

Investor Presentation

February 2024



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 initiatives and investment priorities as well as their anticipated results, 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," "initiative," "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 macroeconomic uncertainty — including related to inflation, interest rates and supply chain issues, as well as severe weather events and the prevalence of respiratory illnesses — and its effect on consumer behavior, user activity and advertiser spending; the impact of fears or actual outbreaks of disease and any resulting changes in consumer behavior, economic conditions or governmental actions; our ability to maintain and expand our base of advertisers, particularly if advertiser turnover substantially worsens and/or consumer demand significantly degrades; our ability to drive continued growth through our strategic initiatives; our ability to continue to effectively operate with a primarily remote work force and attract and retain key talent; our limited operating history in an evolving and competitive industry; our ability to generate and maintain sufficient high-quality content from our users; our reliance on traffic from search engines like Google and Bing and the quality and reliability of such traffic; our ability to manage acquisitions of new businesses, solutions or technologies and to integrate and monetize those businesses, solutions or technologies; our ability to timely upgrade and develop our systems, infrastructure and customer service capabilities; our ability to maintain a strong brand and manage negative publicity that may arise; 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 Form 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

Trusted Content



Well-known brand and trusted content provide competitive moat and lower traffic acquisition cost

Advanced Local Ad Platform



Broad-based advertising model with large TAM and significant monetization opportunity fueled by emerging technologies

Sustainable Growth



Portfolio of product initiatives to drive sustainable, profitable growth over the long term

Profitable Business Model



Structurally efficient business model driven by product innovation and accretive sales channels

Prudent Capital Allocation



Nearly \$1.4 billion returned to shareholders through repurchases¹

Strong Governance



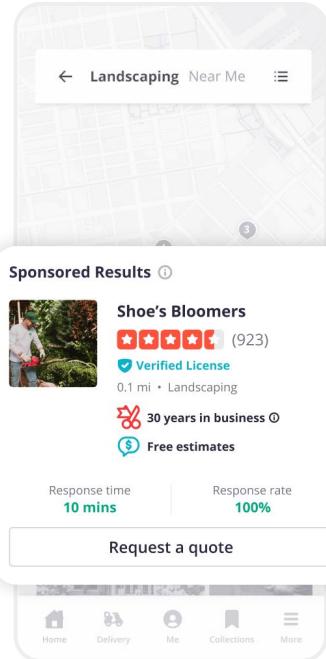
Talented Board with diverse skill set and focus on performance, including ESG



About Yelp

Yelp is all things local

We serve a wide variety of consumers' and businesses' local needs



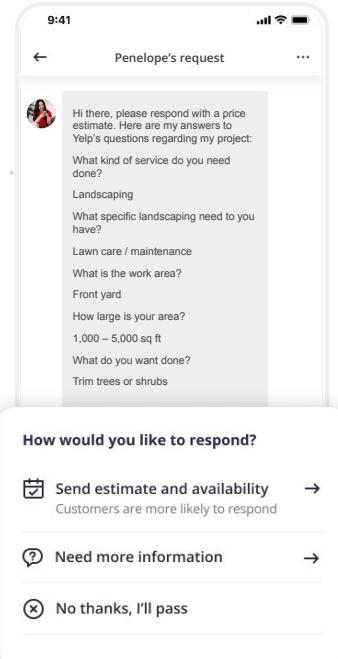
Consumers

Search
Discovery
Request-A-Quote
Table booking
Food ordering



Local Biz

Large consumer audience
Visibility
High-intent leads
Table management
Food orders



Our guiding mission:

Connecting people with great local businesses

Consumers

**74 million**Unique visitors on desktop and mobile¹

Affluent: >55% come from households with >\$100k in annual income³

High-intent: 83% of users hire or buy from a business they found on Yelp⁴

**287 million**Cumulative reviews²

Local Businesses

**7.1 million**Active claimed local business locations²

Up-to-date info: More than 2 million business listing updates per month⁵

Broad-based: 23 business categories with more than 1,500 subcategories

**544,000**Paying advertising locations⁶

Our breadth is an advantage

High-frequency categories complement categories with the **highest value**



Services

~ 60% of Ad Revenue

~ 15% of Page Views & Searches



Restaurants, Retail & Other

~ 40% of Ad Revenue

~ 85% of Page Views & Searches



Trusted Content

Consumers value quality review content

Transparency is key for consumers, from both businesses and review platforms

97%

Of consumer respondents find written reviews with a star rating more helpful¹

70%

Of consumer respondents rarely visit a new business without first checking the reviews¹

75%

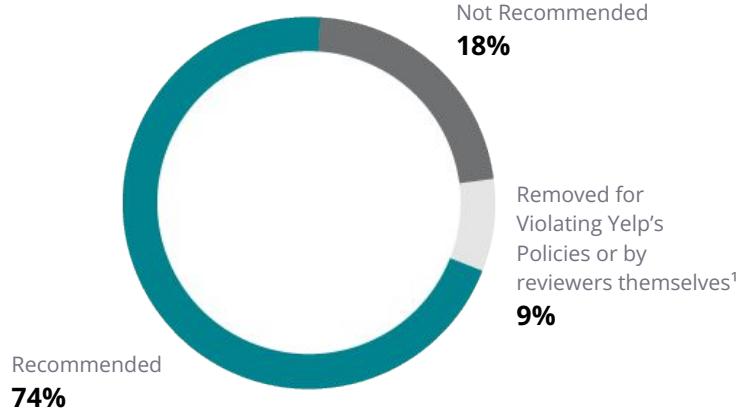
Of consumer respondents are reading more online reviews than ever before¹

We invest in trust leadership

We take [industry-leading measures](#) to maintain content integrity and quality

Cumulative Review Distribution

As of December 31, 2023

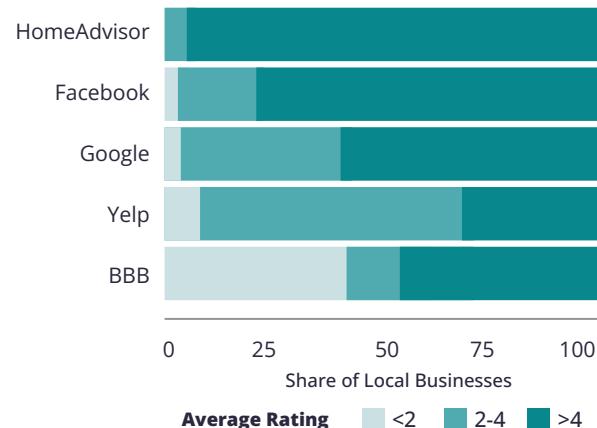


Strong Content Moderation: 74% of the reviews were recommended by our automated software and 18% were not recommended but still accessible on secondary pages. Reviews that are not recommended or that have been removed do not factor into a business's overall star rating.



Distribution of Average Business Ratings

Across Platforms²



Note All observations weighted using sampling weights.

Differentiated Reviews: Yelp's star ratings are more uniformly distributed between 1 and 5 stars than those of most competitors, which we believe results in a more useful and trustworthy consumer experience.

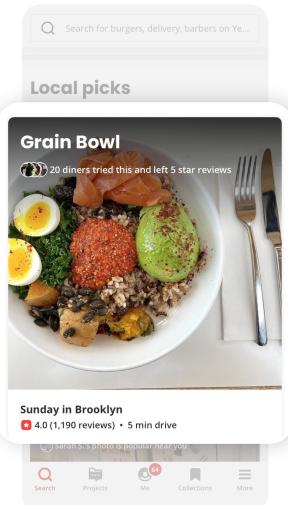
¹ Yelp users can remove their own reviews on the platform, either individually or by closing their accounts. ² Source: Raval, Devesh, Federal Trade Commission, "Do Gatekeepers Develop Worse Products? Evidence from Online Review Platforms," February 2023, available at <https://deveshraval.github.io/reviews.pdf>.

