



Booking Holdings Inc.

Q4 upside as travel rebounds. 2022 outlook positive as travel demand strong. Raising P/T to \$2,850.

Q4 upside: Booking recently (on February 23) reported its fiscal Q4 2021 results. Revenue was \$2.98 billion (+141% y-o-y), compared to our estimate of \$2.85 billion and consensus of \$2.86 billion. Pro forma EPS was \$15.83, compared to our estimate of \$16.83 and consensus of \$13.55. EBITDA was \$940 million, compared to our estimate of \$856 million. Q4 general qualitative guidance was that October's room nights were -10% vs. 2019's and Q4 EBITDA will be "positive".

Q4 continued strong rebound: Gross bookings were \$19.0 billion (+160% y-o-y), compared to our estimate of \$17.6 billion. The company saw solid recovery in most of its business around the world. However, the latter part of the Q4 (in December) saw weakness primarily in Europe as Omicron spread.

Q4 much improved: Since the lows in April 2020, the company has seen continual modest and bumpy improvement in travel. The company has seen some strong pockets of business return particularly in domestic travel in the U.S. and Europe, though Asia and international travel continues to lag. Though now, Asia is beginning to rebound as well.

And Q1 and 2022 outlook much better: In February, room nights were about inline with 2019 with strong growth in the U.S. and Europe. So far, the summer booking trends in Western Europe and the U.S. are higher for the summer than they were at the same time in 2019. This is even with COVID still around and current geopolitical issues with Russia/Ukraine.

Q1 guidance: The company declined to provide any forward guidance, but it did provide Q1 general qualitative guidance that January room nights were -22% vs. 2019's, but first half of February were inline with 2019's, and Q1 EBITDA will be "positive but down sequentially from Q4".

Raising estimates significantly: We are raising our 2022 estimates for revenue to \$15.1 billion, from \$14.7 billion, and for EPS to \$94.27 from \$84.83.

Economies reopenings: 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, we believe Booking is close to returning to normalized 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.

M&A: The company recently (in November) announced 2 major acquisitions for ~\$3 billion, hotel wholesaler Getaroom and global flight booking provider Etraveli Group. Both are expected to have minor P&L impact in 2022.

Positive risk versus reward: Despite volatility from the coronavirus (which we believe future impact will be relatively minimal), we continue to be positive on Booking longer term. We believe longer term, traveling and the travel industry will return (and 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 \$2,850 from \$2,800, which reflects a forward P/E of ~25.5x our 2023 EPS estimate of ~\$111. This P/E multiple is about inline with the peer group of online travel companies to reflect about inline 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.

United States
Internet Software and Services

March 23, 2022

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COMPANY UPDATE

Rating: BUY

Ticker: BKNG

Price: \$2,157
(intraday)

Target: \$2,850
(from \$2,800)

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$1,796 – 2,716
Shares Outstanding (million):	41
Market cap (\$million):	\$88,437
EV (\$million):	\$88,211
Debt (\$million):	\$10,926
Cash (\$million):	\$11,152
Avg. Daily Trading Vol. (\$million):	\$1,012
Float (million shares):	41
Short Interest (million shares):	~1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	2,623E		3,814E	
Q2 Jun	3,769E		4,008E	
Q3 Sep	5,047E		5,369E	
Q4 Dec	<u>3,617E</u>	<u>3,252E</u>	<u>3,839E</u>	
Total	15,056E	14,691E	17,030E	
EV/Revs	6x		5x	

Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	7.30E	6.15E	12.13E	
Q2 Jun	20.84E	18.59E	23.63E	
Q3 Sep	39.82E	37.78E	45.25E	
Q4 Dec	<u>26.22E</u>	<u>22.22E</u>	<u>29.94E</u>	
Total	94.27E	84.83E	111.04E	
P/E	23x		19x	

