



Investor Presentation

August 2019



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.



Our mission: Connecting people with great local businesses



4.6 million

Active claimed local
business locations^{1, 2}



192 million

Cumulative reviews¹



37 million

App unique devices³



549,000

Paying advertising
locations⁴



2.4 million

Seated diners via Yelp³



2.2 million

Request-a-quote
leads delivered³



1. As of June 30, 2019
2. Represents the number of claimed local business locations that are both (a) active on Yelp and (b) associated with an active business account as of a given date. We consider a claimed local business to be active if it has not closed, been removed from our platform, or merged with another claimed local business location.
3. Monthly average for Q2 2019
4. All business locations associated with a business account from which Yelp recognized advertising revenue in a given month, averaged over Q2 2019.

Our powerful, self-reinforcing network delivers **significant value** to consumers and businesses



Consumers

Trusted source

Personalized discovery

Convenient transaction capabilities

Saves time & money

Local businesses

Expanded reach

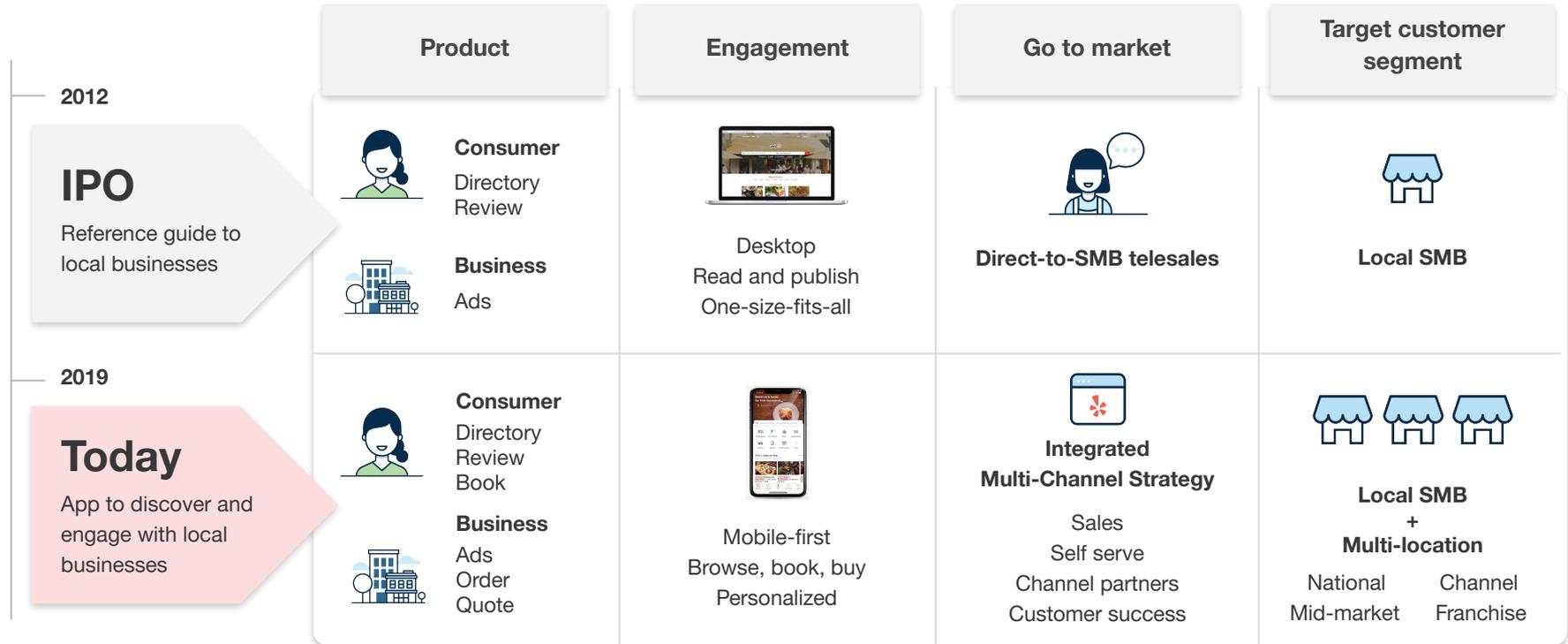
Differentiated offerings

High intent consumers

Fine-tuned operations



We have built a comprehensive local platform and we are just getting started