Trust drives connections

High-quality, trusted content gives consumers confidence to connect with local businesses

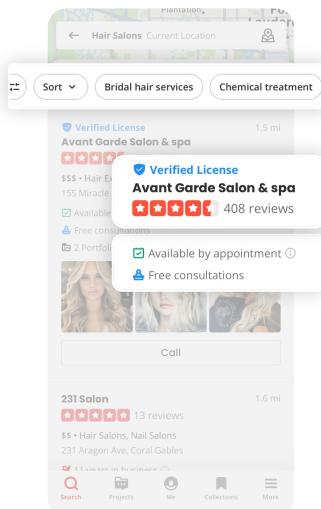
Discover

Inspiring consumers with rich, personalized local content



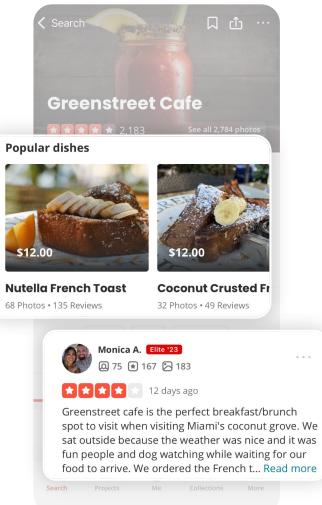
Search

Matching consumers with the right businesses for their needs



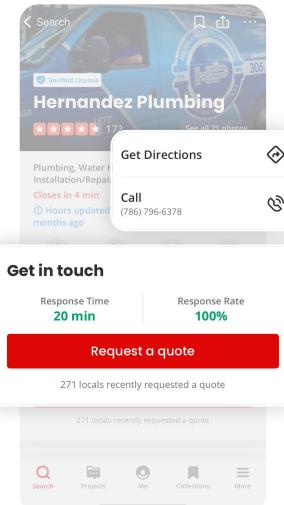
Evaluate

Providing consumers with trusted content to make informed decisions



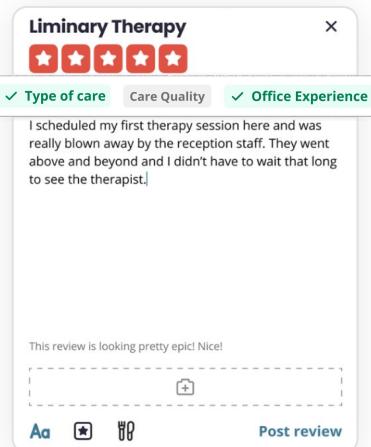
Connect

Enabling consumers to easily connect with local businesses



New features leverage high-quality content

Review topics reduce friction, making writing helpful reviews even easier



Review highlights leverage LLMs to showcase the most relevant information

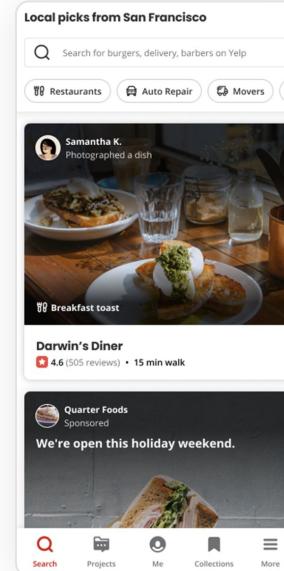
Review highlights

The coffee is seriously good - had a caramel macchiato that hit the spot. The staff is friendly and knows their beans without being too fancy about it.
48 reviews containing "coffee"

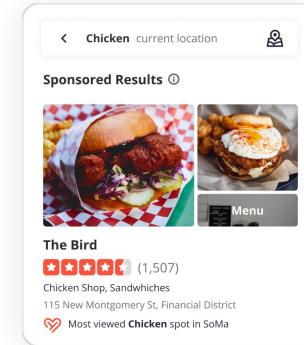
I'll definitely be returning for more of their excellent coffee and warm hospitality. Highly recommended!
48 reviews containing "coffee"

5 more highlights →

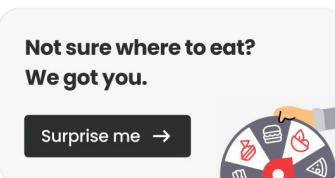
Neural network-powered ranking model for the **home feed**



AI-powered **search suggestions**



"Surprise me" button





Advanced Local Ad Platform

Large and growing market

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

Digital Media '23-'27E CAGR: 6%



Digital Media

Traditional Media

Source: BIA Advisory Services,
2023 U.S. Local Advertising Forecast

Note: Excludes political spending

2023 U.S. Local Digital Advertising Spend by Category
(\$ in billions)

\$41

\$36

RR&O

Services

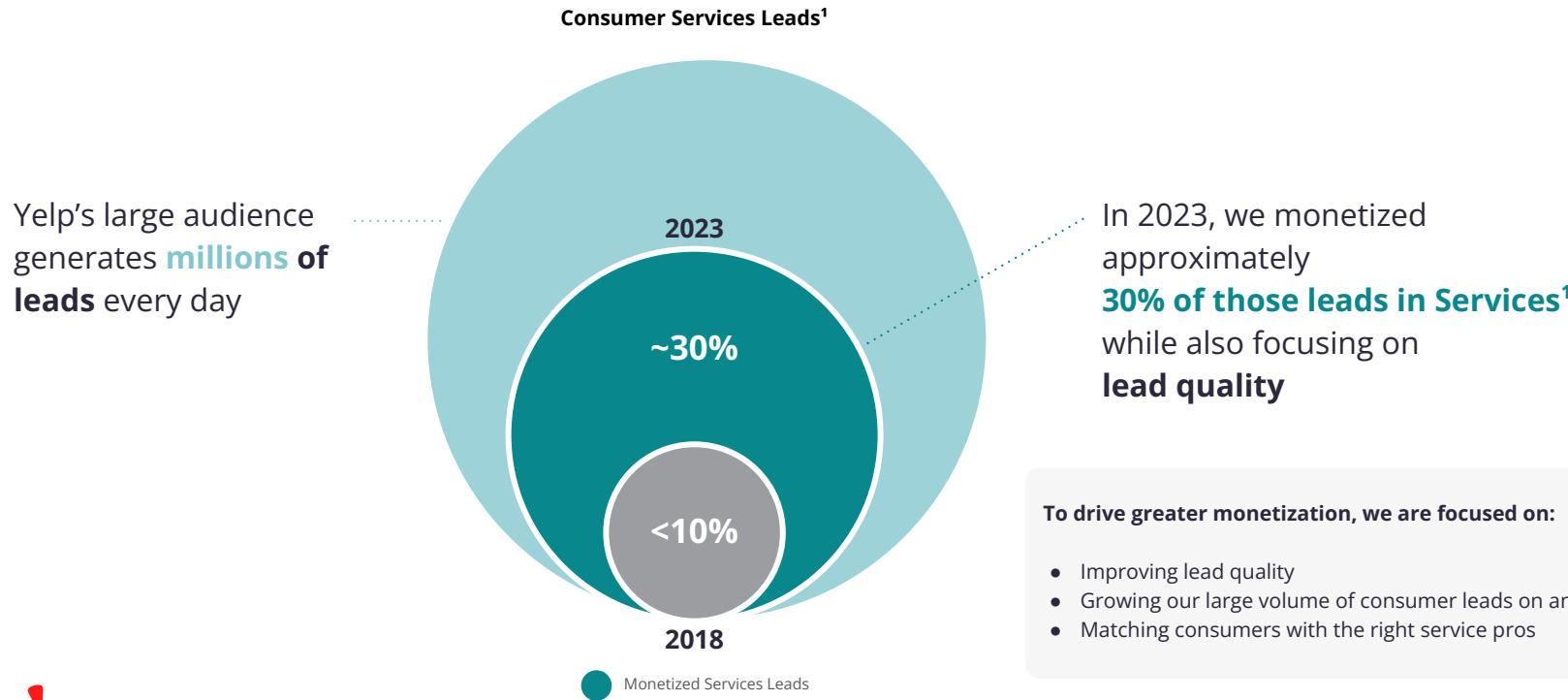
Multi-location Digital
SMB Digital

Source: BIA Advisory Services, 2023 U.S. Local
Advertising Forecast; Yelp internal data

