

# Expedia Group, Inc.

*Strong Q4 upside. Strong 2025 guidance as travel growth remains strong. Raising P/T to \$237.*

## COMPANY UPDATE

### Rating: BUY

Ticker: EXPE

Price: \$197.96

Target: \$237  
(from \$160)

**Strong Q4 upside:** Expedia recently (on February 6) reported its fiscal Q4 2024 (ending December) results. Revenue was \$3,184 million (+10% y-o-y), compared to our estimate of \$3,167 million and consensus of \$3,070 million. Pro forma EPS was \$2.39, compared to our estimate of \$2.12 and consensus of \$2.04. EBITDA was \$643 million, compared to our estimate of \$616 million and \$532 million in Q4 2023. Q4 guidance was for revenue to grow +5 - 7%.

**Strong gross bookings growth:** Gross bookings were \$24.4 billion (+13% y-o-y), compared with our estimate of \$26.4 billion. Q4 guidance was for gross bookings to grow +6 - 8%.

**Strong Hotels:** Hotel room nights were +12% y-o-y reflecting continued strong growth as the travel industry is very strong now. EPS benefited from cost savings and management.

**Strong 2025 guidance:** The company provided initial 2025 guidance for revenue growth of +4 - 6% and EBITDA margins of 21.9% (+50bp y-o-y). The company provided initial Q1 guidance for revenue to grow +3 - 5% (y-o-y) and EBITDA margins of flat to slightly better (y-o-y).

**Adjusting estimates:** We are adjusting our 2025 estimates for revenue to \$14.4 billion, from \$14.6 billion, and for EPS to \$14.30 from \$13.32. We are initiating our 2026 estimates for revenue of \$15.0 billion, and for EPS of \$15.31.

**More cost cuts to drive profitability:** The company instituted (since January 2020) significant cost restructuring resulting in annualized savings of ~\$700 - 750 million. In February 2024, the company announced a reduction of its workforce by ~9% (1,500 jobs) to streamline operations.

**Travel's strong growth:** Since the recovery from coronavirus pandemic, the travel industry has seen strong growth (particularly in the past 3 years) and current travel forecasts are for another strong year in 2025.

**Positive risk versus reward:** We continue to be positive on Expedia longer term. We believe longer term, traveling and the travel industry will continue to grow stronger and that Expedia 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 \$237 from \$160, which reflects a P/E of 15.5x our 2026 EPS estimate of \$15.31 which we estimate is its long term EPS growth rate. We believe this appropriately balances out the company's risks with its high growth prospects and large upside opportunities.

### Company Description

Based in Seattle, WA, Expedia is a global online travel company selling travel products, services, and advertising. Its brands include Expedia, Hotels.com, Hotwire, Egencia, Orbitz, Travelocity and Vrbo.

United States  
Internet Software and Services

March 1, 2025

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### Stock Data

Exchange:	NasdaqGS
52-week Range:	\$107.25 – 207.73
Shares Outstanding (million):	132
Market cap (\$million):	\$26,136
EV (\$million):	\$26,528
Debt (\$million):	\$6,266
Cash (\$million):	\$5,874
Avg. Daily Trading Vol. (\$million):	\$360
Float (million shares):	122
Short Interest (million shares):	6
Dividend, annual (yield):	\$1.60 (~1%)

### Revenues (US\$ million)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	3,050E	2,927E	3,168E	
Q2 Jun	3,748E	3,850E	3,899E	
Q3 Sep	4,278E	4,509E	4,453E	
Q4 Dec	<u>3,352E</u>	<u>3,310E</u>	<u>3,486E</u>	
Total	14,427E	14,596E	15,007E	
EV/Revs	1.8x		1.8x	

### Earnings per Share (pro forma)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	0.34E	0.24E	0.76E	
Q2 Jun	3.86E	3.38E	3.95E	
Q3 Sep	7.26E	7.00E	7.64E	
Q4 Dec	<u>2.84E</u>	<u>2.70E</u>	<u>2.95E</u>	
Total	14.30E	13.32E	15.31E	
P/E	14x		13x	

### 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 8.**

## **OVERVIEW**

- Expedia recently (on February 6) reported its fiscal Q4 2024 (ending December) results.
- Revenue was \$3,184 million (+10% y-o-y), compared to our estimate of \$3,167 million and consensus of \$3,070 million.
- Pro forma EPS was \$2.39, compared to our estimate of \$2.12 and consensus of \$2.04.
- EBITDA was \$643 million, compared to our estimate of \$616 million and \$532 million in Q4 2023.
- Q4 guidance was for revenue to grow +5 - 7%.
- Gross bookings were \$24.4 billion (+13% y-o-y), compared with our estimate of \$26.4 billion. Q4 guidance was for gross bookings to grow +6 - 8%.
- The company provided initial 2025 guidance for revenue growth of +4 - 6% and EBITDA margins of 21.9% (+50bp y-o-y).
- The company provided initial Q1 guidance for revenue to grow +3 - 5% (y-o-y) and EBITDA margins of flat to slightly better (y-o-y).
- We are adjusting our 2025 estimates for revenue to \$14.4 billion, from \$14.6 billion, and for EPS to \$14.30 from \$13.32.
- We are initiating our 2026 estimates for revenue of \$15.0 billion, and for EPS of \$15.31.