Where we plan to go

Pillars of our next phase of growth



Increase focus on
advertisers and
business owners



**Enhance our
go-to-market strategy** by
integrating product and
product marketing with
sales efforts



**Execute our established
long-term targets** for
growth, profitability and
capital return



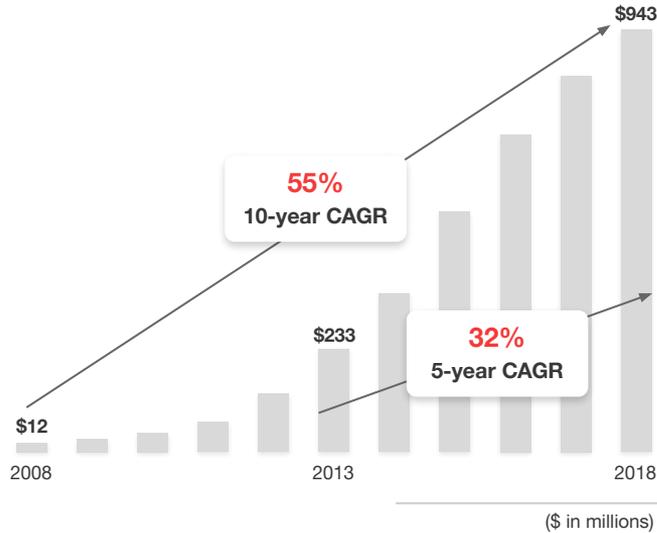
Planned steps to create **long-term shareholder value**

- 1 Deliver **mid-teens revenue CAGR** from 2019 through 2023
- 2 Drive **margin expansion** and **optimize cost structure**
- 3 Accelerate strategy through **effective partnerships**
- 4 Align capital allocation with **shareholder value creation**
- 5 Continually **develop our talent** and **Board of Directors**

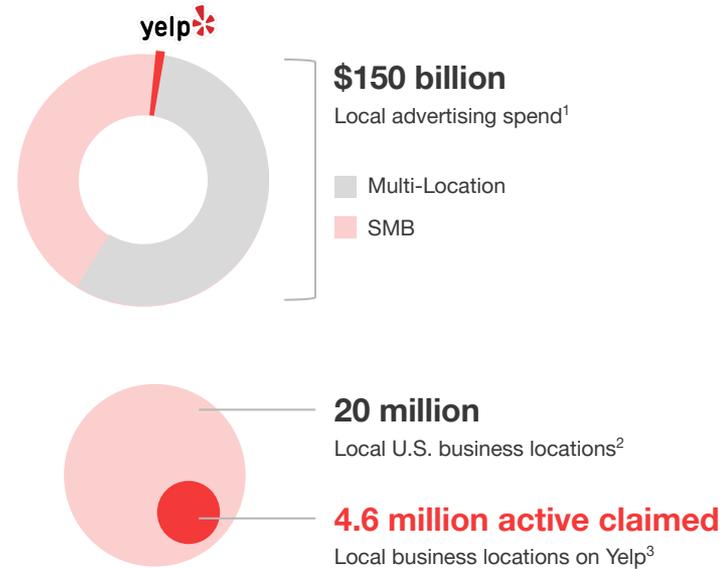


1 Deliver mid-teens revenue CAGR from 2019 through 2023

Strong track record for **growing revenue...**



...with a **large market opportunity** to sustain long-term growth



1. BIA Kelsey, *U.S. Local Advertising Forecast 2018*; BIA Kelsey, *What's Next? BIA/Kelsey 2017 Analyst Predictions Webinar*, Tuesday, January 24, 2017
2. U.S. Small Business Administration
3. As of June 30, 2019

1 Deliver **mid-teens revenue CAGR** from 2019 through 2023

Multiple initiatives tailored to help connect consumers and businesses and drive accelerated growth



