

Booking Holdings Inc.

Very strong Q2 as travel industry and execution strong. Strong 2023 outlook raised. Raising P/T to \$3,700.

COMPANY UPDATE

Rating: BUY

Ticker: BKNG

Price: \$3,160

Target: \$3,700
(from \$3,000)

Q2 very strong: Booking recently (on August 3) reported its fiscal Q2 2023 (ending June) results. Revenue was \$5.46 billion (+27% y-o-y), compared to our estimate of \$5.04 billion and consensus of \$5.16 billion. Pro forma EPS was \$37.62, compared to our estimate of \$30.40 and consensus of \$28.69. EBITDA was \$1,778 million (vs. \$1,086 million y-o-y), compared to our estimate of \$1,462 million. Q2 qualitative guidance was for revenue growth of “about (our estimate)” mid-teens and EBITDA of ~\$1,462 million (growth of ~+35% y-o-y).

Q2 strong growth: Gross bookings were \$39.7 billion (+15% y-o-y), compared to our estimate of \$39.7 billion. The company saw strong growth in most of its business around the world (with almost all regions well above pre-pandemic levels).

July room nights up 20%: In July (current Q3), room nights increased 20% (y-o-y), but is expected to moderate to low-double digits due to tough comps vs. Q3 2022 (revenue was +29% y-o-y).

Raised 2023 guidance: The company raised general qualitative guidance for 2023 revenue growth to “low 20%” from mid-teens. It maintained that operating income to be above 2019’s (\$5,398 million) and 2022’s (\$5,102 million).

Strong Q3 guidance: Initial Q3 general qualitative guidance for revenue growth of “about (our estimate)” high-teens and EBITDA of ~\$3,190 million (growth of ~+20% y-o-y).

Raising estimates strongly: We are raising our 2023 estimates for revenue to \$21.3 billion, from \$20.4 billion, and for EPS to \$144.93 from \$129.40. We are raising our 2024 estimates for revenue to \$23.2 billion, from \$21.5 billion, and for EPS to \$158.96 from \$141.19.

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

Positive risk versus reward: Despite volatility from the coronavirus (which we believe future impact will be minimal) and macro conditions, we continue to be positive on Booking longer term. We believe longer term, traveling and the travel industry has now returned back to normal and will continue to grow stronger and that Booking as one of the world’s largest OTA is in good position to capture a significant share of the economics within the travel industry.

Current valuation attractive: Maintaining our BUY rating, but raising our 12-month price target to \$3,700 from \$3,000, which reflects a forward P/E of ~23.3x our 2024 EPS estimate of \$159. This P/E multiple is slightly above the peer group of online travel companies to reflect its higher normalized earnings growth.

Company Description

Based in Norwalk, CT, Booking Holdings is a global online travel company that offers airline tickets, hotel rooms, car rentals, and other travel services through its Booking.com, priceline, and Agoda brands.

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$1,617 – 3,252
Shares Outstanding (million):	37
Market cap (\$million):	\$116,920
EV (\$million):	\$115,731
Debt (\$million):	\$14,053
Cash (\$million):	\$15,242
Avg. Daily Trading Vol. (\$million):	\$916
Float (million shares):	36
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	3,778A		4,147E	4,068E
Q2 Jun	5,462A	5,041E	5,541E	5,393E
Q3 Sep	7,188E	6,717E	8,145E	6,959E
Q4 Dec	<u>4,833E</u>	<u>4,847E</u>	<u>5,321E</u>	<u>5,033E</u>
Total	21,260E	20,383E	23,153E	21,453E
EV/Revs	5x		5x	

Earnings per Share (pro forma)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	11.60A		16.49E	15.64E
Q2 Jun	37.62A	30.40E	28.90E	26.61E
Q3 Sep	66.86E	56.24E	71.99E	59.34E
Q4 Dec	<u>29.53E</u>	<u>31.06E</u>	<u>41.42E</u>	<u>39.46E</u>
Total	144.93E	129.40E	158.96E	141.19E
P/E	22x		20x	

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 9.

OVERVIEW

- Booking recently (on August 3) reported its fiscal Q2 2023 (ending June) results.
- Revenue was \$5.46 billion (+27% y-o-y), compared to our estimate of \$5.04 billion and consensus of \$5.16 billion.
- Pro forma EPS was \$37.62, compared to our estimate of \$30.40 and consensus of \$28.69.
- Gross bookings were \$39.7 billion (+15% y-o-y), compared to our estimate of \$39.7 billion.
- EBITDA was \$1,778 million (vs. \$1,086 million y-o-y), compared to our estimate of \$1,462 million.
- Q2 qualitative guidance was for revenue growth of “about (our estimate)” mid-teens and EBITDA of ~\$1,462 million (growth of ~+35% y-o-y).
- The company raised general qualitative guidance for 2023 revenue growth to “low 20%” from mid-teens. It maintained that operating income to be above 2019’s (\$5,398 million) and 2022’s (\$5,102 million).
- The company provided initial Q3 general qualitative guidance for revenue growth of “about (our estimate)” high-teens and EBITDA of ~\$3,190 million (growth of ~+20% y-o-y).
- We are raising our 2023 estimates for revenue to \$21.3 billion, from \$20.4 billion, and for EPS to \$144.93 from \$129.40.
- We are raising our 2024 estimates for revenue to \$23.2 billion, from \$21.5 billion, and for EPS to \$158.96 from \$141.19.

