



# TripAdvisor, Inc.

Q3 upside and raised 2023 revenue guidance. Company benefiting from strong travel industry growth. Raising P/T to \$30.

## COMPANY UPDATE

Rating: BUY

Ticker: TRIP

Price: \$21.32 (intraday)

Target: \$30.00 (from \$27)

**Q3 upside:** TripAdvisor recently (on November 6) reported its fiscal Q3 2023 (ending September) results. Revenue was \$533 million (+16% y-o-y), compared with our and consensus estimates of \$505 million. Pro forma EPS was \$0.52 compared with our estimates of \$0.43 and consensus of \$0.46. Q3 revenue guidance was \$505 million (+10%).

**Q3 growth:** Its Core Hotel revenue was \$290 million (+2% y-o-y), Viator was \$245 million (+41% y-o-y), and TheFork was \$42 million (+20% y-o-y). All have rebounded strongly from the pandemic and revenue are now at or exceeding strongly pre-pandemic levels for over the past year.

**With strong Viator and TheFork growth:** The company's Viator and TheFork business (was formally the Experiences & Dining (E&D) Segment) has continued to have strong growth and revenue rebounding from the pandemic, and they have both again well surpassed pre-pandemic levels and are growing strongly. The company expects both to be profitable in 2024 driving strong profitability for the overall company in 2024.

**Travel's strong growth:** Like all other travel services providers, TripAdvisor had material negative impact from the recent coronavirus pandemic. However, with pandemic impact waning over time since the initial outbreak in March 2020, TripAdvisor has returned to and even above normalized (pre-pandemic) business in 2022 and is now growing strongly in 2023. The company expects increased consumer confidence and pent up demand to drive a rebound in the travel industry over the next several years.

**Raised 2023 revenue guidance:** The company raised general qualitative guidance for 2023 revenue growth to high teens, from mid-teens. The company did not provide specific Q4 guidance.

**Raising estimates:** We are raising our 2023 estimates for revenue to \$1,770 million, from \$1,736 million, and for EPS to \$1.10 from \$0.97. We are raising our 2024 estimates for revenue to \$1,874 million, from \$1,839 million, and for EPS to \$1.41 from \$1.37.

**Positive risk versus reward:** We continue to be positive on TRIP longer term. We believe traveling and the travel industry has now returned back to normal and will continue to grow stronger and that TRIP as one of the world's largest travel website is in good position to capture a significant share of the economics within the travel industry.

**Long term positive:** We believe that execution of TRIP's long term plan, unlocking strategic value, a strong rebound/long term travel industry, and a positive long-term growth outlook bodes well for its share price to increase longer term. Although there are concerns about core TripAdvisor low revenue growth and company spending on investments tempering near term earnings, we believe the longer term growth outlook is positive.

**Valuation attractive:** Maintaining our BUY rating, but raising our 12-month price target to \$30 from \$27, which reflects a forward P/E of ~21x our 2024 EPS estimate of \$1.41. This P/E multiple is about inline with online travel companies to reflect our expectations for normalized earnings growth similar to its peers over the near term.

### Company Description

Based in Needham, MA, TripAdvisor is the world's largest online travel review company with information and opinions about destinations, accommodations, restaurants, and activities throughout the world.

United States  
Internet Software and Services

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### Stock Data

Exchange:	NasdaqGS
52-week Range:	\$14.15 – 27.30
Shares Outstanding (million):	143
Market cap (\$million):	\$3,047
EV (\$million):	\$2,730
Debt (\$million):	\$839
Cash (\$million):	\$1,156
Avg. Daily Trading Vol. (\$million):	\$60
Float (million shares):	108
Short Interest (million shares):	8
Dividend, annual (yield):	\$0 (NA%)

### Revenues (US\$ million)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	371A		393E	
Q2 Jun	494A		524E	
Q3 Sep	533A	505E	565E	535E
Q4 Dec	372E	366E	392E	387E
Total	1,770E	1,736E	1,874E	1,839E
EV/Revs	1.5x		1.5x	

### Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	0.05A		(0.03)E	(0.02)E
Q2 Jun	0.34A		0.43E	
Q3 Sep	0.52A	0.43E	0.67E	0.63E
Q4 Dec	0.20E	0.16E	0.34E	0.33E
Total	\$1.10E	\$0.97E	\$1.41E	\$1.37E
P/E	19x		15x	

### Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 7.

