Amendment**. Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by Section 10.7(b) of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Committee (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, (iii) to reform the Award made hereunder as contemplated by Section 10.17 of the Plan or to exempt the Award made hereunder from coverage under Code Section 409A, or (iv) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board of Directors or the stockholders of the Company, the Restricted Stock Units granted under this Agreement may be canceled by the Committee and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Stock Units that are then vested.

15. **Grantee Employment.** Nothing contained in the Plan or this Agreement, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on the Grantee any right to continue in the employ or service of the Company or any Subsidiary or interfere in any way with the right of the Company or any employing Subsidiary to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to the provisions of any employment or consulting agreement between the Grantee and the Company or any Subsidiary.

16. **Nonalienation of Benefits.** Except as provided in Section 8 and prior to the vesting of any Restricted Stock Unit , (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subjected to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

17. **Governing Law**. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of Colorado and in the State of Delaware in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum.

18. **Construction**. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to "Sections" in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Committee upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

19. **Rules by Committee**. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Committee may adopt from time to time.

20. **Entire Agreement**. This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16 of this Agreement, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

21. **Grantee Acknowledgment**. The Grantee will signify acknowledgment of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company.

22. **Code Section 409A**. To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements ("Section 409A") are applicable to the Grantee in connection with the Award, the Award is subject to the provisions of Section 10.17 of the Plan regarding Section 409A.

23. **Administrative Blackouts**. In addition to its other powers under the Plan, the Committee has the authority to suspend any transactions under the Plan as it deems necessary or appropriate for administrative reasons.

24. **Stock Ownership Guidelines**. This Award may be subject to any applicable stock ownership guidelines adopted by the Company, as amended or superseded from time to time.

* * * * *

Schedule I
to Liberty TripAdvisor Holdings, Inc.
Performance-Based Restricted Stock Units Agreement

Grant Date:	[●], 20[●]
Issuer/Company:	Liberty TripAdvisor Holdings, Inc., a Delaware corporation
Plan:	Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan, as the same may be amended from time to time
Common Stock:	The Company's Series [●] Common Stock ("LTRP[●] Common Stock")
Additional Provisions Applicable to Grantees who as of the Grant Date hold the office of Assistant Vice President or above of the Company or of Liberty Media Corporation:	Forfeiture for Misconduct and Repayment of Certain Amounts. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated Subsidiaries) is required and (ii) in the reasonable judgment of the Committee, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Committee may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Committee, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock received upon vesting of any Restricted Stock Units during the Misstatement Period that are not sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.

Qualifying Service:	Unless the Committee in its sole discretion determines otherwise in connection with the commencement of employment or service to Liberty Media Corporation, Qurate Retail, Inc. or any entity that is a Subsidiary of either of them, notwithstanding anything to the contrary in this Agreement, Grantee's employment or service with Liberty Media Corporation, Qurate Retail, Inc. or any entity that is a Subsidiary of either of them at the time of determination shall be deemed to be employment or service with the Company for all purposes under the Awards granted pursuant to this Agreement.
Other Clawback Policies:	Notwithstanding any other provisions in the Plan, this Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.
Company Notice Address:	Liberty TripAdvisor Holdings, Inc. 12300 Liberty Boulevard Englewood, Colorado 80112 Attn: [●]

Exhibit 10.21

FORM OF FIRST AMENDMENT TO SERVICES AGREEMENT

This First Amendment to Services Agreement (this "Amendment"), effective as of December 13, 2019, is between Liberty Media Corporation, a Delaware corporation (the "Provider"), and [____], a Delaware corporation ("[____]" or "[____]").

RECITALS

WHEREAS, the Provider and [____] previously entered into that certain Services Agreement, dated as of [____] (the "Original Agreement"); and

WHEREAS, in connection with the execution and delivery by the Provider and Gregory B. Maffei ("Executive") of that certain Executive Employment Agreement dated as of the date hereof (the "Executive Employment Agreement"), the Provider and [____] desire to amend the Original Agreement on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be bound legally, agree as follows:

1. **Defined Terms.** All initially capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Original Agreement.

(a) The term "[____]" as used in the Original Agreement and this Amendment (and the term "[____]" as used in this Amendment) shall each refer to [____], a Delaware corporation.

(b) References to "the Agreement" shall be deemed to be references to the Original Agreement, as amended by this Amendment and as it may be further amended from time to time in accordance with the terms thereof and hereof.

