

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

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

For the quarterly period ended September 30, 2024  
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)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**46-3337365**  
(I.R.S. Employer  
Identification No.)

**12300 Liberty Boulevard, Englewood, Colorado 80112**

(Address, including zip code, of Registrant's principal executive offices)

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	LTRPA	OTCQB Venture Market
Series B common stock	LTRPB	OTCQB Venture Market

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 number of outstanding shares of Liberty TripAdvisor Holdings, Inc. common stock as of October 31, 2024 was:

	<b>Series A</b>	<b>Series B</b>
Liberty TripAdvisor Holdings, Inc. common stock	73,084,484	4,232,532

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**LIBERTY TRIPADVISOR HOLDINGS, INC.**
**Condensed Consolidated Balance Sheets**
**(unaudited)**

	September 30, 2024	December 31, 2023
	amounts in millions	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 1,127	1,090
Accounts receivable and contract assets, net of allowance for credit losses of \$28 million and \$21 million, respectively	243	192
Income taxes receivable	46	3
Other current assets	62	39
Total current assets	1,478	1,324
Property and equipment, net	81	87
Intangible assets not subject to amortization:		
Goodwill	1,392	1,387
Trademarks	525	522
	1,917	1,909
Intangible assets subject to amortization, net	122	116
Other assets	145	124
Total assets	\$ 3,743	3,560

(continued)

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Condensed Consolidated Balance Sheets (Continued)**  
**(unaudited)**

	September 30, 2024	December 31, 2023
	amounts in millions	
<i>Liabilities and Equity</i>		
Current liabilities:		
Deferred merchant and other payables	\$ 423	265
Current portion of debt, including \$309 million measured at fair value as of September 30, 2024	314	—
Deferred revenue	61	49
Series A Preferred Stock liability (note 6)	265	—
Accrued liabilities and other current liabilities	306	262
Total current liabilities	1,369	576
Long-term debt, including \$0 and \$287 million measured at fair value as of September 30, 2024 and December 31, 2023, respectively (note 5)	886	1,180
Deferred income tax liabilities	31	49
Financial instrument liabilities (note 4)	—	21
Series A Preferred Stock liability (note 6)	—	249
Other liabilities	163	253
Total liabilities	2,449	2,328
Equity:		
Series A common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 73,084,484 shares at September 30, 2024 and 73,066,321 at December 31, 2023	1	1
Series B common stock, \$.01 par value. Authorized shares 7,500,000; issued and outstanding 4,232,532 shares at September 30, 2024 and 4,057,532 at December 31, 2023	—	—
Series C common stock, \$.01 par value. Authorized 200,000,000 shares; no shares issued	—	—
Additional paid-in capital	304	307
Accumulated other comprehensive earnings (loss), net of taxes	—	(2)
Retained earnings (deficit)	(737)	(724)
Total stockholders' equity	(432)	(418)
Noncontrolling interests in equity of subsidiaries	1,726	1,650
Total equity	1,294	1,232
Commitments and contingencies (note 8)		
Total liabilities and equity	\$ 3,743	3,560

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions, except per share amounts			
Total revenue, net	\$ 532	533	1,424	1,398
Operating costs and expenses:				
Operating expense, including stock-based compensation (note 2)	120	109	352	318
Selling, general and administrative, including stock-based compensation (note 2)	325	324	926	915
Depreciation and amortization	21	21	63	63
Impairment of goodwill and intangible assets	—	1,025	—	1,025
Restructuring and other related reorganization costs (benefits)	(1)	18	1	18
	465	1,497	1,342	2,339
Operating income (loss)	67	(964)	82	(941)
Other income (expense):				
Interest expense	(19)	(17)	(53)	(50)
Dividend and interest income	13	13	39	36
Realized and unrealized gains (losses) on financial instruments, net	3	(8)	12	(1)
Other, net	(2)	(2)	(6)	(4)
	(5)	(14)	(8)	(19)
Earnings (loss) before income taxes	62	(978)	74	(960)
Income tax (expense) benefit	(27)	14	(84)	(63)
Net earnings (loss)	35	(964)	(10)	(1,023)
Less net earnings (loss) attributable to noncontrolling interests	31	(730)	3	(768)
Net earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	\$ 4	(234)	(13)	(255)
Basic net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 3):	\$ 0.05	(3.04)	(0.17)	(3.36)
Diluted net earnings (loss) attributable to Series A and Series B Liberty TripAdvisor Holdings, Inc. shareholders per common share (note 3):	\$ 0.05	(3.04)	(0.17)	(3.36)

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**
**Condensed Consolidated Statements of Comprehensive Earnings (Loss)**
**(unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Net earnings (loss)	\$ 35	(964)	(10)	(1,023)
Other comprehensive earnings (loss), net of taxes:				
Foreign currency translation adjustments	20	(13)	9	(8)
Credit risk on fair value debt instruments gains (loss)	6	(1)	—	(8)
Reclassification adjustments included in net income (loss), net of tax	—	—	3	—
Other comprehensive earnings (loss)	26	(14)	12	(16)
Comprehensive earnings (loss)	61	(978)	2	(1,039)
Less comprehensive earnings (loss) attributable to the noncontrolling interests	47	(741)	13	(775)
Comprehensive earnings (loss) attributable to Liberty TripAdvisor Holdings, Inc. shareholders	\$ 14	(237)	(11)	(264)

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**

	Nine months ended September 30,	
	2024	2023
	amounts in millions	
Cash flows from operating activities:		
Net earnings (loss)	\$ (10)	(1,023)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities		
Depreciation and amortization	63	63
Impairment of goodwill and intangible assets	—	1,025
Stock-based compensation	93	74
Realized and unrealized (gains) losses on financial instruments, net	(12)	1
Deferred income tax expense (benefit)	(24)	(61)
Non-cash interest expense	20	18
Other charges (credits), net	6	3
Changes in operating assets and liabilities		
Current and other assets	(107)	(16)
Payables and other liabilities	110	164
Net cash provided (used) by operating activities	139	248
Cash flows from investing activities:		
Capital expended for property and equipment, including capitalized website development	(51)	(47)
Net cash provided (used) by investing activities	(51)	(47)
Cash flows from financing activities:		
Borrowings of debt	500	—
Repayments of debt	(500)	—
Payment of withholding taxes on net share settlements of equity awards	(17)	(14)
Shares repurchased by subsidiary	(25)	(75)
Other financing activities, net	(13)	(8)
Net cash provided (used) by financing activities	(55)	(97)
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	4	(7)
Net increase (decrease) in cash, cash equivalents and restricted cash	37	97
Cash, cash equivalents and restricted cash at beginning of period	1,090	1,053
Cash, cash equivalents and restricted cash at end of period	\$ 1,127	1,150

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**

**Condensed Consolidated Statements of Equity**

(unaudited)

	Stockholders' equity							
	Common Stock			Additional paid-in capital	Accumulated other comprehensive earnings (loss) amounts in millions	Retained earnings (deficit)	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
Balance at January 1, 2024	\$ 1	—	—	307	(2)	(724)	1,650	1,232
Net earnings (loss)	—	—	—	—	—	(13)	3	(10)
Other comprehensive earnings (loss)	—	—	—	—	2	—	10	12
Stock-based compensation	—	—	—	22	—	—	80	102
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(17)	—	—	—	(17)
Shares issued by subsidiary	—	—	—	(3)	—	—	3	—
Shares repurchased by subsidiary	—	—	—	(5)	—	—	(20)	(25)
Balance at September 30, 2024	\$ 1	—	—	304	—	(737)	1,726	1,294

	Stockholders' equity							
	Common Stock			Additional paid-in capital	Accumulated other comprehensive earnings (loss) amounts in millions	Retained earnings (deficit)	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
Balance at June 30, 2024	\$ 1	—	—	300	(10)	(741)	1,652	1,202
Net earnings (loss)	—	—	—	—	—	4	31	35
Other comprehensive earnings (loss)	—	—	—	—	10	—	16	26
Stock-based compensation	—	—	—	7	—	—	27	34
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(3)	—	—	—	(3)
Balance at September 30, 2024	\$ 1	—	—	304	—	(737)	1,726	1,294

See accompanying notes to condensed consolidated financial statements.



**LIBERTY TRIPADVISOR HOLDINGS, INC.**
**Condensed Consolidated Statements of Equity (continued)**
**(unaudited)**

	Stockholders' equity							
	Common Stock			Additional paid-in capital	Accumulated other comprehensive earnings (loss)  amounts in millions	Retained earnings (deficit)	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
Balance at January 1, 2023	\$ 1	—	—	287	9	(439)	2,404	2,262
Net earnings (loss)	—	—	—	—	—	(255)	(768)	(1,023)
Other comprehensive earnings (loss)	—	—	—	—	(9)	—	(7)	(16)
Stock-based compensation	—	—	—	19	—	—	63	82
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(14)	—	—	—	(14)
Shares issued by subsidiary	—	—	—	(6)	—	—	6	—
Shares repurchased by subsidiary	—	—	—	24	—	—	(99)	(75)
Balance at September 30, 2023	\$ 1	—	—	310	—	(694)	1,599	1,216

	Stockholders' equity							
	Common Stock			Additional paid-in capital	Accumulated other comprehensive earnings (loss) amounts in millions	Retained earnings (deficit)	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
Balance at June 30, 2023	\$ 1	—	—	307	3	(460)	2,317	2,168
Net earnings (loss)	—	—	—	—	—	(234)	(730)	(964)
Other comprehensive earnings (loss)	—	—	—	—	(3)	—	(11)	(14)
Stock-based compensation	—	—	—	7	—	—	21	28
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(2)	—	—	—	(2)
Shares issued by subsidiary	—	—	—	(2)	—	—	2	—
Balance at September 30, 2023	\$ 1	—	—	310	—	(694)	1,599	1,216

See accompanying notes to condensed consolidated financial statements.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(unaudited)**

**(1) Basis of Presentation**

The accompanying condensed consolidated financial statements include the accounts of Liberty TripAdvisor Holdings, Inc. and its controlled subsidiaries (collectively, "TripCo," "Consolidated TripCo," the "Company," "we," "us," or "our," unless the context otherwise requires). TripCo does not have any operations outside of its controlling interest in its subsidiary Tripadvisor, Inc. ("Tripadvisor").

The accompanying (a) condensed consolidated balance sheet as of December 31, 2023, which has been derived from audited financial statements, and (b) the interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. Additionally, certain prior period amounts have been reclassified for comparability with the current period presentation, none of which were material to the presentation of the accompanying unaudited condensed consolidated financial statements. The results of operations for any interim period are not necessarily indicative of results for the full year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes for the year ended December 31, 2023 as presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Under the accounting guidance in Accounting Standards Codification Topic 205, *Presentation of Financial Statements* ("ASC 205"), when preparing financial statements for each annual and interim reporting period, management has the responsibility to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. As a result of the considerations articulated below, we believe there is substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued.

