yelp

Investor Presentation

November 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

4.8 million

Active claimed local business locations[1, 2]

199 million

Cumulative reviews[1]

38 million

App unique devices[3]

563,000

Paying advertising locations[4]

2.6 million

Seated diners via Yelp[3]

2.2 million

Request-a-quote leads delivered[3]

1. As of September 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 Q3 2019
4. All business locations associated with a business account from which Yelp recognized advertising revenue in a given month, averaged over Q3 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

	Product	Engagement	Go to market	Target customer segment
2012 **IPO** Reference guide to local businesses	**Consumer** Directory Review **Business** Ads	Desktop Read and publish One-size-fits-all	**Direct-to-SMB telesales**	**Local SMB**
2019 **Today** App to discover and engage with local businesses	**Consumer** Directory Review Book **Business** Ads Order Quote	Mobile-first Browse, book, buy Personalized	**Integrated Multi-Channel Strategy** Sales Self serve Channel partners Customer success	**Local SMB** **+** **Multi-location** National Mid-market Channel Franchise

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

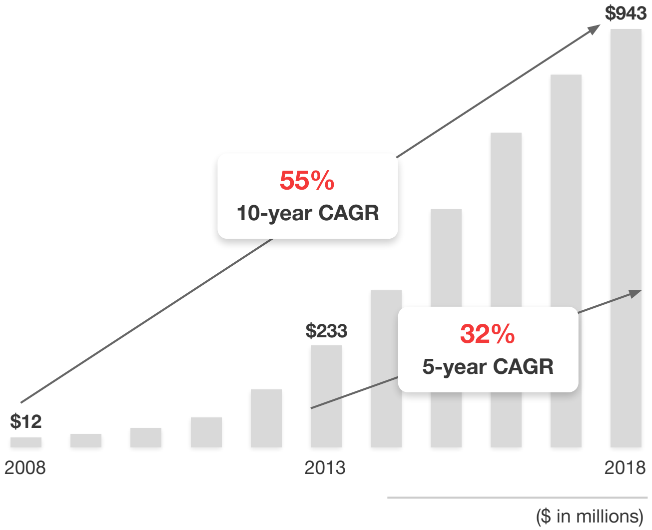
Execute our established long-term targets for growth, profitability and capital return

Planned steps to create long-term shareholder value

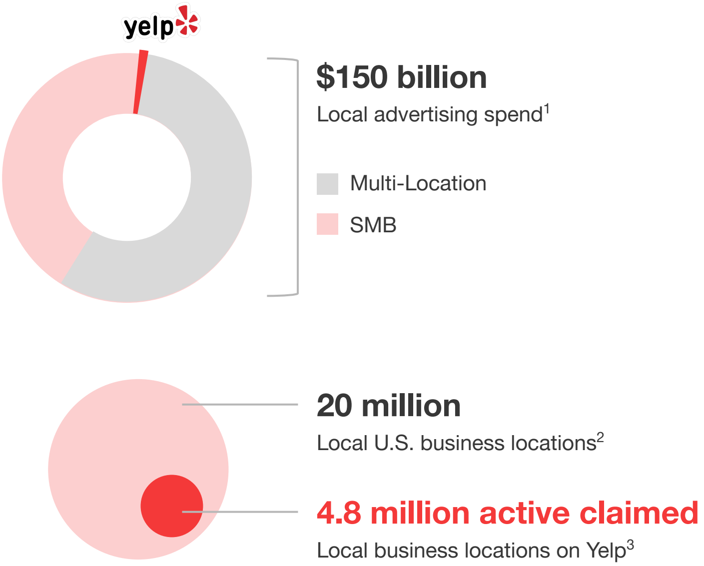
1. Deliver **mid-teens revenue CAGR** from 2019 through 2023
2. Drive **margin expansion** and **optimize cost structure**
3. Accelerate strategy through **effective partnerships**
4. Align capital allocation with **shareholder value creation**
5. Continually **develop our talent** and **Board of Directors**