2. **Amendment to Section 2.2.** Section 2.2 of the Original Agreement is amended to read in its entirety as follows:

"Section 2.2Cost Reimbursement. In addition to (and without duplication of) the [Allocated Expenses] [Services Fee] payable pursuant to Section 2.1 and Executive Allocated Expenses pursuant to Section 2.5, [____] also will reimburse the Provider for all direct out-of-pocket costs, with no markup ("Out-of-Pocket Costs"), incurred by the Provider in performing the Services (e.g., postage and courier charges, [software license fees attributable to desktop or laptop computers utilized by Employees,] travel, meals and entertainment expenses, and other miscellaneous expenses that are incurred by the Provider or the [Employees] [Personnel] in the conduct of the Services)."

3. **Amendment to [Section 2.4] [Article II].** [Section 2.4] [Article II] of the Original Agreement is amended to [read in its entirety] [insert new Section 2.4 and Section 2.5] as follows:

“[Section 2.4. Survival.] The terms and conditions of this Article II will survive the expiration or earlier termination of this Agreement with respect to such amounts as are payable in respect of the period of time prior to the effective date of such expiration or termination.”

4. **[Amendment to Article II.** Article II of the Original Agreement is amended to insert new Section 2.5 as follows:]

“Section 2.5. Executive Compensation Expenses. Notwithstanding anything in this Agreement to the contrary, this Section 2.5 shall apply with respect to the Executive Allocated Expenses and Direct Compensation (each as defined below).

(a) *Executive Allocated Expenses*. [____] shall be allocated a portion of the Executive Allocated Expenses equal to its Executive Percentage (as defined below). The “Executive Allocated Expenses” mean Executive’s aggregate salary, commitment bonus (as described in Section 4.2 of the Executive Employment Agreement), health, retirement and other compensation, benefits, perquisites, any legal fees and other expense reimbursements owed to Executive pursuant to Section 9.6 of the Executive Employment Agreement, any Special Reimbursement payments owed to Executive by the Provider (as defined and described in Section 9.7 of the Executive Employment Agreement) and other expenses paid by Provider in connection with the employment of Executive and all Severance Payments (as defined below) paid by Provider; *provided, however,* that the Executive Allocated Expenses will not include (1) any annual cash bonus amounts with respect to services performed for the benefit of the Provider (excluding, for the avoidance of doubt, the commitment bonus described in Section 4.2 of the Executive Employment Agreement) and any equity-based compensation, in each case, paid to such [Employee] [Personnel] by the Provider, (2) all Direct Compensation and any Prorated Executive Bonus Payment (as defined below), and (3) Out-of-Pocket Costs. The Executive Allocated Expenses will be more fully set forth in, and determined from time to time in the manner set forth in, Schedule 2.5 attached hereto, as such Schedule may be periodically amended and revised by the parties as set forth in this Section 2.5.

(b) *Payment of Direct Compensation*. In accordance with the Executive Employment Agreement, [____] agrees to (i) pay Executive [____]’s allocation of the annual cash bonus amounts with respect to services performed for the benefit of [____] in accordance with Section 4.3 of the Executive Employment Agreement with such allocation being equal to the Executive Percentage, (ii) grant Executive options to purchase shares of Series [__] Common Stock of [____] (“[____] Common Stock”) in accordance with Section 4.10 of the Executive Employment Agreement (the “Service Company Term Awards”) and (iii) grant Executive an annual award with respect to [____] Common Stock in accordance with Section 4.11 of the Executive Employment Agreement (the “Annual Executive Incentive Awards” and, together with the Service Company Term Awards, the “Equity Awards”). The compensation described in the preceding sentence is referred to herein as the “Direct Compensation.” [____] will be solely responsible for all liabilities associated with the Direct Compensation, including with respect to satisfaction of the obligations with respect to Annual Executive Incentive Awards on any termination of Executive’s services with the Provider or [____]. The Direct Compensation will be more fully set forth in, and determined from time to time in the manner set forth in, Schedule 2.5 attached hereto, as such Schedule may be periodically amended and revised by the parties as set forth in this Section 2.5.

(c) *Payment of Executive Severance*.

(i) The Executive Allocated Expenses shall include all cash severance payments and benefit continuation obligations owed to Executive by the Provider pursuant to Section 5 of the Executive Employment Agreement ("Severance Payments"). Furthermore, [____] may, in lieu of reimbursing Provider the Executive Percentage of any Severance Payments and in accordance with Section 5 of the Executive Employment Agreement, directly deliver shares of [____] Common Stock to Executive in satisfaction of a portion of its Executive Percentage of the Severance Payments (a "Share-Based Severance Payment"), *provided*, *that*, in the event [____] is unable or otherwise fails to deliver any Share-Based Severance Payment in [____] Common Stock, [____] shall deliver cash to Provider in an amount equal to the value of Share-Based Severance Payment otherwise required to be delivered to Executive by [____].