In applying the accounting guidance in ASC 205, TripCo considered its current financial condition and liquidity sources, including current funds available, forecasted future cash flows and its conditional and unconditional obligations due over the twelve months after the date that its financial statements were issued. The Company specifically considered the redemption of the Series A Preferred Stock and TripCo's 0.50% Exchangeable Senior Debentures due 2051 (the "Debentures") in its analysis.

As disclosed in note 6, TripCo's 8% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock") is required to be redeemed for cash on March 27, 2025. As of September 30, 2024, the Redemption Price (as defined in note 6) of the Series A Preferred Stock was \$266 million. As disclosed in note 5, the Debentures may be redeemed by TripCo, in whole or in part, on or after March 27, 2025. Holders of the Debentures also have the right to require TripCo to purchase their Debentures on March 27, 2025. As of September 30, 2024, the fair value of the Debentures was \$309 million. If all holders exchanged their Debentures on March 27, 2025 and upon the redemption of the Company's Series A Preferred Stock, TripCo would not have sufficient cash on hand to cover these obligations as of September 30, 2024. We note that Tripadvisor has sufficient cash to cover these obligations, but TripCo does not have ready access to Tripadvisor's cash.

On February 9, 2024, TripCo's board of directors authorized TripCo to engage in discussions with respect to a potential transaction ("Potential Transaction"), pursuant to which all of the outstanding stock of TripCo and all of the outstanding common stock and Class B common stock of Tripadvisor, would be acquired concurrently for cash. The board of directors of Tripadvisor has formed a special committee comprised of independent and disinterested directors of the board of directors of Tripadvisor ("Special Committee"). TripCo and the Special Committee have ceased discussions with third parties with respect to a Potential Transaction. Strategic alternatives with respect to TripCo remain under consideration. In light of current circumstances, management's plans do not alleviate the substantial doubt that the entity will continue as a going concern.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(unaudited)**

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. 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) recognition and recoverability of goodwill, intangible and long-lived assets and (ii) accounting for income taxes to be its most significant estimates.

Tripadvisor and the Company were negatively impacted by the risks and uncertainties related to the COVID-19 pandemic and Tripadvisor's business would be adversely and materially affected upon a resurgence of COVID-19 or the emergence of any new pandemic or other health crisis that results in reinstated travel bans and/or other government restrictions and mandates. Following the lifting of restrictions in connection with the COVID-19 pandemic, travel demand increased. In addition, the U.S. and other countries have seen elevated and fluctuating levels of inflation and decreases in discretionary spending patterns by consumers. If macroeconomic conditions deteriorate, consumer demand and spending may decline, Tripadvisor may not be able to pass on increased costs to its customers and any inability to navigate the macroeconomic environment could harm its business, results of operations and financial condition.

Additionally, natural disasters, public health-related events, political instability, geopolitical conflicts, including the evolving events in the Middle East, acts of terrorism, fluctuations in currency values, and changes in global economic conditions are examples of other events that could have a negative impact on the travel industry, and, as a result, Tripadvisor's financial results in the future.

Consumer travel expenditures have historically followed a seasonal pattern. Correspondingly, travel partner advertising investments, and therefore Tripadvisor's revenue and operating profits, have also historically followed 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, including traveler accommodation stays, and travel experiences taken, compared to the first and fourth quarters, which represent seasonal low points. In addition, during the first half of the year, experience bookings typically exceed the amount of completed experiences, resulting in higher cash flow related to working capital; while during the second half of the year, particularly in the third quarter, this pattern reverses and cash flows from these transactions are typically negative. Other factors may also impact typical seasonal fluctuations, such as significant shifts in Tripadvisor's business mix, adverse economic conditions, or public health-related events, as well as other factors.

TripCo has entered into certain agreements, including the services agreement, the facilities sharing agreement and the tax sharing agreement, with Qurate Retail, Inc. ("Qurate Retail") and/or Liberty Media Corporation ("Liberty Media") (or certain of their subsidiaries).

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, information technology, cybersecurity 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.

Pursuant to the services agreement, in connection with Liberty Media's employment arrangement with Gregory B. Maffei, TripCo's Chairman, President and Chief Executive Officer, components of Mr. Maffei's compensation will either be paid directly to him 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 but subject to adjustment on an annual basis and upon the occurrence of certain events.

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

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(unaudited)**

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.

Under these agreements approximately \$1 million was reimbursable to Liberty Media for both of the three months ended September 30, 2024 and 2023, and approximately \$2 million was reimbursable to Liberty Media for both of the nine months ended September 30, 2024 and 2023.

**(2) Stock-Based Compensation**

***TripCo - Equity Awards***

TripCo has granted to certain of its directors and employees restricted stock units (“RSUs”) and stock options to purchase shares of TripCo common stock (collectively, “Awards”). TripCo measures the cost of employee services received in exchange for an equity classified Award based on the grant-date fair value (“GDFV”) 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). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and re-measures the fair value of the Award at each reporting date.

TripCo has calculated the GDFV for all of its equity classified options and any subsequent re-measurement of its liability classified options using the Black-Scholes-Merton model. TripCo estimates the expected term of the options based on historical exercise and forfeiture data. The volatility used in the calculation for options is based on the historical volatility of TripCo common stock. TripCo uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Included in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation, the majority of which relates to Tripadvisor as discussed below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Operating expense	\$ 13	10	39	31
Selling, general and administrative expense	18	15	54	43
	<u>\$ 31</u>	<u>25</u>	<u>93</u>	<u>74</u>

Stock-based compensation expense related to Tripadvisor was \$31 million and \$24 million for the three months ended September 30, 2024 and 2023, respectively, and \$92 million and \$72 million for the nine months ended September 30, 2024 and 2023, respectively.

***TripCo - Outstanding Awards***

As of September 30, 2024, there were 1,035 thousand TripCo Series A common stock (“LTRPA”) options outstanding and 1,011 thousand LTRPA options exercisable at a weighted average exercise price (“WAEP”) of \$6.04 and \$6.05, respectively, a weighted average remaining contractual life of 2.6 years and an aggregate intrinsic value of zero. There were no options to purchase LTRPA granted, exercised or canceled during the nine months ended September 30, 2024.

As of September 30, 2024, there were 600 thousand TripCo Series B common stock (“LTRPB”) options outstanding and exercisable at a WAEP of \$4.23, a weighted average remaining contractual life of 3.1 years and an aggregate intrinsic value of \$223 thousand. There were no grants, exercises or cancellations of LTRPB options during the nine months ended September 30, 2024. On May 31, 2023, TripCo and our CEO agreed that TripCo would cancel the CEO’s vested and unexercised nonqualified stock options to purchase 1.8 million shares of LTRPB, which had been granted in December 2014 with an exercise price equal to \$27.83 per share, in exchange for an immaterial cash payment.

**LIBERTY TRIPADVISOR HOLDINGS, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(unaudited)**

During the nine months ended September 30, 2024, pursuant to an agreement among TripCo, Liberty Media and our CEO, TripCo granted a cash award equal to \$875,000 in satisfaction of the annual grant pursuant to which he was entitled under his employment agreement. The cash award cliff vests 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.

As of September 30, 2024, the total unrecognized compensation cost related to unvested Awards was approximately \$196 thousand. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately one year.

As of September 30, 2024, TripCo reserved 1.6 million shares of LTRPA and LTRPB for issuance under exercise privileges of outstanding stock options.

***Tripadvisor Equity Grant Awards***

The following table presents the number and WAEP of the Awards to purchase Tripadvisor common stock ("TRIP common stock") granted to certain officers, employees and directors of Tripadvisor.

	TRIP common stock options in thousands	WAEP	Weighted average remaining contractual life in years	Aggregate intrinsic value in millions
Outstanding at January 1, 2024	3,927	\$ 35.56		
Granted	45	\$ 24.96		
Exercised	(80)	24.36		
Cancelled or expired	(1,131)	\$ 35.76		
Outstanding at September 30, 2024	2,761	\$ 35.63	4.5	\$ —
Exercisable at September 30, 2024	2,193	\$ 39.12	3.7	\$ —
Vested and expected to vest after September 30, 2024	2,761	\$ 35.63	4.5	\$ —

Tripadvisor's 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. Tripadvisor amortizes the GDFV of its stock option grants 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. The weighted average GDFV of options issued was \$13.37 per share for the nine months ended September 30, 2024.

Additionally, during the nine months ended September 30, 2024, Tripadvisor granted approximately 6 million units, vested and released approximately 4 million units, and had cancellations of approximately 1 million units, which included primarily service-based RSUs, as well as a limited number of performance-based RSUs ("PSUs") and market-based restricted stock units ("MSUs") under the TripAdvisor, Inc. 2018 Stock and Annual Incentive Plan. The estimated GDFV per RSU and PSU was measured based on the quoted price of TRIP common stock at the date of the grant, with PSUs calculated upon the establishment of performance targets and amortized on a straight-line basis over the requisite service period. Based upon actual attainment relative to the target financial metrics, employees have the ability to receive up to 200% of the target number originally granted, or to be issued none at all. 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, PSUs and MSUs granted, vested and released, and cancelled during the nine months ended

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September 30, 2024 was \$25.94 per share, \$24.17 per share, and \$23.15 per share, respectively.

As of September 30, 2024, the total unrecognized compensation cost related to Tripadvisor stock-based awards, substantially RSUs, was approximately \$275 million and will be recognized over a weighted average period of approximately 2.7 years.

**(3) Earnings (Loss) Per Common Share (“EPS”)**

Basic EPS is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding (“WASO”) 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 both of the three months ended September 30, 2024 and 2023 are 1 million of potential common shares due to stock options because their inclusion would be antidilutive. Excluded from EPS for the nine months ended September 30, 2024 and 2023 are 1 million and 2 million, respectively, of potential common shares due to stock options because their inclusion would be antidilutive.

	TripCo Common Stock			
	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	number of shares in millions			
Basic WASO	77	77	77	76
Potentially dilutive shares <sup>(1)</sup>	1	2	1	2
Diluted WASO	78	79	78	78

(1) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

**(4) 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 material recurring assets or liabilities measured at fair value that would be considered Level 3.

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

Description	September 30, 2024			December 31, 2023		
	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	\$ 310	310	—	404	404	—
Variable Prepaid Forward	\$ 21	—	21	6	—	6
TripCo Exchangeable Senior Debentures due 2051	\$ 309	—	309	287	—	287
Preferred Stock Derivative	\$ 1	—	1	21	—	21

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Tripadvisor generally classifies cash equivalents and marketable securities, if any, within Level 1 and Level 2 as it values these financial instruments using quoted market prices (Level 1) or alternative pricing sources (Level 2). Fair values for Level 2 investments are considered Level 2 valuations because they are obtained from independent pricing sources for identical or comparable instruments, rather than direct observations of quoted prices in active markets.