Consumers

Save time & money

Win in key categories

Expand offerings

Drive more value to business customers

Local businesses

Indispensable partner

Enhance consumer experience

Capture multi-location opportunity

Mid-teens

Long-term revenue CAGR target



1 Deliver mid-teens revenue CAGR from 2019 through 2023

Win in key categories

Optimize **traffic** and **monetization**



Restaurants

High traffic
High engagement



Home services

High value
High monetization

Expand offerings

Meet the specific **needs of every business**

More **choices**
More **price points**
More **functionality**

Objective targeting

Set Your Goal

★ Let Yelp optimize

☎ More phone calls

🖥 More website clicks

Yelp verified

Make your business stand out

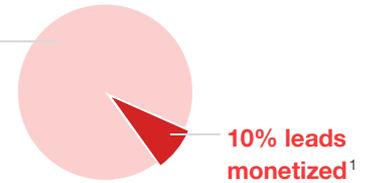
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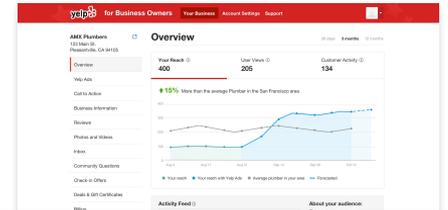
Drive more value to business customers

Underscore **value** / enhance **monetization**

Opportunity:
More leads to
advertisers



Greater control, attribution and reporting

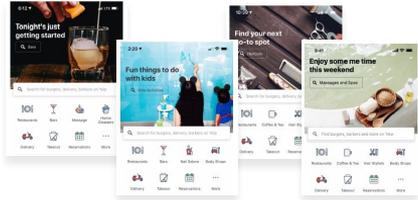


1 Deliver **mid-teens revenue CAGR** from 2019 through 2023

Enhance consumer experience

Grow **audience and engagement**

Personalization



“Yelp-only”



Capture multi-location opportunity

Open up large **untapped market**

Product **innovation**

Focused **go-to-market organization**
Expanding **strategic channel partnerships**

20%+

Planned increase
in Multi-loc sales
team in 2019

5x+

Revenue per
National rep vs.
Local rep

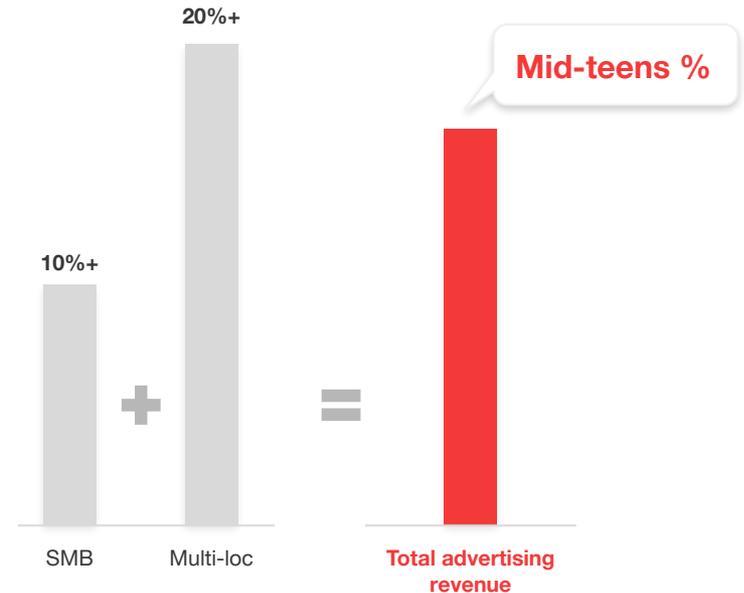


1 Deliver **mid-teens revenue CAGR** from 2019 through 2023

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

Drive growth across **SMB** and **multi-location customers**

Target 2019 - 2023 revenue CAGR



2 Drive **margin expansion** and **optimize cost structure**

Shift emphasis to most **efficient sales channels**

Hold Local sales headcount steady and **drive rep productivity**

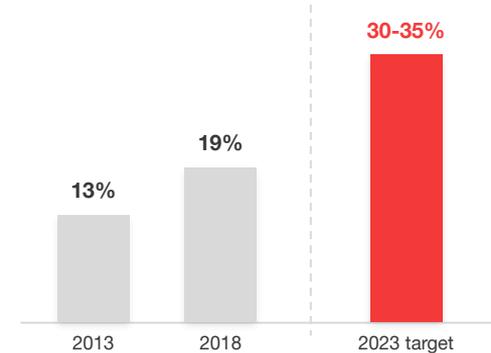
Relocate sales out of San Francisco to **save ~\$10 million/year** once complete