(ii) Following an Executive Service Termination (as defined below) under circumstances qualifying Executive for payment of a prorated annual bonus pursuant to Section 5.7 of the Executive Employment Agreement (the "Prorated Executive Bonus Payment"), [____] shall pay Executive the Prorated Executive Bonus Payment at the time such payment is due under the Executive Employment Agreement; *provided*, *that*, in the event [____] fails to pay the Prorated Executive Bonus Payment, it shall reimburse the Provider amounts paid by Provider in respect thereof.

(iii) The amounts set forth in this Section 2.5(c) shall be paid by [____] in addition to any Executive Termination Payment payable to Provider under Section 3.4 of this Agreement.

(iv) In the event of any termination of employment or Services of Executive, this Section 2.5 shall apply to any severance or other payments to be made by or allocated to [____][in lieu of, and notwithstanding, Section 4.3 of this Agreement].

(d) *Executive Percentage*. The "Executive Percentage" for the period commencing January 1, 2020 through December 31, 2020 is set forth in Schedule 2.5 and thereafter the Executive Percentage and the Executive Allocated Expenses will be determined annually by the Provider, in consultation with [____] and the Executive, prior to each December 15th of the Term, pursuant to paragraph (e) below.

(e) *Determination of Amounts and Allocations*. Unless otherwise agreed between the Provider and [____], in consultation with Executive, the Executive Percentage will be determined consistent with the methodology described on Schedule 2.5. In addition, following any Significant Corporate Transaction, the Provider and [____], in consultation with Executive, will negotiate in good faith any appropriate adjustments to the Executive Percentage, Executive Allocated Expenses and Direct Compensation. In no event will any such adjustments apply retroactively (without the prior written consent of Provider and [____] in consultation with the Executive and, with respect to any retroactive adjustments to Direct Compensation previously paid or awarded to Executive, without the prior written consent of Executive).

(i) The parties acknowledge and agree that the methodology described on Schedule 2.5 reflects a good faith estimate of the amount of time that the Provider estimates Executive will spend providing Services to [____] during the upcoming fiscal year and that the parties in making any good faith adjustments to the Executive Percentage may take into account such other factors as they deem relevant, including (for the avoidance of doubt) those described in clause (ii) below.

(ii) In the event of (1) a termination by Executive or any other company to whom Executive is providing service at the direction of Provider (each, an "Other Service Company") of Executive's services to such Other Service Company, (2) a Change in Control (as such term is defined in the Executive Employment Agreement) of any Other Service Company, (3) a Fundamental Corporate Event (as defined in the Executive Employment Agreement) with respect to the Provider or any Other Service Company, or (4) any other material change in circumstances with respect to the Provider or any Other Service Company following the last agreed adjustment to the Executive Percentage, Executive Allocated Expenses or Direct Compensation that, in each case, results in a change in the allocable percentage of time spent by Executive providing Services to [____], in the Executive Allocated Expenses or in the Direct Compensation (any such event in clause (1) through (4) inclusive, a "Significant Corporate Transaction"), the Provider and [____] shall promptly, and in good faith, renegotiate the Executive Percentage, Executive Allocated Expenses and Direct Compensation, in consultation with Executive, based on, among other things deemed relevant by the parties, the anticipated Services to be provided by Executive to [____] during any upcoming fiscal period and the amount of time that the Provider estimates Executive will spend providing Services to [____] during such time.

(iii) In the event of a dispute between the Provider and [____] as to the determination of the amount of the Executive Percentage, Executive Allocated Expenses or Direct Compensation, each of the Provider and [____] agrees to attempt, in good faith and in consultation with the Executive, to resolve the dispute as set forth in Section 7.16 of this Agreement.

(iv) It is intended that the payments by [____] to the Provider under this Agreement in respect of Executive Allocated Expenses and any Termination Payment, when combined with the payment of the Direct Compensation and any Prorated Executive Bonus Payment by [____] directly to Executive, are comparable to those which [____] would pay to a third party on an arm's length basis for the same services.