The fair value of the Debentures is based on quoted market prices but the Debentures are not considered to be traded on “active markets.” Accordingly, they are reported in the foregoing table as Level 2 fair value.

On August 10, 2022, TripSPV, a wholly owned subsidiary of the Company, amended its variable prepaid forward (“VPF”) with a financial institution with respect to 2.4 million shares of TRIP common stock held by the Company. Pursuant to the amendment, the VPF has a forward floor price of \$23.64 per share and a forward cap price of \$29.24 per share. The VPF is included in other assets in the condensed consolidated balance sheets.

As a result of the Repurchase Agreement, as described in note 6, TripCo determined the Series A Preferred Stock required liability treatment and needed to be bifurcated between a debt host and derivative (the “Preferred Stock Derivative”). The Preferred Stock Derivative was recorded at fair value upon the reclassification from temporary equity. Changes in the fair values of the VPF and Preferred Stock Derivative are recognized in realized and unrealized gains (losses) on financial instruments in the condensed consolidated statements of operations. The Preferred Stock Derivative is included in accrued liabilities and other current liabilities in the condensed consolidated balance sheet as of September 30, 2024 and in financial instrument liabilities in the condensed consolidated balance sheet as of December 31, 2023.

The fair value of the VPF and Preferred Stock Derivative 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, and long-term debt (excluding the Debentures). With the exception of debt, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our condensed consolidated balance sheets. See note 5 for a description of the fair value of the Company’s fixed rate debt. See note 6 for a description of the fair value of the debt host component of the Company’s Preferred Stock Derivative.

***Realized and Unrealized Gains (Losses) on Financial Instruments***

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Variable Prepaid Forward	\$ 9	—	15	3
TripCo Exchangeable Senior Debentures due 2051	(8)	(11)	(22)	(26)
Preferred Stock Derivative	3	2	20	21
Tripadvisor foreign currency forward contracts	(1)	1	(1)	1
	<u>\$ 3</u>	<u>(8)</u>	<u>12</u>	<u>(1)</u>

The Company has elected to account for the Debentures using the fair value option. Changes in the fair value of the Debentures and financial instrument assets and liabilities recognized in the condensed consolidated statement of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares of the financial instruments. The Company isolates the portion of the unrealized gain (loss) attributable to the change in the instrument specific credit risk and recognizes such amount in other comprehensive earnings (loss). The change in the fair value of

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the Debentures attributable to changes in the instrument specific credit risk was a gain of \$6 million and a loss of \$1 million for the three months ended September 30, 2024 and 2023, respectively, and a loss of less than \$1 million and a loss of \$8 million for the nine months ended September 30, 2024 and 2023, respectively. The cumulative change was a gain of \$29 million as of September 30, 2024.

**(5) Debt**

Outstanding debt at September 30, 2024 and December 31, 2023 is summarized as follows:

	September 30, 2024	December 31, 2023
	amounts in millions	
TripCo Exchangeable Senior Debentures due 2051	\$ 309	287
TripCo variable prepaid forward	54	53
Tripadvisor Credit Facility	—	—
Tripadvisor Term Loan B Facility due 2031	500	—
Tripadvisor Senior Notes due 2025	—	500
Tripadvisor Convertible Senior Notes due 2026	345	345
Deferred financing costs	(8)	(5)
Total consolidated TripCo debt	1,200	1,180
Debt classified as current	(314)	—
Total long-term debt	\$ 886	1,180

***TripCo Exchangeable Senior Debentures due 2051***

On March 25, 2021, TripCo issued \$300 million aggregate original principal amount of the Debentures. Pursuant to the terms of the offering, on March 31, 2021, the initial purchasers notified the Company of their intention to exercise the option to purchase \$30 million aggregate original principal amount of additional Debentures. The additional Debentures were issued on April 5, 2021. Upon an exchange of Debentures, TripCo, at its option, may deliver shares of TRIP common stock or the value thereof in cash or a combination of shares of TRIP common stock and cash. Initially, 14.3299 shares of TRIP common stock are attributable to each \$1,000 original principal amount of Debentures, representing an initial exchange price of approximately \$69.78 for each share of TRIP common stock. A total of approximately 4.7 million shares of TRIP common stock are attributable to the Debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing June 30, 2021. The Debentures may be redeemed by TripCo, in whole or in part, on or after March 27, 2025. Holders of the Debentures also have the right to require TripCo to purchase their Debentures on March 27, 2025. Accordingly, the Debentures are classified as current debt in the condensed consolidated balance sheet as of September 30, 2024. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the Debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution.

***TripCo Variable Prepaid Forward***

The VPF matures in November 2025. At maturity, the accreted loan amount due will be approximately \$57 million. As of September 30, 2024, 2.4 million shares of TRIP common stock, with a value of approximately \$35 million, were pledged as collateral pursuant to the VPF contract.

***Tripadvisor Credit Agreement***

Tripadvisor is party to a credit agreement with a group of lenders, initially entered into in June 2015 and, amended and restated in June 2023, which, among other things, provides for a \$500 million secured revolving credit facility (the



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“Credit Facility”). The Credit Facility has a maturity date of June 29, 2028 (unless, on any date that is 91 days prior to the final scheduled maturity date in respect of any indebtedness outstanding under certain “specified debt,” the aggregate outstanding principal amount of such specified debt is \$200 million or more then the maturity date will be such business day). On July 8, 2024, Tripadvisor entered into the First Amendment to its Credit Agreement (the “Amended Credit Agreement”), which implements the Term Loan B Facility (discussed below) and, among other things:

- Does not change the aggregate amount of revolving commitments available at \$500 million related to Tripadvisor’s Credit Facility;
- Makes certain adjustments to the definition of “Consolidated EBITDA”;
- Increases the Available Amount by the portion of excess cash flow and asset sale, casualty and condemnation mandatory prepayments declined by lenders under the Term Loan B Facility, which may be used to make restricted payments and investments;
- Adds a separate dollar basket not to exceed the greater of \$195 million and 50% of Consolidated EBITDA for capital leases and purchase money debt;
- Adds a separate “ratio debt” basket for additional indebtedness up to 3.5 times pro forma Total Net Leverage Ratio, subject to certain customary limitations; and
- Adds customary extension and modification and refinancing facility provisions.

The Amended Credit Agreement includes certain customary restrictions on the ability of Tripadvisor and its subsidiaries to, among other things, incur additional indebtedness, grant additional liens, and make investments, acquisitions, dispositions, distributions, and other payments, with certain exceptions as more specifically described in the Amended Credit Agreement. The Amended Credit Agreement contains customary events of default and modifies the cross-default provision so that the Term Loan B Facility includes a customary cross-acceleration event of default with the Credit Facility under the Amended Credit Agreement. If an event of default occurs and is continuing, then, among other things, the lenders under the Credit Facility and/or the Term Loan B Facility, as applicable, may declare any outstanding Credit Facility and/or Term Loan B Facility obligations, as applicable, under the Amended Credit Agreement to be immediately due and payable and exercise their rights and remedies against the collateral. The obligations under the Amended Credit Agreement are secured by substantially all assets, whether personal, tangible or intangible, of Tripadvisor and the Subsidiary Loan Parties as granted under the Security Documents. Any term not otherwise defined herein shall have the meaning ascribed to it in the Amended Credit Agreement.

*Credit Facility*

As of September 30, 2024 and December 31, 2023, Tripadvisor had no outstanding borrowings under the Credit Facility and had issued \$3 million and \$4 million, respectively, of undrawn standby letters of credit under the Credit Facility. Tripadvisor’s Credit Facility also includes \$15 million of borrowing capacity available for letters of credit and \$40 million for swing line borrowings on same-day notice. The Credit Facility, among other things, requires Tripadvisor to maintain a maximum total net leverage ratio of 4.5 to 1.0 solely in respect to the Credit Facility and contains certain customary affirmative and negative covenants and events of default, including a change of control.

In connection with the Amended Credit Agreement, Tripadvisor incurred lender fees and other debt financing costs of \$1 million under the Credit Facility. These costs were capitalized as deferred financing costs in other assets on the condensed consolidated balance sheet as of September 30, 2024. As of September 30, 2024, the Company had \$4 million remaining in deferred financing costs in connection with the Credit Facility. These costs will be amortized over the remaining term of the Credit Facility, using the effective interest rate method, and recorded to interest expense on the condensed consolidated statement of operations.

*Term Loan B Facility*

On July 8, 2024, under the Amended Credit Agreement, Tripadvisor issued a \$500 million Term Loan B Facility, maturing July 8, 2031, with an interest rate based on secured overnight financing rate plus 2.75%. On July 15, 2024, Tripadvisor used the funds to fully redeem its outstanding \$500 million 2025 Senior Notes. As of September 30, 2024, the

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interest rate on the Term Loan B Facility was 7.60% and the weighted-average interest rate on the Term Loan B Facility was 8.06% for the three months ended September 30, 2024. The Term Loan B Facility was offered at 99.75% of par and is required to be paid down at 1.00% of the aggregate principal amount per year, repayable in quarterly installments on the last day of each calendar quarter, commencing December 31, 2024, equal to 0.25% of the original principal amount with the balance due on the maturity date. The Term Loan B Facility has no financial covenants.

In connection with the issuance of the Term Loan B Facility, Tripadvisor incurred \$7 million of debt issuance costs, comprised of the initial purchasers' discount, lender fees, and other debt financing costs. These debt issuance costs will be amortized over the remaining term of the Term Loan B Facility, using the effective interest rate method, and recorded to interest expense on the condensed consolidated statement of operations. As of September 30, 2024, unpaid interest on the Term Loan B Facility was not material and \$10 million was recorded as interest expense on the condensed consolidated statements of operations during both the three and nine months ended September 30, 2024.

***Capped Call Transactions***

In connection with the issuance of the 0.25% convertible senior notes due 2026 (the "2026 Convertible Senior Notes"), Tripadvisor entered into privately negotiated capped call transactions (the "Capped Calls") with certain of the initial purchasers of the 2026 Convertible Senior Notes and/or their respective affiliates and/or other financial institutions at a cost of approximately \$35 million.

The Capped Calls are considered indexed to Tripadvisor's own stock and are considered equity under GAAP. The Capped Calls are reported as a reduction to additional paid-in-capital and noncontrolling interest in equity of subsidiaries within stockholders' equity as of September 30, 2024 and December 31, 2023.

***Fair Value of Debt***

As of September 30, 2024, Tripadvisor estimated the fair value of its Term Loan B Facility to be approximately \$499 million and the fair value of its outstanding 2026 Convertible Senior Notes to be approximately \$322 million. The estimated fair values of the Term Loan B Facility and the 2026 Convertible Senior Notes are based on recently reported market transactions and/or prices for identical or similar financial instruments obtained from a third-party pricing source, which Tripadvisor considers to be "Level 2" fair value measurements.

