Safe Harbor: Forward-Looking Statements

These slides and the accompanying oral presentation contain forward-looking statements. All statements other than statements of historical facts contained in these slides and the accompanying oral presentation, including statements regarding Yelp Inc.'s ("Yelp" or the "Company") future operations, future performance, expected financial results and future financial position, future revenue and revenue growth rates, future share repurchase activity, strategic and investment priorities, long-term financial targets and target margins, projected growth, expenses and savings, trends, opportunities, prospects, estimates and plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "believe," "may," "will," "estimate," "forecast," "guidance," "continue," "anticipate," "intend," "could," "would," "project," "plan," "potential," "target," "opportunity," "model," "expect" or the negative or plural of these words or similar expressions. The Company has based these forward-looking statements largely on its estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs.

These forward looking statements are subject to a number of risks, uncertainties and assumptions, including the fact that we have a limited operating history in an evolving and competitive industry; that our growth rate may not be sustainable; that we rely on traffic to our website from search engines like Google and Bing; our ability to generate sufficient revenue to maintain and increase profitability, particularly in light of our significant ongoing sales and marketing expenses; our ability to reduce or control expenses sufficiently to meet our profitability targets; our ability to introduce successful new products, services and partnerships; our ability to maintain and expand our base of advertisers, including enterprise customers, particularly as an increasing portion of advertisers have the ability to cancel their ad campaigns at any time; our ability to attract, retain and motivate well-qualified employees, particularly in sales and marketing; our ability to increase traffic to our platform and generate and maintain sufficient high quality content from our users; our ability to maintain a strong brand and manage negative publicity that may arise; our ability to manage acquisitions of new businesses, solutions and technologies and to integrate and monetize those businesses, solutions or technologies; the efficacy of our automated recommendation software; our ability to develop our communities effectively; our ability to deal with an increasingly competitive local search environment; our ability to timely upgrade and develop our systems and infrastructure; and changes in political, business and economic conditions. These risks and uncertainties may also include those described in the Company's most recent Form 10-Q or 10-K filed with the Securities and Exchange Commission.

New risks emerge from time to time. It is not possible for Company management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in these slides and the accompanying oral presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Any forward-looking statement speaks only as of its date. Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this presentation, to conform these statements to actual results or to changes in the Company's expectations.
Key investment highlights

Accelerating growth
Targeting mid-teens revenue CAGR for 2019-2023

Increasing profitability
Targeting 30-35% Adjusted EBITDA margin target by 2023

Prudent capital allocation
Authorized nearly $1 billion in stock repurchases since 2017

Strong governance
Refreshed board and strengthened focus on performance
About Yelp
Our guiding mission:

Connecting people with great local businesses

Consumers
- Trust
- Discovery
- Convenience

Local biz
- Consumer trust
- Visibility
- High-intent leads
The trusted resource in Local
Consumers and business owners trust Yelp for their local needs

**Consumers**
- **205 million**
  Cumulative reviews
- **96 million**
  Unique visitors on desktop and mobile

**Local Business**
- **4.9 million**
  Active claimed local business locations
- **565,000**
  Paying advertising locations

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1 As of December 31, 2019  
2 ComScore TTM monthly average, October 2019  
3 Monthly average for Q4 2019
Yelp is all things local

We serve a wide range of consumers’ local needs

- Restaurants, Cafes, Nightlife
- Health & Beauty
- Shopping
- Hotels, Travel, Other
- Services (Home, Local, Auto, Professional & Other)
Our breadth is an advantage

High-frequency categories drive consumer traffic to the categories with the highest value

Restaurants, Cafes, Nightlife

> 60% of page views
> 15% of Ad revenue

Health & Beauty

Shopping

Hotels, Travel, Other

Services
(Home, Local, Auto, Professional & Other)

< 10% of page views
> 50% of Ad revenue

Note: Page views and Advertising revenue by category FY19
Market Opportunity
Large and growing market

U.S. Local Advertising Spend
($ in billions)

Digital Media ‘19–23E CAGR: 10%

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020E</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Media</td>
<td>$63</td>
<td>$71</td>
<td>$78</td>
<td>$86</td>
<td>$94</td>
</tr>
<tr>
<td>Traditional Media</td>
<td>$90</td>
<td>$90</td>
<td>$88</td>
<td>$88</td>
<td>$86</td>
</tr>
</tbody>
</table>