Optimize consumer marketing spend to **save ~\$15 million in 2019**

Reduce / **control other corporate expenses**

We have delivered profitable growth and target further **margin expansion**

Adjusted EBITDA Margin¹



Net (loss) income: \$(10.1) million \$55.4 million

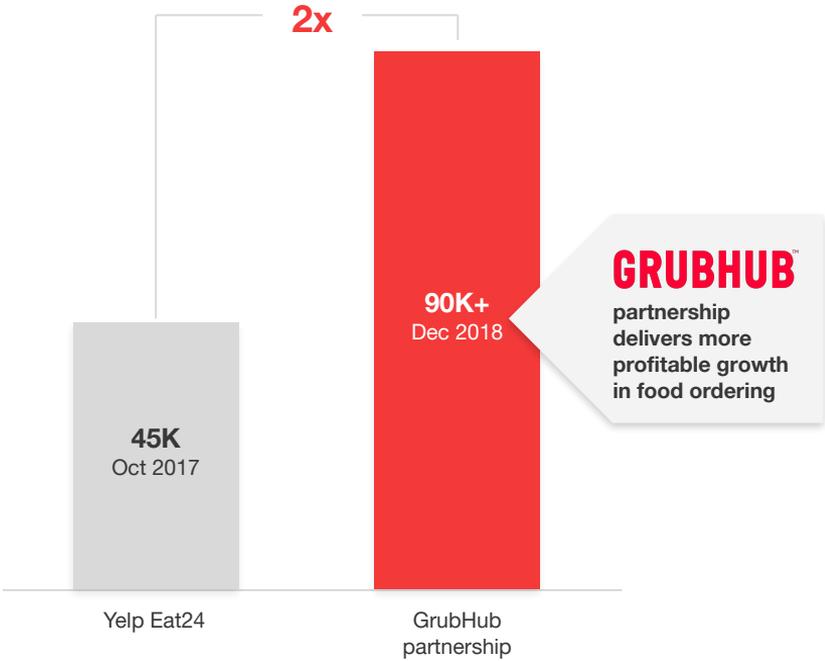
Over 6.5 percentage points of adjusted EBITDA margin expansion between 2013 - 2018



1. See slide 20 for reconciliation to GAAP net income (loss) for the periods presented and for information about the limitations of adjusted EBITDA as an analytical tool

3 Accelerate strategy through **effective partnerships**

Restaurants delivering on Yelp



Strong partner ecosystem

- advertising**: dex.yp, yext, MomentFeed, CHATMETER LOCAL BRAND MANAGEMENT, SCORPION
- ad starts & claims**: GoDaddy, VISA, SinglePlatform, clover
- fusion**: Apple, Microsoft, SAMSUNG, YAHOO!, GM
- mobile distribution**: Sprint, verizon, AT&T, cricket
- knowledge**: TDn2K, Spredfast, Qtoast, Stax, sprinklr
- platform**: vagaro, GRUBHUB, booker, EatStreet, doctor.com, delivery.com