**(6) Redeemable Preferred Stock**

On March 15, 2020, TripCo and Gregory B. Maffei entered into an investment agreement (the "Investment Agreement") with Certares Holdings LLC, Certares Holdings (Blockable) LLC and Certares Holdings (Optional) LLC with respect to an investment in TripCo's Series A Preferred Stock, which was later assigned to Certares LTRIP LLC ("Certares" or the "Purchaser"). Pursuant to the assigned Investment Agreement, on March 26, 2020, TripCo issued 325,000 shares of Series A Preferred Stock to Certares for a purchase price of \$1,000 per share.

On March 22, 2021, TripCo and Certares entered into a stock repurchase agreement (the "Repurchase Agreement"). Pursuant to the Repurchase Agreement, on March 29, 2021, TripCo repurchased 126,921 shares of Series A Preferred Stock, and on April 6, 2021, TripCo purchased an additional 10,665 shares of Series A Preferred Stock from Certares. The aggregate consideration for the Series A Preferred Stock consisted of a combination of (i) approximately \$281 million in cash from a portion of the net proceeds of the Debentures (as discussed in note 5), \$252 million of which was paid on March 29, 2021 and \$29 million of which was paid on April 6, 2021, and (ii) approximately \$92 million aggregate value of TRIP common stock, owned by TripCo, consisting of 1,713,859 shares (a non-cash transaction). The price per share of Series A Preferred Stock was determined by multiplying (a) \$1,000 by (b) an accretion factor with respect to the TRIP common stock (determined based on the Accretion Factor formula set forth in the Certificate of Designations of the Series A Preferred Stock (the "Certificate of Designations")) as modified to use the closing price of a share of TRIP common stock on the date of the pricing of the Debentures instead of using the Reference Stock VWAP (as defined in the Certificate of Designations)). Following both closings under the Repurchase Agreement, TripCo repurchased a total of 137,586 shares

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of Series A Preferred Stock from Certares, representing 42% of the Series A Preferred Stock originally held by Certares, for an aggregate value of approximately \$373 million.

There were 187,414 shares of Series A Preferred Stock authorized, issued and outstanding at September 30, 2024 and December 31, 2023.

***Priority***

The Series A Preferred Stock ranks senior to the shares of TripCo common stock, with respect to dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of TripCo. The Series A Preferred Stock has a liquidation value equal to the sum of (i) \$1,000, plus (ii) all unpaid dividends (whether or not declared) accrued with respect to such share.

***Voting and Convertibility***

Holders of Series A Preferred Stock are not entitled to any voting powers, except as otherwise specified in the Certificate of Designations or as required by Delaware law. Shares of Series A Preferred Stock are not convertible into TripCo common stock.

***Dividends***

Dividends on each share of Series A Preferred Stock accrue on a daily basis at a rate of 8.00% of the liquidation value and are payable annually, commencing after March 26, 2020. Dividends on each share of Series A Preferred Stock may be paid, at TripCo's election, in cash, shares of LTRPA, or, at the election of the Purchaser, shares of the Company's Series C common stock ("LTRPK"), provided, in each case, such shares are listed on a national securities exchange and are actively traded (such LTRPK shares, together with the LTRPA shares, the "Eligible Common Stock"), or a combination of cash and Eligible Common Stock. If a dividend is not declared and paid on the dividend payment date, the dividend amount will be added to the then-applicable liquidation price of the Series A Preferred Stock.

***Redemption***

The Company is required to redeem for cash shares of Series A Preferred Stock on the earlier of (i) the first business day after the fifth anniversary of March 26, 2020, or (ii) subject to certain exceptions, a change in control of TripCo. The "Redemption Price" in a mandatory redemption will equal the greater of (i) the sum of the liquidation value on the redemption date, plus all unpaid dividends accrued since the last dividend date, and (ii) the product of the (x) initial liquidation value, multiplied by (y) an accretion factor (determined based on a formula set forth in the Certificate of Designations) with respect to the TRIP common stock, less (z) the aggregate amount of all dividends paid in cash or shares of Eligible Common Stock from March 26, 2020 through the applicable redemption date. As a result of the redemption date, the Series A Preferred Stock is classified as a current liability in the condensed consolidated balance sheet as of September 30, 2024.

***Put Right***

Following March 26, 2021, during certain periods, the Purchaser had the right to cause TripCo to redeem all of the outstanding shares of Series A Preferred Stock at the Redemption Price for, at the election of TripCo, cash, shares of Eligible Common Stock, shares of TRIP common stock or any combination of the foregoing, subject to certain limitations (the "Put Option"). The Company evaluated the Put Option as an embedded derivative and determined it was not required to be bifurcated. As a result of the Repurchase Agreement, Certares has permanently waived the Put Option.

***TripCo Call Right***

Pursuant to the Repurchase Agreement, beginning March 27, 2024, TripCo has the option, from time to time, to call

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and repurchase any and all of the outstanding shares of the Series A Preferred Stock at the optional repurchase price (the "Call Right"), which is the greater of (x) the sum of the liquidation value of a share of Series A Preferred Stock as of the optional repurchase date plus all unpaid dividends accrued on such share from the most recent dividend payment date through such optional repurchase date and (y) (i) the initial liquidation value of such share of Series A Preferred Stock as of the original issue date multiplied by an accretion factor with respect to the TRIP common stock (determined based on the Accretion Factor formula set forth in the Certificate of Designations as modified such that the Reference Stock VWAP is determined as of the date that is two business days prior to the date of TripCo's notice of repurchase) minus (ii) all dividends paid in cash or shares of Eligible Common Stock on such share through the optional repurchase date.

***Restriction on transfer of Series A Preferred Stock***

Subject to exceptions contained in the Investment Agreement and the Repurchase Agreement, the shares of Series A Preferred Stock generally are non-transferable; provided that TripCo has agreed not to unreasonably withhold its consent to certain transfers of up to 49% of the remaining Series A Preferred Shares outstanding following the repurchases from Certares under the Repurchase Agreement (so long as there are no more than six holders of the Series A Preferred Stock at any one time). Any transferee of shares of Series A Preferred Stock must agree to the permanent waiver of the Put Option, to the permanent waiver of the right to appoint the Series A Preferred Threshold Director (as such term is defined in the Certificate of Designations and described in the Repurchase Agreement) and to the Call Right.

***Recognition***

Prior to the partial redemption, as the Series A Preferred Stock was redeemable and the redemption triggers were outside of TripCo's control, the Company was required to classify the shares outside of permanent equity. The Company calculated the carrying value of the Series A Preferred Stock pursuant to the Redemption Price calculation, and any changes in the carrying value of the Series A Preferred Stock were recorded directly to retained earnings. Immediately prior to the partial redemption, the Company recognized a \$410 million decrease to retained earnings related to the value of the Series A Preferred Stock. As a result of the Repurchase Agreement, the Series A Preferred Stock may no longer be settled in shares of TripCo or TRIP common stock and the Purchaser no longer has the ability to participate on the TripCo board of directors purely through ownership of Series A Preferred Stock. Following an evaluation of the accounting impact of these changes, we concluded the Series A Preferred Stock is a debt host with an equity-indexed derivative that is required to be bifurcated. Accordingly, the Series A Preferred Stock was required to be measured at fair value, through retained earnings, in connection with the reclassification from temporary equity to a liability. The fair value of the Series A Preferred Stock was estimated to be \$40 million lower than its redemption value and such amount was recorded as an increase to retained earnings. The debt host component is included in Series A Preferred Stock liability on the condensed consolidated balance sheet and will be accreted through interest expense to the amount to be paid upon settlement. The Preferred Stock Derivative is recorded at fair value and is included in accrued liabilities and other current liabilities as of September 30, 2024, and in financial instrument liabilities as of December 31, 2023 in the condensed consolidated balance sheets. As of September 30, 2024, the estimated fair value of the debt host component was \$257 million, based on the present value of the liquidation price on the redemption date (Level 2).

**(7) 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. See note 6 for a description of the Series A Preferred Stock.

***Common Stock***

LTRPA entitles the holders to one vote per share, LTRPB entitles the holders to ten votes per share and LTRPK,

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except as otherwise required by applicable law, entitles the holder to no voting rights. As of September 30, 2024, no shares of LTRPK have been issued. All series of TripCo common stock participate on an equal basis with respect to dividends and distributions.

***Subsidiary Purchases of Common Stock***

During the nine months ended September 30, 2024, Tripadvisor repurchased 1,366,385 shares of its outstanding common stock at an average price of \$18.28 per share, exclusive of fees and commissions, or \$25 million in the aggregate. During the nine months ended September 30, 2023, Tripadvisor repurchased 4,724,729 shares of its outstanding common stock at an average share price of \$15.85 per share, exclusive of fees and commissions, or \$75 million in the aggregate.

On September 7, 2023, Tripadvisor's board of directors authorized the repurchase of \$250 million in shares of its common stock under a new share repurchase program. This new share repurchase program, which has a term of two years, does not obligate Tripadvisor to acquire any particular number of shares and may be modified, suspended or discontinued at any time. As of September 30, 2024, Tripadvisor had \$200 million remaining available to repurchase shares of its common stock under its share repurchase program.

**(8) Commitments and Contingencies**

***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 privacy, 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 condensed consolidated financial statements.

As of September 30, 2024, Tripadvisor had an accrual in the amount of \$10 million in accrued liabilities and other current liabilities in the condensed consolidated balance sheet for a potential regulatory matter within Tripadvisor's alternative accommodation rentals offering. This amount was accrued during the three months ended March 31, 2024, and is recorded to selling, general and administrative, including stock-based compensation in the condensed consolidated statements of operations for the nine months ended September 30, 2024 and is based on Tripadvisor's best estimate of probable loss; the ultimate resolution of this contingency may be greater or less than the liability recorded.

***Income Tax Matters***

Tripadvisor received Notices of Proposed Adjustments ("NOPA") from the IRS with respect to income tax returns filed by Expedia when Tripadvisor was part of Expedia Group's consolidated income tax return for the 2014 through 2016 tax years. The assessment was related to certain transfer pricing arrangements with foreign subsidiaries, for which Tripadvisor had requested competent authority assistance under the Mutual Agreement Procedure ("MAP") for the 2014 through 2016 tax years. In January 2024, Tripadvisor received notification of a MAP resolution agreement for the 2014 through 2016 tax years, which it accepted in February 2024. During the three and nine months ended September 30, 2024, Tripadvisor recorded an income tax benefit of \$4 million and an income tax expense of \$41 million, respectively, as discrete items, inclusive of interest, related to this settlement in the condensed consolidated statement of operations. Tripadvisor reviewed the impact of the acceptance of this settlement position against its existing transfer pricing income tax reserves for the subsequent open tax years during the first quarter of 2024, which resulted in an income tax benefit, inclusive of estimated interest, of \$4 million. During the three months ended June 30, 2024, Tripadvisor made a tax payment to the IRS of \$141 million, inclusive of estimated interest, and during the three months ended September 30, 2024, Tripadvisor made various state tax payments totaling \$18 million, inclusive of estimated interest, related to this audit settlement. Tripadvisor anticipates a competent authority refund from a foreign jurisdiction and certain federal tax benefits,

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net of state tax payments due, associated with this IRS audit settlement which will be substantially settled in the next twelve months, resulting in an estimated net cash inflow of \$50 million to \$60 million, inclusive of related interest. The anticipated competent authority refund is reflected in current income taxes receivable, as well as a lesser amount of anticipated federal tax benefits, partially offset by anticipated certain state tax payments in accrued liabilities and other current liabilities on the condensed consolidated balance sheet as of September 30, 2024.