Source: BIA Advisory Services, 2020 U.S. Local Advertising Forecast

2019 U.S. Local Digital Advertising Spend by Category
($ in billions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Multi-location Digital</th>
<th>SMB Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurants</td>
<td>$27</td>
<td>$8</td>
</tr>
<tr>
<td>Other</td>
<td>$28</td>
<td>$86</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td>$94</td>
</tr>
</tbody>
</table>

Source: BIA Advisory Services, 2020 U.S. Local Advertising Forecast; Yelp internal data
Big monetization opportunity

Our strategy is designed to drive profitable growth by monetizing more leads

Yelp’s large audience generates millions of leads every day

In 2019, we monetized less than 10% of those leads

To drive greater monetization, we are focused on:

- Maintaining our large volume of consumer leads
- Attracting advertisers with compelling ad solutions
- Retaining customers by delivering them more leads

*Includes Calls, Request A Quote requests and Url clicks
Strategy
Accelerating revenue growth
Mid-teens long-term revenue CAGR target

- Enhance consumer experience
- Win in key categories
  - Restaurants
  - Services
- Drive more value to business customers
- Expand offerings
- Capture Multi-location opportunity

Drive growth across SMB and Multi-location customers

Target 2019 - 2023 revenue CAGR

Note: SMB = Local Rep Sold + Local Self Serve
Enhance consumer experience

Maintaining our consumer trust advantage and large organic audience

- Trusted, high-quality reviews
- Personalized suggestions and experiences
- Only-on-Yelp features
Win in key categories

Driving frequent consumer connections via the Restaurants category

- Yelp Reservations
- Yelp Waitlist
- Personalized recommendations
Win in key categories

Monetizing more leads via the Services category

- Delivering more high-intent leads
- More ways to spotlight advertisers
- Improved job matching
Drive more value to business customers

Increasing client satisfaction by delivering even more leads for their monthly budgets

- More ad clicks at lower prices
- Improved lead matching
- Advancing reporting
Expand offerings

Impactful solutions to address business owners’ unique needs at a range of prices

- Right product, right price
- Packaging to solve needs
- Serving businesses of all sizes
Capture Multi-location opportunity

Driving store visits and leads with compelling returns

- Effective new ad formats
- Strong returns for advertisers
- Expanding into a broad range of categories
Mid-teens long-term revenue CAGR target

Key drivers of long-term growth:

- Improving sales force productivity; driving Self-serve with new product offerings and marketing
- Driving retention by delivering more value to advertisers
- Multi-location attribution, product, and category expansion
- Restaurant subscription offerings
Strategy

Increasing profitability
30–35% Adjusted EBITDA margin target

Growth strategy designed to improve long-term structural economics

Key drivers of long-term Adjusted EBITDA margin expansion:

- Growing in accretive channels: Multi-location & Self-serve
- Driving retention by delivering more value to advertisers
- Optimizing cost structure
- Generating Self-serve customer acquisition via marketing

1 Net Income for FY 2019 was $41 million. Adjusted EBITDA margin calculated as Adjusted EBITDA divided by Net revenue. See Appendix for how we define Adjusted EBITDA and a reconciliation of Adjusted EBITDA to Net income (loss).
# Long-term financial targets

<table>
<thead>
<tr>
<th></th>
<th>2013-2018</th>
<th>2019</th>
<th>Long-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue CAGR</strong></td>
<td>32%</td>
<td>8%</td>
<td><strong>Mid-teens %</strong></td>
</tr>
<tr>
<td><strong>Expenses as % of revenue</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>6-9%</td>
<td>6%</td>
<td>~6%</td>
</tr>
<tr>
<td>Sales &amp; marketing</td>
<td>51-57%</td>
<td>49%</td>
<td>36-40%</td>
</tr>
<tr>
<td>Product development</td>
<td>16-23%</td>
<td>23%</td>
<td>20-22%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>13-18%</td>
<td>13%</td>
<td>10-11%</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>~5%</td>
<td>5%</td>
<td>~4%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>13-19%</td>
<td>21%</td>
<td>30-35%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Calculated in accordance with GAAP, including stock-based compensation expense