Note: Excludes political spending

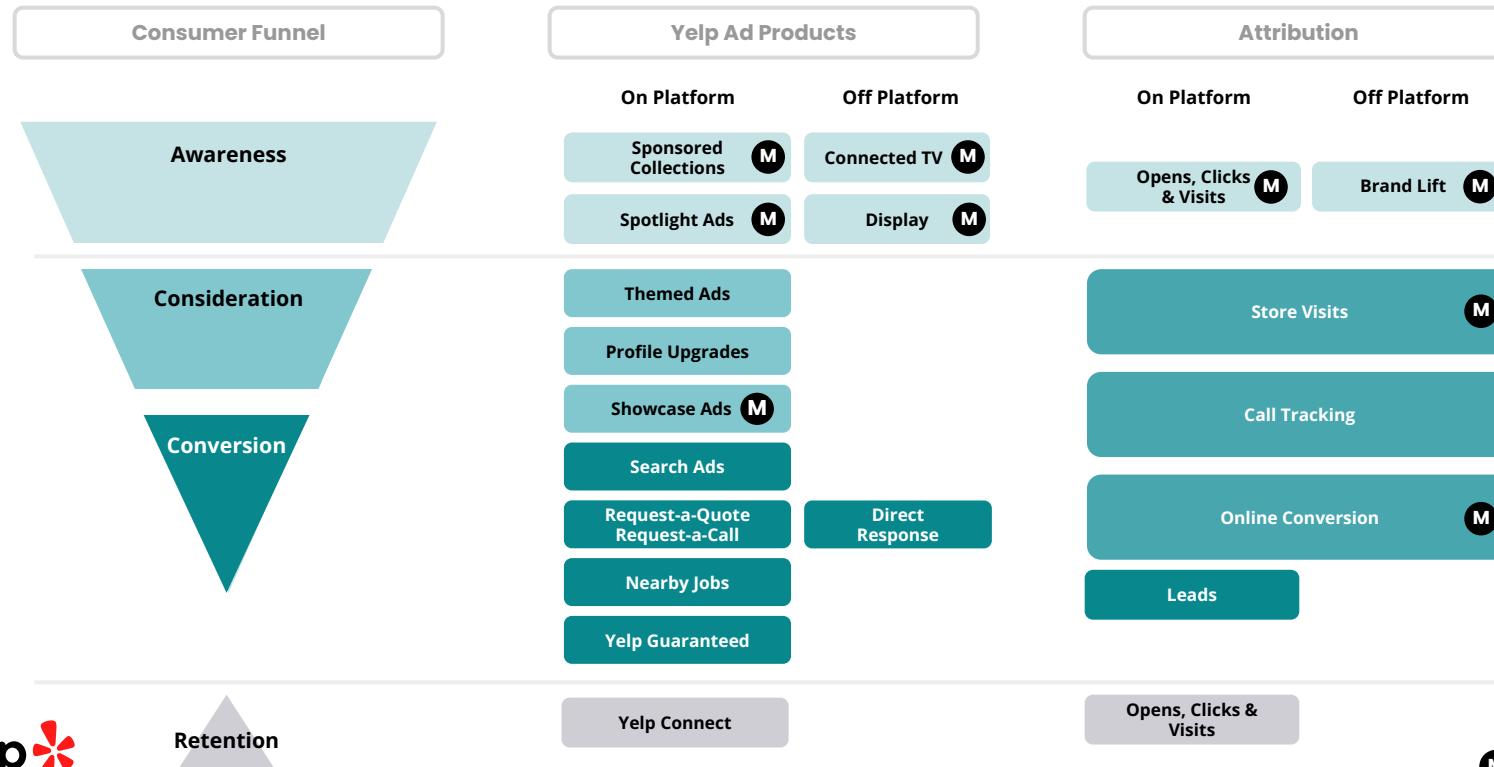
Significant monetization opportunity

Our strategy is designed to increase lead monetization and quality in Services categories



Owned & operated local ad platform

Ad products leverage first-party data across categories and all stages of the consumer funnel



Cutting-edge search and advertising technology



Experimentation driven

Hundreds of product experiments running simultaneously, with thousands of experiences tested per year



Sophisticated ML & deep learning power advanced functionality

- Yelp's unsurpassed consumer review data yields personalized search and recommendations
- Enhancing our search capabilities with Large Language Models to better understand user queries and provide relevant insights
- Our state-of-the-art search platform outperforms the industry-standard solution by 30-50% while costing as much as 40% less to run,¹ allowing better ad targeting and search matching
- To conduct an average of 19M auctions per day, we predict demand for 16M ad categories and time intervals to set bid pricing and pacing, then optimize bids 96x per day per advertiser with the goal of delivering more value
- Protecting our users from hate speech using sophisticated Large Language Models
- Proprietary service orchestration framework allows dynamic and scalable AWS utilization with class-leading cost efficiency



High velocity

Sustained focus on median lead time per developer



Sustainable Growth

Portfolio of initiatives designed to drive sustainable growth



Provide the most trusted local search and discovery platform



Deliver the best home services experience for consumers and service pros



Optimize advertiser value through our advanced technology



Drive profitable growth through our most efficient channels

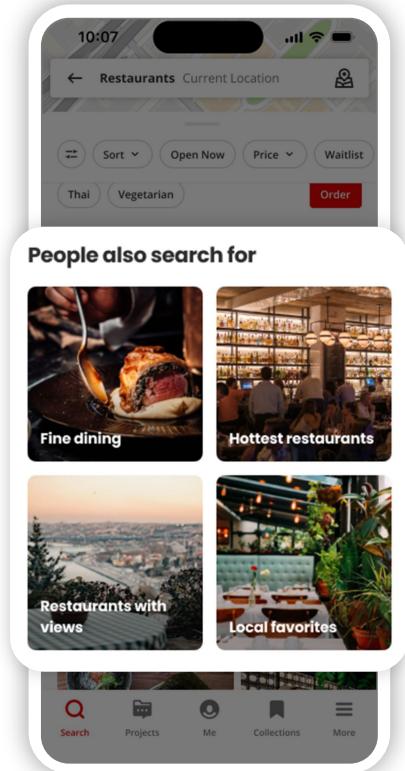
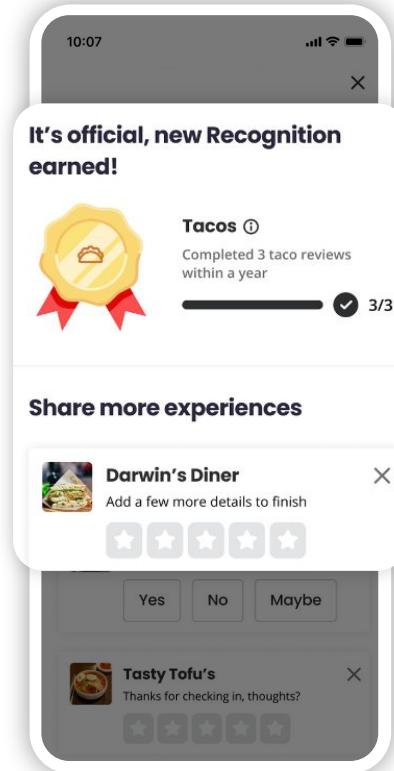


Provide the most trusted local search & discovery platform

Give consumers confidence to make decisions for their local services and restaurant needs

- Build upon Yelp's industry-leading measures to maintain the integrity and quality of content on Yelp
- Create an even more visual & engaging user experience
- Leverage AI to provide a more tailored search experience
- Convert more users into contributors across local categories