## **OVERVIEW**

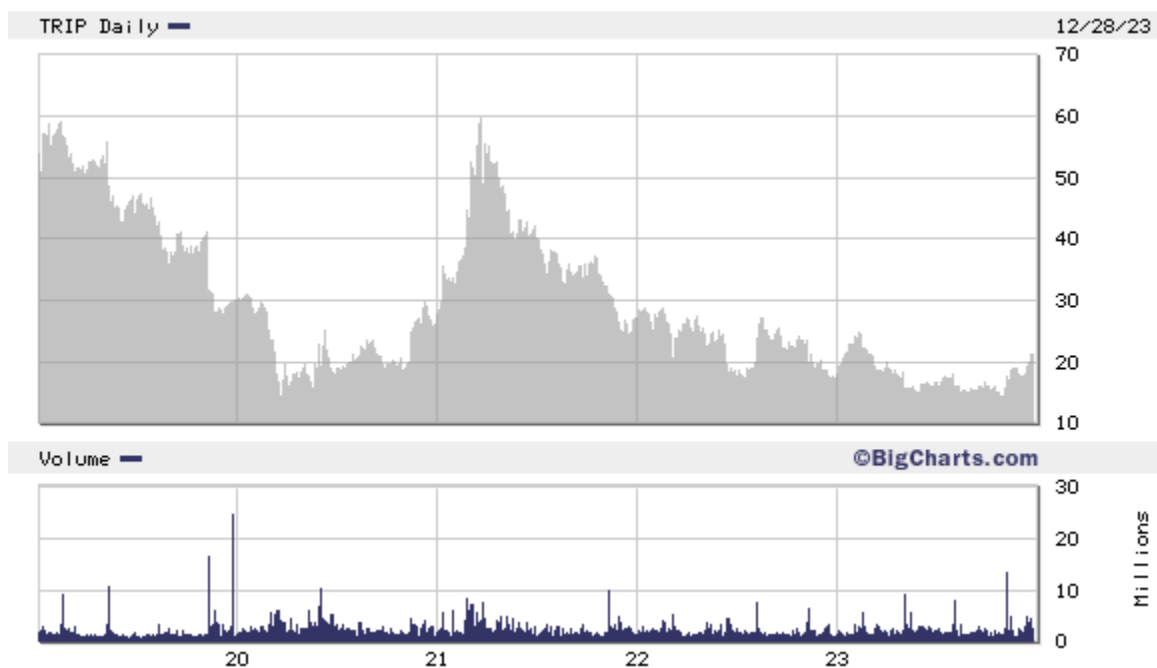
- TripAdvisor recently (on November 6) reported its fiscal Q3 2023 (ending September) results.
- Revenue was \$533 million (+16% y-o-y), compared with our and consensus estimates of \$505 million.
- Pro forma EPS was \$0.52 compared with our estimates of \$0.43 and consensus of \$0.46.
- EBITDA was \$127 million (vs. \$115 million y-o-y), compared with our estimate of \$113 million.
- Q3 revenue guidance was \$505 million (+10%).
- The company raised general qualitative guidance for 2023 revenue growth to high teens, from mid-teens.
- The company did not provide specific Q4 guidance.
- We are raising our 2023 estimates for revenue to \$1,770 million, from \$1,736 million, and for EPS to \$1.10 from \$0.97.
- We are raising our 2024 estimates for revenue to \$1,874 million, from \$1,839 million, and for EPS to \$1.41 from \$1.37.