As of December 31, 2023, Tripadvisor had recorded \$153 million of unrecognized tax benefits, inclusive of interest, which were primarily included in other liabilities on the condensed consolidated balance sheet. As a result of Tripadvisor's acceptance of MAP with the IRS for the 2014 through 2016 tax years, and its impact on other ongoing IRS audits, as described above, Tripadvisor reduced this unrecognized tax benefits liability by \$79 million during the three months ended March 31, 2024, by reclassifying this balance to accrued liabilities and other current liabilities on the consolidated balance sheet, representing a short-term payment obligation to the IRS, which was subsequently paid during the three months ended June 30, 2024, as noted above.

In addition, as disclosed in the Annual Report on Form 10-K for the year ended December 31, 2023, Tripadvisor received a NOPA from the IRS for the 2009 through 2011 tax years relating to certain transfer pricing arrangements with its foreign subsidiaries. In response, Tripadvisor also requested competent authority assistance under MAP for the 2009 through 2011 tax years. In January 2023, Tripadvisor received a final notice from the IRS regarding a MAP resolution agreement for the 2009 through 2011 tax years, which Tripadvisor accepted in February 2023. In the first quarter of 2023, Tripadvisor recorded additional income tax expense as a discrete item, inclusive of interest, of \$31 million specifically related to this settlement on the condensed consolidated statement of operations. During the first quarter of 2023, Tripadvisor reviewed the impact of the acceptance of this settlement position against its existing transfer pricing income tax reserves for the subsequent tax years, which resulted in incremental income tax expense, inclusive of estimated interest, of \$24 million. The net impact of these adjustments resulted in an incremental income tax expense of \$55 million, which was recognized during the three months ended March 31, 2023. During the three months ended June 30, 2023, Tripadvisor made a U.S. federal tax payment of \$113 million, inclusive of interest, to Expedia related to this IRS audit settlement, pursuant to the Tax Sharing Agreement with Expedia. During the three months ended September 30, 2023, Tripadvisor received a competent authority refund of \$49 million, inclusive of interest income, related to this IRS audit settlement.

**(9) 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.

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.

We have three reportable segments: (1) Brand Tripadvisor; (2) Viator; and (3) TheFork.

- Brand Tripadvisor – This segment includes Tripadvisor-branded hotels revenue, which consists of hotel meta revenue, primarily click-based advertising revenue, and hotel business to business revenue, which includes primarily subscription-based advertising and hotel sponsored placements revenue; Media and advertising revenue, which consists primarily of display-based advertising revenue; Tripadvisor experiences and dining revenue, which consists of intercompany (intersegment) revenue related to affiliate marketing commissions earned from experience bookings and, to a lesser extent, restaurant reservation bookings on Tripadvisor-branded websites and mobile apps, fulfilled by Viator and TheFork, respectively, which are eliminated on a consolidated basis, in addition to external revenue generated from Tripadvisor restaurant offerings; as well as other revenue,

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which consists of cruises, alternative accommodation rentals, flights and rental car revenue.

- Viator – Tripadvisor provides information and services for consumers to research and book tours, activities and experiences in popular travel destinations through Viator.
- TheFork – Tripadvisor provides information and services for consumers to research and book restaurants in popular travel destinations through this dedicated restaurant reservations offering.

The segment disclosure includes intersegment revenues, which consist of affiliate marketing fees for services provided by the Brand Tripadvisor segment to both the Viator and TheFork segments. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within Corporate and eliminations in the tables below.

**Performance Measures**

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.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
<b>Major Products/Revenue Sources:</b>	amounts in millions			
Brand Tripadvisor				
Tripadvisor-branded hotels	\$ 151	181	460	524
Media and advertising	40	38	114	110
Tripadvisor experiences and dining	51	55	135	138
Other	13	16	36	41
Total Brand Tripadvisor	255	290	745	813
Viator	270	245	655	576
TheFork	49	42	133	115
Intersegment eliminations	(42)	(44)	(109)	(106)
Total Revenue	\$ 532	533	1,424	1,398

The following table provides information about the balances of accounts receivable and contract assets, net of allowance for credit losses, from contracts with customers:

	September 30, 2024	December 31, 2023
	amounts in millions	
Accounts receivable	\$ 220	177
Contract assets	23	15
Total	\$ 243	192

Accounts receivable are recognized when the right to consideration becomes unconditional. Contract assets are rights

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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, including amounts that are refundable. As of January 1, 2024, Tripadvisor had \$49 million, recorded as deferred revenue on its condensed consolidated balance sheets, of which \$7 million and \$45 million was recognized as revenue during the three and nine months ended September 30, 2024, respectively. As of January 1, 2023, Tripadvisor had \$44 million recorded as deferred revenue on its condensed consolidated balance sheet, of which \$4 million and \$40 million was recognized as revenue during the three and nine months ended September 30, 2023, respectively. During both the three months ended September 30, 2024 and 2023, refunds due to cancellations by travelers were not material, while refunds due to cancellations by travelers during both the nine months ended September 30, 2024 and 2023 were \$3 million.

For segment reporting purposes, TripCo defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses (excluding stock-based compensation), adjusted for 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, equity settled liabilities (including 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.

Adjusted OIBDA is summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Brand Tripadvisor	\$ 87	111	248	279
Viator	30	17	13	(15)
TheFork	5	(1)	5	(14)
Corporate and eliminations	(3)	(2)	(9)	(8)
Consolidated TripCo	<u>\$ 119</u>	<u>125</u>	<u>257</u>	<u>242</u>

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



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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Adjusted OIBDA	\$ 119	125	257	242
Stock-based compensation	(31)	(25)	(93)	(74)
Depreciation and amortization	(21)	(21)	(63)	(63)
Impairment of goodwill and intangible assets	—	(1,025)	—	(1,025)
Legal reserves and settlements <sup>(1)</sup>	—	—	(14)	—
Restructuring and other related reorganization (costs) benefits <sup>(2)</sup>	1	(18)	(1)	(18)
Non-recurring expenses <sup>(3)</sup>	(1)	—	(4)	(3)
Operating income (loss)	67	(964)	82	(941)
Interest expense	(19)	(17)	(53)	(50)
Dividend and interest income	13	13	39	36
Realized and unrealized gains (losses) on financial instruments, net	3	(8)	12	(1)
Other, net	(2)	(2)	(6)	(4)
Earnings (loss) before income taxes	\$ 62	(978)	74	(960)

- (1) See discussion in note 8 related to a \$10 million potential regulatory matter. During the second quarter of 2024 Tripadvisor recorded a one-time charge of \$4 million to general and administrative, including stock based compensation on the condensed consolidated statement of operations, resulting from legislation enacted in Canada during June 2024 related to digital services taxes, which requires retrospective application back to January 1, 2022. This amount represents the one-time retrospective liability for the periods prior to April 1, 2024, while any liability subsequent to April 1, 2024 is included within Adjusted OIBDA.
- (2) During the third quarter of 2023, Tripadvisor initiated a restructuring and reduced global headcount. Tripadvisor expects the majority of remaining unpaid restructuring costs as of September 30, 2024 to be disbursed during 2024.
- (3) Tripadvisor expensed \$1 million and \$4 million of transaction costs during the three and nine months ended September 30, 2024, respectively, and \$3 million of transaction costs during the nine months ended September 30, 2023, to selling, general and administrative, including stock-based compensation on the condensed consolidated statement of operations. Tripadvisor considers such costs to be non-recurring in nature.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business and marketing strategies; the impacts of the coronavirus pandemic ("COVID-19"); improvements in global travel, related spending and revenue; new products and service offerings; the impact of metasearch and search engines' results placement and algorithms; changes in global economic conditions; consumer demand; increased inflation; our projected sources and uses of cash; anticipated debt obligations; our ability to continue as a going concern; strategic alternatives with respect to our company; statements regarding the carrying value of our intangible assets; 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. 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 financial obligations and other commitments due to the fact we are a holding company and our ability to continue as a going concern;
- our ability to access the cash that Tripadvisor, Inc. ("Tripadvisor") generates from its operating activities;
- the ability of our Company and Tripadvisor to obtain additional financing, or refinance our existing indebtedness, on acceptable terms;
- the existence of our 8% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"), and its rights, preferences and privileges that are not held by, and are preferential to, the rights of our common stockholders;
- our ability to realize the full value of our intangible assets;
- weak economic conditions or declines or interruptions in the worldwide travel industry, including health concerns (including COVID-19 or other pandemics and epidemics), natural disasters, cyber-attacks, technology system failures, regional hostilities, wars, terrorist attacks, civil or political unrest or other events outside Tripadvisor's control;
- Tripadvisor's ability to attract a significant number of visitors and cost-effectively convert these visitors into revenue-generating consumers;
- failure of internet search engines and application marketplaces to continue to prominently display links to Tripadvisor's websites;
- Tripadvisor's performance marketing efficiency and the general effectiveness of its advertising and marketing efforts;
- reduction in spending by advertisers on Tripadvisor's platforms or the loss of Tripadvisor's significant travel partners;
- Tripadvisor's failure to maintain, protect or enhance its brands;
- Tripadvisor's strategy may be unsuccessful, may expose it to additional risks, or may not achieve its expected benefits;
- declines or disruptions in the economy in general and in the travel industry in particular;
- failure of Tripadvisor to effectively compete in the global environment in which it operates;
- Tripadvisor's failure to adapt to technological developments or industry trends, including artificial intelligence;
- the ability of Tripadvisor to innovate and provide products, services and features that are useful to consumers;
- Tripadvisor's potential for prioritizing rapid innovation and consumer experience over short-term financial results;
- the ability of Tripadvisor to maintain a quality of traffic in its network to provide value to its travel partners;

- real or perceived inaccuracies of the assumptions and estimates and data Tripadvisor relies on to calculate certain of its key metrics;
- the ability of Tripadvisor to hire, retain and engage the highly skilled work force on which it relies;
- risks associated with the composition of Tripadvisor's work force and Tripadvisor's ability to manage those risks;
- disruptions resulting from any acquisitions, investments, significant commercial arrangements and/or new business strategies;
- risks due to Tripadvisor operating in many jurisdictions inside and outside the U.S.;
- claims, lawsuits, government investigations and other proceedings to which Tripadvisor is regularly subject, whether in the ordinary course of business or otherwise;
- the ability of Tripadvisor to protect its intellectual property from copying or use by others;
- the impact of green house gas emissions on global climate change and its expected impacts on travel, including the world's transportation infrastructure and tourist destinations;
- risks associated with environmental, social, and governance responsibilities;
- risks due to Tripadvisor's processing, storage and use of personal information and other data;
- risks associated with the facilitation of payments from consumers, including fraud and compliance with evolving rules and regulations and reliance on third parties;
- risks resulting from system security issues, data protection breaches, cyberattacks and system outage issues;
- risks associated with evolving regulations, guidance and practices on the use of "cookies" and similar tracking technologies;
- Tripadvisor's indebtedness and the resulting impacts on its business and financial condition;
- limitations imposed by the various covenants in Tripadvisor's credit facilities and indenture;
- risks related to the 2026 Convertible Senior Notes (defined in note 5 to the accompanying condensed consolidated financial statements) and the associated capped calls;
- Tripadvisor's ability to meet its publicly announced guidance or other expectations about its business and future operating results;
- fluctuation of Tripadvisor's financial results;
- factors that determine Tripadvisor's effective income tax rate;
- changes in tax laws that affect Tripadvisor or the examination of Tripadvisor's tax positions;
- changes in the tax treatment of companies engaged in e-commerce;
- challenges by tax authorities in the jurisdictions where Tripadvisor operates;
- fluctuation in foreign currency exchange rates which affect Tripadvisor; and
- risks associated with our stock price being disproportionately affected by the results of operations of Tripadvisor and developments in its business.