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

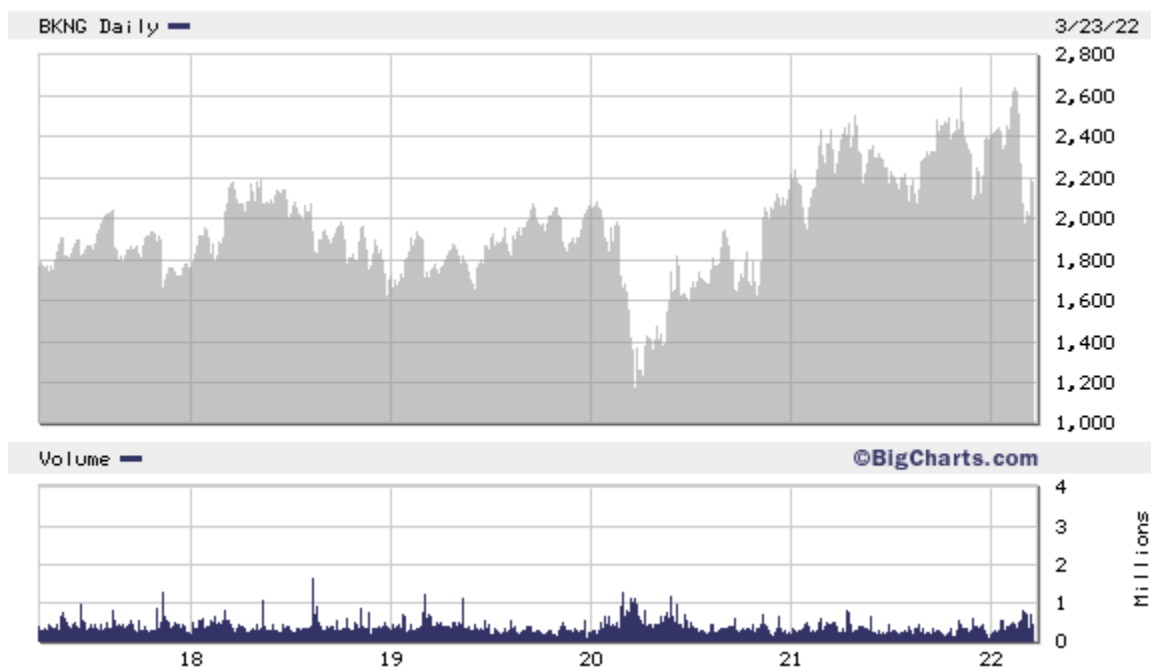
- Booking recently (on February 23) reported its fiscal Q4 2021 (ending December) results.
- Revenue was \$2.98 billion (+141% y-o-y), compared to our estimate of \$2.85 billion and consensus of \$2.86 billion.
- Pro forma EPS was \$15.83, compared to our estimate of \$16.83 and consensus of \$13.55.
- Gross bookings were \$19.0 billion (+160% y-o-y), compared to our estimate of \$17.6 billion.
- EBITDA was \$940 million (vs. \$(38) million y-o-y), compared to our estimate of \$856 million.
- Q4 general qualitative guidance was that October's room nights were -10% vs. 2019's and Q4 EBITDA will be "positive".
- Q1 general qualitative guidance is that January room nights were -22% vs. 2019's, but first half of February were inline with 2019's, and Q1 EBITDA will be "positive but down sequentially from Q4".
- We are raising our 2022 estimates for revenue to \$15.1 billion, from \$14.7 billion, and for EPS to \$94.27 from \$84.83.
- We are initiating our 2023 estimates for revenue of \$17.0 billion, and for EPS of \$111.04.

ADDITIONAL DETAILS

- Growth by product were: Hotels Room Nights +100% (vs. +44% in Q3 2021 and -60% in Q4 2020), Air Tickets +108% (vs. +155% in Q3 2021 and +4% in Q4 2020), and Rental Car Days +36% (vs. +44% in Q3 2021 and -52% in Q4 2020).
- Revenue as a percentage of gross bookings was 14%, compared with our estimate of 16% and 17% last year.
- Operating expenses were \$2.1 billion, versus our expectation of \$2.1 billion.
- Operating income was \$848 million, versus our expectation of \$751 million.
- Pro forma net income was \$655 million, versus our expectation of \$698 million.
- In November, Booking agreed to buy hotel wholesaler (a B2B distributor of hotel rooms) Getaroom for \$1.2 billion. The deal closed in December. This deal is expected to have a "small positive impact on P&L" in 2022.
- In November, 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 2022. This deal is expected to have a "minor impact on P&L" in 2022.