## **ADDITIONAL DETAILS**

- Core Hotel revenue was \$290 million (+2% y-o-y), Viator was \$245 million (+41% y-o-y), and TheFork was \$42 million (+20% y-o-y).
- Core Hotel EBITDA was \$111 million (vs. \$112 million y-o-y), Viator was \$17 million (vs. \$12 million y-o-y), and TheFork was \$(1) million (vs. \$(9) million y-o-y).
- Gross profit for the quarter was \$490 million, compared with our estimate of \$465 million.
- Gross margin for the quarter was 92%, versus 93% last year and our expectation of 92%.
- Operating expenses were \$426 million, versus our expectation of \$412 million.
- Operating income was \$64 million, versus our expectation of \$52 million.
- Pro forma net income was \$74 million, versus our expectation of \$62 million.
- In November 2021, the company announced that its co-founder and long-time CEO, Stephen Kaufer, will step down from his CEO position of TripAdvisor in 2022.
- In May 2022, TripAdvisor announced Matt Goldberg as its new CEO. Mr. Goldberg has leadership and experience in strategy and operations for more than 20 years across a number of leading media, advertising, and consumer-facing companies.
- In October 2022, the company announced that Ernst Teunissen will retire as Chief Financial Officer to pursue other interests and that Mike Noonan will join the company as its new CFO.
- In February 2022, the company announced that it will evaluate strategic value opportunities related to Viator and TheFork (the bulk of its Experiences & Dining (E&D) Segment) including opportunities with industry participants as well as independent opportunities, including a potential sub-IPO, which would involve selling a minority stake of the Viator business to the public market.
- TripAdvisor has submitted a confidential draft S-1 registration statement with the U.S. Securities and Exchange Commission related to its proposed initial public offering of Viator. In parallel, the company is also assessing options to drive value recognition at TheFork though this is at an earlier stage than Viator.

The company's balance sheet remains solid with \$1,156 million in cash and \$839 million in debt (~\$2 in net cash per share), compared with \$1,174 million in cash and \$838 million in debt in June.

### Exhibit 1: TripAdvisor Stock Price (5-years)



Source: <https://bigcharts.marketwatch.com/>

### Exhibit 2: Consensus Expectations (as of November 6, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$371A		Q1 Mar	\$0.05A	
Q2 Jun	\$494A		Q2 Jun	\$0.34A	
Q3 Sep	\$505E		Q3 Sep	\$0.46E	
Q4 Dec	\$375E		Q4 Dec	\$0.21E	
Total	\$1,742E	\$1,911E	Total	\$1.05E	\$1.37E

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### TripAdvisor, Inc.

