

TripAdvisor, Inc.

Q1 revenue upside and improved 2022 outlook. Outlook is improving with travel industry rebound and possible spinoffs. Lowering P/T to \$36.

COMPANY UPDATE

Rating: BUY

Ticker: TRIP

Price: \$22.11

Target: \$36.00
(from \$42)

Q1 revenue upside: TripAdvisor recently (on May 4) reported its fiscal Q1 2022 (ending March) results. Revenue was \$262 million (+113% y-o-y), compared with our estimate of \$252 million and consensus of \$251 million. Pro forma EPS was \$(0.09), compared with our estimates of \$(0.15) and consensus of \$(0.07). The company provided qualitative guidance for Q1 revenue of “likely a bit higher” than Q4 2021’s ~\$241 million.

Improved Q1: Its core hotel revenue was \$160 million (+82% y-o-y) and Experiences & Dining was \$92 million (+229% y-o-y) and both have rebounded strongly from Q2 2020 when the pandemic lockdowns started. Q1 revenue was 70% of Q1 2019’s, about flat with Q4’s 72% as Omicron weighed early in Q1.

With strong E&D growth: The company’s Experiences & Dining (E&D) Segment had strong growth and revenue was 115% of Q1 2019, so it has surpassed pre-pandemic levels.

Travel is rebounding: Since the lows in April 2020, the company has seen continual improvement in travel. The company continues to expect a steady return to normal/pre-pandemic levels with some travel metrics already above.

2022 guidance improved: The company provided qualitative guidance for Q2 revenue of “90 – 95%” of Q2 2019’s (~\$380 - 400 million) and EBITDA of ~\$76 - 80 million.

Raising estimates: We are raising our 2022 estimates for revenue to \$1,416 million, from \$1,236 million, and for EPS to \$0.84 from \$0.67.

Major cost cuts improves profitability: In April 2020, due to the rapid decline of its business due to the coronavirus, the company initiated significant costs reductions. The company achieved over \$200 million in fixed costs savings in 2020 vs. 2019 and expects most of these savings will continue in 2022.

Economies reopenings: Like all other travel services providers, TRIP had material negative impact from the recent coronavirus pandemic. However, with pandemic impact waning over time since the initial outbreak in March 2020, we believe TRIP is close to returning to or above normalized (pre-pandemic) business in 2022. The company expects increased consumer confidence and pent up demand to drive a rebound in the travel industry over the next several years.

New CEO: In May, Tripadvisor just announced Matt Goldberg as its new CEO.

Spinoffs: In February, the company announced that it will evaluate strategic opportunities related to Viator and TheFork (its E&D Segment) including a potential sub-IPO. There is no new update on this.

Long term positive: We believe that TRIP’s overall long term positive thesis remains intact (even if near term results are still weaker). We believe that execution of its 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.

Valuation attractive: Maintaining our BUY rating, but lowering our 12-month price target to \$36 from \$42, which reflects a forward P/E of 24x our 2023 EPS estimate of \$1.50. 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.

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$20.25 – 42.80
Shares Outstanding (million):	139
Market cap (\$million):	\$3,073
EV (\$million):	\$3,000
Debt (\$million):	\$834
Cash (\$million):	\$907
Avg. Daily Trading Vol. (\$million):	\$44
Float (million shares):	92
Short Interest (million shares):	12
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	262A	252E	301E	303E
Q2 Jun	396E	337E	455E	394E
Q3 Sep	409E	364E	450E	400E
Q4 Dec	<u>349E</u>	<u>283E</u>	<u>394E</u>	<u>318E</u>
Total	1,416E	1,236E	1,600E	1,415E
EV/Revs	2.1x		1.9x	

Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.09)A	(0.15)E	(0.04)E	(0.07)E
Q2 Jun	0.24E	0.13E	0.36E	0.26E
Q3 Sep	0.43E	0.46E	0.74E	0.61E
Q4 Dec	<u>0.26E</u>	<u>0.23E</u>	<u>0.43E</u>	<u>0.34E</u>
Total	\$0.84E	\$0.67E	\$1.50E	\$1.15E
P/E	26x		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 10.