<sup>2</sup> See Appendix for reconciliation to GAAP Net income (loss) for the periods presented and for information about the limitations of adjusted EBITDA as an analytical tool
Prudent Capital Allocation
Robust multi-year capital return program

Share repurchase program designed to offset dilution and return capital to shareholders

Completed as of December 31, 2019
Remaining Authorization

- Authorized July 2017: $200M
- Authorized November 2018: $250M
- Authorized February 2019: $250M
- Authorized January 2020: $250M
- Total repurchase authorization: $950M
Strong Governance
World-class board

Diverse, independent and highly qualified board

Reflects the resignation of Mariam Naficy and the appointment of Christine Barone, who will join the Board of Directors effective March 1, 2020.

- 8 experienced directors with diverse skill sets:
  - 4 new directors appointed in the last year
  - 7 are independent, including our Chair
  - 7 directors have been senior executives of major public companies
  - 5 directors have technology experience
  - 5 directors have specific expertise in Yelp key categories

1Reflects the resignation of Mariam Naficy and the appointment of Christine Barone, who will join the Board of Directors effective March 1, 2020.
2Includes Restaurants, Hospitality and Home Services
Strong governance
Focused on driving value for our shareholders

- **2016**: Collapsed dual-class share structure
- **2017**: Initiated stock buyback program
- **2018**: Transitioned to net share withholding to reduce dilution
- **2019**: Added three new independent directors
- **2020**: Added new independent director

- **Adopted stock ownership guidelines**
- **Introduced performance-based stock grants for executive compensation**
- **Adopted majority vote standard for director elections**
- **Adopted director resignation policy**
Financial Results
**Strategy execution**

Solid financial performance in first year of long-term plan

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### Total Net revenue

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$851</td>
</tr>
<tr>
<td>2018</td>
<td>$943</td>
</tr>
<tr>
<td>2019</td>
<td>$1,014</td>
</tr>
</tbody>
</table>

- +11% growth from 2017 to 2018
- +8% growth from 2018 to 2019

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### Adjusted EBITDA

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$158</td>
</tr>
<tr>
<td>2018</td>
<td>$183</td>
</tr>
<tr>
<td>2019</td>
<td>$213</td>
</tr>
</tbody>
</table>

- +16% growth from 2017 to 2018
- +17% growth from 2018 to 2019

### Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>19%</td>
</tr>
<tr>
<td>2018</td>
<td>19%</td>
</tr>
<tr>
<td>2019</td>
<td>21%</td>
</tr>
</tbody>
</table>

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1. GAAP Net Income for FY 2017 was $153 million including a $164 million pre-tax gain on the sale of Eat24. Net Income for FY 2018 was $55 million. Net Income for FY 2019 was $41 million. See Appendix for reconciliation to GAAP Net income (loss) for the periods presented and for information about the limitations of adjusted EBITDA as an analytical tool.

2. Adjusted EBITDA margin calculated as Adjusted EBITDA divided by Net revenue. See Appendix for how we define Adjusted EBITDA and a reconciliation of Adjusted EBITDA to Net income (loss).
Strong cash flow generation

Highly cash-generative business model

Free Cash Flow¹

($ in millions)

2017: $137
2018: $115
2019: $167

¹Net cash provided by operating activities for FY 2017 was $167.6 million. Net cash provided by operating activities for FY 2018 was $160.2 million. Net cash provided by operating activities for FY 2019 was $204.8 million. See Appendix for how we define Free cash flow, a reconciliation of Free cash flow to Net cash provided by (used in) operating activities, and information about the limitations of Free cash flow as an analytical tool.
## Adjusted EBITDA reconciliation