Sustainable Growth

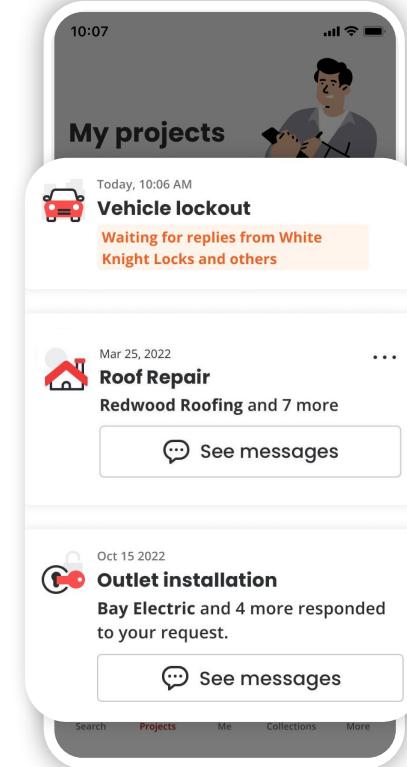
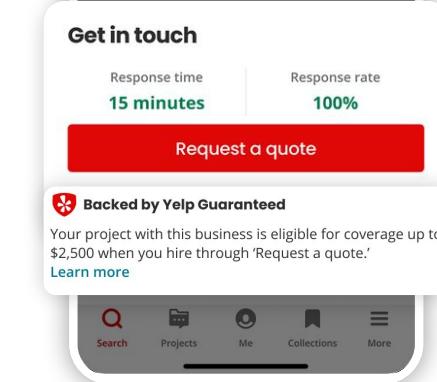
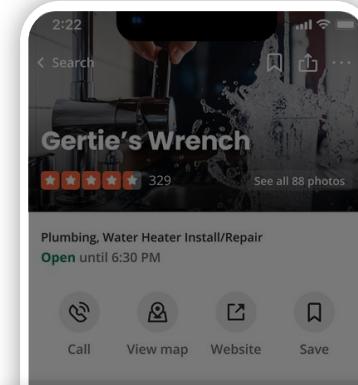




Deliver the best home services experience for consumers and service pros

Become the first choice destination for consumers and service pros to connect

- Help consumers and pros seamlessly coordinate throughout the hiring journey
- Create more personalized request flows and business summaries
- Improve lead quality and promote high-value connections
- Diversify user growth through off Yelp opportunities, including search engine marketing



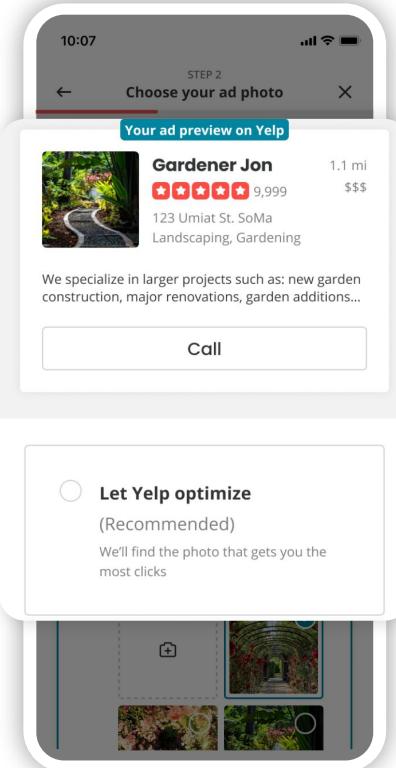


Optimize advertiser value through our advanced technology

Increase client satisfaction and retention by delivering more value to our advertisers

- Deliver new ad formats and offerings
- Leverage neural networks to optimize ad relevance & matching
- Enhance real-time bidding and click prediction

Sustainable Growth



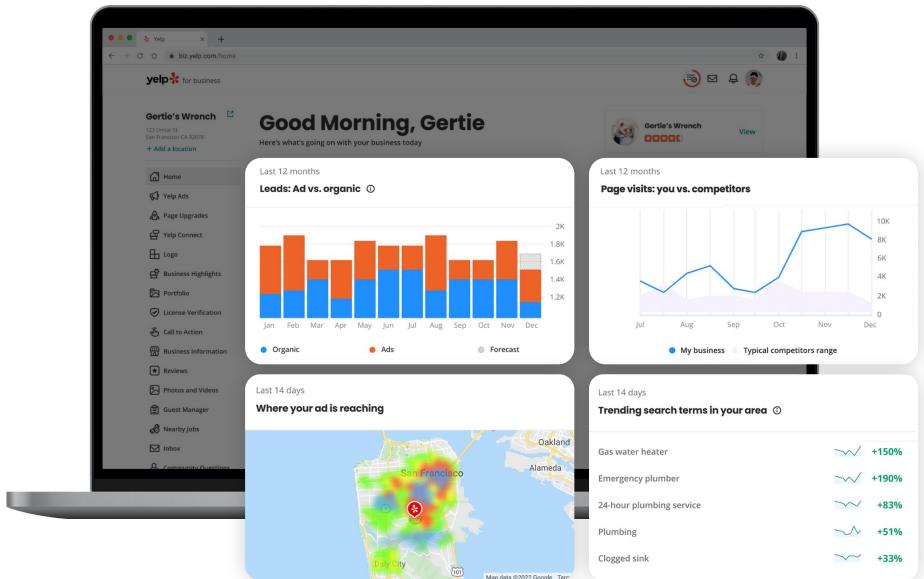
yelp



Drive profitable growth through our most efficient channels

Acquire and retain high-potential SMB and multi-location customers

- Streamlined flow for Self-serve onboarding and support
- AI-driven insights to drive business owner engagement
- Drive adoption of Multi-location product portfolio





Profitable Business Model

Strong foundation for the future

Product-led business model with diverse category reach and efficient go-to-market function

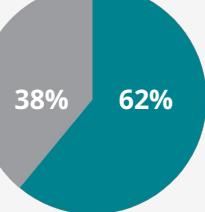
**Broad portfolio
of ad products**

AD PRODUCTS

~30

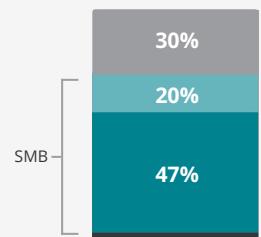
Diverse category reach

AD REVENUE BY
CATEGORY



**Efficient go-to-market
function**

AD REVENUE BY
CHANNEL



**Monetization
Opportunity**

SERVICES LEADS

~30%

**Profitable
business model**

NET INCOME

\$99M

ADJUSTED EBITDA
MARGIN¹

25%

RR&O SERVICES

LOCAL SELF-SERVE MULTI-LOC

MONETIZED

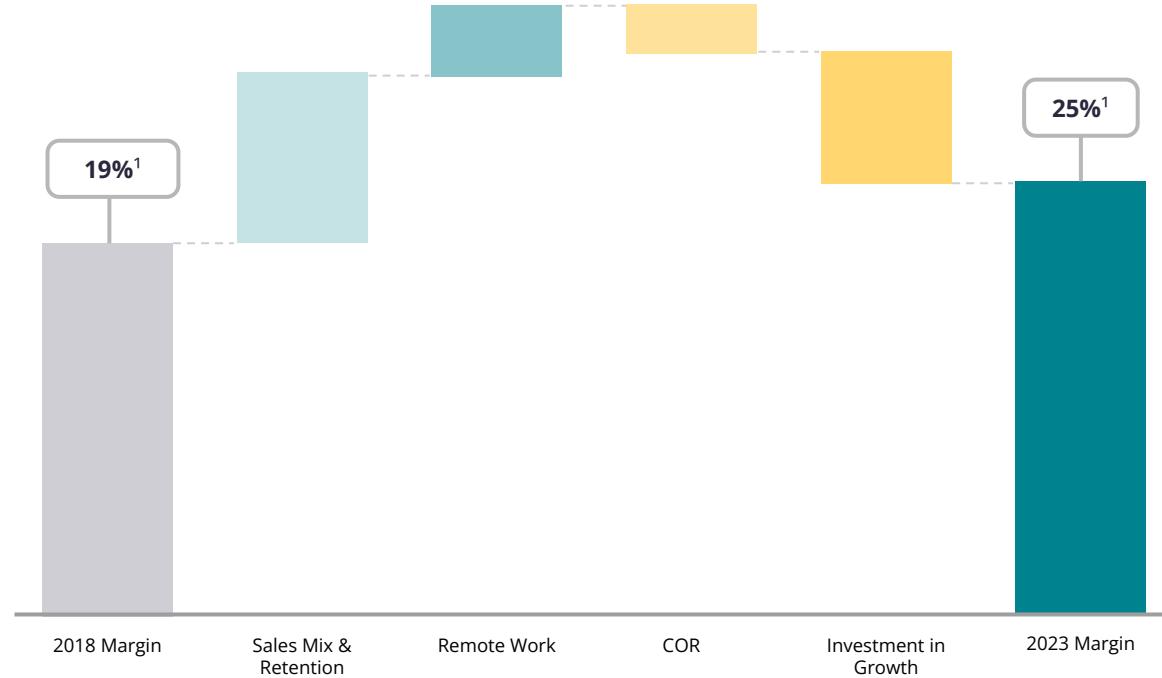
PARTNER

Note: All metrics for FY23. ¹ See Appendix for how we define Adjusted EBITDA margin and a reconciliation of Net income margin to Adjusted EBITDA margin for FY 2023 and for information about the limitations of adjusted EBITDA as an analytical tool. Net income margin for FY 2023 was 7%.