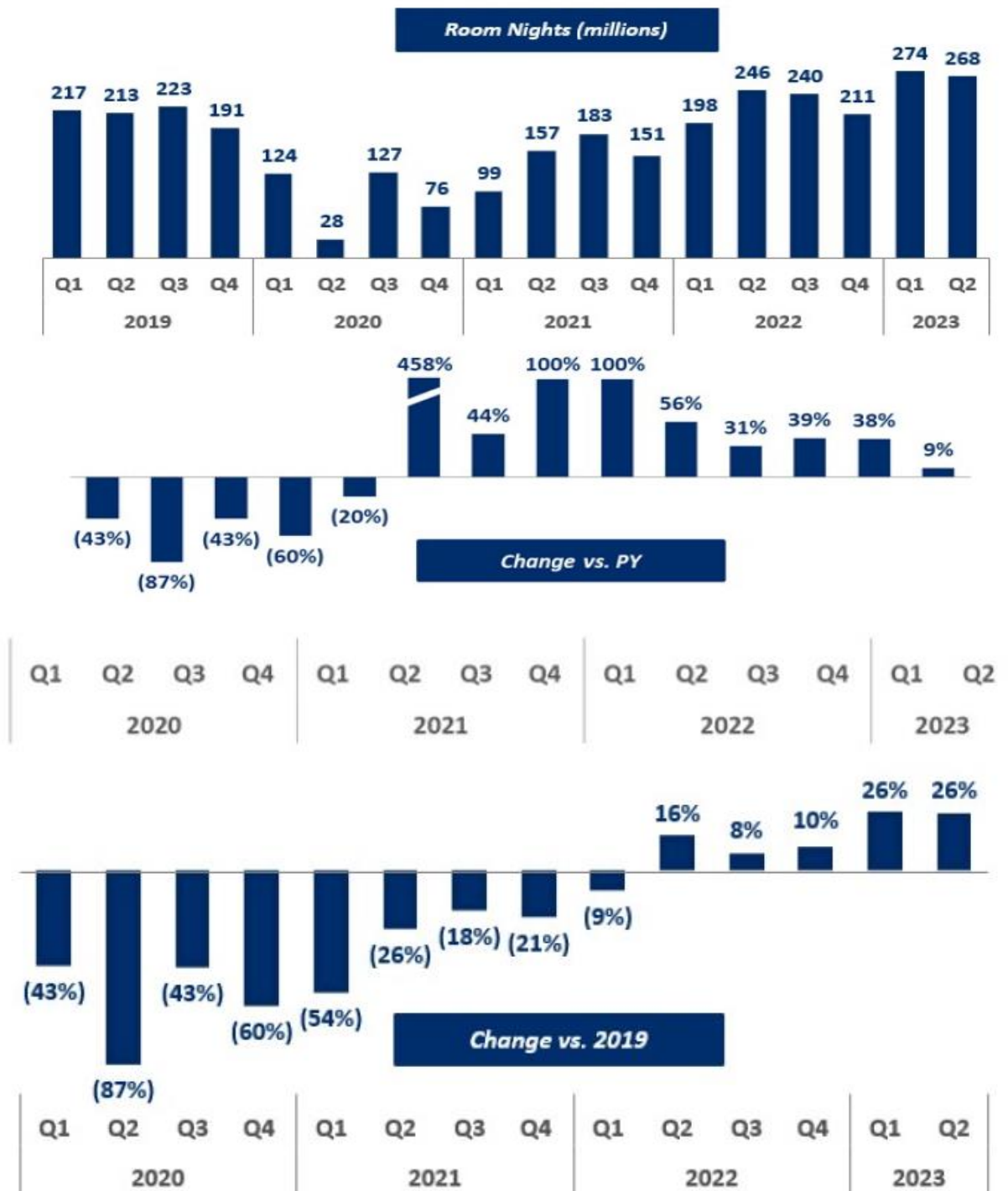
ADDITIONAL DETAILS

- Growth by product were: Hotels Room Nights +9% (vs. +38% in Q1 2023 and +56% in Q2 2022), Air Tickets +58% (vs. +73% in Q1 2023 and +31% in Q2 2022), and Rental Car Days +24% (vs. +23% in Q1 2023 and +22% in Q2 2022).
- Revenue as a percentage of gross bookings was 14%, compared with our estimate of 13% and 12% last year.
- Operating expenses were \$3.79 billion, versus our expectation of \$3.68 billion.
- Operating income was \$1,673 million, versus our expectation of \$1,357 million.
- Pro forma net income was \$1,391 million, versus our expectation of \$1,158 million.
- In November 2021, Booking announced that it has entered into an agreement with funds managed by CVC Capital Partners to acquire global flight booking provider, Etraveli Group, for approximately €1.63 billion. The deal has not yet closed and is expected to close in 2023. This deal was expected to have a “minor impact on P&L” in 2022. There has been recent media reports that this deal will face antitrust opposition in the EU.