OVERVIEW

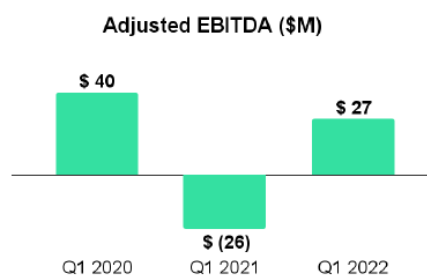
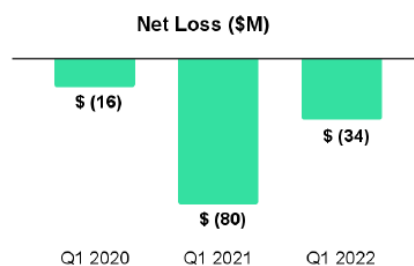
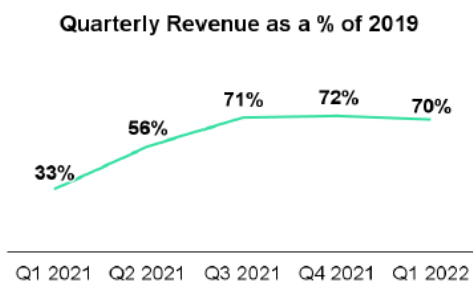
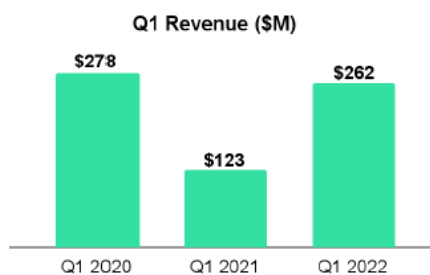
- TripAdvisor recently (on May 4) reported its fiscal Q1 2022 (ending March) results.
- Revenue was \$262 million (+113% y-o-y), compared with our estimate of \$252 million and consensus of \$251 million.
- Pro forma EPS was \$(0.09), compared with our estimates of \$(0.15) and consensus of \$(0.07).
- EBITDA was \$27 million (vs. \$(26) million y-o-y), compared with our estimate of \$7 million.
- The company provided qualitative guidance for Q1 revenue of “likely a bit higher” than Q4 2021’s ~\$241 million.
- The company provided qualitative guidance for Q2 revenue of “90 – 95%” of Q2 2019’s (~\$380 - 400 million) and EBITDA of ~\$76 - 80 million.
- We are raising our 2022 estimates for revenue to \$1,416 million, from \$1,236 million, and for EPS to \$0.84 from \$0.67.
- We are raising our 2023 estimates for revenue to \$1,600 million, from \$1,415 million, and for EPS to \$1.50 from \$1.15.

ADDITIONAL DETAILS

- Hotel revenue was \$160 million (+82% y-o-y), Experiences & Dining was \$92 million (+229% y-o-y), and Other was \$10 million (+43% y-o-y).
- Hotel EBITDA was \$46 million (vs. \$(3) million y-o-y), Experiences & Dining was \$(22) million (vs. \$(24) million y-o-y), and Other was \$3 million (vs. \$1 million y-o-y).
- Gross profit for the quarter was \$240 million, compared with our estimate of \$232 million.
- Gross margin for the quarter was 92%, versus 90% last year and our expectation of 92%.
- Operating expenses were \$260 million, versus our expectation of \$286 million.
- Operating loss was \$20 million, versus our expectation of a loss of \$54 million.
- Pro forma net loss was \$13 million, versus our expectation of a loss of \$21 million.
- In November, 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, TripAdvisor just 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 February, 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.