## **ADDITIONAL DETAILS**

- Revenue by product was: Hotels 80%, Air 3%, Advertising 8%, and Other 9% (compared with Q4 2023's Hotels 80%, Air 3%, Advertising 7%, and Other 10%).
- Revenue growth by product was: Hotels +10%, Air +14%, Advertising +18%, and Other +3% (compared with Q4 2023's Hotels +14%, Air -13%, Advertising +12%, and Other -11%).
- Gross profit for the quarter was \$2,849 million, compared with our estimate of \$2,724 million.
- Gross margin for the quarter was 90%, versus our expectation of 86% and 88% last year.
- Operating expenses were \$2,633 million, versus our expectation of \$2,513 million.
- Operating income was \$216 million, versus our expectation of \$211 million.
- Pro forma net income was \$315 million, versus our expectation of \$299 million.
- The company just reinstated its quarterly dividend of \$0.40 per share. The dividend was previously suspended in 2020 during the COVID pandemic.
- In November 2023, the company announced a new \$5 billion stock buyback program.
- In February 2024, the company announced a reduction of its workforce by ~9% (1,500 jobs) to streamline operations.
- In February 2024, the company announced that Ariane Gorin will become Expedia's CEO, effective May 13, 2024. Ms. Gorin will succeed Peter Kern, who has served as the company's CEO since 2020. Mr. Kern will continue to serve as the company's Vice Chairman. Ms. Gorin has held various executive roles at Expedia Group since 2013, most recently as President of Expedia for Business.
- In December 2024, the company announced Scott Schenkel as its new Chief Financial Officer, replacing Julie Whalen.

The company's balance sheet remains solid with \$5.9 billion in cash and \$6.3 billion in debt (~\$3 share in net debt), compared with \$6.2 billion in cash and \$6.3 billion in debt at the end of September.

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Exhibit 1: Q4 2024 Financial Highlights (as of February 6, 2025)

# expedia group™

## Expedia Group Reports Fourth Quarter and Full Year 2024 Results

**Double-digit room nights, gross bookings, and revenue growth in the fourth quarter**  
**Both B2C and B2B bookings growth accelerated 5 pts sequentially in the fourth quarter**  
**Reinstates quarterly dividend**

SEATTLE, WA – February 6, 2025 – Expedia Group, Inc. (NASDAQ: EXPE) announced financial results today for the fourth quarter and full year ended December 31, 2024.

### Key Highlights

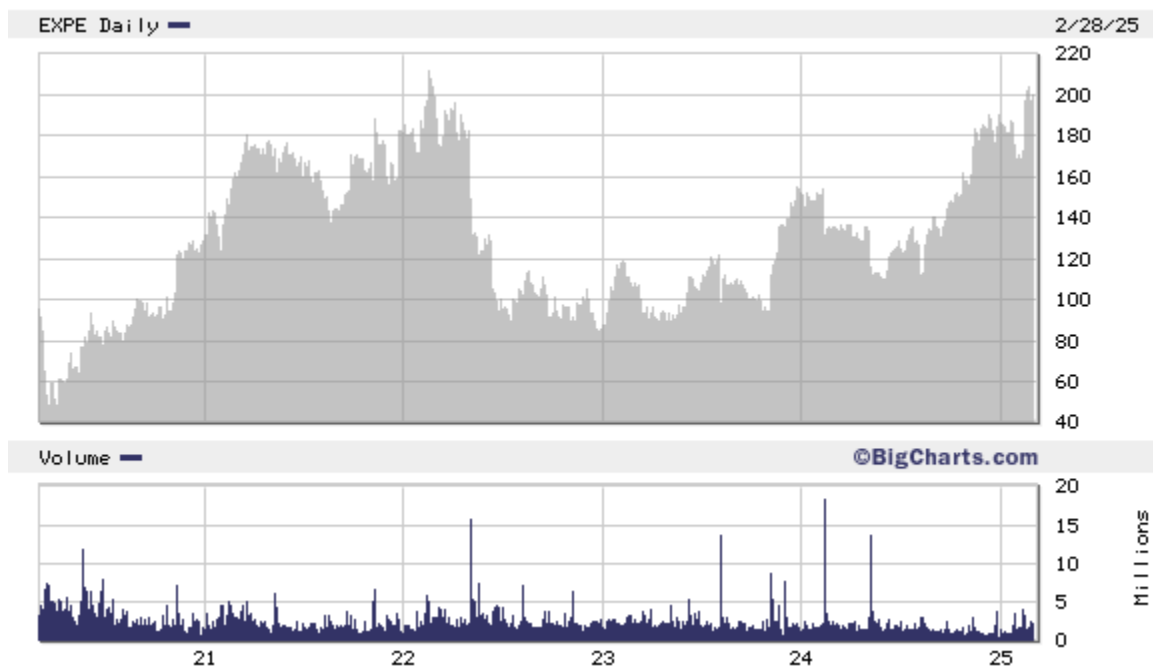
- Booked room nights grew 12% in the fourth quarter year-over-year and 9% for full year 2024.
- Total gross bookings and revenue grew 13% and 10% year-over-year, respectively in the fourth quarter. Full year gross bookings and revenue both grew 7% compared to 2023.
- B2C and B2B gross bookings growth accelerated 5-points to 9% and 24% respectively in the fourth quarter.
- Lodging gross bookings grew 12% year-over-year in the fourth quarter; hotel bookings were up 14%.
- Fourth quarter net income grew 124% and adjusted net income grew 30%, year-over-year. Adjusted EBITDA increased 21% with 175 basis points of margin expansion, and adjusted EBIT increased 50% with 282 bps of margin expansion.
- Repurchased over 12 million shares for \$1.6 billion in 2024.
- Declares a quarterly dividend of \$0.40 starting in March 2025.