The company’s balance sheet remains solid, with \$15.2 billion in cash and \$14.1 billion in debt (~\$31/share in net cash), compared with \$14.5 billion in cash and \$12.1 billion in debt at the end of March.

Exhibit 1: Quarterly Room Nights Change versus 2022 and 2019

Quarterly Room Nights and Change versus the prior year and 2019



Source: Company report.

Exhibit 2: Q3 and 2023 Guidance (as of August 3, 2023)

Outlook

In July 2023, we continued to see strong travel demand with room night growth of about 20% relative to July 2022. For the third quarter of 2023, we assume room nights will grow at a low double digits percentage relative to the third quarter of 2022. Given that assumption for room night growth, we expect the following for the third quarter of 2023:

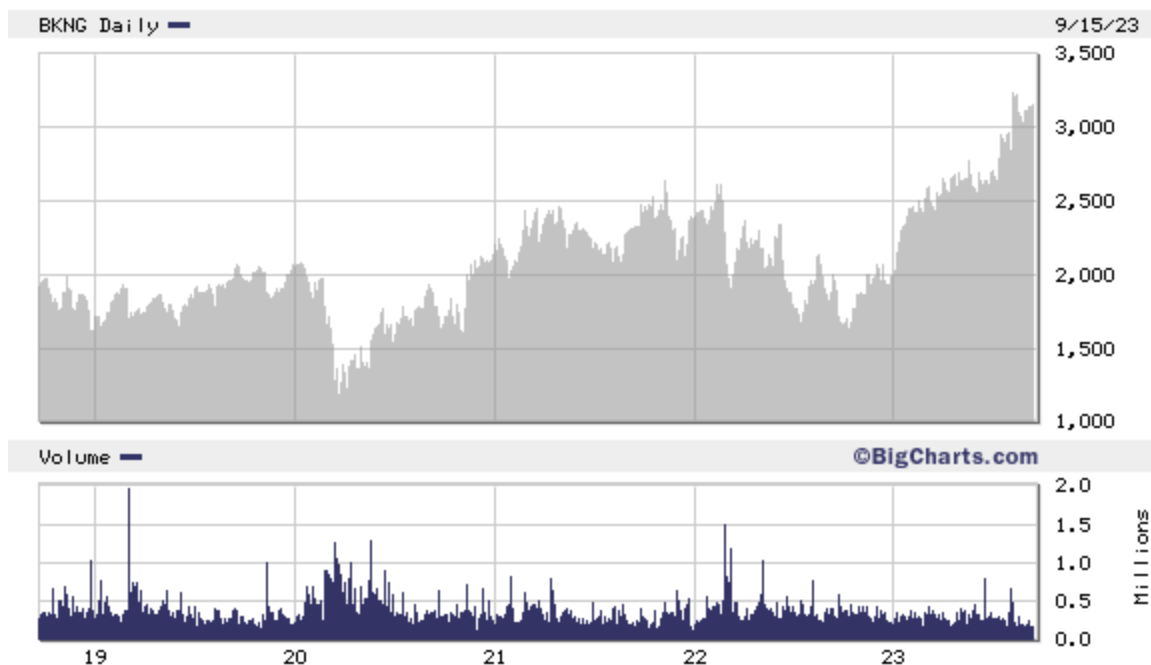
- the year-over-year growth in gross bookings will be about seven percentage points higher than the year-over-year growth in room nights;
- revenues as a percentage of gross bookings will be slightly higher than it was in the third quarter of 2022; and
- operating profit will be higher than in the third quarter of 2022.

Given the strong level of bookings we have seen in the first half of 2023 and into July, we are updating our outlook for full-year 2023. For the full year, assuming room nights increase in 2023 compared to 2022 by a mid-teens percentage, we expect the following:

- the year-over-year growth in gross bookings will be slightly over 20%;
- revenues as a percentage of gross bookings will be higher than it was in 2022; and
- operating profit will be higher than in 2019 and 2022.

Source: Company report.