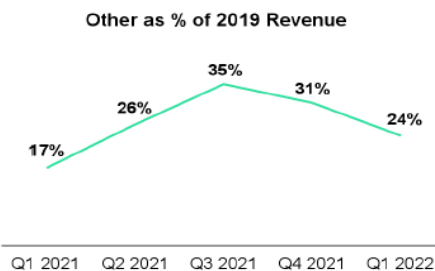
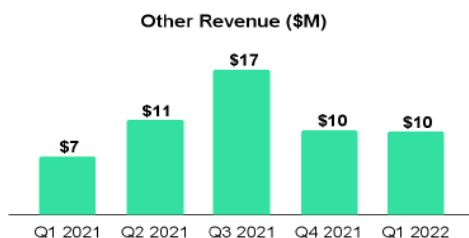
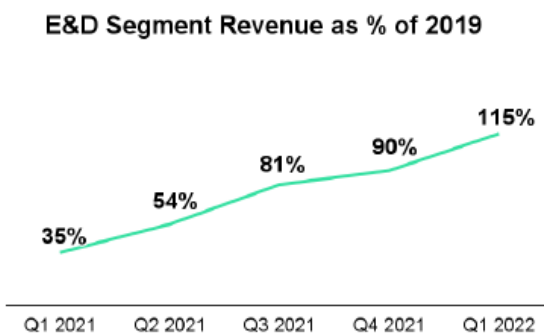
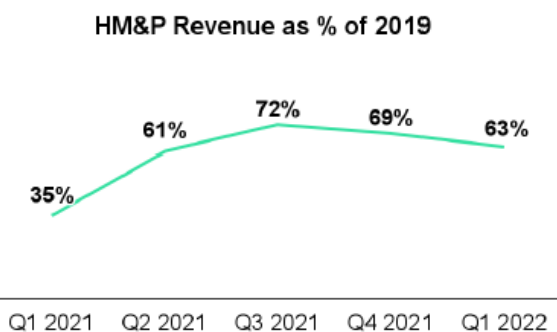
The company’s balance sheet remains solid with \$907 million in cash and \$834 million in debt (~\$1 in net cash per share), compared with \$907 million in cash and \$833 million in debt in December.

Exhibit 1: TripAdvisor's Metrics (2020/2021 vs. 2019)



Source: Company report.

Exhibit 2: Segment Metrics (2020/2021 vs. 2019)



Source: Company report.

Exhibit 3: Q2 and 2022 Outlook and Guidance (as of May 4, 2022)

We are very pleased with our Q1 performance, despite Omicron's impact early in the quarter. We still expect our 2022 revenue performance to track with the overall recovery in the travel market, which appears to be gaining momentum. However, with unknown geopolitical ripple effects and new variant strains, we also do not believe we have quite reached a state of consistent and stable travel trends.

Net-net though, we are more confident in the velocity of the return and see that travelers are excited about taking trips again. We've increased our annual revenue expectations based on the first quarter's Experiences and hotel auction performance and we expect continued improvements in leisure travel's return in the 2H of 2022. We still expect that 2H consolidated revenue will cross-over 2019 levels, though given 1H performance, and drag from our "Other" offerings, we currently do not expect to reach 2019 levels for the full year.

For Q2 2022, we expect:

- Consolidated revenue of low to mid-90s as a percent of 2019
- Consolidated adjusted EBITDA margin of approximately 20% of revenue

Source: Company report.

Exhibit 4: TripAdvisor Stock Price (5-years)



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

Exhibit 5: Consensus Expectations (as of May 4, 2022)

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$251E		Q1 Mar	\$(0.07)E	
Q2 Jun	\$360E		Q2 Jun	\$0.27E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$1,335E	\$1,599E	Total	\$0.84E	\$1.62E

