

# **A Message to Employees From Tripadvisor CEO and Co-founder, Steve Kaufer**

Due to the effects of the COVID-19 pandemic on our business, Tripadvisor today announced a workforce reduction that will impact more than 900 employees, which is approximately one-quarter of our total workforce.

I am making this announcement public because there will be hundreds of amazing people looking for work in the U.S. and abroad (for what we hope will be a brief period of time).

Our wish is you will consider them for open roles at your company.

Additionally, I am sharing this note to help other organizations that are similarly impacted by this pandemic, so they might understand our rationale as they struggle with these tough decisions as well.

Here's a brief summary of what I shared with our team earlier today:

Team:

I first want to acknowledge that earlier today, I delivered some tough news about steps we are taking as a company to seek significant cost savings that will help Tripadvisor get to the other side of the COVID-19 pandemic. I know that today marks a difficult day for many of our colleagues and friends. Everyone's lives have been upended by this virus, and I continue to be profoundly humbled by and, at the same time, so proud to see everyone in this company rising to the occasion. I've been in awe, watching you all work day and

night to ensure travelers and our travel partners receive the high level of service expected of our brand as teams remain virtually connected and productive.

But sometimes, the most valiant of efforts aren't enough to counter outside circumstances and, as a public company, it is our responsibility to adjust, adapt and evolve to the environment that surrounds us.

Since mid-to-late February, COVID's impact on the travel industry and our business has slowly revealed itself day by day. The pandemic has had an impact on the economy that no one expected. Our personal and professional lives have changed in profound ways.

### **Here is our new reality as a company**

As CEO, you plan for the best and worst case outcomes that could affect our business. Unfortunately, there is no playbook for this moment that we're in together right now. I never fathomed a world where nearly every one of our employees would be abruptly working from home. I never fathomed a world where a simple trip to the grocery store would create so much inner angst and fear. I never thought that so many would be alone in a hospital, apart from family, fighting to survive.

And I never fathomed the industry I love — travel — having so many hotels at near 100% vacancy, planes grounded, and restaurants empty.

We need to take action to ensure Tripadvisor can focus on its mission to serve travelers for years and decades to come. The management team and I have been executing a three-phased plan to navigate near-term challenges and position our business for recovery.

As I shared with you a few weeks ago, this included a series of **Phase 1** decisions:

We cut nearly all but the most essential discretionary

spending, effectively ending all business travel, ending non-essential vendor relationships, pausing nearly all hiring and significantly reducing office perks and benefits;

I declined a salary for the remainder of 2020; and

We would pull every lever we could in order to preserve as many jobs as possible.

As the pandemic progressed faster than anyone anticipated, we determined the need to enact **Phase 2** of our cost reduction plans.

Taking advantage of government subsidy programs in Europe, we were able to swiftly furlough hundreds of employees, primarily at TheFork, in sales-related roles. We hope to bring back these furloughed employees later in the year as the industry recovery is realized. This immediate action helped Tripadvisor to preserve needed operating capital.

We had hoped cutting discretionary expenses and furloughs would be enough, but as the pandemic worsened, it became clear that the company needed to take additional cost saving measures.

Today, I announced **Phase 3**, which includes a significant workforce reduction and additional Tripadvisor employee furloughs.

In most markets, we will also be asking for the majority of our remaining salaried employees to take both a temporary pay reduction and also to work a reduced schedule for the summer months.

Some of the guiding principles that influenced these decisions include a focus on:

- Reducing our overall headcount across the company, particularly in areas where we are seeing reduced client demand;

Reducing management layers, giving more responsibility to a fewer number of people;  
Closing open roles within the company that are not deemed essential to our immediate needs, as we radically focus on the most important priorities;  
Reducing our global real estate footprint (which currently includes 52 offices we maintain around the world);  
And importantly, supporting our people as they exit the organization.

These are the most difficult cost-saving decisions I have ever had to make. But I, and the Executive Leadership Team, firmly believe they are necessary and proportionate to the reality we face as a business and as an industry.

I want to begin by outlining the significant job impacts across our global workforce.

In the United States and Canada, we are eliminating the roles of more than 600 employees.

In addition, nearly 300 colleagues outside the United States will be engaged in specific country-by-country notification and consultation processes to determine their future employment status.

We are also putting a number of Tripadvisor and Viator employees on furlough, although we hope they will be able to return to work later this year.