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income / (Loss)</strong></td>
<td>($10.1)</td>
<td>$36.5</td>
<td>($32.9)</td>
<td>($1.7)</td>
<td>$153.0</td>
<td>$55.4</td>
<td>$40.9</td>
</tr>
<tr>
<td>+ Tax &amp; Other Income</td>
<td>1.2</td>
<td>(25.4)</td>
<td>11.6</td>
<td>(0.3)</td>
<td>26.6</td>
<td>(29.5)</td>
<td>(5.4)</td>
</tr>
<tr>
<td>+ Depreciation &amp; Amortization</td>
<td>11.5</td>
<td>17.6</td>
<td>29.6</td>
<td>35.3</td>
<td>41.2</td>
<td>42.8</td>
<td>49.4</td>
</tr>
<tr>
<td>+ Stock Based Compensation</td>
<td>26.1</td>
<td>42.3</td>
<td>60.8</td>
<td>86.3</td>
<td>100.4</td>
<td>114.4</td>
<td>121.5</td>
</tr>
<tr>
<td>- Gain on Disposal of a Business Unit</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>(163.7)</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>+ Restructuring &amp; Integration</td>
<td>0.7</td>
<td>0.0</td>
<td>0.0</td>
<td>3.5</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>+ Fees Related to Shareholder Activism</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$29.4</td>
<td>$70.9</td>
<td>$69.1</td>
<td>$123.0</td>
<td>$157.8</td>
<td>$183.1</td>
<td>$213.5</td>
</tr>
<tr>
<td>/ Net Revenue</td>
<td>$233.0</td>
<td>$377.5</td>
<td>$549.7</td>
<td>$716.1</td>
<td>$850.8</td>
<td>$942.8</td>
<td>$1,014.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td>12.6%</td>
<td>18.8%</td>
<td>12.6%</td>
<td>17.2%</td>
<td>18.5%</td>
<td>19.4%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>

We define Adjusted EBITDA as Net income, adjusted to exclude: provision for (benefit from) income taxes; other income, net; depreciation and amortization; stock-based compensation expense; and, in certain periods, certain other income and expense items.

This presentation includes Adjusted EBITDA and Adjusted EBITDA margin, non-GAAP financial measures that Yelp uses to evaluate its business. Yelp includes Adjusted EBITDA because it is a key measure used by Yelp’s management and board of directors to understand and evaluate core operating performance and trends, to prepare and approve its annual budget and to develop short- and long-term operational plans. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of Yelp’s core business. Accordingly, Yelp believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating Yelp’s operating results in the same manner as its management and board of directors. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of Yelp’s results as reported under GAAP. You can read more about the limitations of Adjusted EBITDA, as well as the basis of presentation of the numbers in the table above, in Yelp’s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q at www.yelp-ir.com or the SEC’s website at www.sec.gov. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, Net income (loss) and Yelp’s other GAAP results.

1 Amounts have not been recast in accordance with Accounting Standards Update 2014-09, “Revenue from Contracts with Customers (ASC 606).”
# Free cash flow reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$167.6</td>
<td>$160.2</td>
<td>$204.8</td>
</tr>
<tr>
<td>- Purchases of property, equipment and software</td>
<td>(30.2)</td>
<td>(45.0)</td>
<td>(37.5)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>$137.4</strong></td>
<td><strong>$115.2</strong></td>
<td><strong>$167.3</strong></td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>$81.1</td>
<td>$(164.4)</td>
<td>$124.3</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>$27.2</td>
<td>$(207.7)</td>
<td>$(491.5)</td>
</tr>
</tbody>
</table>

We define Free cash flow as Net cash provided by operating activities, reduced by purchases of property and equipment that are included in cash flows used in investing activities.

This presentation includes Free cash flow, a non-GAAP financial measure that Yelp uses to evaluate its business. Yelp includes Free cash flow because it is a key measure used by Yelp's management and board of directors to understand and evaluate how much cash from operations we have available for discretionary and non-discretionary items after the deduction of capital expenditures. Accordingly, Yelp believes that Free cash flow provides useful information to investors and others in understanding and evaluating Yelp's operating results in the same manner as its management and board of directors. Free cash flow has limitations as an analytical tool, including that Free cash flow does not represent the total residual cash flow available for discretionary purposes and does not reflect our future contractual commitments, and you should not consider it in isolation or as a substitute for analysis of Yelp's results as reported under GAAP. Because of these limitations, you should consider Free cash flow alongside other financial performance measures, including various cash flow metrics, Net income (loss) and Yelp's other GAAP results. You can read more about the basis of presentation of the numbers in the table above, in Yelp's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q at www.yelp-ir.com or the SEC's website at www.sec.gov.