The company's balance sheet remains solid, with \$11.1 billion in cash and \$10.9 billion in debt (~\$5/share in net cash), compared with \$12.2 billion in cash and \$11.0 billion in debt at the end of September.

Exhibit 1: Booking Holdings Stock Price (Five Years)



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

Exhibit 2: Consensus Expectations (as of February 23, 2022)

	Revenue (mil)			EPS	
	2021E	2022E		2021E	2022E
Q1 Mar	\$1,141A	\$2,697E	Q1 Mar	\$(5.26)A	\$7.00E
Q2 Jun	\$2,160A		Q2 Jun	\$(2.55)A	
Q3 Sep	\$4,676A		Q3 Sep	\$37.70A	
Q4 Dec	\$2,856E		Q4 Dec	\$13.55E	
Total	\$10,848E	\$15,615E	Total	\$42.76E	\$99.12E

*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) Fiscal Year End: December 31	Mar-20 Q1A	Jun-20 Q2A	Sep-20 Q3A	Dec-20 Q4A	2020 FY-A	Mar-21 Q1A	Jun-21 Q2A	Sep-21 Q3A	Dec-21 Q4A	2021 FY-A	Mar-22 Q1E	Jun-22 Q2E	Sep-22 Q3E	Dec-22 Q4E	2022 FY-E	Mar-23 Q1E	Jun-23 Q2E	Sep-23 Q3E	Dec-23 Q4E	2023 FY-E
Total Revenue	2,288	630	2,640	1,238	6,796	1,141	2,160	4,676	2,981	10,958	2,623	3,769	5,047	3,617	15,056	3,814	4,008	5,369	3,839	17,030
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	2,288	630	2,640	1,238	6,796	1,141	2,160	4,676	2,981	10,958	2,623	3,769	5,047	3,617	15,056	3,814	4,008	5,369	3,839	17,030
Advertising - brand	851	211	731	386	2,179	461	988	1,378	974	3,801	892	980	1,312	940	4,124	1,258	1,002	1,289	883	4,432
Marketing expenses	377	131	129	118	755	112	206	302	261	881	231	377	454	325	1,387	343	441	537	422	1,743
Sales and other	484	452	517	491	1,944	552	686	591	485	2,314	761	867	808	615	3,050	1,068	842	752	576	3,237
General and administrative	201	104	148	128	581	119	134	179	188	620	236	339	252	253	1,081	343	361	268	269	1,241
IT	78	70	71	80	299	87	93	109	123	412	105	113	151	108	478	153	120	161	115	549
Depreciation and amortization	117	112	115	114	458	113	108	102	98	421	105	105	105	105	420	105	105	105	105	420
Restructuring and other	489	34	614	74	1,211	8	1	4	13	8,462	2,330	2,781	3,083	2,347	10,541	3,270	2,870	3,112	2,370	11,623
Total operating expenses	2,597	1,114	2,325	1,391	7,427	1,452	2,216	2,661	2,133	8,462	2,330	2,781	3,083	2,347	10,541	3,270	2,870	3,112	2,370	11,623