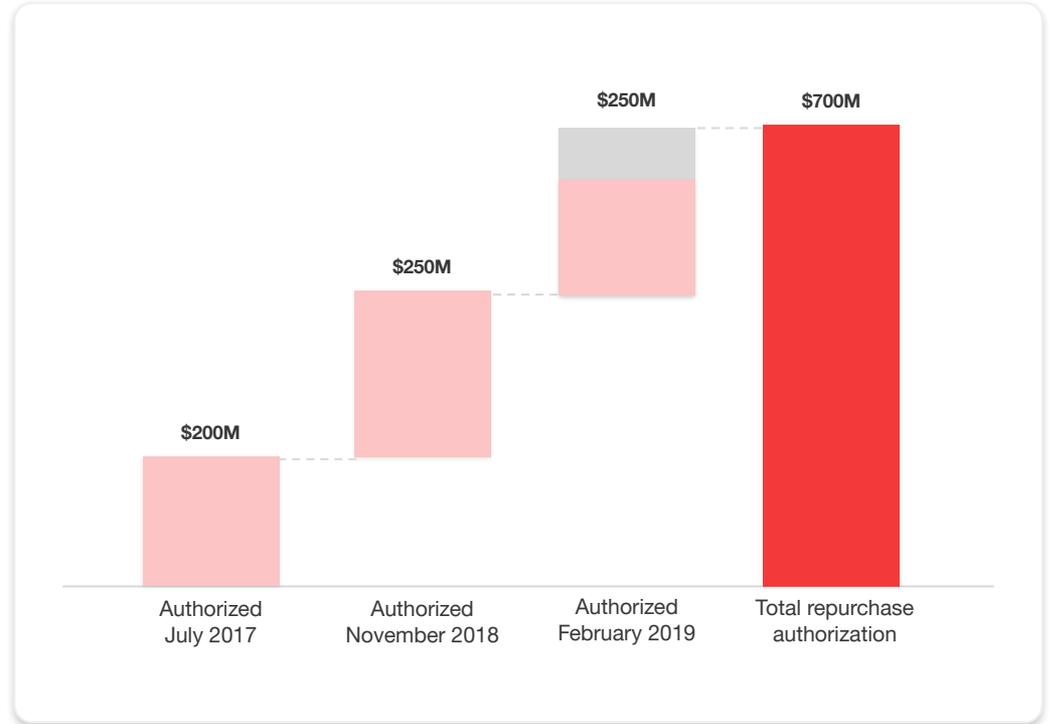


4 Align capital allocation with **shareholder value creation**

Strong profitability and balance sheet allow **robust capital return plan**

\$398 million of stock repurchases **completed in 1H 2019**

More than **\$600 million returned to shareholders** via stock repurchases since July 2017



Completed as of August 8, 2019

5 Continually develop our talent and Board of Directors

8 experienced directors with a diverse skillset...

- 7 directors have been senior executives of major public companies
- 6 directors have technology experience
- 4 directors have online advertising/sales/marketing experience
- 4 directors have digital marketplace/e-commerce experience
- 3 directors have sold companies
- 4 directors with specific expertise in Yelp key categories¹



1. Includes restaurants, hospitality and home services

...including three recently added, highly qualified, independent directors



George Hu
Chief Operating Officer, Twilio

- High growth technology experience including 13 years as a leader at Salesforce
- Breadth of operational expertise including a background in product, applications and marketing



Sharon Rothstein
Former Chief Product & Marketing Officer, Starbucks

- Significant marketing expertise, from senior positions at Starbucks, Sephora and Starwood Hotels
- Leadership experience at restaurant and hospitality companies



Brian Sharples
Co-Founder & Former CEO, HomeAway

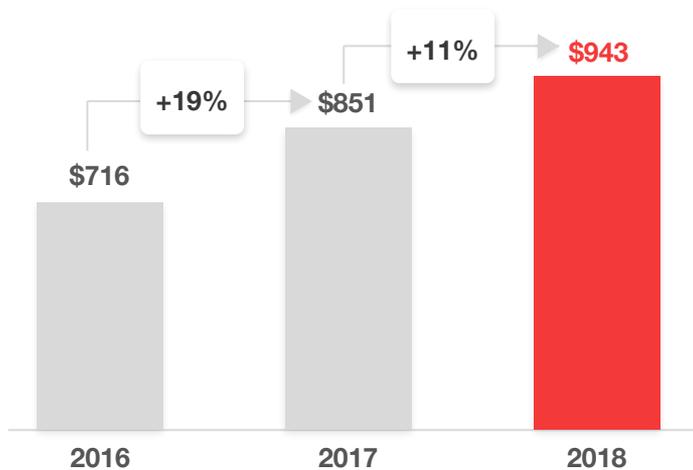
- Founded and grew HomeAway to a market leading hospitality company before selling to Expedia in 2015
- Expert in technology brand strategy