Income Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	123	235	303	241	902	262	417	459	354	1,492	371	494	533	372	1,770	393	524	565	392	1,874
Cost of Revenues	12	19	23	20	74	22	31	32	30	115	29	41	43	30	143	31	42	45	31	150
Gross Profit	111	216	280	221	828	240	386	427	324	1,377	342	453	490	342	1,627	362	482	520	361	1,724
Operating expenses:																				
Sales and marketing	73	123	148	126	470	141	217	234	194	786	219	270	272	190	951	167	225	243	169	804
Technology and content	55	54	52	51	212	54	53	55	60	222	68	71	66	63	268	114	105	73	75	367
General and administrative	38	46	37	46	167	40	28	45	58	171	48	47	49	45	189	79	63	68	47	256
Depreciation	29	28	27	26	110	25	25	23	25	98	21	21	21	28	91	28	28	28	28	112
Amortization of intangible					0					0				8	8	8	8	8	8	32
Related-party shared services fee					0					0				0	0					0
Restructuring and other					0					0			18	0	18	0	0	0	0	0
<b>Total operating expenses</b>	195	251	264	249	959	260	323	357	337	1,277	356	409	426	333	1,524	396	429	420	326	1,571
<b>Operating income (loss)</b>	(84)	(35)	16	(28)	(131)	(20)	63	70	(13)	100	(14)	44	64	9	103	(34)	53	100	35	153
Interest income (expense)	(11)	(11)	(12)	(11)	(45)	(13)	(10)	(7)	(2)	(32)	0	1	2	(2)	1	(0)	(1)	(0)	0	(1)
Other and minority interest	(1)		(1)	(8)	(10)			(1)	(1)	(2)	(1)	(1)	(2)		(4)					0
Income before income taxes	(96)	(46)	3	(47)	(186)	(33)	53	62	(16)	66	(15)	44	64	7	100	(34)	52	99	35	152
Income taxes	(16)	(6)	2	(18)	(38)	1	22	37	(13)	47	58	20	37	2	117	(9)	13	25	9	38
Net income (loss)	(80)	(40)	1	(29)	(148)	(34)	31	25	(3)	19	(73)	24	27	5	(17)	(26)	39	74	26	114
Nonrecurring/noncash adjustments	27	30	22	28	107	21	23	16	27	87	80	25	47	24	176	22	22	22	22	88
<b>Net income</b>	(53)	(10)	23	(1)	(41)	(13)	54	41	24	106	7	49	74	29	159	(4)	61	96	48	202
EBITDA	(26)	25	72	29	100	27	109	115	43	294	33	90	127	70	320	27	114	161	96	397
Shares, Basic	136	137	138	138	137	139	140	140	141	140	141	140	138	138	139	138	138	138	139	138
Shares, Diluted	136	137	144	138	137	139	145	146	146	146	147	145	143	143	145	143	143	143	144	143
EPS Basic (Pro forma)	(0.39)	(0.07)	0.17	(0.01)	(0.30)	(0.09)	0.39	0.29	0.17	0.76	0.05	0.35	0.54	0.21	1.14	(0.03)	0.44	0.70	0.35	1.46
EPS Diluted (Pro forma)	(0.39)	(0.07)	0.16	(0.01)	(0.30)	(0.09)	0.37	0.28	0.16	0.73	0.05	0.34	0.52	0.20	1.10	(0.03)	0.43	0.67	0.34	1.41
<b>Income Statement Ratios</b>																				
Gross margin	90%	92%	92%	92%	92%	92%	93%	93%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
Sales and marketing	59%	52%	49%	52%	52%	54%	52%	51%	55%	53%	59%	55%	51%	51%	54%	43%	43%	43%	43%	43%
Technology and content	45%	23%	17%	21%	24%	21%	13%	12%	17%	15%	18%	14%	12%	17%	15%	29%	20%	13%	19%	20%
General and administrative	31%	20%	12%	19%	19%	15%	7%	10%	16%	11%	13%	10%	9%	12%	11%	20%	12%	12%	12%	14%
Operating margin	-68%	-15%	5%	-12%	-15%	-8%	15%	15%	-4%	7%	-4%	9%	12%	2%	6%	-9%	10%	18%	9%	8%
Tax rate, GAAP	17%	13%	67%	38%	20%	-3%	42%	60%	81%	71%	-387%	45%	58%	25%	117%	25%	25%	25%	25%	25%
Net margin	-65%	-17%	0%	-12%	-16%	-13%	7%	5%	-1%	1%	-20%	5%	5%	1%	-1%	-7%	7%	13%	7%	6%
<b>Y/Y % change</b>																				
Total Revenue	-56%	298%	101%	108%	49%	113%	77%	51%	47%	65%	42%	18%	16%	5%	19%	6%	6%	6%	5%	6%
Gross margin	-57%	341%	103%	115%	51%	116%	79%	53%	47%	66%	43%	17%	15%	6%	18%	6%	6%	6%	5%	6%
Sales and marketing	-43%	128%	111%	91%	47%	93%	76%	58%	54%	67%	55%	24%	16%	-2%	21%	-24%	-17%	-11%	-11%	-15%
Technology and content	-25%	6%	13%	-7%	-6%	-2%	-2%	6%	18%	5%	26%	34%	20%	5%	21%	68%	48%	11%	18%	37%
General and administrative	-27%	7%	6%	5%	-4%	5%	-39%	22%	26%	2%	20%	68%	9%	-23%	10%	64%	34%	38%	5%	36%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	338%	NM	NM	NM	-30%	-9%	NM	3%	NM	20%	56%	302%	49%
Net income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-23%	8%	NM	NM	NM	63%	176%	436%	NM
EPS Diluted (Pro forma)	NM	NM	NM	NM	NM	NM	NM	76%	NM	NM	NM	-9%	84%	23%	51%	NM	26%	30%	66%	28%