For additional risk factors, please see Part II, Item 1A. of this Quarterly Report, Part II, Item 1A. of the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, Part II, Item 1A. of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and Part I, Item 1A. Risk Factors of the Annual Report on Form 10-K for the year ended December 31, 2023. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly 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.

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 condensed consolidated financial statements and the notes thereto.

### ***Overview***

The accompanying financial statements and the other information herein refer to Liberty TripAdvisor Holdings, Inc. and its controlled subsidiaries as "TripCo," "Consolidated TripCo," the "Company," "us," "we" and "our" unless the context otherwise requires. We own an approximate 21% economic interest and 57% voting interest in Tripadvisor as of

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September 30, 2024. All significant intercompany accounts and transactions have been eliminated in the accompanying condensed consolidated financial statements.

TripCo has several obligations due within twelve months that cause substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. See further discussion in note 1 to the accompanying condensed consolidated financial statements and "Liquidity and Capital Resources" below.

### *Trends*

The online travel industry in which Tripadvisor operates is large, highly dynamic and competitive. Current trends affecting Tripadvisor's overall business and segments, including uncertainties that may impact its ability to execute on its objectives and strategies, are described below. Public health-related events, such as a pandemic, political instability, geopolitical conflicts, including the evolving events in the Middle East, acts of terrorism, fluctuations in currency values, and changes in global economic conditions are examples of other events that could have a negative impact on the travel industry and as a result, Tripadvisor's financial results in the future.

Prior to Google introducing changes to its search engine results page, Tripadvisor generated a significant amount of direct traffic from search engines, including Google, through strong search engine optimization ("SEO") performance across all segments. Tripadvisor believes its SEO traffic acquisition performance has been negatively impacted in the past, and may be impacted in the future, by metasearch and search engines (primarily Google) changing their search result placement and underlying algorithms, including to increase the prominence of their own products in search results across its business, most notably within its hotel meta offering within the Brand Tripadvisor segment.

In response to the large underpenetrated market for experiences, Viator continues to invest in marketing to drive awareness and grow market share. Over the long-term, Tripadvisor is focused on driving a greater percentage of its bookings from direct channels. Tripadvisor is doing this by continuing to focus on increasing its brand recognition and improving the user experience across products on its website and mobile app, providing high-quality customer service, and offering leading customer choice for online bookable experiences supply.

The global experiences market is large, growing, and highly fragmented, with the vast majority of bookings still occurring through traditional offline sources. Tripadvisor is observing a secular shift, however, as this market continues to grow and accelerate the pace of online adoption. Likewise, the global restaurants category is also benefiting from increased online adoption by both consumers and partners, particularly in Europe. Given the competitive positioning of Tripadvisor's businesses relative to the attractive growth prospects in the experiences and restaurant categories, Tripadvisor expects to continue to invest in these categories across the business and, in particular, within the Viator and TheFork segments, to continue accelerating revenue growth, operating scale, and market share gains for the long-term.

Due to recent goodwill and trademark impairments related to the Brand Tripadvisor reporting unit (formerly Tripadvisor Core reporting unit), the fair values of such intangible assets do not significantly exceed their respective carrying values. TripCo will continue to monitor Tripadvisor's current business performance versus the current and updated long-term forecasts, among other relevant considerations, to determine if the carrying value of its assets (including Goodwill and Trademarks) is appropriate. Future outlook declines in revenue, cash flows, or other factors could result in a sustained decrease in fair value that may result in a determination that carrying value adjustments are required, which could be material.

### *Recent Developments*

As disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, in August 2023, Tripadvisor received a Notice of Proposed Adjustment from the IRS for the 2014 through 2016 tax years relating to certain transfer pricing arrangements with its foreign subsidiaries. In response, Tripadvisor requested competent authority assistance under Mutual Agreement Procedure ("MAP") for the 2014 through 2016 tax years. In January 2024, Tripadvisor received notification of a MAP resolution agreement for the 2014 through 2016 tax years, which it accepted in February 2024. During the three and nine months ended September 30, 2024, Tripadvisor recorded an income tax benefit of \$4 million and an income tax expense of \$41 million, respectively, as discrete items, inclusive of interest, related to this settlement

on the condensed consolidated statements of operations. During the three months ended June 30, 2024, Tripadvisor made a payment to the IRS of \$141 million, inclusive of interest, and during the three months ended September 30, 2024, Tripadvisor made various state tax payments totaling \$18 million, inclusive of estimated interest, related to this settlement. Tripadvisor anticipates a competent authority refund from a foreign jurisdiction and certain federal tax benefits, net of certain state tax payments due, associated with this IRS audit settlement which will be substantially settled in the next twelve months, resulting in an estimated net cash inflow of \$50 million to \$60 million, inclusive of related interest. See note 8 to the accompanying condensed consolidated financial statements for further information regarding potential material contingencies related to ongoing audits regarding income taxes.

### **Results of Operations—Consolidated—September 30, 2024 and 2023**

**General.** We provide in the tables below information regarding our consolidated Operating Results and Other Income and Expense.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Revenue				
Brand Tripadvisor	\$ 255	290	745	813
Viator	270	245	655	576
TheFork	49	42	133	115
Intersegment eliminations	(42)	(44)	(109)	(106)
Total revenue	532	533	1,424	1,398
Operating expense	107	99	313	287
Selling, general and administrative expense	307	309	872	872
Stock-based compensation	31	25	93	74
Depreciation and amortization	21	21	63	63
Impairment of goodwill and intangible assets	—	1,025	—	1,025
Restructuring and other related reorganization costs (benefits)	(1)	18	1	18
Operating income (loss)	67	(964)	82	(941)
Other income (expense):				
Interest expense	(19)	(17)	(53)	(50)
Dividend and interest income	13	13	39	36
Realized and unrealized gains (losses) on financial instruments, net	3	(8)	12	(1)
Other, net	(2)	(2)	(6)	(4)
	(5)	(14)	(8)	(19)
Earnings (loss) before income taxes	62	(978)	74	(960)
Income tax (expense) benefit	(27)	14	(84)	(63)
Net earnings (loss)	\$ 35	(964)	(10)	(1,023)
Adjusted OIBDA	\$ 119	125	257	242

**Revenue.** Brand Tripadvisor revenue decreased \$35 million and \$68 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year. The components of Brand Tripadvisor revenue are detailed as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Tripadvisor-branded hotels	\$ 151	181	460	524
Media and advertising	40	38	114	110
Tripadvisor experiences and dining <sup>(1)</sup>	51	55	135	138
Other	13	16	36	41
Total Brand Tripadvisor	\$ 255	290	745	813

(1) Tripadvisor experiences and dining revenue within the Brand Tripadvisor segment is shown gross of intersegment (intercompany) revenue, which is eliminated on a consolidated basis. See note 9 to the accompanying condensed consolidated financial statements for a discussion of intersegment revenue.

Tripadvisor-branded hotels revenue decreased \$30 million and \$64 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to a decrease in Tripadvisor's hotel meta revenue and, to a lesser extent, a decrease in hotel business to business revenue, as Tripadvisor transitions from a sales-led model to a self-service model. The decrease in Tripadvisor's hotel meta revenue during the three months ended September 30, 2024, when compared to the same period in 2023, was primarily driven by continued headwinds impacting free channels, including SEO traffic, contributing to a decrease in click volumes, and to a lesser extent, a deceleration in cost-per-click rates, particularly in the U.S. The decrease in Tripadvisor's hotel meta revenue during the nine months ended September 30, 2024, when compared to the same period in 2023, was driven by declines in U.S. hotel meta revenue and, to a lesser extent, European hotel meta revenue, primarily due to weaker demand related to increased competition in paid online marketing channels and continued headwinds impacting free channels, including SEO traffic, during the second and third quarters of 2024, contributing to a decrease in click volumes.

Media and advertising revenue consists of revenue from display-based advertising (or "media advertising") across Tripadvisor's platform. Media and advertising revenue increased \$2 million and \$4 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to an increase in overall advertising campaigns and pricing.

Tripadvisor experiences and dining revenue includes intercompany (intersegment) revenue and external revenue generated from Tripadvisor's restaurant service offerings. The intercompany revenue consists of affiliate marketing commissions earned primarily from experience bookings and, to a lesser extent, restaurant reservation bookings, on Tripadvisor-branded websites and mobile apps fulfilled by Viator and TheFork, respectively, and is eliminated on a consolidated basis. Tripadvisor experiences and dining revenue decreased \$4 million during the three months ended September 30, 2024 when compared to the same period in 2023, primarily due to a decline in dining revenue as Tripadvisor moves from a sales-led model to a self-service model, and, to a lesser extent, some deceleration in experiences growth during the third quarter of 2024, as Tripadvisor's near-term segment marketing strategy emphasizes profitability. Tripadvisor experiences and dining revenue decreased \$3 million during the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decline in dining revenue as Tripadvisor moves from a sales-led model to a self-service model, as noted above, partially offset by an increase in experiences revenue, despite some deceleration in experiences revenue growth, as noted above, during the second and third quarters of 2024.

Other revenue includes alternative accommodation rentals revenue, in addition to click-based advertising and display-based advertising revenue from cruise, flights and rental cars offerings on Tripadvisor websites and mobile apps. Other revenue decreased \$3 million and \$5 million during the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023, primarily due to a decline in alternative accommodation rentals revenue, as Tripadvisor continues to strategically de-emphasize this offering.