Operating income (loss)	(309)	(484)	315	(153)	(631)	(311)	(56)	2,015	848	2,496	294	988	1,964	1,269	4,515	543	1,137	2,258	1,469	5,407
Interest income (expense)	(32)	(84)	(93)	(98)	(307)	(98)	(81)	(80)	(75)	(334)	(75)	(76)	(75)	(75)	(300)	(73)	(73)	(73)	(72)	(292)
Other income (expense)	(381)	777	613	496	1,505	131	96	(967)	43	(697)	0	0	0	0	0	0	0	0	0	0
Income before income taxes	(722)	209	835	245	567	(278)	(41)	968	816	1,465	219	912	1,889	1,195	4,215	470	1,064	2,185	1,397	5,116
Income taxes	(23)	87	34	410	508	(223)	126	199	198	300	42	173	359	227	801	89	202	415	265	972
Net income (loss)	(699)	122	801	(165)	59	(55)	(167)	769	618	1,165	177	739	1,530	968	3,414	381	862	1,770	1,131	4,144
Nonrecurring/noncash adjustments	855	(565)	(297)	142	135	(160)	63	790	37	728	125	125	125	125	500	125	125	125	125	500
Net income	156	(443)	504	(24)	194	(215)	(105)	1,559	655	1,893	302	864	1,655	1,093	3,914	506	987	1,895	1,256	4,644
EBITDA	290	(376)	1,003	(38)	879	(195)	48	2,111	940	2,904	399	1,093	2,069	1,374	4,935	648	1,242	2,363	1,574	5,827
Shares, Basic	41.1	40.9	40.9	40.9	41.0	41.0	41.1	41.1	41.1	41.0	41.0	41.1	41.2	41.3	41.1	41.2	41.3	41.4	41.5	41.3
Shares, Diluted	41.4	40.9	41.1	40.9	41.2	41.0	41.1	41.3	41.4	41.4	41.4	41.5	41.6	41.7	41.5	41.7	41.8	41.9	42.0	41.8
EPS Basic (Pro forma)	\$3.80	(\$10.81)	\$12.31	(\$0.57)	\$4.73	(\$5.26)	(\$2.55)	\$37.96	\$15.94	\$46.13	\$7.38	\$21.04	\$40.20	\$26.48	\$95.19	\$12.28	\$23.92	\$45.79	\$30.30	\$112.38
EPS Diluted (Pro forma)	\$3.77	(\$10.81)	\$12.27	(\$0.57)	\$4.71	(\$5.26)	(\$2.55)	\$37.70	\$15.83	\$45.77	\$7.30	\$20.84	\$39.82	\$26.22	\$94.27	\$12.13	\$23.63	\$45.25	\$29.94	\$111.04
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	37.2%	33.5%	27.7%	31.2%	32.1%	40.4%	45.7%	29.5%	32.7%	34.7%	34.0%	26.0%	26.0%	26.0%	27.4%	33.0%	25.0%	24.0%	23.0%	26.0%
Sales and marketing	16.5%	20.8%	4.9%	9.5%	11.1%	9.8%	9.5%	6.5%	8.8%	8.0%	8.8%	10.0%	9.0%	9.0%	9.2%	9.0%	11.0%	10.0%	11.0%	10.2%
Personnel	21.2%	71.7%	19.6%	39.7%	28.6%	48.4%	31.8%	12.6%	16.3%	21.1%	29.0%	23.0%	16.0%	17.0%	20.3%	28.0%	21.0%	14.0%	15.0%	19.0%