"Our fourth quarter results exceeded our expectations and reflect continued strong execution and better-than-expected travel demand. All three of our core consumer brands achieved bookings growth and we further accelerated growth in our B2B business. These results contributed to a solid full year 2024 for us," said Ariane Gorin, CEO of Expedia Group. "The reinstatement of our quarterly dividend reflects our confidence in our long-term outlook and commitment to shareholder returns."

Source: Company report.

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## Exhibit 2: Expedia Stock Price (Five Years)



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

## Exhibit 3: Consensus Expectations (as of March 1, 2025)

	Revenue (mil)			EPS	
	2025E	2026E		2025E	2026E
Q1 Mar	\$3,018E		Q1 Mar	\$0.35E	
Q2 Jun	\$3,799E		Q2 Jun	\$4.07E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$14,475E	\$15,508E	Total	\$14.38E	\$17.02E

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

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

## FINANCIAL MODEL

### Expedia Group, Inc.

Income Statement (\$ millions)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Revenue</b>	<b>2,665</b>	<b>3,358</b>	<b>3,929</b>	<b>2,887</b>	<b>12,839</b>	<b>2,889</b>	<b>3,558</b>	<b>4,060</b>	<b>3,184</b>	<b>13,691</b>	<b>3,050</b>	<b>3,748</b>	<b>4,278</b>	<b>3,352</b>	<b>14,427</b>	<b>3,168</b>	<b>3,899</b>	<b>4,453</b>	<b>3,486</b>	<b>15,007</b>
Cost of Revenues	414	407	412	340	1,573	358	362	388	335	1,443	451	431	500	486	1,869	475	476	521	523	1,995
Gross Profit	2,251	2,951	3,517	2,547	11,266	2,531	3,196	3,672	2,849	12,248	2,599	3,317	3,777	2,866	12,558	2,693	3,424	3,932	2,963	13,012
Operating expenses:																				
Sales and marketing	1,674	1,770	1,856	1,563	6,863	1,836	1,990	2,052	1,749	7,627	1,891	1,836	1,882	1,676	7,285	1,879	1,911	1,959	1,743	7,492
Technology and content	317	344	340	357	1,358	341	331	320	322	1,314	366	412	342	436	1,556	412	429	356	453	1,650
General and administrative	184	194	194	199	771	186	180	229	210	805	244	375	299	266	1,185	253	390	312	277	1,232
Depreciation and amortization	192	199	208	208	807	210	205	211	212	838	200	200	200	200	800	200	200	200	200	800
Legal and tax reserves	5	1		2	8	20	21	59	18	118	1	1	1	1	4	1	1	1	1	4
Restructuring and other			312	114	426	48	18	39	122	227	0	0	0	0	0	0	0	0	0	0
<b>Total operating expenses</b>	<b>2,372</b>	<b>2,508</b>	<b>2,910</b>	<b>2,443</b>	<b>10,233</b>	<b>2,641</b>	<b>2,745</b>	<b>2,910</b>	<b>2,633</b>	<b>10,929</b>	<b>2,702</b>	<b>2,824</b>	<b>2,725</b>	<b>2,579</b>	<b>10,830</b>	<b>2,745</b>	<b>2,931</b>	<b>2,829</b>	<b>2,675</b>	<b>11,179</b>
<b>Operating income (loss)</b>	<b>(121)</b>	<b>443</b>	<b>607</b>	<b>104</b>	<b>1,033</b>	<b>(110)</b>	<b>451</b>	<b>762</b>	<b>216</b>	<b>1,319</b>	<b>(104)</b>	<b>492</b>	<b>1,052</b>	<b>287</b>	<b>1,727</b>	<b>(52)</b>	<b>493</b>	<b>1,104</b>	<b>289</b>	<b>1,833</b>
Interest income (expense)	(18)	2	(6)	(16)	(38)	(11)	6	6	(12)	(11)	(50)	(53)	(38)	(21)	(162)	(30)	(34)	(18)	(0)	(83)
Other and minority interest	73	17	(37)	79	132	(33)	42	106	129	244	20	20	20	20	80	20	20	20	20	80