For those employees leaving Tripadvisor, we are offering transition packages, including severance pay and outplacement support. In the US and Canada, we will also provide health insurance continuation for a period of time. The most meaningful way we can all help each other during these extraordinary times is to support our departing colleagues and help them find new jobs. I'm asking all of our employees to engage your networks, something I will do as

well, to help our friends and colleagues transition to their next opportunity.

To help, we are launching the **Tripadvisor Alumni Network**, a community of current and past employees of this company who can assist in transition efforts. As a part of the network, we are creating an opt-in list of impacted employees (more information coming soon) that we will share with our network in the hopes that they might help our teammates who are seeking future employment. We will also provide a secure, private way for both our employee and alumni communities to share job leads, provide support, and keep in touch. Tripadvisor will support those leaving the organization by facilitating connections, sharing job leads, and, for those employees who opt-in, making their names visible to organizations that are hiring.

In terms of additional cost saving measures:

In most markets, we will ask most of our salaried employees to move to a 4 day work week and take a corresponding 20% reduction in base salary, for three months starting in June. To repeat, this is a temporary pay and schedule reduction, a sacrifice I'm asking for the remaining team to make because it will enable us to save close to a hundred jobs.

We will be pausing the company's U.S.-based 401K match for this same period of time, what we expect to be a temporary measure that enables us to preserve even more jobs as we await the recovery.

In the United States, we will also be closing both the San Francisco and downtown Boston office building locations permanently, allowing remaining employees in those offices to continue working virtually (or, in the case of Boston, work out of our Needham Headquarters).

The last several weeks have demonstrated that we are effective working from home. We have been and will continue to more fully embrace a remote work culture. This will create optionality in terms of how we work and where we hire but also flexibility in terms of how the leadership team thinks about our global real estate footprint.

All of these actions, while difficult, will give Tripadvisor greater financial flexibility and enable us to better manage the business through this time of incredible uncertainty and instability.

This three phased plan was deliberately and painfully deep to make sure we will survive a prolonged and protracted downturn. Or said more simply, we don't think we'll need to do another broad, global layoff, even if the recovery takes longer than expected.

### **Our path moving forward**

It's not possible for us to do more – with fewer resources and people – without change. This means we need to not only streamline how and where we work, but strategically decide where we invest our time, attention and capital.

In January, Tripadvisor (the platform) was organized in a way that allows for ambitious and transformative improvements to the consumer experience. We reorganized Tripadvisor to more directly focus on the traveler. As ONE Tripadvisor, we're thinking more holistically about the traveler seeking advice on where to go and stay, thinking about how to get there and what to do when they arrive.

Decisions that impact travelers have been made holistically, with detailed consideration of the trade-offs that relate to our Tripadvisor platform operations, our business strategy and our anticipated financial results.

In addition to the steps we've taken to strengthen the business during this COVID pandemic, we also intend to

continue our mission to create a more simple, focused management structure over Tripadvisor that can continue to deliver for the traveler and the 8 million partner businesses listed on our platform.

### **Creating compelling consumer offerings for travelers and diners**

Moving forward, how we serve our travelers, from the moment they learn about Tripadvisor, through the discovery, planning and buying experience, as well as the travelers' experience when on the trip itself, will be led and managed by Lindsay Nelson, our Chief Experience and Brand Officer. Lindsay will also lead our thinking about how we can better support the millions of members who sign into Tripadvisor every day; through travel inspiration, creating compelling new content, new trip planning features, and by rolling out a series of direct-to-consumer initiatives that we believe can be game changing for our business and to the travelers we serve.

As a result of these changes:

We are integrating the Tripadvisor Flights, Car and Cruise teams into the B2C team under Lindsay. Cruise Critic will continue to run as a standalone business, and will now report into Ernst Teunissen, our Chief Financial Officer and a member of the Executive Leadership Team.

Additionally, we will also be dissolving SmarterTravel as a business unit. As we determine the future path for these media brands, we will integrate SmarterTravel's portfolio of branded sites into Lindsay Nelson's organization.

### **Serving our media partners and the 8 Million+ travel, hospitality and tourism businesses listed on Tripadvisor**

Kanika Soni, our Chief Commercial Officer, will lead a unified

B2B organization that supports all 8 million+ partners listed on Tripadvisor by helping them reach our highly qualified audience via the Hotel Auction and our existing advertising products and media solutions.