Exhibit 3: Booking Holdings Stock Price (Five Years)



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

Exhibit 4: Consensus Expectations (as of August 3, 2023)

	Revenue (mil)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$3,778A		Q1 Mar	\$11.60A	
Q2 Jun	\$5,158E		Q2 Jun	\$28.69E	
Q3 Sep	\$7,048E		Q3 Sep	\$67.54E	
Q4 Dec			Q4 Dec		
Total	\$20,639E	\$22,926E	Total	\$137.78E	\$162.18E

*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

Booking Holdings 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	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	1,141	2,160	4,676	2,981	10,958	2,695	4,294	6,052	4,049	17,090	3,778	5,462	7,188	4,833	21,260	4,147	5,541	8,145	5,321	23,153
Cost of Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	1,141	2,160	4,676	2,981	10,958	2,695	4,294	6,052	4,049	17,090	3,778	5,462	7,188	4,833	21,260	4,147	5,541	8,145	5,321	23,153
Advertising - brand					0					0					0	0	0	0	0	0
Marketing expenses	461	988	1,378	974	3,801	1,147	1,737	1,795	1,314	5,993	1,517	1,801	1,797	1,546	6,661	1,327	1,662	1,955	1,330	6,274
Sales and other	112	206	302	261	881	339	465	540	474	1,818	542	666	791	532	2,530	415	609	896	585	2,505
Personnel	552	686	591	485	2,314	596	635	636	598	2,465	722	752	863	773	3,110	995	1,164	1,222	851	4,232
General and administrative	119	134	179	188	620	158	207	262	307	934	289	304	359	338	1,291	373	499	407	372	1,652
IT	87	93	109	123	412	134	137	129	126	526	137	144	180	145	606	166	166	244	160	736
Depreciation and amortization	113	108	102	98	421	111	107	109	124	451	120	121	105	105	451	105	105	105	105	420
Restructuring and other	8	1		4	13	36	6	(2)	(239)	(199)	1	1			2					0
Total operating expenses	1,452	2,216	2,661	2,133	8,462	2,521	3,294	3,469	2,704	11,988	3,328	3,789	4,094	3,439	14,651	3,381	4,205	4,829	3,404	15,819
Operating income (loss)	(311)	(56)	2,015	848	2,496	174	1,000	2,583	1,345	5,102	450	1,673	3,094	1,393	6,610	766	1,336	3,316	1,917	7,334
Interest income (expense)	(98)	(81)	(80)	(75)	(334)	(68)	(76)	(102)	(145)	(391)	(194)	(241)	(166)	(169)	(770)	(168)	(167)	(167)	(166)	(668)
Other income (expense)	131	96	(967)	43	(697)	(955)	220	(305)	252	(788)	47	186	0	0	233	0	0	0	0	0
Income before income taxes	(278)	(41)	968	816	1,465	(849)	1,144	2,176	1,452	3,923	303	1,618	2,927	1,224	6,073	598	1,168	3,149	1,751	6,666
Income taxes	(223)	126	199	198	300	(149)	287	510	217	865	37	328	556	233	1,154	114	222	598	333	1,267
Net income (loss)	(55)	(167)	769	618	1,165	(700)	857	1,666	1,235	3,058	266	1,290	2,371	992	4,919	484	946	2,551	1,418	5,400
Nonrecurring/noncash adjustments	(160)	63	790	37	728	861	(81)	438	(278)	940	175	101	100	100	475	125	125	125	125	500
Net income	(215)	(105)	1,559	655	1,893	161	776	2,104	958	3,999	441	1,391	2,471	1,092	5,394	609	1,071	2,676	1,543	5,900
EBITDA	(195)	48	2,111	940	2,904	310	1,086	2,658	1,241	5,295	586	1,778	3,199	1,498	7,061	871	1,441	3,421	2,022	7,754
Shares, Basic	41.0	41.1	41.1	41.1	41.0	40.9	40.5	39.6	38.5	39.9	37.6	36.7	36.7	36.7	36.9	36.6	36.7	36.8	36.9	36.7
Shares, Diluted	41.0	41.1	41.3	41.4	41.4	41.2	40.7	39.7	38.7	40.1	38.0	37.0	37.0	37.0	37.2	37.0	37.1	37.2	37.3	37.1