Financial Outlook

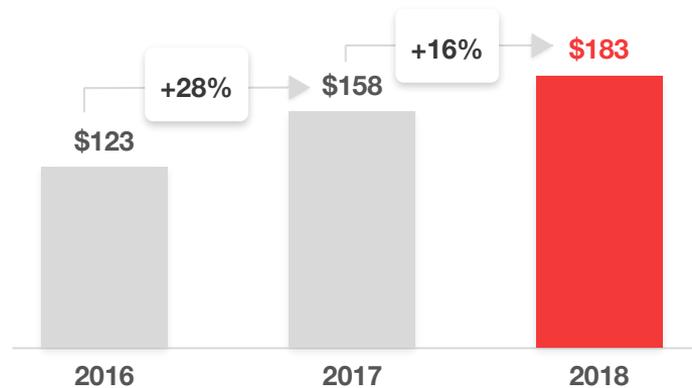


Strong financial performance

Total net revenue (\$ in millions)



Adjusted EBITDA¹ (\$ in millions)



Year	2016	2017	2018
Margin ²	17%	19%	19%



1. Net Income (loss) for FY 2016 was a loss of \$1.7 million. Net Income for FY 2017 was \$153 million including a \$164 million pre-tax gain on the disposal of Eat24. Net Income for FY 2018 was \$55 million. See slide 20 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. Margin calculated as Adjusted EBITDA divided by Net Revenue

Our long-term **financial targets**

	2013-2018	Long-term target
Annual revenue growth	32%	Mid-teens
Expenses as % of revenue¹		
Cost of revenue	6-9%	~6%
Sales & marketing	51-57%	36-40%
Product development	16-23%	20-22%
G&A	13-18%	10-11%
D&A	~5%	~4%
Adjusted EBITDA Margin²	13-19%	30-35%



1. Calculated in accordance with GAAP, including stock-based compensation expense
 2. See slide 20 for reconciliation to GAAP net income (loss) for the periods presented and for information about the limitations of adjusted EBITDA as an analytical tool

Planned steps to create **long-term shareholder value**



**Mid-teens
revenue CAGR**
from 2019
through 2023



Drive **margin
expansion**



Effective
**partnership
strategies**



Experienced and
**independent
board**



Strong **return
of capital**



Adjusted EBITDA reconciliation

(\$ in millions)	2013 ¹	2014 ¹	2015 ¹	2016	2017	2018	2017				2018			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Income / (Loss)	(\$10.1)	\$36.5	(\$32.9)	(\$1.7)	\$153.0	\$55.4	(\$4.0)	\$7.9	\$8.0	\$141.1	(\$2.3)	\$10.7	\$15.0	\$31.9
+ Tax & Other Income	1.2	(25.4)	11.6	(0.3)	26.6	(29.5)	(0.7)	(0.7)	(1.1)	29.2	(2.5)	(3.1)	(4.6)	(19.2)
+ Depreciation & Amortization	11.5	17.6	29.6	35.3	41.2	42.8	10.2	10.7	10.7	9.7	10.0	10.5	10.7	11.6
+ Stock Based Compensation	26.1	42.3	60.8	86.3	100.4	114.4	24.3	25.4	25.3	25.4	27.7	28.8	29.2	28.7
- Gain on Disposal of a Business Unit	0.0	0.0	0.0	0.0	(163.7)	0.0	0.0	0.0	0.0	(163.7)	0.0	0.0	0.0	0.0
+ Restructuring & Integration	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>3.5</u>	<u>0.3</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>						
Adjusted EBITDA	\$29.4	\$70.9	\$69.1	\$123.0	\$157.8	\$183.1	\$30.0	\$43.2	\$42.9	\$41.7	\$32.9	\$46.9	\$50.3	\$52.9
/ Net Revenue	\$233.0	\$377.5	\$549.7	\$716.1	\$850.8	\$942.8	\$198.2	\$209.9	\$223.3	\$219.4	\$223.1	\$234.9	\$241.1	\$243.7
Adjusted EBITDA Margin	12.6%	18.8%	12.6%	17.2%	18.5%	19.4%	15.1%	20.6%	19.2%	19.0%	14.7%	20.0%	20.9%	21.7%

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)."