Viator revenue increased \$25 million and \$79 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, driven by consumer demand for experiences across all geographies, driving growth in bookings, partially offset by some deceleration in revenue growth in the Brand Tripadvisor point-of-sale during the second and third quarters of 2024, as noted above. Tripadvisor continues to believe that Viator is also benefiting from a larger macro trend, as the large global market in which it operates continues to grow and migrate online from traditional offline sources.

TheFork revenue increased \$7 million and \$18 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, driven by increased consumer demand for dining in Europe, including increased bookings and pricing. In addition, Tripadvisor estimates this segment's revenue growth rate was positively impacted by foreign currency fluctuations of approximately 2% during both the three and nine months ended September 30, 2024 when compared to the same periods in 2023.

**Operating expense.** Operating expense increased \$8 million and \$26 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to cost of revenue increases of \$4 million and \$15 million, respectively. The increase in cost of revenue during the three months ended September 30, 2024, when compared to the same period in 2023, was primarily due to increased direct costs from credit card payment processing fees and other revenue-related transaction costs in the Viator segment in direct correlation with an increase in revenue, as Viator serves as the merchant of record for the significant majority of its experience booking transactions. The increase in cost of revenue during the nine months ended September 30, 2024, when compared to the same period in 2023, was primarily due to increased direct costs from credit card payment processing fees and other revenue-related transaction costs in the Viator segment, as noted above, as well as increased direct revenue generation costs related to data center costs and media production costs in the Brand Tripadvisor segment. Additionally, technology and content costs increased \$4 million and \$11 million, during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to higher personnel and overhead costs in the Brand Tripadvisor and Viator segments, in support of product development, and in addition, increased licensing costs.

**Selling, general and administrative.** Selling, general and administrative expense decreased \$2 million and remained flat for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year. The decrease for the three months ended September 30, 2024, compared to the same period in the prior year, was primarily driven by an \$8 million decrease in Brand Tripadvisor's overall marketing costs, partially offset by a \$4 million increase in overall marketing costs in the Viator segment, in order to capture consumer demand, including increased investment within the Viator segment to focus on growing market share, acquiring new customers, and driving brand awareness.

For the nine months ended September 30, 2024, when compared to the same period in the prior year, a \$28 million decrease in overall marketing costs in the Brand Tripadvisor segment was offset by a \$21 million increase in overall marketing costs in the Viator segment, and a \$10 million accrual for the potential settlement of a regulatory related matter during the first quarter of 2024 (as discussed in note 8 to the accompanying condensed consolidated financial statements).

**Operating Income (Loss).** Operating income increased \$1,031 million and \$1,023 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year, due to the impairments recorded to goodwill and intangible assets during the three months ended September 30, 2023, as well as 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

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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.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Operating income (loss)	\$ 67	(964)	82	(941)
Stock-based compensation	31	25	93	74
Depreciation and amortization	21	21	63	63
Legal reserves and settlements <sup>(1)</sup>	—	—	14	—
Impairments of goodwill and intangible assets	—	1,025	—	1,025
Restructuring and other related reorganization costs (benefits) <sup>(2)</sup>	(1)	18	1	18
Non-recurring expenses <sup>(3)</sup>	1	—	4	3
Adjusted OIBDA	<u>\$ 119</u>	<u>125</u>	<u>257</u>	<u>242</u>

- (1) See discussion in note 8 to the accompanying condensed consolidated financial statements related to a \$10 million potential regulatory matter. During the second quarter of 2024 Tripadvisor recorded a one-time charge of \$4 million to general and administrative, including stock-based compensation on the condensed consolidated statement of operations, resulting from legislation enacted in Canada during June 2024 related to digital services taxes, which requires retrospective application back to January 1, 2022. This amount represents the one-time retrospective liability for the periods prior to April 1, 2024, while any liability subsequent to April 1, 2024 is included within Adjusted OIBDA.
- (2) During the third quarter of 2023, Tripadvisor initiated a restructuring and reduced global headcount. Tripadvisor expects the majority of remaining unpaid restructuring costs as of September 30, 2024 to be disbursed during 2024.
- (3) Tripadvisor expensed \$1 million and \$4 million of transaction costs during the three and nine months ended September 30, 2024, respectively, and \$3 million of transaction costs during the nine months ended September 30, 2023, to selling, general and administrative, including stock-based compensation on the condensed consolidated statement of operations. Tripadvisor considers such costs to be non-recurring in nature.

Adjusted OIBDA is summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Brand Tripadvisor	\$ 87	111	248	279
Viator	30	17	13	(15)
TheFork	5	(1)	5	(14)
Corporate	(3)	(2)	(9)	(8)
Consolidated TripCo	<u>\$ 119</u>	<u>125</u>	<u>257</u>	<u>242</u>

Consolidated Adjusted OIBDA decreased \$6 million and increased \$15 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year. Brand Tripadvisor Adjusted OIBDA decreased \$24 million and \$31 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year, while Adjusted OIBDA margin decreased 4% and 1% during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023. The decline in Adjusted OIBDA was primarily due to a decrease in revenue, as noted above, and to a lesser extent, a decrease in the



segment's operating expenses during the three and nine months ended September 30, 2024, when compared to the same periods in 2023, of \$11 million and \$37 million, respectively, primarily related to a decrease in direct selling and marketing expenses, primarily paid online traffic acquisition costs, and to a lesser extent a decrease in overall personnel and overhead costs. The decrease in Adjusted OIBDA margin during the three and nine months ended September 30, 2024, when compared to the same periods in 2023, was largely due to an increase in technology and content personnel and overhead costs, and to a lesser extent, an increase in direct costs within cost of revenue, as a percent of revenue.

Viator Adjusted OIBDA improved \$13 million and \$28 million, while Adjusted OIBDA margin improved 4% and 5% during the three and nine months ended September 30, 2024, respectively, when compared to the corresponding periods in 2023, primarily due to increased leverage as Tripadvisor scales the business and drives a greater number of bookings from more profitable repeat customers.

These improvements were partially offset by Tripadvisor's continued investment in marketing, primarily paid online traffic acquisition costs, in response to consumer demand for experiences and increased investment focusing on growing market share, acquiring new customers, and driving brand awareness. In addition, increased personnel and overhead costs to support business growth and invest in Tripadvisor's product experience and, to a lesser extent, increased licensing costs, and an increase in revenue generation costs resulting from credit card payments in direct correlation with the increase in revenue, all negatively impacted Adjusted OIBDA. The improvements in Adjusted OIBDA margin were primarily due to a decrease in selling and marketing costs as a percent of revenue.

TheFork Adjusted OIBDA improved \$6 million and \$19 million, while Adjusted OIBDA margin improved 12% and 16% during the three and nine months ended September 30, 2024, respectively, when compared to the corresponding period in the prior year. The improvements in Adjusted OIBDA were primarily due to increases in revenue, as noted above, and lower personnel and overhead costs. The improvements in Adjusted OIBDA margin were primarily due to lower personnel and overhead costs as a percent of revenue.

Corporate Adjusted OIBDA includes TripCo level selling, general and administrative expenses. Corporate Adjusted OIBDA loss remained relatively flat for the three and nine months ended September 30, 2024, when compared to the same periods in the prior year.

***Impairment of goodwill and intangible assets.*** TripCo recorded goodwill impairments of \$820 million and trademark impairments of \$205 million during the nine months ended September 30, 2023, related to the Brand Tripadvisor reporting unit.

***Restructuring and other related reorganization costs (benefits).*** Tripadvisor incurred restructuring and other related reorganization benefits of \$1 million and costs of \$1 million during the three and nine months ended September 30, 2024, respectively, and \$18 million during the three and nine months ended September 30, 2023. These costs (benefits) consisted primarily of employee severance and related benefits.

***Interest expense.*** Interest expense increased \$2 million and \$3 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year, primarily due to Tripadvisor's issuance of the Term Loan B Facility in July 2024, which increased Tripadvisor's cost of capital.

***Dividend and interest income.*** Dividend and interest income remained flat and increased \$3 million during the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year. The increase for the nine months ended September 30, 2024 was primarily due to an increase in the average amount of cash invested.

**Realized and unrealized gains (losses) on financial instruments, net.** Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Variable Prepaid Forward	\$ 9	—	15	3
TripCo Exchangeable Senior Debentures due 2051	(8)	(11)	(22)	(26)
Preferred Stock Derivative	3	2	20	21
Tripadvisor foreign currency forward contracts	(1)	1	(1)	1
	<u>\$ 3</u>	<u>(8)</u>	<u>12</u>	<u>(1)</u>

The changes in these accounts are primarily due to market factors and changes in the fair value of the underlying stocks or financial instruments to which these related. Realized and unrealized gains on financial instruments, net increased \$11 million and \$13 million during the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year. The increased unrealized gains in the three and nine months ended September 30, 2024 compared to the same periods in the prior year were primarily due to increases in unrealized gains related to the variable prepaid forward (defined in note 4 of the accompanying condensed consolidated financial statements) of \$9 million and \$12 million, respectively, and decreases in unrealized losses related to the TripCo Exchangeable Senior Debentures due 2051 of \$3 million and \$4 million, respectively.

**Other, net.** Other, net expense remained flat and increased \$2 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in the prior year. The increase for the nine months ended September 30, 2024, compared to the same period in the prior year, was primarily driven by losses on disposals of assets and a loss on early extinguishment of debt at Tripadvisor, partially offset by a decrease in foreign exchange losses at Tripadvisor.

**Income taxes.** Earnings (loss) before income taxes, income tax (expense) benefit, and the effective tax rates for the three and nine months ended September 30, 2024 and 2023 are summarized below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	amounts in millions			
Earnings (loss) before income taxes	\$ 62	(978)	74	(960)
Income tax (expense) benefit	\$ (27)	14	(84)	(63)
Effective tax rate	44%	1%	114%	(7)%

For the three months ended September 30, 2024, the Company's tax rate was higher than the expected federal tax rate of 21% primarily due to unfavorable stock-based compensation tax effects. For the three months ended September 30, 2023, the Company's tax rate was lower than the expected federal tax rate of 21% primarily due to goodwill impairments that are not deductible for tax purposes and unfavorable stock-based compensation tax effects. For the nine months ended September 30, 2024, the Company's tax rate was higher than the expected federal tax rate of 21% primarily due to Tripadvisor's IRS settlement on its 2014-2016 transfer pricing audit (see note 8 to the accompanying condensed consolidated financial statements). For the nine months ended September 30, 2023, the Company's tax rate was lower than the expected federal tax rate of 21% primarily related to goodwill impairments that are not deductible for tax purposes, and Tripadvisor's settlement with the IRS on its 2009-2011 transfer pricing audit and changes in unrecognized tax benefits resulting from the IRS settlement.