Income before income taxes	(66)	462	564	167	1,127	(154)	499	874	333	1,552	(133)	459	1,034	286	1,646	(62)	479	1,105	309	1,830
Income taxes	79	77	139	35	330	(19)	113	190	34	318	(28)	99	222	60	353	(13)	103	238	65	392
Net income (loss)	(145)	385	425	132	797	(135)	386	684	299	1,234	(105)	360	812	226	1,293	(49)	376	868	244	1,438
Nonrecurring/noncash adjustments	115	43	353	110	621	164	84	124	16	389	150	150	150	150	600	150	150	150	150	600
<b>Net income</b>	<b>(30)</b>	<b>428</b>	<b>778</b>	<b>242</b>	<b>1,418</b>	<b>29</b>	<b>470</b>	<b>808</b>	<b>315</b>	<b>1,623</b>	<b>45</b>	<b>510</b>	<b>962</b>	<b>376</b>	<b>1,893</b>	<b>101</b>	<b>526</b>	<b>1,018</b>	<b>394</b>	<b>2,038</b>
EBITDA (total)	185	747	1,216	532	2,680	255	786	1,250	643	2,934	301	897	1,457	692	3,347	353	898	1,509	694	3,453
Shares, Basic	152.5	147.2	142.2	138.2	145.0	135.5	131.9	129.8	128.6	131.4	128.7	128.8	128.9	129.0	128.8	129.1	129.2	129.3	129.4	129.2
Shares, Diluted	152.5	147.9	143.8	140.5	146.3	135.5	133.9	131.8	131.8	134.0	132.0	132.2	132.4	132.6	132.3	132.8	133.0	133.2	133.4	133.1
EPS Basic (Pro forma)	(0.20)	2.91	5.47	1.75	9.78	0.21	3.56	6.23	2.45	12.35	0.35	3.96	7.46	2.92	14.69	0.78	4.07	7.87	3.04	15.77
EPS Diluted (Pro forma)	(0.20)	2.89	5.41	1.72	9.69	0.21	3.51	6.13	2.39	12.11	0.34	3.86	7.26	2.84	14.30	0.76	3.95	7.64	2.95	15.31
<b>Income Statement Ratios</b>																				
Gross margin	84.5%	87.9%	89.5%	88.2%	87.7%	87.6%	89.8%	90.4%	89.5%	89.5%	85.2%	88.5%	88.3%	85.5%	87.0%	85.0%	87.8%	88.3%	85.0%	86.7%
Sales and marketing	62.8%	52.7%	47.2%	54.1%	53.5%	63.6%	55.9%	50.5%	54.9%	55.7%	62.0%	49.0%	44.0%	50.0%	50.5%	59.3%	49.0%	44.0%	50.0%	49.9%
Technology and content	11.9%	10.2%	8.7%	12.4%	10.6%	11.8%	9.3%	7.9%	10.1%	9.6%	12.0%	11.0%	8.0%	13.0%	10.8%	13.0%	11.0%	8.0%	13.0%	11.0%
General and administrative	6.9%	5.8%	4.9%	6.9%	6.0%	6.4%	5.1%	5.6%	6.6%	5.9%	8.0%	10.0%	7.0%	8.0%	8.2%	8.0%	10.0%	7.0%	8.0%	8.2%
Operating margin	-4.5%	13.2%	15.4%	3.6%	8.0%	-3.8%	12.7%	18.8%	6.8%	9.6%	-3.4%	13.1%	24.6%	8.6%	12.0%	-1.6%	12.6%	24.8%	8.3%	12.2%
Tax rate, GAAP	-119.7%	16.7%	24.6%	21.0%	29.3%	12.3%	22.6%	21.7%	10.2%	20.5%	21.0%	21.5%	21.5%	21.0%	21.5%	21.0%	21.5%	21.5%	21.0%	21.4%
Net margin	-5.4%	11.5%	10.8%	4.6%	6.2%	-4.7%	10.8%	16.8%	9.4%	9.0%	-3.5%	9.6%	19.0%	6.7%	9.0%	-1.6%	9.6%	19.5%	7.0%	9.6%
<b>Y/Y % change</b>																				
Revenue	18%	6%	9%	10%	10%	8%	6%	3%	10%	7%	6%	5%	5%	5%	5%	4%	4%	4%	4%	4%
Gross margin	20%	7%	11%	15%	13%	12%	8%	4%	12%	9%	3%	4%	3%	1%	3%	4%	3%	4%	3%	4%
Sales and marketing	25%	3%	11%	14%	13%	10%	12%	11%	12%	11%	3%	-8%	-8%	-4%	-4%	-1%	4%	4%	4%	3%
Technology and content	17%	21%	10%	13%	15%	8%	-4%	-6%	-10%	-3%	7%	25%	7%	35%	18%	13%	4%	4%	4%	6%
General and administrative	-1%	3%	4%	7%	3%	1%	-7%	18%	6%	4%	31%	108%	31%	27%	47%	4%	4%	4%	4%	4%
Operating income (loss)	NM	28%	-19%	-19%	-5%	NM	2%	26%	108%	28%	NM	9%	38%	33%	31%	NM	0%	5%	1%	6%
Net income (loss)	NM	NM	-12%	-25%	126%	NM	0%	61%	127%	55%	NM	-7%	19%	-24%	5%	NM	4%	7%	8%	11%
EPS Diluted (Pro forma)	NM	48%	33%	37%	43%	NM	21%	13%	39%	25%	58%	10%	19%	19%	18%	124%	2%	5%	4%	7%