(f) *Provider as Payor*. Notwithstanding Section 4.2 of this Agreement, the parties acknowledge and agree that the Provider, and not [____], will be solely responsible for the payment of salaries, wages, benefits (including health insurance, retirement, and other similar benefits, if any), perquisites and other compensation applicable to Executive; *provided, however*, that [____] is responsible for the reimbursement to Provider of the Executive Percentage of the Executive Allocated Expenses and payment of the Direct Compensation and any Prorated Executive Bonus Payment directly to Executive each as provided in this Section 2.5. The parties acknowledge that Executive will provide services directly to [____] in consideration for the receipt of the Direct Compensation and any Prorated Executive Bonus Payment. [Except as otherwise required by the terms of the Tax Sharing Agreement,] the Provider will be responsible for the payment of all federal, state, and local withholding taxes on the compensation of Executive (other than Direct Compensation and any Prorated Executive Bonus Payment) and other such employment related taxes as are required by law, and [____] will be responsible for the payment of all federal, state, and local withholding taxes on the Direct Compensation and any Prorated Executive Bonus Payment paid to Executive by [____] and other such employment related taxes as are required by law. Each of [____] and the Provider will cooperate with the other to facilitate the other's compliance with applicable federal, state, and local laws, rules, regulations, and ordinances applicable to the employment of Executive by either party.

(g) *Monthly Payment*. [____] will pay the Provider, by wire or intrabank transfer of funds or in such other manner specified by the Provider to [____], in arrears on or before the last day of each calendar month beginning with January 2020, its allocated portion of the Executive Allocated Expenses then in effect, in monthly installments.

(h) *No Duplication*. For the avoidance of doubt, no Executive Allocated Expenses, Direct Compensation, Prorated Executive Bonus Payments or Executive Termination Payment (as defined below) will be included in the [Allocated Expenses or in the severance payments under Section 4.2 allocated to [____] pursuant to this Agreement][Services Fee]."

5. Amendment to Section 3.3. Section 3.3 of the Original Agreement is amended to insert the following as the last paragraph:

"An Executive Termination Payment may be due in connection with the termination of this Agreement pursuant to this Section 3.3 as described in and subject to the limitations of Section 3.4(c)."

6. Amendment to Article III. Article III of the Original Agreement is amended to insert new Section 3.4 as follows:

"Section 3.4. Termination of Executive Services. This Section 3.4 shall apply with respect to the termination of any Services provided by Executive in lieu of and notwithstanding Section 3.2 of this Agreement:

(a) *Termination of Executive Services by [____]*. At any time during the Term, [____] may elect to discontinue obtaining any of the Services from Executive (including removing Executive from his position as [Executive Chairman] [President and CEO] at [____]) by providing written notice to the Provider and the Executive (an "Executive Service Termination"). Such Executive Service Termination shall be effective (i) in the case of termination for Cause (as defined in the Executive Employment Agreement with reference to [____]), on the date written notice is provided by [____] to the Provider and the Executive and (ii) in the case of termination for any reason other than termination for Cause on the later of (x) the 30th day following the delivery of such notices (or such later date as may be specified in the notices) and (y) the payment by [____] to the Provider of the Executive Termination Payment.

(b) *Termination of Executive Services by Provider*. At any time during the Term, the Provider may elect to discontinue providing [____] any of the Services by Executive by providing written notice to [____] and the Executive, including, in connection with a termination by Executive of his employment with the Provider or of any services provided to [____] under his Executive Employment Agreement. Such termination shall be effective on the date specified in the notices.

(c) *Termination Requiring Payment of Executive Termination Payment*.

(i) An Executive Service Termination for any reason other than termination for Cause (as defined in the Executive Employment Agreement with reference to [____]) will result in an obligation by [____] to pay the Provider the Executive Termination Payment no later than the effective date of such Executive Service Termination.

(ii) A termination (x) by the Provider of the Services provided to [____] by Executive following or in connection with a Change in Control (as defined in the Executive Employment Agreement with reference to [____]) of [____] or (y) by Executive of his Services provided to [____] under the Executive Employment Agreement, in each case, shall also require the payment by [____] to the Provider of the Executive Termination Payment no later than the effective date of such termination. The effective date of a termination described in clause (y) of this Section 3.4(c)(ii) shall be determined in accordance with the Executive Employment Agreement.

(iii) In event of the termination of this Agreement on or before the expiration of the Employment Period (as defined in the Executive Employment Agreement) pursuant to Section 3.3, [____] will pay the Executive Termination Payment to the Provider no later than the effective date of such termination; *provided*, *however*, that if such termination of this Agreement is at or after the time Executive's services to [____] or Provider under the Executive Employment Agreement have been terminated for Cause or by Executive without Good Reason (each as defined in the Executive Employment Agreement with reference to either Provider or [____]), then no Executive Termination Payment shall be due.