General and administrative	8.8%	16.5%	5.6%	10.3%	8.5%	10.4%	6.2%	3.8%	6.3%	5.7%	9.0%	9.0%	5.0%	7.0%	7.2%	9.0%	9.0%	5.0%	7.0%	7.3%
IT	3.4%	11.1%	2.7%	6.5%	4.4%	7.6%	4.3%	2.3%	4.1%	3.8%	4.0%	3.0%	3.0%	3.0%	3.2%	4.0%	3.0%	3.0%	3.0%	3.2%
Operating margin	-13.5%	-76.8%	11.9%	-12.4%	-9.3%	-27.3%	-2.6%	43.1%	28.4%	22.8%	11.2%	26.2%	38.9%	35.1%	30.0%	14.2%	28.4%	42.0%	38.3%	31.8%
Tax rate, GAAP	3.2%	41.6%	4.1%	167.3%	89.6%	80.2%	-307.3%	20.6%	24.3%	20.5%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Net margin	-30.6%	19.4%	30.3%	-13.3%	0.9%	-4.8%	-7.7%	16.4%	20.7%	10.6%	6.8%	19.6%	30.3%	26.8%	22.7%	10.0%	21.5%	33.0%	29.5%	24.3%
Y/Y % change																				
Total Revenue	-20.8%	-83.6%	-47.6%	-62.9%	-55.0%	-50.1%	242.9%	77.1%	140.8%	61.2%	129.9%	74.5%	7.9%	21.3%	37.4%	45.4%	6.3%	6.4%	6.2%	13.1%
Gross margin	-20.8%	-83.6%	-47.6%	-62.9%	-55.0%	-50.1%	242.9%	77.1%	140.8%	61.2%	129.9%	74.5%	7.9%	21.3%	37.4%	45.4%	6.3%	6.4%	6.2%	13.1%
Advertising - brand	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	#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	-17.4%	-82.3%	-43.4%	-57.4%	-50.7%	-45.8%	368.2%	88.5%	152.3%	74.4%	93.5%	-0.8%	-4.8%	-3.5%	8.5%	41.1%	2.2%	-1.8%	-6.1%	7.5%
Sales and marketing	75.3%	-47.2%	-53.3%	-45.4%	-20.9%	-70.3%	57.3%	134.1%	121.2%	16.7%	106.1%	83.0%	50.4%	24.7%	57.5%	48.7%	17.0%	18.2%	29.7%	25.6%
Personnel	-3.4%	-27.0%	-8.7%	-12.6%	-13.5%	14.0%	51.8%	14.3%	-1.2%	19.0%	37.8%	26.4%	36.6%	26.8%	31.8%	40.4%	-2.9%	-6.9%	-6.3%	6.1%
General and administrative	5.2%	-42.2%	-34.2%	-36.3%	-27.1%	-40.8%	28.8%	20.9%	46.9%	6.7%	98.4%	153.2%	41.0%	34.7%	74.3%	45.4%	6.3%	6.4%	6.2%	14.8%
IT	20.0%	0.0%	0.0%	1.3%	4.9%	11.5%	32.9%	53.5%	53.8%	37.8%	20.6%	21.6%	38.9%	-11.8%	16.0%	45.4%	6.3%	6.4%	6.2%	14.9%
Operating income (loss)	NM	NM	-86.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-2.5%	49.7%	80.9%	85.0%	15.1%	14.9%	15.7%	19.8%
Net income (loss)	NM	-87.5%	-58.9%	NM	-98.8%	NM	NM	-4.0%	NM	NM	NM	NM	99.0%	56.6%	193.1%	114.8%	16.7%	15.6%	16.9%	21.4%
EPS Diluted (Pro forma)	-66.2%	NM	-73.0%	NM	-95.4%	NM	NM	207.3%	NM	NM	NM	NM	5.6%	65.7%	106.0%	66.1%	13.4%	13.6%	14.2%	17.8%