*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-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	278	59	151	116	604	123	235	303	241	902	262	396	409	349	1,416	301	455	450	394	1,600
Cost of Revenues	19	10	13	13	55	12	19	23	20	74	22	32	33	28	114	21	32	31	28	112
Gross Profit	259	49	138	103	549	111	216	280	221	828	240	364	376	321	1,302	280	423	418	366	1,488
Operating expenses:																				
Sales and marketing	129	54	70	66	319	73	123	148	126	470	141	174	168	143	626	133	200	157	150	640
Technology and content	73	51	46	55	225	55	54	52	51	212	54	83	65	73	276	87	91	58	79	316
General and administrative	52	43	35	44	174	38	46	37	46	167	40	51	53	45	190	57	55	54	47	213
Depreciation	25	32	30	31	118	29	28	27	26	110	25	28	28	28	109	28	28	28	28	112
Amortization of intangible	7				7					0		8	8	8	24	8	8	8	8	32
Related-party shared services fee					0					0					0					0
Restructuring and other		33	3	(1)	35					0		0	0	0	0	0	0	0	0	0
Total operating expenses	286	213	184	195	878	195	251	264	249	959	260	345	322	298	1,225	313	382	306	312	1,313
Operating income (loss)	(27)	(164)	(46)	(92)	(329)	(84)	(35)	16	(28)	(131)	(20)	19	54	23	77	(33)	41	112	55	175
Interest income (expense)			(12)	(14)	(26)	(11)	(11)	(12)	(11)	(45)	(13)	(14)	(14)	(14)	(56)	(14)	(14)	(14)	(14)	(57)
Other and minority interest		(15)		2	(13)	(1)		(1)	(8)	(10)					0					0
Income before income taxes	(27)	(179)	(58)	(104)	(368)	(96)	(46)	3	(47)	(186)	(33)	5	40	9	21	(47)	27	98	40	118
Income taxes	(11)	(26)	(10)	(31)	(78)	(16)	(6)	2	(18)	(38)	1	1	10	2	14	(12)	7	25	10	30
Net income (loss)	(16)	(153)	(48)	(73)	(290)	(80)	(40)	1	(29)	(148)	(34)	4	30	7	6	(35)	20	74	30	89
Nonrecurring/noncash adjustment	25	51	25	18	123	27	30	22	28	107	21	30	30	30	111	30	30	30	30	120
Net income	9	(102)	(23)	(55)	(167)	(53)	(10)	23	(1)	(41)	(13)	34	60	37	117	(5)	50	104	60	209
EBITDA	40	(74)	15	(33)	(52)	(26)	25	72	29	100	27	80	115	84	307	28	102	173	116	419
Shares, Basic	136	134	134	135	135	136	137	138	138	137	139	139	139	139	139	139	140	140	140	140
Shares, Diluted	136	134	134	135	135	136	137	144	138	137	139	139	139	139	139	139	140	140	140	140
EPS Basic (Pro forma)	0.07	(0.76)	(0.17)	(0.41)	(1.24)	(0.39)	(0.07)	0.17	(0.01)	(0.30)	(0.09)	0.24	0.43	0.26	0.84	(0.04)	0.36	0.74	0.43	1.50
EPS Diluted (Pro forma)	0.07	(0.76)	(0.17)	(0.41)	(1.24)	(0.39)	(0.07)	0.16	(0.01)	(0.30)	(0.09)	0.24	0.43	0.26	0.84	(0.04)	0.36	0.74	0.43	1.50
Income Statement Ratios																				
Gross margin	93%	83%	91%	89%	91%	90%	92%	92%	92%	92%	92%	92%	92%	92%	92%	93%	93%	93%	93%	93%
Sales and marketing	46%	92%	46%	57%	53%	59%	52%	49%	52%	52%	54%	44%	41%	41%	44%	44%	44%	35%	38%	40%
Technology and content	26%	86%	30%	47%	37%	45%	23%	17%	21%	24%	21%	21%	16%	21%	19%	29%	20%	13%	20%	20%
General and administrative	19%	73%	23%	38%	29%	31%	20%	12%	19%	19%	15%	13%	13%	13%	13%	19%	12%	12%	12%	13%
Operating margin	-10%	-278%	-30%	-79%	-54%	-68%	-15%	5%	-12%	-15%	-8%	5%	13%	7%	5%	-11%	9%	25%	14%	11%
Tax rate, GAAP	41%	15%	17%	30%	21%	17%	13%	67%	38%	20%	-3%	25%	25%	25%	70%	25%	25%	25%	25%	25%
Net margin	-6%	-259%	-32%	-63%	-48%	-65%	-17%	0%	-12%	-16%	-13%	1%	7%	2%	0%	-12%	4%	16%	8%	6%
Y/Y % change																				
Total Revenue	-26%	-86%	-65%	-65%	-61%	-56%	298%	101%	108%	49%	113%	68%	35%	45%	57%	15%	15%	10%	13%	13%
Gross margin	-27%	-88%	-66%	-67%	-63%	-57%	341%	103%	115%	51%	116%	68%	34%	45%	57%	17%	16%	11%	14%	14%
Sales and marketing	-28%	-70%	-60%	-53%	-53%	-43%	128%	111%	91%	47%	93%	41%	13%	14%	33%	-6%	15%	-6%	5%	2%
Technology and content	0%	-31%	-39%	-21%	-23%	-25%	6%	13%	-7%	-6%	-2%	54%	26%	44%	30%	62%	10%	-11%	7%	14%
General and administrative	24%	-4%	-31%	-10%	-7%	-27%	7%	6%	5%	-4%	5%	12%	44%	-1%	14%	43%	6%	2%	4%	12%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	237%	NM	NM	NM	113%	108%	133%	129%
Net income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	442%	148%	344%	77%
EPS Diluted (Pro forma)	-82%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	169%	NM	NM	NM	48%	73%	63%	NM