Source: Company reports and Ascendant Capital Markets estimates

Expedia Group, Inc.

Balance Sheet (\$ millions)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	5,904	6,274	5,056	4,225	5,686	6,242	4,722	4,183	3,727	5,783	8,107	6,802	6,251	8,393	10,831	9,465
Restricted cash	2,483	2,484	1,436	1,436	1,936	2,120	1,324	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Short term investments	44	27		28	26	31	196	300	300	300	300	300	300	300	300	300
Accounts receivable, net	2,523	2,903	2,753	2,786	3,750	4,127	3,764	3,213	1,627	1,666	1,759	1,117	1,690	1,733	1,831	1,162
Prepaid merchant																
Prepaid expenses and other current assets	1,119	1,055	765	708	894	924	758	689	305	375	428	335	317	390	445	349
Deferred income taxes	53	70	84	47	56	71	68	39	100	100	100	100	100	100	100	100
Total current assets	12,126	12,813	10,094	9,230	12,348	13,515	10,832	9,815	7,450	9,614	12,084	10,046	10,048	12,307	14,898	12,767
Property and equipment, net	2,260	2,318	2,354	2,359	2,353	2,381	2,400	2,413	2,433	2,453	2,473	2,493	2,513	2,533	2,553	2,573
Long term investments and other	1,198	1,202	1,155	1,238	1,245	1,283	1,527	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698
Goodwill and intangibles, net	8,346	8,330	7,994	7,872	7,853	7,838	7,798	7,661	7,461	7,261	7,061	6,861	6,661	6,461	6,261	6,061
Other	1,056	1,013	925	943	962	876	848	801	801	801	801	801	801	801	801	801
<b>Total assets</b>	<b>24,986</b>	<b>25,676</b>	<b>22,522</b>	<b>21,642</b>	<b>24,761</b>	<b>25,893</b>	<b>23,405</b>	<b>22,388</b>	<b>19,843</b>	<b>21,827</b>	<b>24,117</b>	<b>21,899</b>	<b>21,721</b>	<b>23,800</b>	<b>26,211</b>	<b>23,900</b>
<b>Liabilities and stockholders' equity</b>																
Merchant payable	1,531	1,775	1,887	2,041	1,948	2,206	1,980	2,031	1,946	2,390	2,729	2,138	2,021	2,487	2,841	2,224
Accounts payable	1,010	1,066	1,130	1,077	1,207	1,361	1,178	1,039	915	1,124	1,283	1,006	950	1,170	1,336	1,046
Deferred merchant bookings	11,036	11,523	8,394	7,723	11,392	12,083	9,413	8,517	4,880	5,621	6,416	5,028	5,069	5,849	6,680	5,230
Deferred revenue	186	185	167	164	177	176	173	164	164	164	164	164	164	164	164	164
Accrued expenses and other	849	880	982	778	841	889	1,001	817	783	962	1,098	860	813	1,001	1,143	895
Short-term debt						1,041	1,042	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043	1,043
<b>Total current liabilities</b>	<b>14,612</b>	<b>15,429</b>	<b>12,560</b>	<b>11,783</b>	<b>15,565</b>	<b>17,756</b>	<b>14,787</b>	<b>13,611</b>	<b>9,730</b>	<b>11,305</b>	<b>12,733</b>	<b>10,238</b>	<b>10,060</b>	<b>11,713</b>	<b>13,206</b>	<b>10,601</b>
Long-term debt	6,243	6,247	6,250	6,253	6,256	5,218	5,221	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223
Deferred tax	35	35	34	33	31	31	34	19	19	19	19	19	19	19	19	19
Other long-term liabilities	806	749	752	787	773	762	797	736	736	736	736	736	736	736	736	736
Minority interest	1,458	1,457	1,253	1,252	1,246	1,237	1,244	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
<b>Total other liabilities</b>	<b>8,542</b>	<b>8,488</b>	<b>8,289</b>	<b>8,325</b>	<b>8,306</b>	<b>7,248</b>	<b>7,296</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>	<b>7,220</b>
Preferred stock									0	0	0	0	0	0	0	0
Common stock, class A									0	0	0	0	0	0	0	0
Common stock, class B									0	0	0	0	0	0	0	0
Additional paid-in capital	14,938	15,072	15,227	15,398	15,550	15,697	15,890	16,043	16,093	16,143	16,193	16,243	16,293	16,343	16,393	16,443
Treasury stock	(11,341)	(11,937)	(12,550)	(13,023)	(13,671)	(14,204)	(14,677)	(14,856)	(14,856)	(14,856)	(14,856)	(14,856)	(14,856)	(14,856)	(14,856)	(14,856)
Retained earnings (deficit)	(1,554)	(1,169)	(764)	(632)	(767)	(381)	303	602	497	857	1,669	1,895	1,845	2,221	3,089	3,333
Unearned compensation									1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Accumulated other comprehensive (loss)	(211)	(207)	(240)	(209)	(222)	(223)	(194)	(232)	(232)	(232)	(232)	(232)	(232)	(232)	(232)	(232)
<b>Total stockholders' equity</b>	<b>1,832</b>	<b>1,759</b>	<b>1,673</b>	<b>1,534</b>	<b>890</b>	<b>889</b>	<b>1,322</b>	<b>1,557</b>	<b>2,893</b>	<b>3,303</b>	<b>4,165</b>	<b>4,441</b>	<b>4,441</b>	<b>4,867</b>	<b>5,785</b>	<b>6,079</b>
<b>Total stockholders' equity and liabilities</b>	<b>24,986</b>	<b>25,676</b>	<b>22,522</b>	<b>21,642</b>	<b>24,761</b>	<b>25,893</b>	<b>23,405</b>	<b>22,388</b>	<b>19,843</b>	<b>21,827</b>	<b>24,117</b>	<b>21,899</b>	<b>21,721</b>	<b>23,800</b>	<b>26,211</b>	<b>23,900</b>

Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid Merchant as % of total rev	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prepaid as % of total rev	42%	31%	19%	25%	31%	26%	19%	22%	10%	10%	10%	10%	10%	10%	10%	10%
Merchant payable as % of total rev	57%	53%	48%	71%	67%	62%	49%	64%	64%	64%	64%	64%	64%	64%	64%	64%
Deferred Merchant booking as % of total rev	414%	343%	214%	268%	394%	340%	232%	267%	160%	150%	150%	150%	160%	150%	150%	150%
Accounts payable as % of total rev	38%	32%	29%	37%	42%	38%	29%	33%	30%	30%	30%	30%	30%	30%	30%	30%
Accrued expenses as % of total rev	32%	26%	25%	27%	29%	25%	25%	26%	26%	26%	26%	26%	26%	26%	26%	26%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	85	78	63	87	117	104	83	91	48	40	37	30	48	40	37	30
A/P Days Payable	220	236	247	285	303	338	273	279	182	235	231	186	180	221	231	180
Merchant Days Payable (w/ Revenue)	52	48	43	64	61	56	44	57	57	57	57	57	57	57	57	57
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$12.01	\$11.89	\$11.63	\$10.91	\$6.57	\$6.64	\$10.03	\$11.81	\$21.91	\$24.98	\$31.45	\$33.49	\$33.44	\$36.59	\$43.42	\$45.56
Cash per Share (diluted)	\$55.29	\$59.39	\$45.14	\$40.48	\$56.44	\$62.68	\$47.36	\$44.56	\$41.04	\$56.53	\$74.00	\$64.05	\$59.80	\$75.82	\$94.00	\$83.62
Net cash per Share (diluted)	\$14.35	\$17.16	\$1.68	(\$4.01)	\$10.27	\$15.94	(\$0.16)	(\$2.97)	(\$6.42)	\$9.14	\$26.67	\$16.80	\$12.62	\$28.71	\$46.96	\$36.65
Total Debt	\$6,243	\$6,247	\$6,250	\$6,253	\$6,256	\$6,259	\$6,263	\$6,266	\$6,266	\$6,266	\$6,266	\$6,266	\$6,266	\$6,266	\$6,266	\$6,266

Source: Company reports and Ascendant Capital Markets estimates

Expedia Group, Inc.