As we look to diversify and grow our revenue, our B2B teams will also:

Merge Tripadvisor's B2B Restaurants team with our B2B Accommodations team, reporting into Kanika Soni. The B2B Restaurants organization, since its founding in 2016, has been a significant revenue driver inside of Tripadvisor. By joining forces with the group formerly known as Hotel Solutions, we are going to bring the best minds in the company together to deliver and offer best-in-class support for ALL of our partners, inclusive of airlines, tour operators, car rental companies and other sectors in the travel, tourism and hospitality industry.

Focus on launching and expanding our new SaaS offerings (e.g. menu distribution, reputation management) for both our Hotel & Restaurant partners. Unify our advertising sales organizations, inclusive of the non-endemic display sales team, now reporting into Kanika Soni. We continue to believe display-based and other on-platform and off-platform advertising opportunities have significant growth potential as we work to bring additional advertisers to our platform, while leveraging our brand safe platform and wealth of first party data.

I want to take this opportunity to thank both Lindsay and Kanika for their eagerness to accept these new responsibilities, their leadership and their partnership during these challenging times.

As we chart our course ahead, I am also pleased to



announce that both Lindsay and Kanika have been named executive officers of Tripadvisor, a significant step forward in bringing the next generation of leadership and expertise into what will be this company's next chapter.

### **The future of experiences and restaurants reservations**

Our experiences and restaurant reservations businesses face the same challenges as Tripadvisor during this pandemic, but I continue to believe that both TheFork and Viator have bright futures before them as each of these brands navigate this crisis. As such:

Bertrand Jelensperger remains a key member of the Tripadvisor's Executive Leadership Team. With the B2B Restaurants team now reporting into Kanika Soni, Bertrand will focus all of his energies on making TheFork the world's preferred online restaurant reservations platform. TheFork has been one of the fastest growing businesses within Tripadvisor's portfolio, and with Bertrand's entire focus back on this business, we are confident this trend will continue.

Viator's future remains bright as a standalone Experiences OTA, under the leadership of Ben Drew as its president and ELT member. I've enjoyed working with Ben and his team, and I know they all have what it takes to deliver for travelers. As this pandemic subsides and travel rebounds, Viator – with its best-in-class supply – will continue to be the engine for Tripadvisor and numerous other leading online travel sites who aspire to provide travelers with a premier experiences offering.

There remains a significant global market opportunity for both TheFork and Viator in the days ahead as pent up demand for dining out and enjoying amazing experiences is finally released.

I also want to highlight that despite these organizational changes we will continue to measure and look at our business strategically in the Hotel, Media & Platform, Experiences & Dining and Other groupings. For instance, we still believe that Experiences and Dining are very important and unique growth opportunities as market verticals. In this new organization structure multiple ELT leaders will now contribute to the growth of these areas.

**Some final thoughts...**

This is a tough day on many levels, and this pandemic has been nothing short of surreal.

While difficult decisions to make, the executive team and I firmly believe these actions appropriately balance our short-term financial needs with our long-term business objectives, but I know that reality offers little solace for those impacted by this news today.

If you are an employee impacted by today's news, I want you to know I will always be thankful to you, and for the part you have played in the success of this company. Leave here knowing you played a role in helping billions of people find amazing travel experiences that have positively impacted their lives forever. I thank you, again and from the bottom of my heart, for all of your contributions...your energy...your teamwork and passion...and of course, I wish all of this had turned out differently.

To those of us moving forward, thank you for the sacrifices you are making to preserve jobs during this crisis and help this company deliver for travelers, diners and the more than 8 million businesses listed on our platform.

Our business has endured a lot of change and disruption over the past 20 years. While the COVID-19 pandemic's full impacts remain undetermined, I am confident that our business and the industry will recover. I know that

Tripadvisor will play a critical role during the recovery. We have a lot of work to do. Now more than ever, we will need your focus, your resiliency to push through this crisis, and your energy to see us through the weeks and months ahead.

This is a business that will not just survive this pandemic. We will thrive in the years ahead because of people like you – past, present and future.

So stay home for now. Be safe, stay healthy. For those leaving Tripadvisor, to those on furlough, to those employees making sacrifices in their pay – thank you for your service. And please know, there's good out there, and there will be better days ahead.

Thank you,  
Steve