

TripAdvisor, Inc.  
Form 10-Q  
August 05, 2016

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 June 30, 2016

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: 001-35362

TRIPADVISOR, INC.

(Exact name of registrant as specified in its charter)

Delaware 80-0743202  
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

400 1<sup>st</sup> Avenue

Needham, MA 02494

(Address of principal executive office) (Zip Code)

Edgar Filing: TripAdvisor, Inc. - Form 10-Q

Registrant's telephone number, including area code:

(781) 800-5000

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

Class	Outstanding Shares at July 29, 2016
Common Stock, \$0.001 par value per share	132,857,694 shares
Class B common stock, \$0.001 par value per share	12,799,999 shares

TripAdvisor, Inc.

Form 10-Q

For the Quarter Ended June 30, 2016

Table of Contents

	Page
Part I—Financial Information	
Item 1. Financial Statements	
<u>Unaudited Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2016 and 2015</u>	3
<u>Unaudited Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2016 and 2015</u>	4
<u>Unaudited Condensed Consolidated Balance Sheets at June 30, 2016 and December 31, 2015</u>	5
<u>Unaudited Condensed Consolidated Statement of Changes in Stockholders' Equity for the Six Months Ended June 30, 2016</u>	6
<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2016 and 2015</u>	7
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	37
<u>Item 4. Controls and Procedures</u>	37
Part II—Other Information	
<u>Item 1. Legal Proceedings</u>	37
<u>Item 1A. Risk Factors</u>	38
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	52
<u>Item 3. Defaults Upon Senior Securities</u>	53
<u>Item 4. Mine Safety Disclosures</u>	53
<u>Item 5. Other Information</u>	53
<u>Item 6. Exhibits</u>	54
<u>Signature</u>	55



## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## TRIPADVISOR, INC.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Revenue	\$391	\$405	\$743	\$768
Costs and expenses:				
Cost of revenue (1)	20	16	36	29
Selling and marketing (2)	202	192	374	350
Technology and content (2)	62	50	123	99
General and administrative (2)	34	44	72	77
Depreciation	17	15	33	28
Amortization of intangible assets	8	9	15	16
Total costs and expenses:	343	326	653	599
Operating income	48	79	90	169
Other income (expense):				