Source: Company reports and Ascendant Capital Markets estimates.

TripAdvisor, Inc.

Balance Sheet (\$ millions)	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	798	698	446	418	674	775	682	723	781	997	1,115	1,163	948	1,084	1,207	1,283
Restricted cash																
Short term investments										0	0	0	0	0	0	0
Accounts receivable, net	159	74	91	83	97	159	198	142	180	176	168	116	161	202	185	131
Prepaid expenses and other current assets	29	26	26	22	24	25	28	26	33	50	16	14	12	18	18	16
Deferred income taxes	26	55	50	50	50	47	52	49	49	49	49	49	11	11	11	11
Total current assets	1,012	853	613	573	845	1,006	960	940	1,043	1,272	1,349	1,342	1,132	1,315	1,421	1,441
Property and equipment, net	268	259	250	240	229	225	220	215	209	206	203	200	197	194	191	188
Long term investments and other	54	41	40	40	143	142	174	184	126	126	126	126	126	126	126	126
Goodwill and intangibles, net	927	932	934	948	932	929	915	908	901	893	885	877	869	861	853	845
Other	166	164	159	168	83	85	43	42	93	93	93	93	3	3	3	3
Total assets	2,427	2,249	1,996	1,969	2,232	2,387	2,312	2,289	2,372	2,590	2,656	2,638	2,327	2,499	2,594	2,603
Liabilities and stockholders' equity																
Accounts payable	34	13	14	18	13	15	22	27	12	28	29	24	21	32	31	28
Deferred merchant payable	71	57	38	36	71	173	123	113	197	197	197	197	197	197	197	197
Payable to Expedia										2	2	2	2	2	2	2
Deferred revenue	60	38	31	28	38	49	39	36	59	59	59	59	59	59	59	59
Tax payable										70	70	70	70	70	70	70
Accrued expenses and other	146	141	148	160	155	207	179	181	199	300	311	265	229	346	342	299
Short-term debt										0	0	0	0	0	0	0
Total current liabilities	311	249	231	242	277	444	363	357	467	656	667	618	578	705	701	655
Long-term debt	700	700	490	491	831	832	832	833	834	834	834	834	834	834	834	834
Deferred tax	16	13	10	10	2	2	2	1	1	1	1	1	25	25	25	25
Other long-term liabilities	373	375	357	340	337	330	321	309	303	303	303	303	18	18	18	18
Minority interest																
Total other liabilities	1,089	1,088	857	841	1,170	1,164	1,155	1,143	1,138	1,138	1,138	1,138	877	877	877	877
Common stock, class A										0	0	0	0	0	0	0
Common stock, class B										0	0	0	0	0	0	0
Additional paid-in capital	1,167	1,193	1,224	1,253	1,244	1,275	1,297	1,326	1,342	1,367	1,392	1,417	1,442	1,467	1,492	1,517
Treasury stock	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)
Retained earnings (deficit)	662	509	461	389	309	269	270	241	207	211	240	247	212	232	306	336
Unearned compensation										0	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	(80)	(68)	(55)	(34)	(46)	(43)	(51)	(56)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
Total stockholders' equity	1,027	912	908	886	785	779	794	789	767	796	850	882	872	917	1,016	1,071
Total stockholders' equity and liabilities	2,427	2,249	1,996	1,969	2,232	2,387	2,312	2,289	2,372	2,590	2,656	2,638	2,327	2,499	2,594	2,603