Source: Company reports and Ascendant Capital Markets estimates.

**TripAdvisor, Inc.**

Balance Sheet (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	674	775	682	723	781	1,045	1,066	1,021	1,132	1,141	1,124	1,236	1,092	1,204	1,334	1,418
Restricted cash												0	0	0	0	0
Short term investments																
Accounts receivable, net	97	159	198	142	180	246	205	205	210	240	234	124	210	233	232	131
Prepaid expenses and other current assets	24	25	28	26	33	34	38	44	49	46	43	15	16	21	23	16
Deferred income taxes	50	47	52	49	49	12			48	51		0	11	11	11	11
<b>Total current assets</b>	<b>845</b>	<b>1,006</b>	<b>960</b>	<b>940</b>	<b>1,043</b>	<b>1,337</b>	<b>1,309</b>	<b>1,270</b>	<b>1,439</b>	<b>1,478</b>	<b>1,401</b>	<b>1,374</b>	<b>1,329</b>	<b>1,469</b>	<b>1,600</b>	<b>1,576</b>
Property and equipment, net	229	225	220	215	209	201	195	194	194	194	193	190	187	184	181	178
Long term investments and other	143	142	174	184	126	35	34	34	33	33	32	32	32	32	32	32
Goodwill and intangibles, net	932	929	915	908	901	878	858	873	874	871	862	854	846	838	830	822
Other	83	85	43	42	93	161	169	198	144	158	148	148	3	3	3	3
<b>Total assets</b>	<b>2,232</b>	<b>2,387</b>	<b>2,312</b>	<b>2,289</b>	<b>2,372</b>	<b>2,612</b>	<b>2,565</b>	<b>2,569</b>	<b>2,684</b>	<b>2,734</b>	<b>2,636</b>	<b>2,598</b>	<b>2,397</b>	<b>2,526</b>	<b>2,646</b>	<b>2,611</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	13	15	22	27	12	50	67	39	34	47	70	26	28	37	40	27
Deferred merchant payable	71	173	123	113	197	323	240	203	311	435	329	329	329	329	329	329
Payable to Expedia												2	2	2	2	2
Deferred revenue	38	49	39	36	59	70	51	44	81	87	64	64	64	64	64	64
Tax payable									126	26	26	70	70	70	70	70
Accrued expenses and other	155	207	179	181	199	213	215	247	211	259	230	160	170	226	244	169
Short-term debt												0	0	0	0	0
<b>Total current liabilities</b>	<b>277</b>	<b>444</b>	<b>363</b>	<b>357</b>	<b>467</b>	<b>656</b>	<b>573</b>	<b>533</b>	<b>763</b>	<b>854</b>	<b>719</b>	<b>651</b>	<b>662</b>	<b>728</b>	<b>748</b>	<b>662</b>
Long-term debt	831	832	832	833	834	835	836	836	837	838	839	839	839	839	839	839
Deferred tax	2	2	2	1	1	1	1	1	1	1	1	0	25	25	25	25
Other long-term liabilities	337	330	321	309	303	324	343	338	275	260	255	255	18	18	18	18
Minority interest																
<b>Total other liabilities</b>	<b>1,170</b>	<b>1,164</b>	<b>1,155</b>	<b>1,143</b>	<b>1,138</b>	<b>1,160</b>	<b>1,179</b>	<b>1,175</b>	<b>1,113</b>	<b>1,099</b>	<b>1,094</b>	<b>1,094</b>	<b>882</b>	<b>882</b>	<b>882</b>	<b>882</b>
Common stock, class A												0	0	0	0	0
Common stock, class B												0	0	0	0	0
Additional paid-in capital	1,244	1,275	1,297	1,326	1,342	1,364	1,380	1,404	1,420	1,445	1,470	1,495	1,520	1,545	1,570	1,595
Treasury stock	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(797)	(797)	(797)	(797)	(797)	(797)	(797)
Retained earnings (deficit)	309	269	270	241	207	238	263	261	188	212	239	244	218	257	332	358
Unearned compensation												0	0	0	0	0
Accumulated other comprehensive income (loss)	(46)	(43)	(51)	(56)	(60)	(84)	(108)	(82)	(78)	(79)	(89)	(89)	(89)	(89)	(89)	(89)
<b>Total stockholders' equity</b>	<b>785</b>	<b>779</b>	<b>794</b>	<b>789</b>	<b>767</b>	<b>796</b>	<b>813</b>	<b>861</b>	<b>808</b>	<b>781</b>	<b>823</b>	<b>853</b>	<b>852</b>	<b>916</b>	<b>1,016</b>	<b>1,067</b>
<b>Total stockholders' equity and liabilities</b>	<b>2,232</b>	<b>2,387</b>	<b>2,312</b>	<b>2,289</b>	<b>2,372</b>	<b>2,612</b>	<b>2,565</b>	<b>2,569</b>	<b>2,684</b>	<b>2,734</b>	<b>2,636</b>	<b>2,598</b>	<b>2,397</b>	<b>2,526</b>	<b>2,646</b>	<b>2,611</b>