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 September 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

yelp

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

Local businesses
Indispensable partner

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 → **Home services**

High traffic → High value

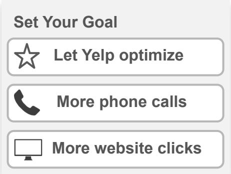
High engagement → High monetization

Expand offerings

Meet the specific **needs of every business**

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

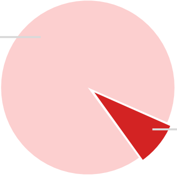
Objective targeting



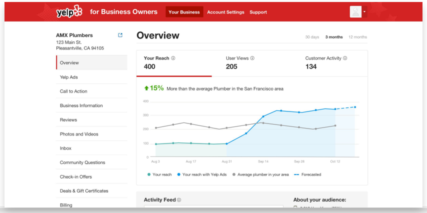
Yelp verified

Drive more value to business customers

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



Greater control, attribution and reporting



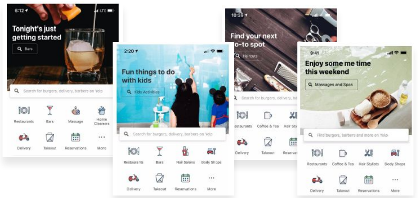
1. As of Q4 2018

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

Enhance consumer experience

Grow **audience** and **engagement**

Personalization



"Yelp-only"

yelp waitlist

yelp reservations

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+

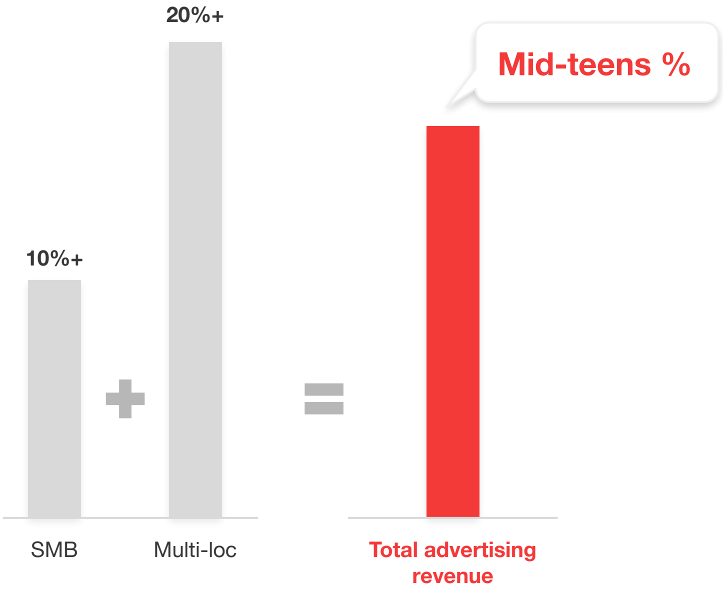
Revenue per National rep vs. Local rep

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**

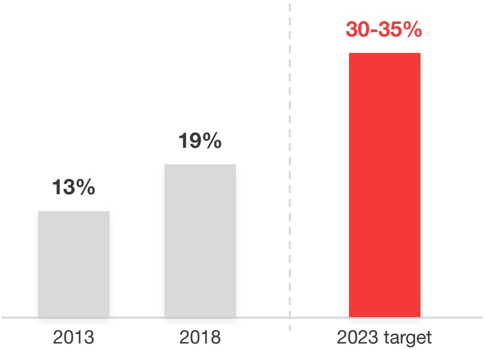
Relocate sales out of San Francisco to **save ~$10 million/year** once complete

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 Margin[1]