Strategic initiatives drove Adjusted EBITDA margin expansion

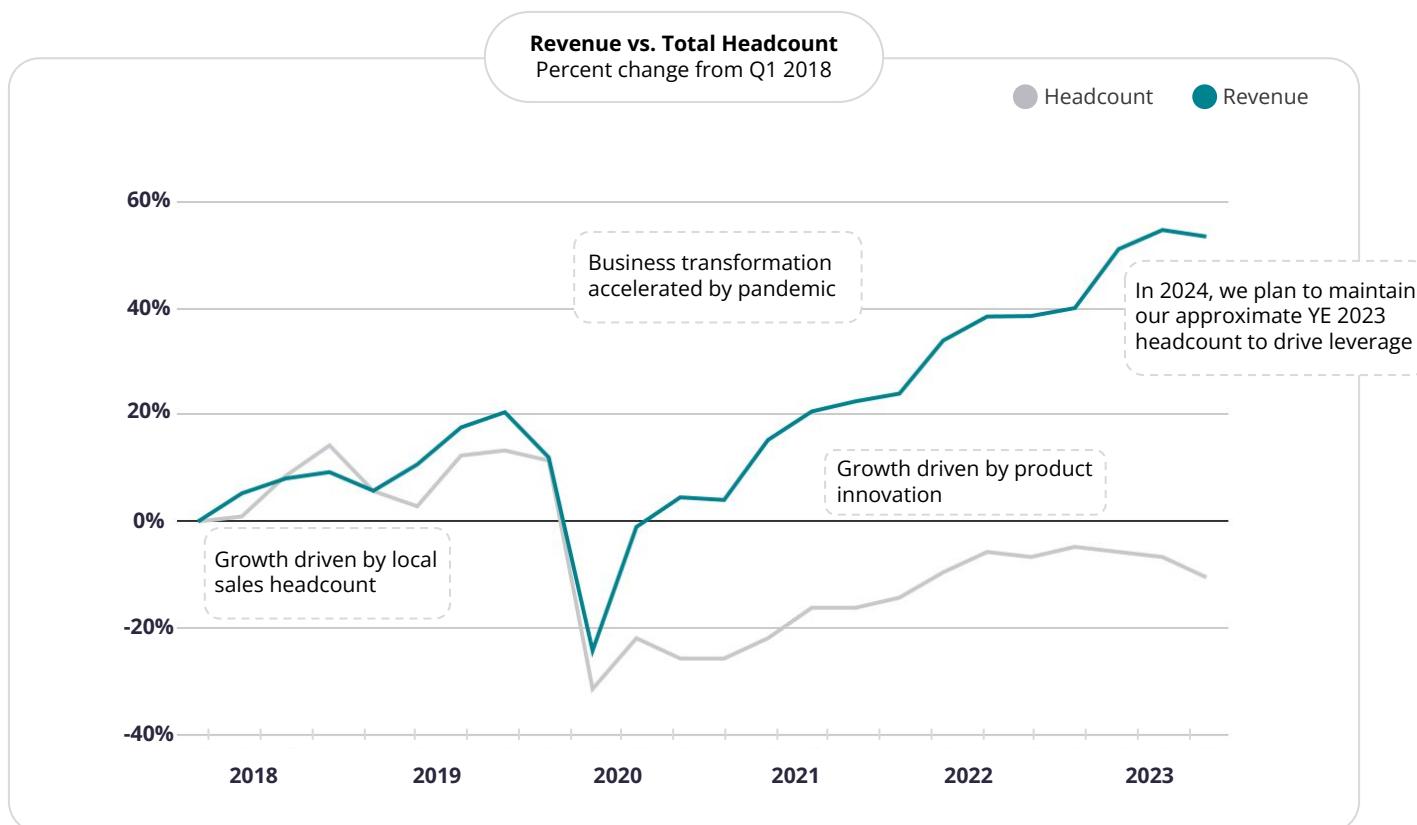
Key drivers of Adjusted EBITDA margin:

- Improved retention and growth in accretive channels:
Multi-location & Self-serve
- Savings on office space and reduced reliance on the Bay Area for talent
- Infrastructure investments and growth in off-platform advertising
- Investments in Product Development and B2B marketing



¹ See Appendix for how we define Adjusted EBITDA margin and a reconciliation of Net income (loss) margin to Adjusted EBITDA margin for the periods presented and for information about the limitations of Adjusted EBITDA as an analytical tool. Net income margin for FY 2018 was 6%. Net income margin for FY 2023 was 7%.

Growth driven through product innovation



Rationalized cost structure

Leverage in sales & marketing enables investment in product development to drive growth

	2013-2018	2019-2020	2021-2022	2023
Expenses as % of revenue¹	Growth driven by sales headcount	Business transformation accelerated by pandemic	Growth driven by product innovation	
Cost of revenue	6-9%	6-7%	8-9%	9%
Sales & marketing	51-57%	49-50%	43-44%	42%
Product development	16-23%	23-27%	26-27%	25%
G&A	13-18%	13-15%	13-14%	16%³
D&A	5%	5-6%	4-5%	3%
Adjusted EBITDA Margin²	13-19%	16-21%	23-24%	25%



Note: Percentage ranges reflect high and low values for each period, and do not necessarily correspond to the first and last year in date range. ¹Calculated in accordance with GAAP, including stock-based compensation expense. ²See Appendix for reconciliation of GAAP Net income (loss) margin to Adjusted EBITDA margin for the periods presented and for information about the limitations of adjusted EBITDA as an analytical tool. Net income (loss) margin ranged from (6%)-18% in 2013-2018, from (2%)-4% in 2019-2020, from 3%-4% in 2021-2022 and was 7% in 2023. ³Includes impairment charge of \$23.6m and one-time litigation settlement expense of \$11.0m; excluding the impairment charge and litigation settlement expense, G&A expense was 13% of \$1.34 billion of FY 2023 GAAP net revenue.



Prudent Capital Allocation

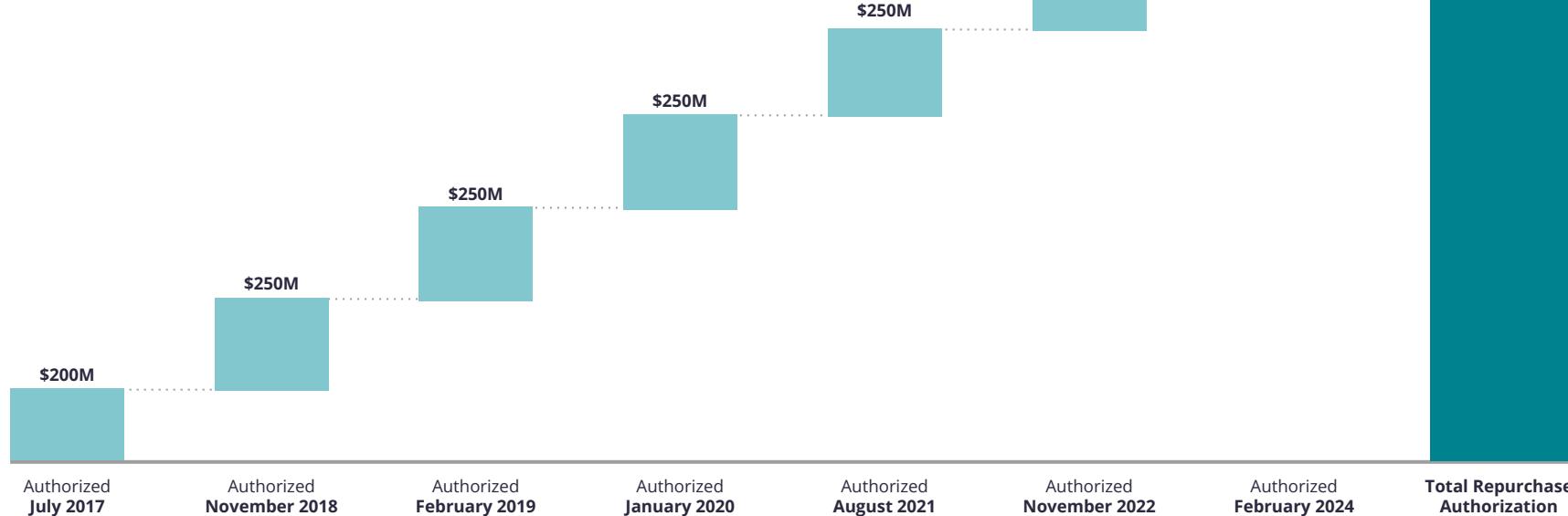
\$2.0B

Robust multi-year capital return program

Nearly \$1.4 billion worth of shares repurchased

● Completed as of December 31, 2023

● Remaining Authorization





Strong Governance

ESG Priorities and Impact

ESG strategy informed by stakeholder insight

Diversity, Inclusion and Belonging

Our culture of diversity, inclusion and belonging is what sets Yelp apart. Our consumers and business owners are diverse, and by having a diverse workforce, we create better products and experiences for them.