**Balance Sheet Drivers**

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	20%	11%	9%	11%	13%	8%	8%	12%	13%	9%	8%	4%	4%	4%	4%	4%
Accounts payable as % of total rev	11%	6%	7%	11%	5%	12%	15%	11%	9%	10%	13%	7%	7%	7%	7%	7%
Accrued expenses as % of total rev	126%	88%	59%	75%	76%	51%	47%	70%	57%	52%	43%	43%	43%	43%	43%	43%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	71	61	59	53	62	53	40	52	51	44	40	30	48	40	37	30
A/P Days Payable	98	71	86	122	49	145	188	117	106	103	147	79	79	79	79	79
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$5.77	\$5.69	\$5.51	\$5.72	\$5.52	\$5.49	\$5.57	\$5.90	\$5.50	\$5.39	\$5.76	\$5.96	\$5.95	\$6.40	\$7.08	\$7.44
Cash per Share (diluted)	\$6.01	\$6.69	\$5.94	\$6.57	\$6.53	\$7.45	\$7.53	\$7.23	\$7.93	\$8.10	\$8.08	\$8.86	\$7.85	\$8.63	\$9.53	\$10.11
Net cash per Share (diluted)	(\$0.10)	\$0.62	\$0.17	\$0.54	\$0.53	\$1.69	\$1.81	\$1.50	\$2.23	\$2.32	\$2.22	\$2.99	\$1.99	\$2.77	\$3.68	\$4.26
Total Debt	\$831	\$832	\$832	\$833	\$834	\$835	\$836	\$836	\$837	\$838	\$839	\$839	\$839	\$839	\$839	\$839

Source: Company reports and Ascendant Capital Markets estimates.