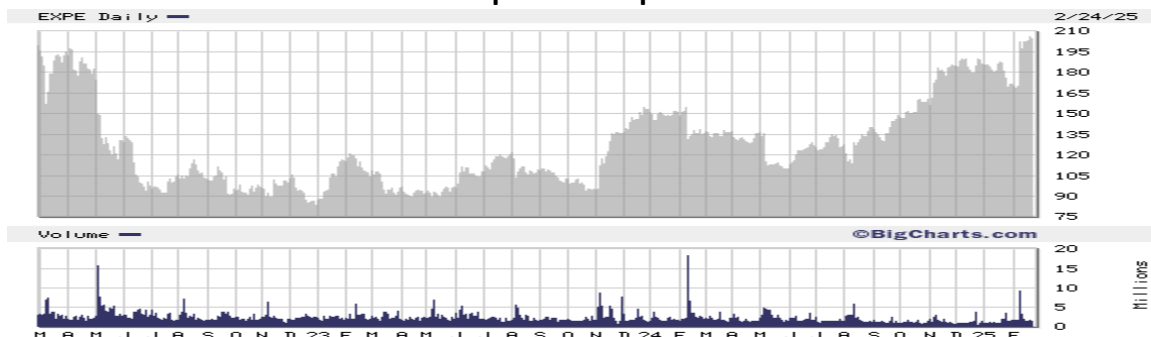
Cash Flow Statement (\$ millions)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																				
Net income	(140)	387	305	136	688	(136)	375	684	301	1,224	(105)	360	812	226	1,293	(49)	376	868	244	1,438
Depreciation	177	184	194	193	748	195	190	197	199	781	155	155	155	155	620	155	155	155	155	620
Stock comp	103	106	105	99	413	104	114	147	93	458	50	50	50	50	200	50	50	50	50	200
Amortization of intangibles	15	15	14	15	59	15	15	14	13	57	200	200	200	200	800	200	200	200	200	800
Deferred tax	(57)	40	66	13	62	(38)	77	27	8	74	(61)	0	0	0	(61)	0	0	0	0	0
F/X gains/losses	(20)	(9)	96	(83)	(16)	71	28	(120)	156	135	0	0	0	0	0	0	0	0	0	0
Accrued					0					0	0	0	0	0	0	0	0	0	0	0
Impairments			312	114	426			33	114	147					0					0
Other gains/losses	(1)	(53)	127	(114)	(41)	9	(56)	(74)	(168)	(289)	0	0	0	0	0	0	0	0	0	0
Other	14	14	6	46	80	10	28	31	10	79	0	0	0	0	0	0	0	0	0	0
Changes in operating assets and liabilities:																				
Accounts receivable	(456)	(390)	142	(37)	(741)	(974)	(387)	354	540	(467)	1,586	(39)	(93)	641	2,096	(572)	(43)	(98)	669	(45)
Prepaid expenses & other current as:	(293)	146	190	55	98	(171)	(9)	161	86	67	384	(70)	(53)	93	354	18	(73)	(55)	97	(13)
Merchant payable	(178)	244	112	154	332	(93)	258	(226)	51	(10)	(85)	445	338	(591)	107	(117)	466	353	(617)	86
Accounts payable	79	96	48	(122)	101	219	184	(168)	(246)	(11)	(124)	209	159	(278)	(33)	(55)	219	166	(290)	40
Deferred merchant bookings	3,885	486	(3,128)	(671)	572	3,669	691	(2,670)	(896)	794	(3,637)	741	795	(1,389)	(3,489)	41	780	831	(1,450)	202
Deferred revenue					0					0	0	0	0	0	0	0	0	0	0	0
Income tax payable and other	29	(120)	36	(36)	(91)	(1)	(7)	117	(63)	46	(34)	179	136	(238)	43	(47)	188	142	(248)	35
<b>Net cash (used in) provided by oper.</b>	<b>3,157</b>	<b>1,146</b>	<b>(1,375)</b>	<b>(238)</b>	<b>2,690</b>	<b>2,879</b>	<b>1,501</b>	<b>(1,493)</b>	<b>198</b>	<b>3,085</b>	<b>(1,672)</b>	<b>2,231</b>	<b>2,499</b>	<b>(1,130)</b>	<b>1,928</b>	<b>(376)</b>	<b>2,317</b>	<b>2,613</b>	<b>(1,191)</b>	<b>3,363</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equipment	(233)	(223)	(213)	(177)	(846)	(177)	(194)	(194)	(191)	(756)	(175)	(175)	(175)	(175)	(700)	(175)	(175)	(175)	(175)	(700)
Purchases of short-term investments	5	17	27	(28)	21	(69)	(336)	(144)	(549)	0	0	0	0	0	0	0	0	0	0	0
Sale of short-term investments					0	43			35	78	0	0	0	0	0	0	0	0	0	0
Acquisitions					0					0	0	0	0	0	0	0	0	0	0	0
Net settlement					0					0	0	0	0	0	0	0	0	0	0	0
Other	33	13	(61)	40	25	(37)	(15)	78	(61)	(35)	0	0	0	0	0	0	0	0	0	0
<b>Net cash used in investing activities</b>	<b>(195)</b>	<b>(193)</b>	<b>(247)</b>	<b>(165)</b>	<b>(800)</b>	<b>(240)</b>	<b>(209)</b>	<b>(452)</b>	<b>(361)</b>	<b>(1,262)</b>	<b>(175)</b>	<b>(175)</b>	<b>(175)</b>	<b>(175)</b>	<b>(700)</b>	<b>(175)</b>	<b>(175)</b>	<b>(175)</b>	<b>(175)</b>	<b>(700)</b>
<b>Cash flow from financing activities</b>																				
Term loan borrowing (net)					0					0	0	0	0	0	0	0	0	0	0	0
Repurchase of common stock	(469)	(593)	(607)	(468)	(2,137)	(643)	(529)	(469)	(198)	(1,839)	0	0	0	0	0	0	0	0	0	0
Dividends					0					0	0	0	0	0	0	0	0	0	0	0
Proceeds from stock option exercise	29	11	13	48	101	32	16	29	39	116	0	0	0	0	0	0	0	0	0	0
Change in restricted cash					0					0	0	0	0	0	0	0	0	0	0	0
Other	3	1	13	(77)	(60)	(20)	(5)	(1)	4	(22)	0	0	0	0	0	0	0	0	0	0
Proceeds from issuance of common stock					0					0	0	0	0	0	0	0	0	0	0	0
<b>Cash provided by (used in) financing</b>	<b>(437)</b>	<b>(581)</b>	<b>(581)</b>	<b>(497)</b>	<b>(2,096)</b>	<b>(631)</b>	<b>(518)</b>	<b>(441)</b>	<b>(155)</b>	<b>(1,745)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Effect of exchange rate on cash and ca	11	(1)	(63)	69	16	(47)	(34)	70	(154)	(165)	0	0	0	0	0	0	0	0	0	0
<b>Net increase (decrease) in cash and</b>	<b>2,536</b>	<b>371</b>	<b>(2,266)</b>	<b>(831)</b>	<b>(190)</b>	<b>1,961</b>	<b>740</b>	<b>(2,316)</b>	<b>(472)</b>	<b>(87)</b>	<b>(1,847)</b>	<b>2,056</b>	<b>2,324</b>	<b>(1,305)</b>	<b>1,228</b>	<b>(551)</b>	<b>2,142</b>	<b>2,438</b>	<b>(1,366)</b>	<b>2,663</b>
Beginning cash and equivalents	5,851	8,387	8,758	6,492	5,851	5,661	7,622	8,362	6,046	5,661	5,574	3,727	5,783	8,107	5,574	6,802	6,251	8,393	10,831	6,802
<b>Ending cash and equivalents</b>	<b>8,387</b>	<b>8,758</b>	<b>6,492</b>	<b>5,661</b>	<b>5,661</b>	<b>7,622</b>	<b>8,362</b>	<b>6,046</b>	<b>5,574</b>	<b>5,574</b>	<b>3,727</b>	<b>5,783</b>	<b>8,107</b>	<b>6,802</b>	<b>6,802</b>	<b>6,251</b>	<b>8,393</b>	<b>10,831</b>	<b>9,465</b>	<b>9,465</b>