(iv) Notwithstanding anything to contrary in this Section 3.4(c), (1) no Executive Termination Payment shall be payable if in connection with the events giving rise to such payment obligation Executive is no longer employed by Provider, and (2) only one Executive Termination Payment shall be paid under this Agreement.

(v) The "Executive Termination Payment" means the net present value (determined by Provider in good faith, as of the date on which Executive's services to [____] are terminated (the "Service Termination Date")) of the sum of:

(1) an amount equal to (x) the Executive Percentage then-in effect multiplied by (y) all Executive Allocated Expenses that would have been allocated to [____] pursuant to Section 2.5 (absent termination of Executive's services to [____]) from and after the Service Termination Date through the earlier of the expiration of the Employment Period or December 31 of the calendar year following the year in which the Service Termination Date occurs (and if the Executive Percentage for such following year has not yet been determined, then the Executive Percentage for such following year

will be deemed to be the same as the Executive Percentage for the year in which the Service Termination Date occurs); *plus*

(2) an amount equal to (x) [____]'s allocation of the Aggregate Target Bonus (as defined in the Executive Employment Agreement) for the year in which the Service Termination Date occurs multiplied by (y) the ratio of (A) the number of days remaining in the year in which the Service Termination Date occurs to (B) 365; *plus*

(3) an amount equal to [____]'s allocation of the Aggregate Target Bonus for the first calendar year commencing after the Service Termination Date (and if [____]'s allocation of the Aggregate Target Bonus for such year has not yet been determined, then this clause (3) shall refer to [____]'s allocation of the Aggregate Target Bonus for the year in which the Service Termination Date occurs); *provided*, that if the Service Termination Date occurs during the last calendar year of the Employment Period, then this clause (3) shall equal $0; *plus*

(4) if the Service Company Term Awards to be granted to Executive by [____] pursuant to Section 2.5(b)(ii) of this Agreement have not been granted on or before the Service Termination Date, then an amount equal to the portion of the $45,000,000 grant value for all Term Awards (as defined in the Executive Employment Agreement) that is allocated to [____] pursuant to Section 4.10(b) of the Executive Employment Agreement (and if the portion of the Term Awards that will be allocated to [____] pursuant to Section 4.10(b) of the Executive Employment Agreement has not yet been determined, then this clause (4) shall refer to the portion of the Term Awards allocated to [____] pursuant to Schedule 2.5 to this Agreement with respect to the Service Company Term Awards granted by [____] in December 2019 pursuant to Section 4.10(a) of the Executive Employment Agreement, unless otherwise agreed by the Provider and [____], in consultation with the Executive); *provided that* if all Service Company Term Awards have been granted to Executive on or before the Service Termination Date then this clause (4) shall equal $0; *plus*

(5) if the Annual Executive Incentive Awards to be granted to Executive by [____] pursuant to Section 2.5(b)(iii) of this Agreement for the year in which the Service Termination Date occurs have not been granted on or before the Service Termination Date, then an amount equal to the Service Company Target Amount (as defined in the Executive Employment Agreement) applicable to [____] pursuant to Section 4.11(b) of the Executive Employment Agreement for such year (and if all Annual Executive Incentive Awards for the year in which the Service Termination Date occurs have been granted to Executive, then this clause (5) shall equal $0); plus

(6) an amount equal to the Service Company Target Amount (as defined in the Executive Employment Agreement) applicable to [____] for the first calendar year commencing after the Service Termination Date (and if the Service Company Target Amount for such year has not yet been determined, then this clause (6) shall refer to the Service Company Target Amount applicable to [____] for the year in which the Service Termination Date occurs) ; *provided*, that if the Service Termination Date occurs during the last calendar year of the Employment Period, then this clause (6) shall equal $0.

(d) *No Effect on other Services*. The Provider shall have no obligation to provide the Services that have been discontinued pursuant to this Section 3.4, and [____]'s obligation to further compensate the Provider for such Services, in each case, from and after the effective date of the termination of such Services in accordance with this Agreement will remain in effect for the remainder of the Term with respect to those Services that have not been so discontinued. Each party will remain liable to the other for any required payment or performance accrued prior to the effective date of the termination of such Services.