EPS Basic (Pro forma)	(\$5.26)	(\$2.55)	\$37.96	\$15.94	\$46.13	\$3.94	\$19.15	\$53.18	\$24.85	\$100.28	\$11.71	\$37.92	\$67.38	\$29.76	\$146.13	\$16.66	\$29.21	\$72.75	\$41.85	\$160.63
EPS Diluted (Pro forma)	(\$5.26)	(\$2.55)	\$37.70	\$15.83	\$45.77	\$3.91	\$19.08	\$53.03	\$24.74	\$99.83	\$11.60	\$37.62	\$66.86	\$29.53	\$144.93	\$16.49	\$28.90	\$71.99	\$41.42	\$158.96
Income Statement Ratios																				
Gross margin	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Advertising - brand	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advertising - performance	40.4%	45.7%	29.5%	32.7%	34.7%	42.6%	40.5%	29.7%	32.5%	35.1%	40.2%	33.0%	25.0%	32.0%	31.3%	32.0%	30.0%	24.0%	25.0%	27.1%
Sales and marketing	9.8%	9.5%	6.5%	8.8%	8.0%	12.6%	10.8%	8.9%	11.7%	10.6%	14.3%	12.2%	11.0%	11.0%	11.9%	10.0%	11.0%	11.0%	11.0%	10.8%
Personnel	48.4%	31.8%	12.6%	16.3%	21.1%	22.1%	14.8%	10.5%	14.8%	14.4%	19.1%	13.8%	12.0%	16.0%	14.6%	24.0%	21.0%	15.0%	16.0%	18.3%
General and administrative	10.4%	6.2%	3.8%	6.3%	5.7%	5.9%	4.8%	4.3%	7.6%	5.5%	7.6%	5.6%	5.0%	7.0%	6.1%	9.0%	9.0%	5.0%	7.0%	7.1%
IT	7.6%	4.3%	2.3%	4.1%	3.8%	5.0%	3.2%	2.1%	3.1%	3.1%	3.6%	2.6%	2.5%	3.0%	2.8%	4.0%	3.0%	3.0%	3.0%	3.2%
Operating margin	-27.3%	-2.6%	43.1%	28.4%	22.8%	6.5%	23.3%	42.7%	33.2%	29.9%	11.9%	30.6%	43.0%	28.8%	31.1%	18.5%	24.1%	40.7%	36.0%	31.7%
Tax rate, GAAP	80.2%	-307.3%	20.6%	24.3%	20.5%	17.6%	25.1%	23.4%	14.9%	22.0%	12.2%	20.3%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Net margin	-4.8%	-7.7%	16.4%	20.7%	10.6%	-26.0%	20.0%	27.5%	30.5%	17.9%	7.0%	23.6%	33.0%	20.5%	23.1%	11.7%	17.1%	31.3%	26.7%	23.3%
Y/Y % change																				
Total Revenue	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	98.8%	29.4%	35.8%	56.0%	40.2%	27.2%	18.8%	19.4%	24.4%	9.8%	1.4%	13.3%	10.1%	8.9%
Gross margin	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	98.8%	29.4%	35.8%	56.0%	40.2%	27.2%	18.8%	19.4%	24.4%	9.8%	1.4%	13.3%	10.1%	8.9%
Advertising - brand	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Advertising - performance	-45.8%	368.2%	88.5%	152.3%	74.4%	148.8%	75.8%	30.3%	34.9%	57.7%	32.3%	3.7%	0.1%	17.7%	11.2%	-12.5%	-7.7%	8.8%	-14.0%	-5.8%
Sales and marketing	-70.3%	57.3%	134.1%	121.2%	16.7%	202.7%	125.7%	78.8%	81.6%	106.4%	59.9%	43.2%	46.4%	12.1%	39.2%	-23.5%	-8.5%	13.3%	10.1%	-1.0%
Personnel	14.0%	51.8%	14.3%	-1.2%	19.0%	8.0%	-7.4%	7.6%	23.3%	6.5%	21.1%	18.4%	35.6%	29.3%	26.2%	37.8%	54.7%	41.6%	10.1%	36.1%
General and administrative	-40.8%	28.8%	20.9%	46.9%	6.7%	32.8%	54.5%	46.4%	23.3%	50.6%	82.9%	46.9%	37.2%	10.2%	38.2%	29.1%	64.0%	13.3%	10.1%	28.0%
IT	11.5%	32.9%	53.5%	53.8%	37.8%	54.0%	47.3%	18.3%	2.4%	27.7%	2.2%	5.1%	39.3%	15.1%	15.1%	21.1%	15.4%	36.0%	10.1%	21.5%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	28.2%	58.6%	104.4%	158.6%	67.3%	19.8%	3.6%	29.6%	70.2%	-20.2%	7.2%	37.6%	11.0%
Net income (loss)	NM	NM	-4.0%	NM	NM	NM	NM	116.6%	99.8%	162.5%	NM	50.5%	42.3%	-19.7%	60.8%	82.1%	-26.6%	7.6%	43.1%	9.8%
EPS Diluted (Pro forma)	NM	NM	207.3%	NM	NM	NM	NM	40.7%	56.3%	118.1%	196.5%	97.2%	26.1%	19.4%	45.2%	42.2%	-23.2%	7.7%	40.3%	9.7%