Source: Company reports and Ascendant Capital Markets estimates

## ANALYST CERTIFICATION

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.

### Expedia Group Inc.



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

Report	Report Date	Rating	Price Target
39	2/9/2018	Buy	125.00
40	4/27/2018	Buy	135.00
41	7/29/2018	Buy	156.00
42	10/28/2018	Buy	148.00
43	2/8/2019	Buy	152.00
44	5/7/2019	Buy	145.00
45	7/28/2019	Buy	159.00
46	11/13/2019	Buy	115.00
47	2/22/2020	Buy	135.00
48	5/26/2020	Buy	90.00
49	8/8/2020	Buy	92.00
50	12/2/2020	Buy	146.00
51	2/21/2021	Buy	180.00
52	6/10/2021	Buy	200.00
53	9/11/2021	Buy	180.00
54	1/8/2022	Buy	210.00
55	3/24/2022	Buy	221.00
56	6/11/2022	Buy	202.00
57	9/11/2022	Buy	190.00
58	12/16/2022	Buy	141.00
59	3/26/2023	Buy	134.00
60	6/11/2023	Buy	142.00
61	9/16/2023	Buy	133.00
62	12/28/2023	Buy	168.00
63	3/13/2024	Buy	160.00

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## Risks & Considerations

Risks to attainment of our share price target include changes in competition, economic conditions, consumer and business demand for travel, investor sentiment for investing in travel and technology stocks, and industry growth for online travel companies.

## Ascendant Capital Markets, LLC Rating System

**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 January 10, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	56	98%	20	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	57	100%	20	35%

### 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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