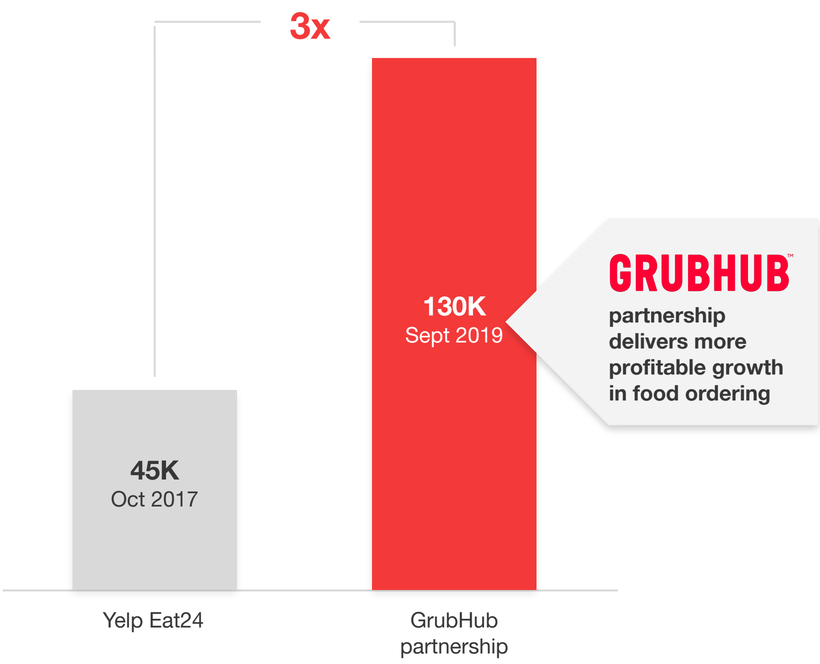
	2013	2018
Net (loss) income:	*$(10.1) million*	*$55.4 million*

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

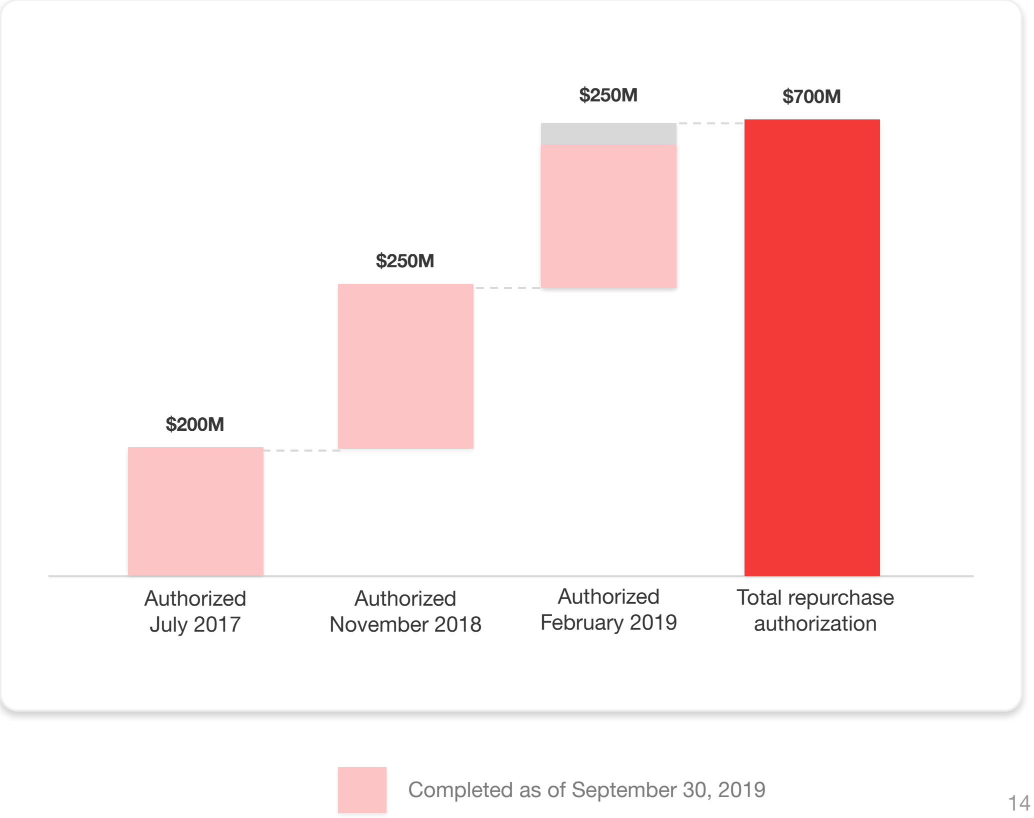
advertising	dex·yp, yext, MomentFeed, CHATMETER LOCAL BRAND MANAGEMENT, SCORPION
ad starts & claims	GoDaddy, VISA, SinglePlatform, clover
fusion	Microsoft, SAMSUNG, YAHOO!, GM
mobile distribution	Sprint, verizon, AT&T, cricket
knowledge	TDn2K, Spredfast, toast, Stax, sprinklr
platform	vagaro, GRUBHUB,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