Balance Sheet Drivers

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	10%	44%	17%	19%	20%	11%	9%	11%	13%	13%	4%	4%	4%	4%	4%	4%
Accounts payable as % of total rev	12%	22%	9%	16%	11%	6%	7%	11%	5%	7%	7%	7%	7%	7%	7%	7%
Accrued expenses as % of total rev	53%	239%	98%	138%	126%	88%	59%	75%	76%	76%	76%	76%	76%	76%	76%	76%
Activity Ratios																
A/R Days Sales Outstanding	51	113	54	64	71	61	59	53	62	40	37	30	48	40	37	30
A/P Days Payable	161	117	97	125	98	71	86	122	49	79	79	79	90	90	90	90
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$7.55	\$6.81	\$6.78	\$6.56	\$5.77	\$5.69	\$5.51	\$5.72	\$5.52	\$5.72	\$6.11	\$6.33	\$6.25	\$6.57	\$7.28	\$7.67
Cash per Share (diluted)	\$6.26	\$5.51	\$3.63	\$3.39	\$6.01	\$6.69	\$5.94	\$6.57	\$6.53	\$8.08	\$8.92	\$9.25	\$7.70	\$8.67	\$9.55	\$10.08
Net cash per Share (diluted)	\$1.12	\$0.29	(\$0.03)	(\$0.24)	(\$0.10)	\$0.62	\$0.17	\$0.54	\$0.53	\$2.08	\$2.93	\$3.26	\$1.72	\$2.70	\$3.57	\$4.11
Total Debt	\$700	\$700	\$490	\$491	\$831	\$832	\$832	\$833	\$834	\$834	\$834	\$834	\$834	\$834	\$834	\$834

Source: Company reports and Ascendant Capital Markets estimates.

TripAdvisor, Inc.