Content Trust and Safety

Providing consumers with reliable and useful information to help inform their spending decisions is critical to Yelp's mission, which is why we take industry-leading measures to maintain the integrity and quality of content on our platform.

Data Privacy and Security

Core to Yelp's mission is our ability to provide a platform that respects users' privacy choices and safeguards their data.

Employee Experience

Yelp puts the success and well-being of our employees at the heart of everything we do.

Providing Value to Businesses and Consumers

Our mission is to connect people with great local businesses.

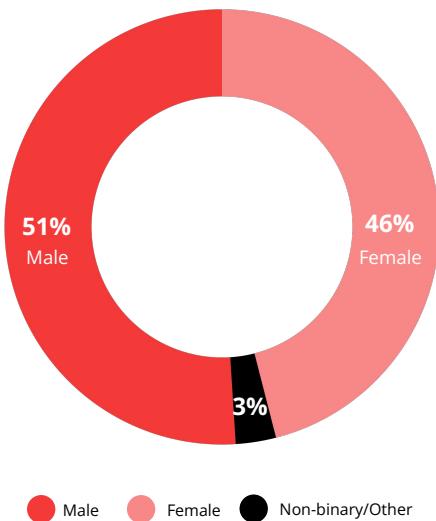
Carbon Footprint

Our goal of reaching net zero by 2031 reflects Yelp's deep commitment to doing what we can to protect our planet for future generations.

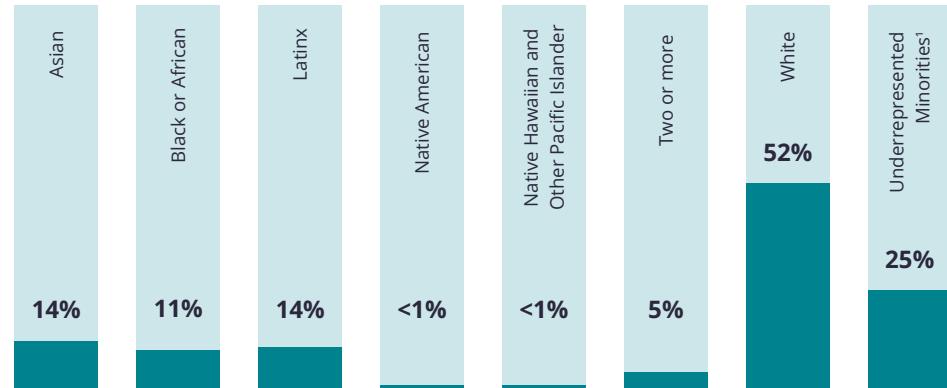
Focus on human capital management

We prioritize diversity, equity, inclusion and belonging

Gender Diversity



Racial and Ethnic Diversity

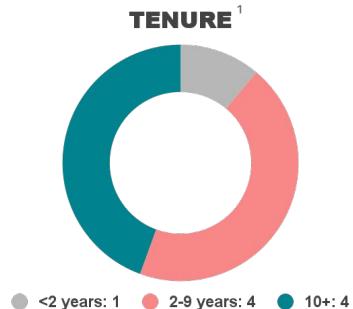
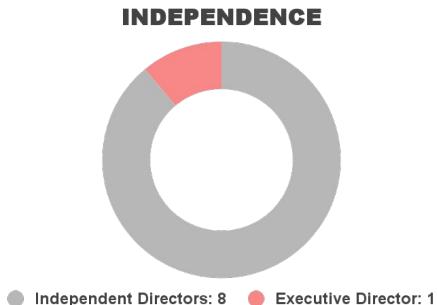
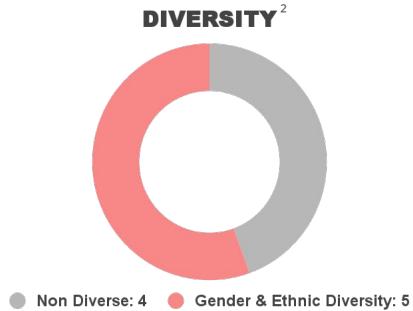
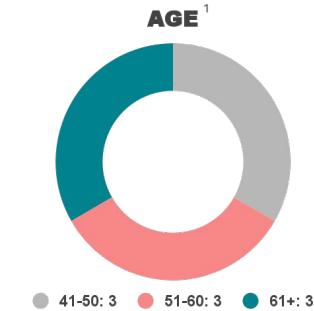


All data as of December 31, 2023. Gender diversity data based on self-reported information sourced globally from our employees. Racial and ethnic diversity data based on self-reported information sourced from our U.S. employees.

¹Underrepresented minorities are defined by Yelp as Black, Latinx, Native American and Native Hawaiian/Other Pacific Islander. Please see our ESG Report for more information.

World-class board

Diverse, independent and highly qualified board

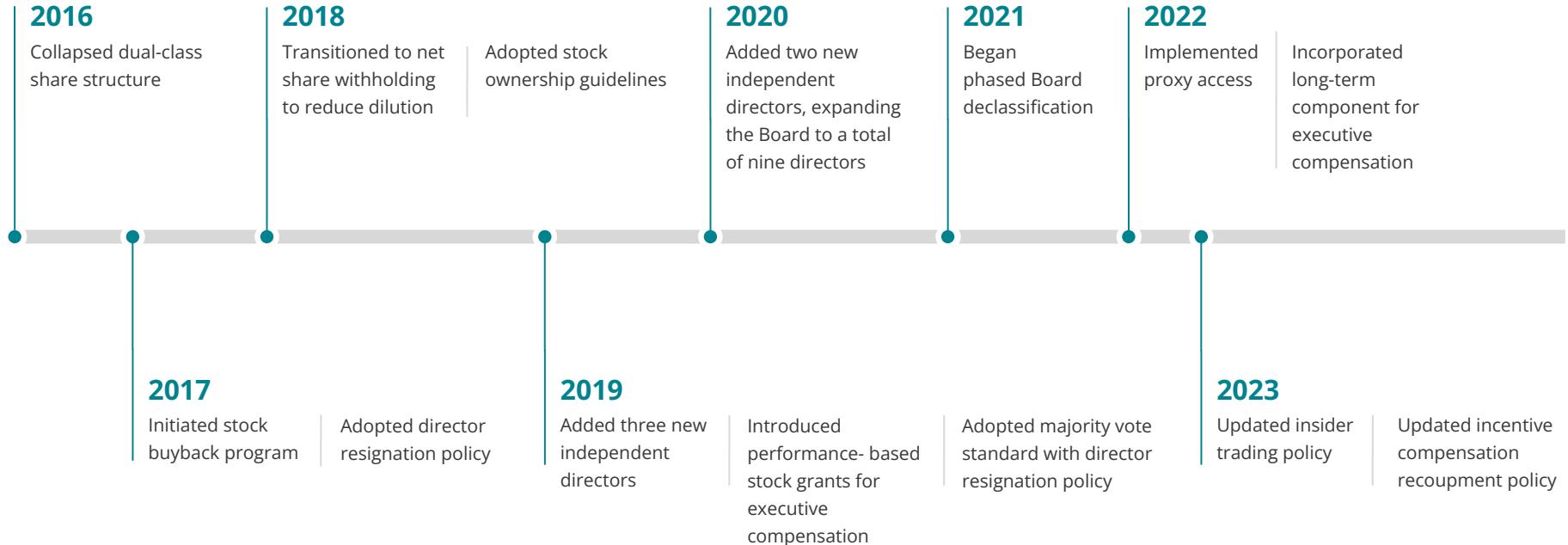


9 experienced directors with diverse skill sets:

- 3** new directors appointed in the last four years
- 8** are independent, including our Chair
- 9** have been senior executives of major public companies
- 6** have specific expertise in Yelp key categories³
- 5** have technology experience

Track record of enhancing governance

Focused on driving shareholder value

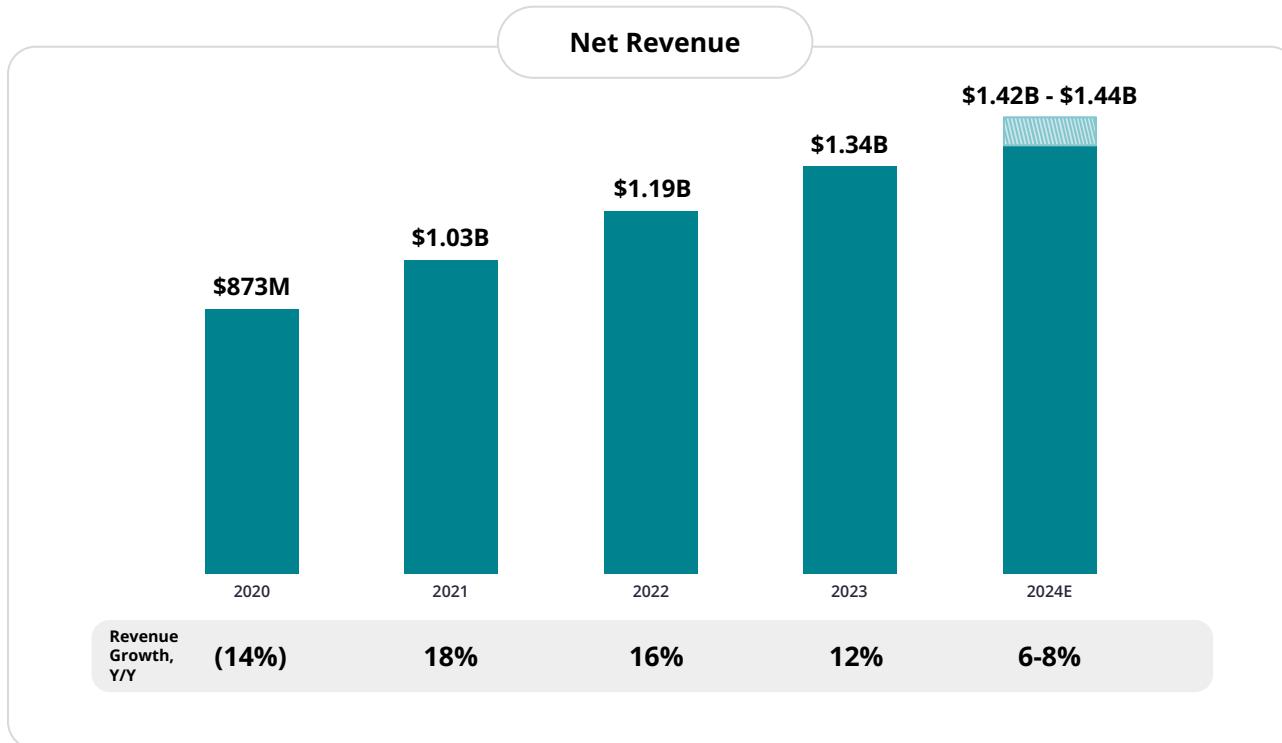




Key Financial & Operational Metrics

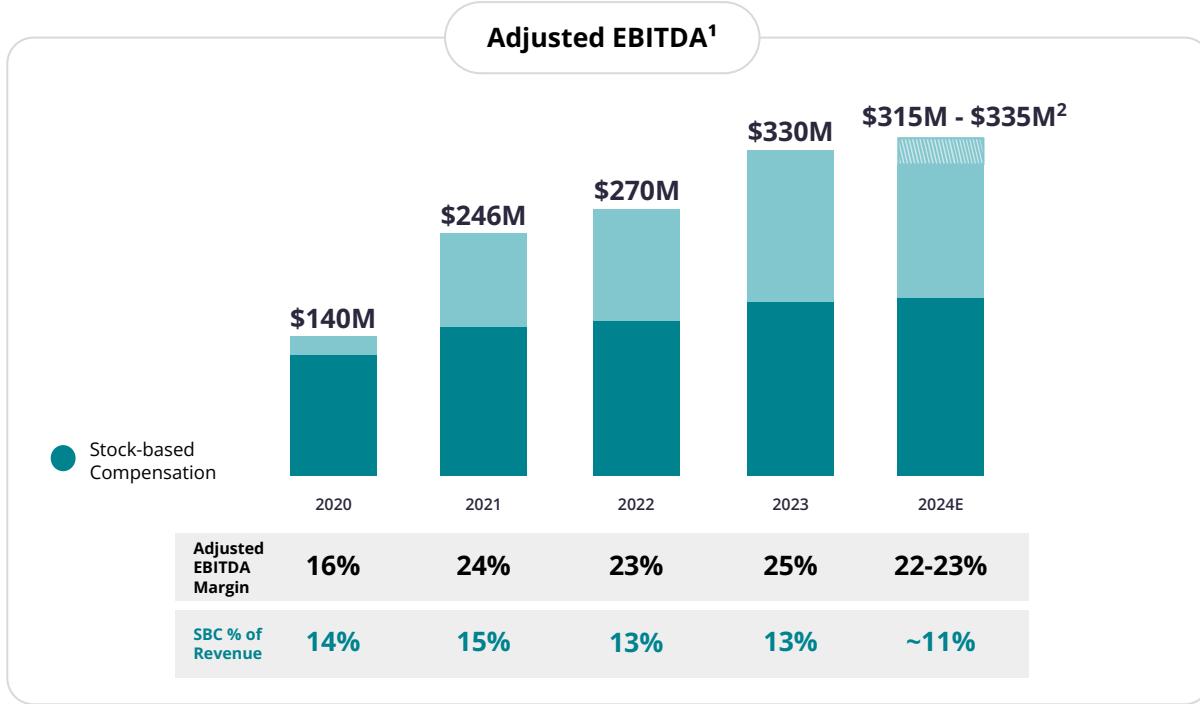
Strong top-line performance

Consistent growth following pandemic and business transformation



Increased adjusted EBITDA quality

Focus on growing adjusted EBITDA while reducing SBC as a percentage of revenue



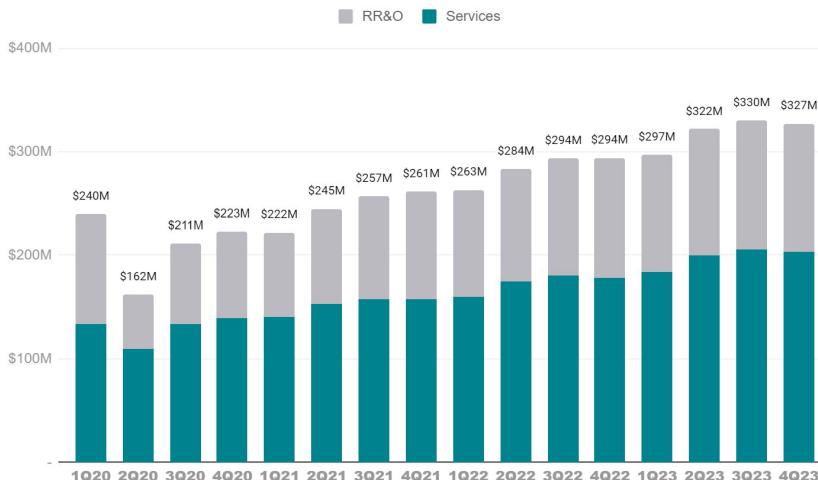
¹See Appendix for how we define Adjusted EBITDA and Adjusted EBITDA margin as well as a reconciliation of Net income (loss) to Adjusted EBITDA and Net income (loss) margin to Adjusted EBITDA margin. FY 2019 Net income margin was 4%. FY 2020 Net loss was (\$19m), net loss margin was (2%). FY 2021 Net income was \$40m, net income margin was 4%. FY 2022 Net income was \$36m, net margin was 3%, FY 2023 Net income was \$99m and net income margin was 7%.