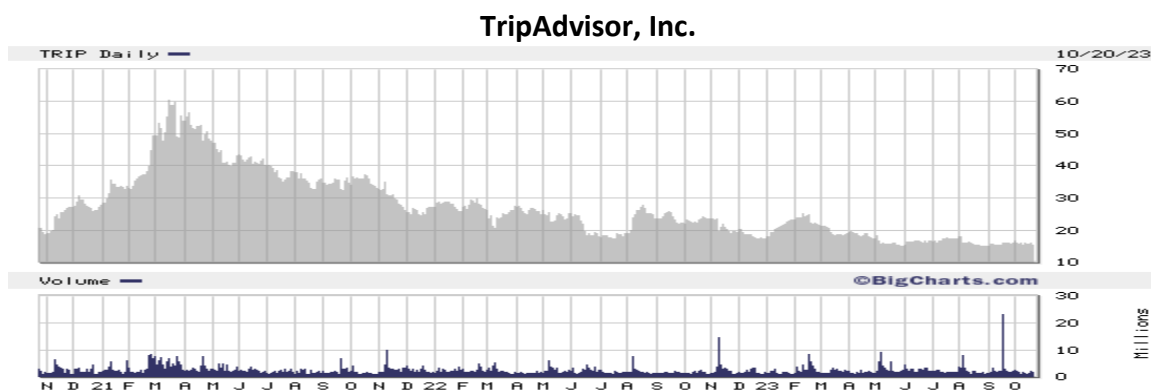
**TripAdvisor, Inc.**

Cash Flow Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(80)	(40)	1	(29)	(148)	(34)	31	25	(3)	19	(73)	24	27	5	(17)	(26)	39	74	26	114	
Depreciation	29	28	27	26	110	25	25	23	25	98	21	21	21	28	91	28	28	28	28	112	
Stock comp	29	32	29	31	121	22	21	22	23	88	23	25	24	25	97	25	25	25	25	100	
Tax benefit from stock comp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Amortization of intangibles	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8	8	8	8	8	32	
Amortization of deferred financing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred tax	(22)	(6)	2	(18)	(44)	14	(6)	(27)	(19)	(19)	8	(17)	1	0	(8)	14	0	0	0	14	
F/X gains/losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Expedia receivable and payable	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0	0	0	0	
Other gains/losses	2	1	(2)	2	3	1	2	1	3	7	0	0	0	0	0	0	0	0	0	0	
Other	4	3	3	8	18	3	(1)	3	1	6	(1)	4	6	0	9	0	0	0	0	0	
Changes in operating assets and liabilities:																					
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	110	110	(86)	(23)	0	102	(7)	
Prepaid expenses & other current assets	0	0	0	0	0	0	0	0	0	0	0	0	0	28	28	(1)	(5)	(2)	7	(1)	
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0	0	(44)	(44)	2	9	3	(12)	1	
Tax payable	0	0	0	0	0	0	0	0	0	0	0	0	0	44	44	0	0	0	0	0	
Accrued expenses & other	0	0	0	0	0	0	0	0	0	0	0	0	0	(70)	(70)	9	56	18	(75)	9	
Deferred revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	19	108	(124)	45	48	69	203	(8)	(62)	202	157	48	(65)	0	140	(92)	0	0	0	(92)	
<b>Net cash (used in) provided by oper.</b>	<b>(19)</b>	<b>126</b>	<b>(64)</b>	<b>65</b>	<b>108</b>	<b>86</b>	<b>295</b>	<b>60</b>	<b>(40)</b>	<b>401</b>	<b>135</b>	<b>105</b>	<b>14</b>	<b>137</b>	<b>391</b>	<b>(118)</b>	<b>137</b>	<b>155</b>	<b>109</b>	<b>283</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equipment	(10)	(14)	(15)	(14)	(53)	(14)	(13)	(14)	(15)	(56)	(16)	(15)	(16)	(25)	(72)	(25)	(25)	(25)	(25)	(100)	
Purchases of short-term investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sale of short-term investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer to Expedia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	(2)	1	1	0	1	3	3	4	4	0	0	0	0	0	0	0	0	0	0	
<b>Net cash used in investing activities</b>	<b>(10)</b>	<b>(16)</b>	<b>(14)</b>	<b>(13)</b>	<b>(53)</b>	<b>(14)</b>	<b>(12)</b>	<b>(11)</b>	<b>(15)</b>	<b>(52)</b>	<b>(16)</b>	<b>(15)</b>	<b>(16)</b>	<b>(25)</b>	<b>(72)</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(100)</b>	
<b>Cash flow from financing activities</b>																					