(e) *Impact on Equity Awards*. The impact of termination of any Services provided by Executive pursuant to this Section 3.4 on the Equity Awards will be as specified in the Equity Award Agreements."

7. **Amendment to Article V**. Article V of the Original Agreement is amended to insert new Section 5.3 as follows:

"Section 5.3. Equity Awards. [____] represents and warrants that each equity award granted to Executive with respect to its common stock shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409"). Without limiting the foregoing, each option granted to Executive that is intended to be exempt from Section 409A shall be with respect to "service recipient stock" and with respect to an "eligible issuer of service recipient stock" (each as defined in Section 409A), shall not contain any feature for the deferral of compensation and shall have an exercise or strike price that is not less than the fair market value of such service recipient stock on the grant date of such award."

8. **Amendment to Section 6.4**. Section 6.4 of the Original Agreement is amended to read in its entirety as follows:

"Section 6.4.Survival. The terms and conditions of this Article VI will survive the expiration or termination of this Agreement only in respect of claims for indemnification asserted against the Indemnitor prior to such termination."

9. **Amendment to Section 7.6**. Section 7.6 of the Original Agreement is amended to read in its entirety as follows:

"Section 7.6. Third-Party Rights. Nothing expressed or referred to in this Agreement is intended or will be construed to give any Person other than the parties hereto, the [____] Indemnitees, Provider Indemnitees, Executive and their respective successors and permitted assigns any legal or equitable right, remedy or claim under or with respect to this Agreement, or any provision hereof, it being the intention of the parties hereto that this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement, Executive and their respective successors and assigns. For the avoidance of doubt, Executive shall be considered a third party beneficiary of this Agreement with respect to, and entitled to the rights and benefits set forth in, the Amendment and may enforce the applicable provisions of this Agreement as if Executive was a party hereto."

10. **Amendment to Section 7.9**. Section 7.9(a) of the Original Agreement is amended to read in its entirety as follows:

"(a) This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective legal representatives, successors and permitted assigns, including, for avoidance of doubt successors and assigns of [____] as a result of a Spin Transaction or a Fundamental Corporate Event (each as defined in the Executive Employment Agreement)."

11. **Amendment to Article VII.** Article VII of the Original Agreement is amended to insert new Section 7.16 as follows:

"Section 7.16. Dispute Resolution**.** In the event of any dispute arising out of or related to this Agreement or any of the transactions contemplated hereby, the parties shall first negotiate in good faith to resolve such dispute in accordance with this Section 7.16 prior to commencing any action, suit or proceeding before any court or other adjudicatory body. The parties shall designate representatives to meet to negotiate in good faith a resolution of such dispute for a period of thirty days (which may be extended by agreement of the parties). If at the end of the good faith negotiation period the parties fail to resolve the dispute, then the parties shall mediate the dispute before a neutral third party mediator under the then current American Arbitration Association (AAA) procedures for mediation of business disputes. The parties will equally share the cost of the mediation."

12. **Counterparts; Electronic Execution.** This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment electronically (including by e-mail delivery of a ".pdf" format data file) shall be equally as effective as delivery of a manually executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment electronically also shall deliver a manually executed counterpart of this Amendment but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

13. **Entire Agreement.** The Original Agreement as amended by this Amendment constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and thereof, and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof and thereof.

14. **Reaffirmation of the Original Agreement.** Except as specifically set forth in this Amendment, all other terms and conditions of the Original Agreement shall remain in full force and effect.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, each of the parties has signed this Amendment, or has caused this Amendment to be signed by its duly authorized officer, as of the date first above written.

PROVIDER:

LIBERTY MEDIA CORPORATION

By:
Name: Renee Wilm
Title: Chief Legal Officer

[____]:

[____]

By:
Name: Kate Jewell
Title: Assistant Vice President

[*Signature Page to* [____] *Amendment*]

Schedule 2.5

Executive Percentage

2020 Executive Percentage

For Executive's 2020 compensation, the Executive Percentage for each of Provider, Qurate Retail, Inc. ("Qurate"), Liberty Broadband Corporation ("LBC"), GCI Liberty, Inc. ("GCIL") and Liberty TripAdvisor Holdings, Inc. ("LTAH" and together with Qurate, LBC and GCIL, the "Service Companies" and each, a "Service Company") will be as set forth below, unless a different allocation is otherwise agreed by Provider, the Service Companies and Executive:

	Provider			**Qurate**	**GCIL**	**LBC**	**LTAH**
	FWONK	**LSXMK**	**BATRK**	**QRTEA**	**GLIBA**	**LBRDK**	**LTRPB**
2020 Executive Percentage (by ticker)	16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2020 Executive Percentage (by company)	44.0%			19.0%	14.0%	18.0%	5.0%

Executive Percentage Methodology

For calendar years 2021 and beyond, the "Executive Percentage" will be determined based on the following two factors, each weighted 50%: (i) the relative market capitalization of shares of Series C Liberty SiriusXM common stock, par value $0.01 per share ("LSXMK"), Series C Liberty Braves common stock, par value $0.01 per share ("BATRK"), and Series C Liberty Formula One common stock, par value $0.01 per share ("FWONK," and together with LSXMK and BATRK, the "Series C Common Stock"), Series A common stock, par value $0.01 per share, of Qurate ("QRTEA"), Series C common stock, par value $0.01 per share, of LBC ("LBRDK"), Series A common stock, $0.01 per share, of GCIL ("GLIBA") and Series B common stock, par value $0.01 per share, of LTAH ("LTRPB," and together with the Series C Common Stock, QRTEA, LBRDK and GLIBA, the "Common Stock"); and (ii) on the average of (x) the percentage allocation of time for all Provider employees across the applicable Service Companies or tracking stock groups represented by all Series C Common Stock and (y) the Executive's percentage allocation of time across the applicable Service Companies or tracking stock groups represented by all Series C Common Stock (in each case, for the prior calendar year), unless a different allocation method is otherwise agreed by the Provider and the Service Companies in consultation with the Executive.

Certain 2020 Executive Allocated Expenses

For the avoidance of doubt, the aggregate annual base salary and the initial commitment bonus payable to Executive pursuant to the Executive Employment Agreement shall be allocated to, and reimbursed to Provider by, each Service Company in 2020 based on its respective Executive Percentage as set forth below:

	Aggregate Amount	Allocation of Aggregate Annual Base Salary and Initial Commitment Bonus by Company				
		Provider	Qurate	GCIL	LBC	LTAH
2020 Executive Percentage		44.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Base Salary	$3,000,000	$1,320,000	$570,000	$420,000	$540,000	$150,000
Initial Commitment Bonus	$ 5,000,000	$2,200,000	$950,000	$700,000	$900,000	$250,000

Direct Compensation

Direct Compensation

The amounts of the annual cash performance bonus, the Annual Executive Incentive Awards and the Service Company Term Awards payable by each Service Company directly to Executive pursuant to Section 2.5(b) of this Agreement shall be determined as follows:

- Annual Cash Performance Bonus. Executive's aggregate target annual cash performance bonus amount of $17 million ("Aggregate Annual Target Cash Bonus") is allocated to each Service Company based on its respective Executive Percentage and may be made subject to the achievement of one or more performance metrics as described in Section 4.3 of the Executive Employment Agreement;
- Annual Incentive Awards. Executive's aggregate annual equity award target value of $17.5 million ("Aggregate Annual Equity Award Target") is allocated to each Service Company based on its respective Executive Percentage; and
- Service Company Term Awards. Executive's aggregate upfront stock option and restricted stock unit ("RSU") grant date value of $90 million ("Aggregate Term Award") is allocated to each Service Company based on its respective Executive Percentage.

2020 Allocation

The Aggregate Annual Target Cash Bonus, Aggregate Annual Equity Incentive Award Target and Aggregate Term Award shall be allocated to each Service Company in 2020 based on its respective Executive Percentage as set forth below:

	Aggregate Annual Target Cash Bonus	Allocation of Aggregate Annual Target Cash Bonus by Company				
		Provider	Qurate	GCIL	LBC	LTAH
2020 Executive Percentage		44.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Target Cash Bonus	$17,000,000	$7,480,000	$3,230,000	$2,380,000	$3,060,000	$850,000

	Aggregate Annual Equity Award Target	Allocation of Aggregate Annual Equity Award Target by Ticker[(1)]						
		Provider			Qurate	GCIL	LBC	LTAH
		FWONK	LSXMK	BATRK	QRTEA	GLIBA	LBRDK	LTRPB
2020 Executive Percentage		16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Equity Award Target	$17,500,000	$2,800,000	$4,025,000	$875,000	$3,325,000	$2,450,000	$3,150,000	$875,000
2020 Annual Equity Awards (by company)	$17,500,000	Total: $7,700,000			$3,325,000	$2,450,000	$3,150,000	$875,000

(1) The exercise price of any options granted by the Provider or a Service Company will equal the fair market value of the underlying stock on the grant date determined in accordance with the governing plan, which will not occur

during a blackout. The value will be determined in accordance with the applicable company's standard grant practice.