Source: Company reports and Ascendant Capital Markets estimates

Booking Holdings Inc.

Balance Sheet (\$ millions) Fiscal Year End: December 31	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3E	Dec-23 Q4E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E
Assets																
Cash and cash equivalents	\$12,151	\$11,231	\$11,643	\$11,127	\$10,549	\$11,841	\$9,021	\$12,221	\$14,140	\$14,602	\$10,155	\$12,136	\$12,628	\$13,250	\$14,998	\$17,217
Short term investments	500	501	522	25			116	175	359	640	640	640	640	640	640	640
Restricted cash											0	0	0	0	0	0
Accounts receivable, net	586	1,290	1,555	1,358	1,611	2,249	2,284	2,229	2,048	2,805	2,077	1,074	1,152	1,601	2,353	1,183
Prepaid expenses and other current assets	871	767	632	635	715	834	989	1,173	1,085	1,302	288	387	290	277	326	426
Deferred income taxes											0	0	0	0	0	0
Total current assets	14,108	13,789	14,352	13,145	12,875	14,924	12,410	15,798	17,632	19,349	13,159	14,237	14,710	15,768	18,317	19,465
Property and equipment, net	734	748	762	822	844	858	879	669	699	732	760	792	824	1,124	1,156	1,456
Intangibles, net	3,644	3,611	3,549	4,944	4,875	4,767	4,663	4,636	4,593	4,543	4,498	4,453	4,408	4,363	4,318	4,273
Deferred income taxes											0	0	0	0	0	0
Long term investments	3,788	4,319	3,283	3,175	2,200	2,381	2,650	2,789	806	440	440	440	440	440	440	440
Other	1,381	1,414	1,395	1,555	1,590	1,563	1,461	1,469	1,476	1,494	1,494	1,494	1,494	1,494	1,494	1,494
Total assets	23,655	23,881	23,341	23,641	22,384	24,493	22,063	25,361	25,206	26,558	20,351	21,416	21,876	23,189	25,725	27,128
Liabilities and stockholders' equity																
Accounts payable	570	1,028	1,466	1,586	1,504	2,240	2,131	2,507	2,132	2,123	863	580	581	831	977	639
Accrued expenses	1,350	1,620	2,069	1,765	1,876	2,364	2,925	3,244	3,584	3,463	1,438	1,450	1,659	1,385	1,629	1,596
Deferred merchant	643	1,896	1,086	906	2,765	4,395	2,253	2,223	4,500	6,040	719	1,063	829	1,219	814	1,171
Income tax payable and other																
Convertible/short term debt	3,905	2,180	1,158	1,989	1,333	1,283	1,234	500	854	855	855	855	855	855	855	855
Total current liabilities	6,468	6,724	5,779	6,246	7,478	10,282	8,543	8,474	11,070	12,481	3,874	3,948	3,923	4,290	4,276	4,261
Deferred income taxes	2,034	1,107	906	905	721	805	723	685	368	338	338	338	338	338	338	338
Other long term liabilities	459	1,260	1,235	1,375	1,377	1,214	1,177	1,435	1,422	1,206	1,206	1,206	1,206	1,206	1,206	1,206
Convertible/long term debt	9,930	9,991	9,876	8,937	8,435	8,190	7,950	11,985	11,272	13,198	13,198	13,198	13,198	13,198	13,198	13,198
Minority interest											0	0	0	0	0	0
Total other liabilities	12,423	12,358	12,017	11,217	10,533	10,209	9,850	14,105	13,062	14,742	14,742	14,742	14,742	14,742	14,742	14,742
Common stock											0	0	0	0	0	0
Treasury Stock	(24,274)	(24,283)	(24,286)	(24,290)	(25,390)	(26,664)	(28,630)	(30,983)	(33,178)	(36,319)	(36,319)	(36,319)	(36,319)	(36,319)	(36,319)	(36,319)
Additional paid-in capital	5,965	6,059	6,068	6,159	6,163	6,278	6,385	6,491	6,712	6,848	6,848	6,848	6,848	6,848	6,848	6,848
Retained earnings	23,233	23,066	23,835	24,453	23,783	24,640	26,306	27,541	27,807	29,097	31,468	32,460	32,944	33,891	36,441	37,860
Accumulated other comprehensive (loss) income	(160)	(43)	(72)	(144)	(183)	(252)	(391)	(267)	(267)	(291)	(291)	(291)	(291)	(291)	(291)	(291)
Other											28	28	28	28	28	28
Total stockholders' equity	4,764	4,799	5,545	6,178	4,373	4,002	3,670	2,782	1,074	(665)	1,735	2,726	3,211	4,157	6,707	8,126
Total stockholders' equity and liabilities	\$23,655	\$23,881	\$23,341	\$23,641	\$22,384	\$24,493	\$22,063	\$25,361	\$25,206	\$26,558	\$20,351	\$21,416	\$21,876	\$23,189	\$25,725	\$27,128