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

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

$475 million of stock repurchases **completed in the year to date**

$675 million returned to shareholders via stock repurchases since July 2017



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 categories[1]

…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

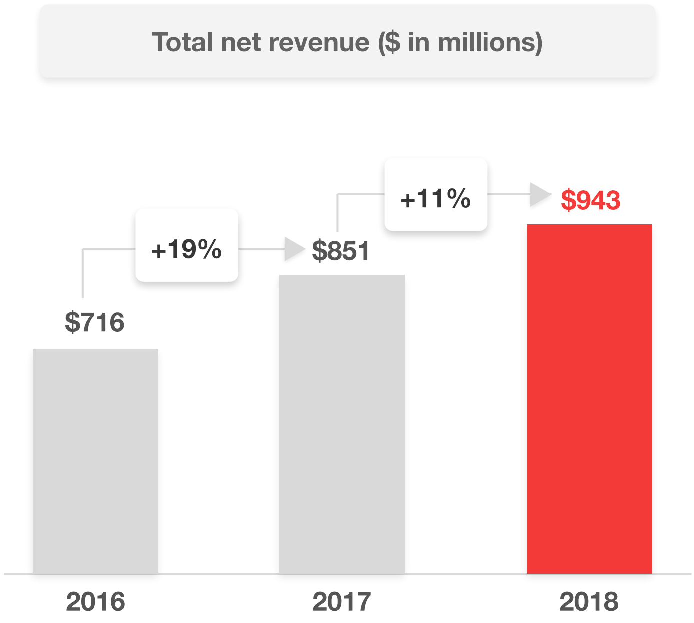
Brian Sharples
Co-Founder & Former CEO, HomeAway

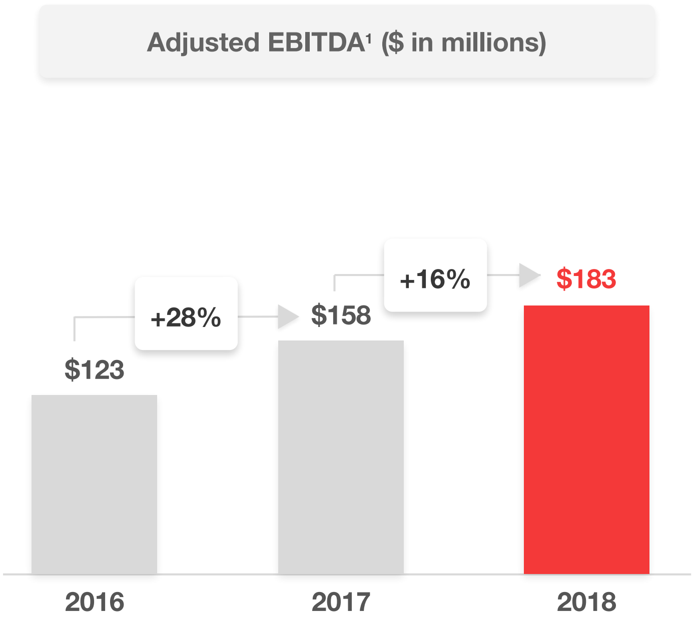
- Founded and grew HomeAway to a market leading hospitality company before selling to Expedia in 2015
- Expert in technology brand strategy

1. Includes restaurants, hospitality and home services

Financial Outlook

Strong financial performance





	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 revenue[1]		
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 Margin[2]	**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 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 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	0.7	0.0	0.0	3.5	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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)."