	Aggregate Term Award [1]	Allocation of Aggregate Term Award by Ticker [1] [2]						
		Provider			Qurate	GCIL	LBC	LTAH
		FWONK	LSXMK	BATRK	QRTEA	GLIBA	LBRDK	LTRPB
Executive Percentage		16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2019 tranche	$45,000,000	$7,200,000	$10,350,000	$2,250,000	$8,550,000	$6,300,000	$8,100,000	$2,250,000
2020 tranche (estimated)	$45,000,000	$7,200,000	$10,350,000	$2,250,000	$8,550,000	$6,300,000	$8,100,000	$2,250,000
Total Term Awards (by company)	$90,000,000	Total: $39,600,000			$17,100,000	$12,600,000	$16,200,000	$4,500,000

(1) The Aggregate Term Award will be split into two equal tranches to be granted in December 2019 and December 2020, with each tranche cliff vesting on December 31 of 2023 and 2024, respectively, except LTAH's awards of upfront RSUs will vest on the fourth anniversary of each grant date.

(2) The exercise price of any options granted by the Provider or a Service Company will equal the fair market value of the underlying stock on the grant date determined in accordance with the governing plan, which will not occur during a blackout. The value will be determined in accordance with the applicable company's standard grant practice.

Methodology for Allocation of 2020 tranche of Aggregate Term Awards

With respect to the second tranche of the Aggregate Term Awards to be granted on or before December 15, 2020, the awards will be the responsibility of the Provider and each Service Company based on an allocation of $45 million grant value across each class of Common Stock and on the following two factors, each weighted 50%: (i) the relative market value of each such class of Common Stock and (ii) the average of (x) the percentage allocation of time for all Provider employees across the applicable Service Company or tracking stock groups represented by all Series C Common Stock and (y) the Executive's percentage allocation of time across the applicable Service Company or tracking stock groups represented by all Series C Common Stock (in each case, for calendar year 2020), unless a different allocation method is otherwise agreed by the Provider and the Service Companies in consultation with the Executive.

As of December 31, 2019

A table of subsidiaries of Liberty TripAdvisor Holdings, Inc. is set forth below, indicating as to each the state or jurisdiction of organization and the names under which such subsidiaries do business. Subsidiaries not included in the table are inactive or, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Entity Name	**Domicile**
Liberty BSI, Inc. (fka BuySeasons, Inc.)	DE
Liberty TripAdvisor, LLC	DE
TripAdvisor, Inc.	DE

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty TripAdvisor Holdings, Inc.:

We consent to the incorporation by reference in the following registration statements of Liberty TripAdvisor Holdings, Inc. of our reports dated February 19, 2020, with respect to the consolidated balance sheets of Liberty TripAdvisor Holdings, Inc. and subsidiaries as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appear in the December 31, 2019 annual report on Form 10-K of Liberty TripAdvisor Holdings, Inc.

Description	Registration Statement No.	Description
S-8	333-198649	Liberty TripAdvisor Holdings, Inc. Transitional Stock Adjustment Plan, as amended
S-8	333-198650	Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015), as amended
S-8	333-201011	Liberty TripAdvisor Holdings, Inc. 2014 Omnibus Incentive Plan (Amended and Restated as of March 11, 2015), as amended
S-8	333-233245	Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan
S-8	333-235371	Liberty TripAdvisor Holdings, Inc. 2019 Omnibus Incentive Plan

/s/ KPMG LLP

Denver, Colorado
February 19, 2020

EXHIBIT 31.1

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty TripAdvisor Holdings, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements and other financial information included in this annual report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and

    d) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2020

/s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this annual report on Form 10-K of Liberty TripAdvisor Holdings, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements and other financial information included in this annual report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
   d) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2020

/s/ BRIAN J. WENDLING
Brian J. Wendling
Senior Vice President and Chief Financial Officer

Exhibit 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty TripAdvisor Holdings, Inc, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the period ended December 31, 2019 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated:	February 19, 2020	/s/ GREGORY B. MAFFEI
		Gregory B. Maffei *President and Chief Executive Officer*
Dated:	February 19, 2020	/s/ BRIAN J. WENDLING
		Brian J. Wendling *Senior Vice President and Chief Financial Officer* *(Principal Financial Officer and Principal Accounting Officer)*

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.