²We have not reconciled our Adjusted EBITDA outlook to GAAP Net income (loss) because we do not provide an outlook for Net income (loss) due to the uncertainty and potential variability of Other income, net and Provision for (benefit from) income taxes, which are reconciling items between Adjusted EBITDA and Net income (loss). Because we cannot reasonably predict such items, a reconciliation of the non-GAAP financial measure outlook to the corresponding GAAP measure is not available without unreasonable effort. We caution, however, that such items could have a significant impact on the calculation of Net income (loss). For more information on Adjusted EBITDA and Adjusted EBITDA margin, see Appendix.

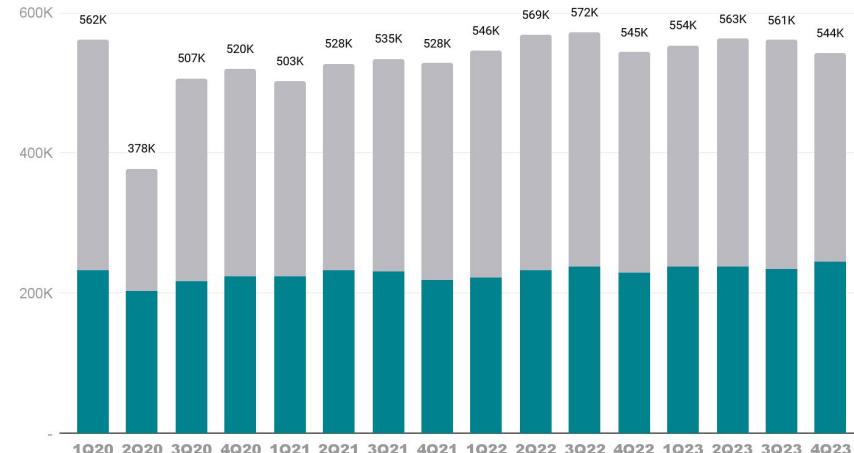
Category breadth drove record ad revenue

Diversified advertising base provides an element of stability against macro fluctuations

Advertising Revenue



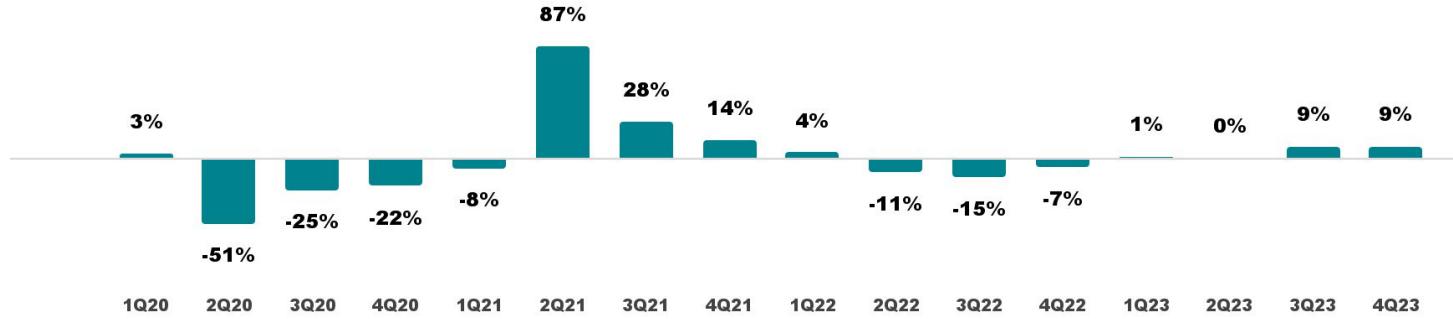
Paying Advertising Locations



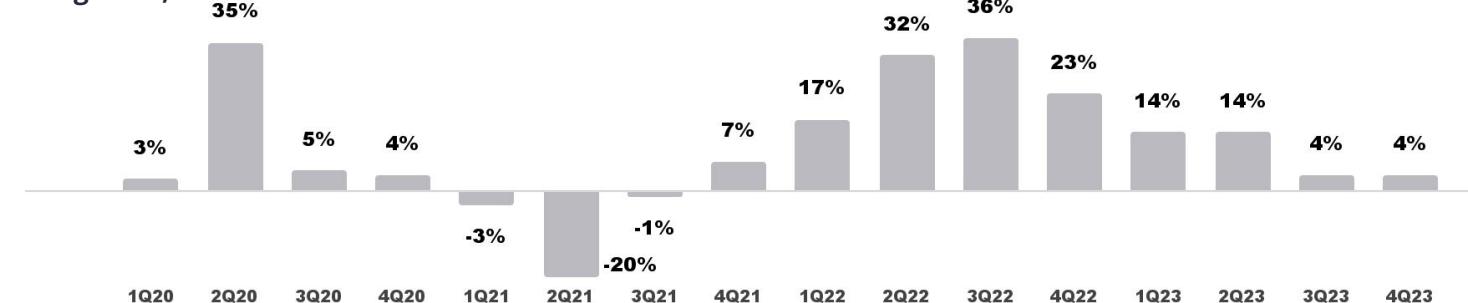
Delivering more value to advertisers

Focus on driving high-quality ad clicks at compelling prices

Ad Clicks, Y/Y



Average CPC, Y/Y





Appendix

Adjusted EBITDA reconciliation

(\$ in millions)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Income / (Loss)	(\$10.1) ¹	\$36.5 ¹	(\$32.9) ¹	(\$1.7) ¹	\$153.0	\$55.4	\$40.9	(\$19.4)	\$39.7	\$36.3	\$99.2
+ Tax & Other Income, Net	1.2	(25.5)	11.6	(0.4)	26.6	(29.5)	(5.4)	(19.4)	(8.2)	22.0	(20.1)
+ Depreciation & Amortization	11.5	17.6	29.6	35.3	41.2	42.8	49.4	50.6	55.7	44.9	42.2
+ Stock Based Compensation	26.1	42.3	60.8	86.3	100.4	114.4	121.5	124.6	151.7	156.1	173.5
- 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	0.0	0.0
+ Restructuring & Integration	0.7	0.0	0.0	3.5	0.3	0.0	0.0	3.9	0.0	0.0	0.0
+ Fees Related to Shareholder Activism	0.0	0.0	0.0	0.0	0.0	0.0	7.1	0.0	0.0	0.0	1.3
+ Litigation Settlement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0
+ Asset Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	10.5	23.6
+ Gain on Lease Termination, Net	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	(3.7)	<u>0.0</u>	<u>0.0</u>
Adjusted EBITDA	\$29.4	\$70.9	\$69.1	\$123.0	\$157.8	\$183.1	\$213.5	\$140.3	\$246.3	\$269.8	\$330.5
/ Net Revenue	\$233.0	\$377.5	\$549.7	\$716.1	\$850.8	\$942.8	\$1,014.2	\$872.9	\$1,031.8	\$1,193.5	\$1,337.1
Net Income / (Loss) Margin	(4.3%)	9.7%	(6.0%)	(0.2%)	18.0%	5.9%	4.0%	(2.2%)	3.8%	3.0%	7.4%
Adjusted EBITDA Margin	12.6%	18.8%	12.6%	17.2%	18.5%	19.4%	21.1%	16.1%	23.9%	22.6%	24.7%

We define Adjusted EBITDA as Net income (loss), 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. We define Adjusted EBITDA margin as Adjusted EBITDA divided by Net revenue. This presentation includes Adjusted EBITDA and Adjusted EBITDA margin, each of which is a "non-GAAP financial measure." Adjusted EBITDA is not prepared under any comprehensive set of accounting rules or principles, 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. In particular, Adjusted EBITDA should not be viewed as a substitute for, or superior to, GAAP Net income (loss) as a measure of profitability of liquidity. 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 and Adjusted EBITDA margin 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)."