**Net earnings (loss).** We had net income of \$35 million and net losses of \$964 million for the three months ended September 30, 2024 and 2023, respectively, and net losses of \$10 million and \$1,023 million for the nine months ended September 30, 2024 and 2023, respectively. The changes in net earnings (loss) were the result of the above described fluctuations in our revenue and expenses.

## **Liquidity and Capital Resources**

As of September 30, 2024, 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 of purchase.

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 September 30, 2024, TripCo had a cash and cash equivalents balance of \$1,127 million. Approximately \$1,112 million of the cash balance, at September 30, 2024, is held at Tripadvisor. Although TripCo has a 57% voting interest in Tripadvisor, Tripadvisor is a separate public company with a significant non-controlling interest, as TripCo has only a 21% economic 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.

As of September 30, 2024, \$216 million of the Tripadvisor cash and cash equivalents balance were held by foreign subsidiaries, with approximately 36% located in the United Kingdom. As of September 30, 2024, the significant majority of Tripadvisor's cash was denominated in U.S. dollars. As of September 30, 2024, \$556 million of Tripadvisor's cumulative undistributed foreign earnings were no longer considered to be indefinitely reinvested. Due to the one-time transition tax on the deemed repatriation of undistributed foreign subsidiary earnings and profits in 2017, as a result of the 2017 Tax Cuts and Jobs Act, the majority of previously unremitted earnings have been subjected to U.S. federal income tax. To the extent future distributions from these subsidiaries will be taxable, a deferred income tax liability has been accrued on our condensed consolidated balance sheet, which was not material as of September 30, 2024.

### *Credit Facility*

As of September 30, 2024, Tripadvisor is party to a credit agreement, which, among other things, provides for a \$500 million revolving credit facility with a maturity date of June 29, 2028 (the "Credit Facility"). As of September 30, 2024 and December 31, 2023, Tripadvisor had no outstanding borrowings. The Credit Facility, among other things, requires Tripadvisor to maintain a maximum total net leverage ratio and contains certain customary affirmative and negative covenants and events of default, including for a change of control. While there can be no assurance that Tripadvisor will be able to meet the total net leverage ratio covenant, based on its current projections, Tripadvisor does not believe there is a material risk it will not remain in compliance throughout the next twelve months.

On July 8, 2024, Tripadvisor amended its Credit Facility, which among other things, provides for a new \$500 million term loan B credit facility maturing July 8, 2031, with an interest rate based on the secured overnight financing rate plus 2.75% (the "Term Loan B Facility"). The Term Loan B Facility was offered at 99.75% of par and is required to be paid down at 1.00% of the aggregate principal amount per year.

As of September 30, 2024, Tripadvisor was in compliance with its debt covenants.

### *Tax Matters*

The Organization for Economic Cooperation and Development ("OECD") has been developing its "two pillar" project to address certain perceived tax challenges arising from digitalization of the economy. Many countries have implemented or are in the process of implementing the Pillar Two legislation, which will result in significant changes to the international taxation system under which our current income tax obligations are determined. Pillar Two of this project calls for a minimum income tax rate on corporations of 15% and has begun to be implemented by an increasing number of countries. The OECD and implementing countries are expected to continue to offer further guidance on the impact of Pillar Two on their respective local corporate income tax rules, however, such impact for Tripadvisor is not expected to be material at this time. Tripadvisor will continue to monitor developments to determine any potential impact of Pillar Two in the countries in which it operates.

Pillar One, which would reallocate profits from the largest and most profitable businesses to countries where the customers of those businesses are located, remains under discussion at the OECD, and its implementation remains uncertain. If implemented, Pillar One would potentially result in the removal of unilateral digital services tax initiatives, such as those enacted in France, Italy, Spain, and the U.K. In July 2023, more than 138 countries and jurisdictions agreed to refrain from imposing newly enacted digital service tax initiatives or similar measures before December 31, 2024, provided the Pillar One negotiations have made sufficient progress by the end of 2023. In December 2023, the OECD Inclusive Framework reaffirmed their commitment to achieve a consensus-based solution and to complete the multilateral agreement by June 2024, thereby extending the standstill on new digital service tax initiatives. The June 2024 extended deadline has since expired, thereby enabling countries to introduce new unilateral digital service taxes. For example, in June 2024, Canada enacted tax legislation related to digital services taxes, which requires retrospective application back to January 1, 2022, resulting in a one-time charge of \$4 million during the second quarter of 2024, reflected in general and administrative expenses on the condensed consolidated statement of operations. Tripadvisor will continue to monitor these developments to determine the financial impact. During the three and nine months ended September 30, 2024, Tripadvisor recorded \$7 million and \$18 million, respectively, of digital service tax, while during the three and nine months ended September 30, 2023, Tripadvisor recorded \$6 million and \$13 million, respectively, of digital service tax to general and administrative expense on the condensed consolidated statements of operations.

	Nine months ended September 30,	
	2024	2023
	amounts in millions	
<b>Cash flow information</b>		
Tripadvisor cash provided (used) by operating activities	\$ 147	254
Corporate cash provided (used) by operating activities	(8)	(6)
Net cash provided (used) by operating activities	\$ 139	248
Tripadvisor cash provided (used) by investing activities	\$ (51)	(47)
Corporate cash provided (used) by investing activities	—	—
Net cash provided (used) by investing activities	\$ (51)	(47)
Tripadvisor cash provided (used) by financing activities	\$ (55)	(97)
Corporate cash provided (used) by financing activities	—	—
Net cash provided (used) by financing activities	\$ (55)	(97)

During the nine months ended September 30, 2024, Tripadvisor's primary uses of cash were \$51 million of capital expended for property and equipment, \$25 million of share repurchases and \$17 million related to payments of withholding taxes on net share settlement of equity awards.

The projected use of TripCo's corporate cash will primarily be to pay fees to Liberty Media Corporation ("Liberty Media") for providing certain services pursuant to the services agreement and the facilities sharing agreement that TripCo entered into with Liberty Media or certain of its subsidiaries (not expected to exceed approximately \$4 million annually), payment of dividends on the Series A Preferred Stock (unless added to the liquidation preference or paid in shares of LTRPA), interest expense on TripCo's 0.50% Exchangeable Senior Debentures due 2051 (the "Debentures") (approximately \$2 million annually), and to pay any other corporate level expenses. Debt service costs accrue on the VPF borrowing as described in note 5 to the accompanying condensed consolidated financial statements.

TripCo has several obligations due within the next twelve months. The Series A Preferred Stock is required to be redeemed for cash on March 27, 2025. As of September 30, 2024, the Redemption Price (as defined in note 6 to the accompanying condensed consolidated financial statements) of the Series A Preferred Stock was \$266 million. In addition, the Debentures may be redeemed by TripCo, in whole or in part, on or after March 27, 2025. Holders of the Debentures also have the right to require TripCo to purchase their Debentures on March 27, 2025. As of September 30, 2024, the fair value of the Debentures was \$309 million. If all holders exchanged their Debentures on March 27, 2025 and upon the redemption of the Company's Series A Preferred Stock, TripCo would not have sufficient cash on hand to cover these

obligations as of September 30, 2024. We note that Tripadvisor has sufficient cash to cover these obligations, but TripCo does not have ready access to Tripadvisor's cash.

On February 9, 2024, TripCo's board of directors authorized TripCo to engage in discussions with respect to a potential transaction ("Potential Transaction"), pursuant to which all of the outstanding stock of TripCo and all of the outstanding common stock and Class B common stock of Tripadvisor, would be acquired concurrently for cash. The board of directors of Tripadvisor has formed a special committee comprised of independent and disinterested directors of the board of directors of Tripadvisor ("Special Committee"). TripCo and the Special Committee have ceased discussions with third parties with respect to a Potential Transaction. Strategic alternatives with respect to TripCo remain under consideration. In light of current circumstances, management's plans do not alleviate the substantial doubt that the entity will continue as a going concern.

Tripadvisor believes that its available cash and cash equivalents will be sufficient to fund Tripadvisor's foreseeable working capital requirements, capital expenditures, existing business growth initiatives, debt and interest obligations, lease commitments, tax-related payments and other financial commitments through at least the next twelve months. Tripadvisor's future capital requirements may also include capital needs for acquisitions, and/or other expenditures in support of its business strategy, and may potentially reduce Tripadvisor's cash balance and/or require Tripadvisor to borrow under the Credit Facility or to seek other financing alternatives.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing 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 September 30, 2024, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
amount in millions				
Tripadvisor	\$ 500	7.6%	345	0.3%
TripCo debt	\$ NA	NA	385	1.0%

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. Tripadvisor enters into foreign currency forward contracts to manage its risk related to foreign currency exchange rates when it deems appropriate.

**Item 4. Controls and Procedures**

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 September 30, 2024 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.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

## **PART II—OTHER INFORMATION**

### **Item 1. Legal Proceedings**

See note 8 to the accompanying condensed consolidated financial statements for information regarding legal proceedings.

### **Item 1A. Risk Factors**

*There are questions about our ability to continue operating as a going concern.* As disclosed in note 1 to the accompanying condensed consolidated financial statements, we believe there is substantial doubt about our ability to continue as a going concern as a result of the required redemption for cash on March 27, 2025 of our 8% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the “Series A Preferred Stock”) and the right of the holders of our 0.50% Exchangeable Senior Debentures due 2051 (the “Debentures”) to require us to purchase their Debentures on March 27, 2025. Although we are exploring alternatives to cover the obligations of the Series A Preferred Stock and Debentures, there can be no assurance that we will be able to enter into a transaction or find such an alternative, in which case we would be forced to cease operations. If we ceased operations, it is likely that our investors would lose their investment.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

During the three months ended September 30, 2024, no shares of LTRPA and LTRPB were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting or exercise of restricted stock, restricted stock units or options.

### **Item 5. Other Information**

None of the Company’s directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended September 30, 2024.

**Item 6. Exhibits**

(a) 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):

<b>Exhibit No.</b>	<b>Name</b>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification*</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification*</a>
32	<a href="#">Section 1350 Certification**</a>
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



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY TRIPADVISOR HOLDINGS, INC.

Date: November 6, 2024

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

Date: November 6, 2024

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

## CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty TripAdvisor Holdings, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly 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 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) disclosed in this quarterly 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 functions):
  - 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: November 6, 2024

/s/ GREGORY B. MAFFEI

Gregory B. Maffei

*Chairman, President and Chief Executive Officer*

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## CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty TripAdvisor Holdings, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly 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 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d) disclosed in this quarterly 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 functions):
  - 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: November 6, 2024

/s/ BRIAN J. WENDLING

Brian J. Wendling

Senior Vice President and Chief Financial Officer

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**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 Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Form 10-Q") 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-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2024

/s/ GREGORY B. MAFFEI

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Gregory B. Maffei  
*Chairman, President and Chief Executive Officer*

Date: November 6, 2024

/s/ BRIAN J. WENDLING

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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-Q or as a separate disclosure document.

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