Balance Sheet Drivers

	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	Mar-22 Q1A	Jun-22 Q2A	Sep-22 Q3A	Dec-22 Q4A	Mar-23 Q1A	Jun-23 Q2A	Sep-23 Q3E	Dec-23 Q4E	Mar-24 Q1E	Jun-24 Q2E	Sep-24 Q3E	Dec-24 Q4E
Prepaid as % of total rev	76%	36%	14%	21%	27%	19%	16%	29%	29%	24%	4%	8%	7%	5%	4%	8%
Deferred Merchant as % of total rev	56%	88%	23%	30%	103%	102%	37%	55%	119%	111%	10%	22%	20%	22%	10%	22%
Accounts payable as % of total rev	50%	48%	31%	53%	56%	52%	35%	62%	56%	39%	12%	12%	14%	15%	12%	12%
Accrued expenses as % of total rev	118%	75%	44%	59%	70%	55%	48%	80%	95%	63%	20%	30%	40%	25%	20%	30%
Activity Ratios																
A/R Days Sales Outstanding	46	54	30	41	54	47	34	50	49	46	26	20	25	26	26	20
Deferred Merchant (w/ Revenue)	51	79	21	27	92	92	34	49	107	100	9	20	18	20	9	20
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$116.27	\$116.89	\$134.10	\$149.33	\$106.16	\$98.41	\$92.51	\$71.87	\$28.28	(\$17.51)	\$46.93	\$73.75	\$86.86	\$112.15	\$180.48	\$218.06
Cash per Share (diluted)	\$308.76	\$285.77	\$294.20	\$269.56	\$256.10	\$291.18	\$230.32	\$320.24	\$381.72	\$401.28	\$292.03	\$345.65	\$358.94	\$374.77	\$420.80	\$479.21
Net cash per Share (diluted)	(\$28.90)	(\$10.69)	\$27.35	\$5.46	\$18.96	\$58.23	(\$1.18)	(\$2.30)	\$62.48	\$31.30	(\$88.15)	(\$34.53)	(\$21.24)	(\$4.39)	\$42.66	\$102.09

Source: Company reports and Ascendant Capital Markets estimates

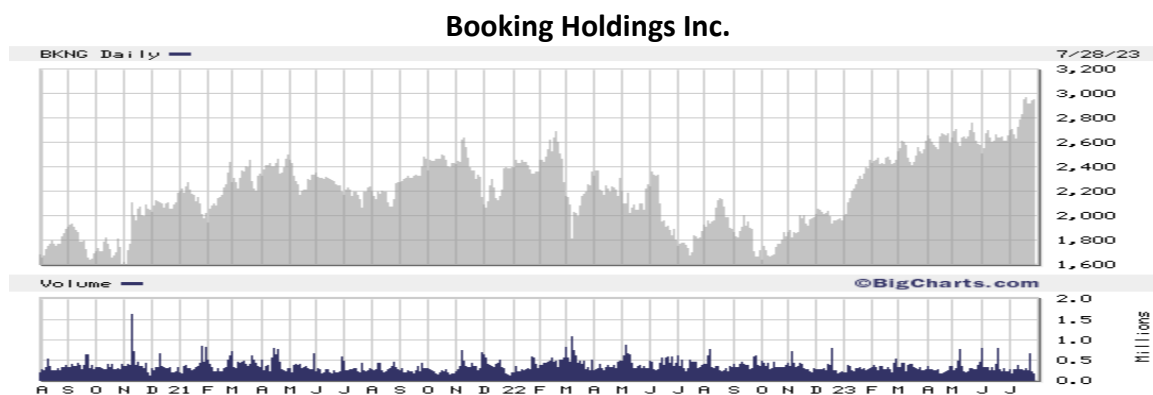
Booking Holdings Inc.