Cash Flow Statement (\$ millions)	Mar-20	Jun-20	Sep-20	Dec-20	2020	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
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(16)	(153)	(48)	(73)	(290)	(80)	(40)	1	(29)	(148)	(34)	4	30	7	6	(35)	20	74	30	89
Depreciation	25	32	30	31	118	29	28	27	26	110	25	28	28	28	109	28	28	28	28	112
Stock comp	26	25	28	29	108	29	32	29	31	121	22	25	25	25	97	25	25	25	25	100
Tax benefit from stock comp					0					0					0					0
Amortization of intangibles	7		3		10					0		8	8	8	24	8	8	8	8	32
Amortization of deferred financing costs					0					0					0					0
Deferred tax	12	(3)	(1)	(5)	3	(22)	(6)	2	(18)	(44)		0	0	0	0	62	0	0	0	62
F/X gains/losses					0					0		0	0	0	0	0	0	0	0	0
Expedia receivable and payable					0					0		2	0	0	2	0	0	0	0	0
Other gains/losses		20	1	1	22	2	1	(2)	2	3	1	0	0	0	1	0	0	0	0	0
Other			4	2	6	4	3	3	8	18	3	0	0	0	3	0	0	0	0	0
Changes in operating assets and liabilities:																				
Accounts receivable					0					0		4	8	52	64	(44)	(41)	17	54	(15)
Prepaid expenses & other current assets					0					0		(17)	33	2	19	2	(6)	0	2	(2)
Accounts payable					0					0		16	1	(4)	12	(3)	11	(0)	(4)	3
Tax payable					0					0		70	0	0	70	0	0	0	0	0
Accrued expenses & other					0					0		101	10	(45)	66	(37)	117	(4)	(42)	34
Deferred revenue					0					0		0	0	0	0	0	0	0	0	0
Other	(124)	1	(48)		(171)	19	108	(124)	45	48	69	0	0	0	69	(195)	0	0	0	(195)
Net cash (used in) provided by oper.	(70)	(78)	(31)	(15)	(194)	(19)	126	(64)	65	108	86	241	143	72	543	(190)	161	148	101	220
Cash flow from investing activities																				
Purchases of property and equipment	(20)	(15)	(11)	(9)	(55)	(10)	(14)	(15)	(14)	(53)	(14)	(25)	(25)	(25)	(89)	(25)	(25)	(25)	(25)	(100)
Purchases of short-term investments					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
Acquisitions					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
Other		1	(2)		(1)		(2)	1	1	0		0	0	0	0	0	0	0	0	0
Net cash used in investing activities	(20)	(14)	(13)	(9)	(56)	(10)	(16)	(14)	(13)	(53)	(14)	(25)	(25)	(25)	(89)	(25)	(25)	(25)	(25)	(100)
Cash flow from financing activities																				
Term loan borrowing (net)	700	(4)	(210)	(4)	482	303	(2)	(2)	(7)	292	(2)	0	0	0	(2)	0	0	0	0	0
Repurchase of common stock	(115)				(115)					0		0	0	0	0	0	0	0	0	0
Dividends					0					0		0	0	0	0	0	0	0	0	0
Proceeds from stock option exercise	(14)	(3)	(1)	(3)	(21)	(16)	(5)	(10)	(31)	(31)	(8)	0	0	0	(8)	0	0	0	0	0
Change in restricted cash					0					0		0	0	0	0	0	0	0	0	0
Other	(1)	(1)	(1)		(3)					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
Cash provided by (used in) financing	570	(8)	(212)	(7)	343	287	(7)	(12)	(7)	261	(10)	0	0	0	(10)	0	0	0	0	0
Effect of exchange rate on cash and ca	(1)		4	3	6	(2)	(2)	(3)	(4)	(11)	(4)	0	0	0	(4)	0	0	0	0	0
Net increase (decrease) in cash and	479	(100)	(252)	(28)	99	256	101	(93)	41	305	58	216	118	47	440	(215)	136	123	76	120
Beginning cash and equivalents	319	798	698	446	319	418	674	775	682	418	723	781	997	1,115	723	1,163	948	1,084	1,207	1,163
Ending cash and equivalents	798	698	446	418	418	674	775	682	723	723	781	997	1,115	1,163	1,163	948	1,084	1,207	1,283	1,283

Source: Company reports and Ascendant Capital Markets estimates.

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TripAdvisor, Inc.



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

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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 Rating System

Prior to January 31, 2014, ASCM used the following rating system:

Strong Buy: We expect the stock to provide a total return of 30% or more within a 12-month period.

Buy: We expect the stock to provide a total return of between 10% and 30% within a 12-month period.

Neutral: We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.

Sell: We expect the stock to provide a total return of minus 10% or worse within a 12-month period.

Speculative Buy: This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 17, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	41	98%	13	32%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	13	31%

Other Important Disclosures

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