Term loan borrowing (net)	303	(2)	(2)	(7)	292	(2)	(2)	(2)	(2)	(8)	(2)	(4)	(2)	0	(8)	0	0	0	0	0	
Repurchase of common stock	0	0	0	0	0	0	0	0	0	0	0	(75)	0	(75)	0	0	0	0	0	0	
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Proceeds from stock option exercise	(16)	(5)	(10)	(31)	(62)	(8)	(1)	(9)	(2)	(20)	(9)	(3)	(2)	0	(14)	0	0	0	0	0	
Change in restricted cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	
Acquisition funding by Expedia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Cash provided by (used in) financing</b>	<b>287</b>	<b>(7)</b>	<b>(12)</b>	<b>(7)</b>	<b>261</b>	<b>(10)</b>	<b>(2)</b>	<b>(11)</b>	<b>(4)</b>	<b>(27)</b>	<b>(11)</b>	<b>(82)</b>	<b>(4)</b>	<b>0</b>	<b>(97)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Effect of exchange rate on cash and ca	(2)	(2)	(3)	(4)	(11)	(4)	(17)	(17)	14	(24)	3	1	(11)	0	(7)	0	0	0	0	0	
<b>Net increase (decrease) in cash and</b>	<b>256</b>	<b>101</b>	<b>(93)</b>	<b>41</b>	<b>305</b>	<b>58</b>	<b>264</b>	<b>21</b>	<b>(45)</b>	<b>298</b>	<b>111</b>	<b>9</b>	<b>(17)</b>	<b>112</b>	<b>215</b>	<b>(143)</b>	<b>112</b>	<b>130</b>	<b>84</b>	<b>183</b>	
Beginning cash and equivalents	418	674	775	682	418	723	781	1,045	1,066	723	1,021	1,132	1,141	1,124	1,021	1,236	1,092	1,204	1,334	1,236	
<b>Ending cash and equivalents</b>	<b>674</b>	<b>775</b>	<b>682</b>	<b>723</b>	<b>723</b>	<b>781</b>	<b>1,045</b>	<b>1,066</b>	<b>1,021</b>	<b>1,021</b>	<b>1,132</b>	<b>1,141</b>	<b>1,124</b>	<b>1,236</b>	<b>1,236</b>	<b>1,092</b>	<b>1,204</b>	<b>1,334</b>	<b>1,418</b>	<b>1,418</b>	

Source: Company reports and Ascendant Capital Markets estimates.

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Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
29	2/15/2018	B	48.00
30	5/9/2018	B	55.00
31	8/2/2018	B	56.00
32	11/8/2018	B	77.00
33	2/18/2019	B	70.00
34	5/9/2019	B	59.00
35	8/13/2019	B	52.00
36	11/14/2019	B	36.00
37	2/22/2020	B	35.00
38	5/26/2020	B	26.00
39	6/6/2020	B	32.00
40	8/8/2020	B	30.00
41	12/2/2020	B	36.00
42	2/21/2021	B	50.00
43	6/13/2021	B	54.00
44	8/8/2021	B	50.00
45	1/8/2022	B	40.00
46	3/27/2022	B	42.00
47	6/12/2022	B	36.00
48	9/13/2022	B	35.00
49	12/16/2022	B	30.00
50	3/26/2023	B	29.00
51	6/8/2023	B	28.00
52	9/15/2023	B	27.00

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**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

### Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 13, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	19	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%



### **Other Important Disclosures**

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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