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	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(\$55)	(\$167)	\$769	\$618	\$1,165	(\$700)	\$857	\$1,666	\$1,235	\$3,058	\$266	\$1,290	\$2,371	\$992	\$4,919	\$484	\$946	\$2,551	\$1,418	\$5,400	
Depreciation	113	108	102	98	421	111	107	226	7	451	120	121	60	60	361	60	60	60	60	240	
Amortization	45	46	(91)	0	0					0	41	39	45	45	170	45	45	45	45	180	
Provision for accounts receivable		37	51	21	109	55	58	66	53	232	54	81			135					0	
Deferred income taxes	(50)	(70)	(223)	(102)	(445)	(216)	51	(81)	(11)	(257)	(340)	(49)	0	0	(389)	0	0	0	0	0	
Stock comp	113	91	86	86	376	93	108	101	102	404	113	128	65	65	371	65	65	65	65	260	
Amortization of financing	16	14	14	10	54					0					0					0	
Tax benefit of stock option exercises					0					0					0					0	
Other gains/losses	(32)	(153)	1,016	(20)	811	987	(181)	336	(419)	723	133	34			167					0	
F/X gains/losses	(91)	37	(54)	(27)	(135)	(30)	(38)	(2)	24	(46)	26	8			34					0	
Other	(4)	21	135	43	195	69	52	(81)	154	194			(65)	(65)	(130)	(65)	(65)	(65)	(65)	(260)	
Changes in operating assets and liabilities:																					
Accounts receivable	(72)	(748)	(352)	170	(1,002)	(326)	(790)	(242)	130	(1,228)	158	(830)	728	1,003	1,059	(78)	(449)	(752)	1,170	(109)	
Prepaid expenses & other current assets	(258)	85	138	41	6	(56)	(125)	(243)	207	(217)	118	(208)	1,014	(99)	825	96	13	(49)	(100)	(39)	
Accounts payable & accrued expenses	114	1,859	110	(544)	1,539	1,868	2,993	(1,270)	127	3,718	2,038	1,091	(8,607)	74	(5,404)	(24)	367	(14)	(15)	313	
Income tax payable and other	(46)	(8)	(105)	(115)	(274)	(160)	(408)	(474)	564	(478)	162	32	0	0	194	0	0	0	0	0	
Net cash (used in) provided by operating activities	(207)	1,152	1,596	279	2,820	1,695	2,684	2	2,173	6,554	2,889	1,737	(4,388)	2,074	2,312	584	982	1,840	2,579	5,985	
Cash flow from investing activities																					
Purchases of property and equipment	(65)	(59)	(79)	(101)	(304)	(109)	(86)	(98)	(75)	(368)	(88)	(92)	(88)	(92)	(360)	(92)	(360)	(92)	(360)	(904)	
Purchases of short-term investments		(7)	0	498	491	(12)	(709)	(15)	(736)		1,683	42	0	0	1,725	0	0	0	0	0	
Sale of short-term investments					0					0					0					0	
Acquisitions				(1,185)	(1,185)										0					0	
Other	0	(5)		0	0	(36)	22	600	586	(9)	11	0	0	2	0	0	0	0	0	0	
Net cash used in investing activities	(65)	(71)	(79)	(783)	(998)	(121)	(122)	(785)	510	(518)	1,586	(39)	(88)	(92)	1,367	(92)	(360)	(92)	(360)	(904)	
Cash flow from financing activities																					
Issuance of debt	2,015	(10)		10	2,015				3,621	3,621		1,893			1,893					0	
Repayment of debt		(1,982)	(1,086)		(3,068)	(1,102)			(778)	(1,880)	(500)		0	0	(500)					0	
Repurchase of common stock	(137)	(13)	(9)	(4)	(163)	(1,049)	(1,239)	(1,990)	(2,343)	(6,621)	(2,150)	(3,099)	0	0	(5,249)	0	0	0	0	0	
Proceeds from stock option exercises					0					0	105	4			109					0	
Other	(9)	(2)	(1)	(11)	(23)	12	1	(9)	(21)	(17)	(17)	(23)		(40)						0	
Proceeds from issuance of common stock					0					0			0	0	0	0	0	0	0	0	
Cash provided by (used in) financing activities	1,869	(2,007)	(1,096)	(5)	(1,239)	(2,139)	(1,238)	(1,999)	479	(4,897)	(2,562)	(1,225)	0	0	(3,787)	0	0	0	0	0	
Effect of exchange rate on cash and cash equivalents	(7)	6	(10)	(2)	(13)	(9)	(35)	(39)	43	(40)	8	(15)			(7)					0	
Net increase (decrease) in cash and equivalents	1,590	(920)	411	(511)	570	(574)	1,289	(2,821)	3,205	1,099	1,921	458	(4,476)	1,982	(115)	492	622	1,748	2,219	5,081	
Beginning cash and equivalents	10,582	12,172	11,252	11,663	10,582	11,152	10,578	11,867	9,046	11,152	12,251	14,172	14,630	10,155	12,251	12,136	12,628	13,250	14,998	12,136	
Ending cash and equivalents	\$12,172	\$11,252	\$11,663	\$11,152	\$11,152	\$10,578	\$11,867	\$9,046	\$12,251	\$12,251	\$14,172	\$14,630	\$10,155	\$12,136	\$12,136	\$12,628	\$13,250	\$14,998	\$17,217	\$17,217	

Source: Company reports and Ascendant Capital Markets estimates

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

Report	Report Date	Rating	Price Target
32	2/28/2018	B	2,250.00
33	5/10/2018	B	2,350.00
34	8/11/2018	B	2,200.00
35	11/7/2018	B	2,275.00
36	3/1/2019	B	2,050.00
37	5/14/2019	B	2,000.00
38	8/9/2019	B	2,250.00
39	11/12/2019	B	2,150.00
40	2/27/2020	B	1,950.00
41	5/26/2020	B	1,900.00
42	8/7/2020	B	2,000.00
43	12/2/2020	B	2,400.00
44	2/26/2021	B	2,600.00
45	6/10/2021	B	2,700.00
46	9/11/2021	B	2,750.00
47	1/8/2022	B	2,800.00
48	3/23/2022	B	2,850.00
49	6/11/2022	B	2,555.00
50	9/11/2022	B	2,500.00
51	12/15/2022	B	2,400.00
52	3/26/2023	B	2,850.00
53	6/8/2023	B	3,000.00

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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.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	16	31%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

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