Source: Company reports and Ascendant Capital Markets estimates

Booking Holdings Inc.																
Balance Sheet (\$ millions)																
Fiscal Year End: December 31																
	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	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	\$6,363	\$10,404	\$11,197	\$10,562	\$12,151	\$11,231	\$11,643	\$11,127	\$10,098	\$10,872	\$11,807	\$13,540	\$14,199	\$14,393	\$15,529	\$17,169
Short term investments	826			501	500	501	522	25	25	25	25	25	25	25	25	25
Restricted cash									0	0	0	0	0	0	0	0
Accounts receivable, net	667	566	859	529	586	1,290	1,555	1,358	729	1,089	1,458	804	1,059	1,158	1,551	853
Prepaid expenses and other current assets	1,404	483	527	614	871	767	632	635	184	188	202	289	267	200	215	307
Deferred income taxes									0	0	0	0	0	0	0	0
Total current assets	9,260	11,453	12,583	12,206	14,108	13,789	14,352	13,145	11,036	12,174	13,492	14,658	15,550	15,776	17,320	18,354
Property and equipment, net	720	736	744	756	734	748	762	822	863	904	945	986	1,027	1,371	1,412	1,756
Intangibles, net	4,288	4,277	3,703	3,707	3,644	3,611	3,549	4,944	4,899	4,854	4,809	4,764	4,719	4,674	4,629	4,584
Deferred income taxes									0	0	0	0	0	0	0	0
Long term investments	2,056	2,946	3,672	3,759	3,788	4,319	3,283	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175	3,175
Other	1,538	1,500	1,443	1,446	1,381	1,414	1,395	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555	1,555
Total assets	17,862	20,912	22,145	21,874	23,655	23,881	23,341	23,641	21,528	22,662	23,976	25,138	26,026	26,551	28,091	29,424
Liabilities and stockholders' equity																
Accounts payable	926	581	1,114	735	570	1,028	1,466	1,586	367	565	606	434	534	601	644	461
Accrued expenses	1,255	1,445	1,388	1,382	1,350	1,620	2,069	1,765	1,049	942	1,009	1,085	1,525	1,002	1,074	1,152
Deferred merchant	960	910	487	323	643	1,896	1,086	906	525	829	505	796	763	882	537	845
Income tax payable and other																
Convertible/short term debt	995	973	979	985	3,905	2,180	1,158	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989
Total current liabilities	4,136	3,909	3,968	3,425	6,468	6,724	5,779	6,246	3,930	4,326	4,109	4,304	4,811	4,474	4,244	4,446
Deferred income taxes	786	931	1,006	2,050	2,034	1,107	906	905	905	905	905	905	905	905	905	905
Other long term liabilities	1,552	1,440	1,429	477	459	1,260	1,235	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375
Convertible/long term debt	7,557	10,633	10,829	11,029	9,930	9,991	9,876	8,937	8,937	8,937	8,937	8,937	8,937	8,937	8,937	8,937
Minority interest									0	0	0	0	0	0	0	0
Total other liabilities	9,895	13,004	13,264	13,556	12,423	12,358	12,017	11,217	11,217	11,217	11,217	11,217	11,217	11,217	11,217	11,217
Common stock									0	0	0	0	0	0	0	0
Treasury Stock	(24,115)	(24,119)	(24,123)	(24,128)	(24,274)	(24,283)	(24,286)	(24,290)	(24,290)	(24,290)	(24,290)	(24,290)	(24,290)	(24,290)	(24,290)	(24,290)
Additional paid-in capital	5,758	5,699	5,779	5,851	5,965	6,059	6,068	6,159	6,159	6,159	6,159	6,159	6,159	6,159	6,159	6,159
Retained earnings	22,530	22,652	23,453	23,288	23,233	23,066	23,835	24,453	24,630	25,369	26,899	27,867	28,248	29,110	30,879	32,011
Accumulated other comprehensive (loss) income	(342)	(233)	(196)	(118)	(160)	(43)	(72)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)	(144)
Other									25	25	25	25	25	25	25	25
Total stockholders' equity	3,831	3,999	4,913	4,893	4,764	4,799	5,545	6,178	6,381	7,120	8,650	9,618	9,998	10,860	12,630	13,761
Total stockholders' equity and liabilities	\$17,862	\$20,912	\$22,145	\$21,874	\$23,655	\$23,881	\$23,341	\$23,641	\$21,528	\$22,662	\$23,976	\$25,138	\$26,026	\$26,551	\$28,091	\$29,424

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	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	61%	77%	20%	50%	76%	36%	14%	21%	7%	5%	4%	8%	7%	5%	4%	8%
Deferred Merchant as % of total rev	42%	144%	18%	26%	56%	88%	23%	30%	20%	22%	10%	22%	20%	22%	10%	22%
Accounts payable as % of total rev	40%	92%	42%	59%	50%	48%	31%	53%	14%	15%	12%	12%	14%	15%	12%	12%
Accrued expenses as % of total rev	55%	229%	53%	112%	118%	75%	44%	59%	40%	25%	20%	30%	40%	25%	20%	30%
Activity Ratios																
A/R Days Sales Outstanding	26	81	29	38	46	54	30	41	25	26	26	20	25	26	26	20
Deferred Merchant (w/ Revenue)	38	130	17	23	51	79	21	27	18	20	9	20	18	20	9	20
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$92.64	\$97.72	\$119.59	\$119.50	\$116.27	\$116.89	\$134.10	\$149.33	\$154.23	\$171.68	\$208.07	\$230.80	\$239.93	\$260.62	\$302.36	\$328.66
Cash per Share (diluted)	\$173.85	\$254.24	\$272.56	\$270.20	\$308.76	\$285.77	\$294.20	\$269.56	\$244.70	\$262.77	\$284.61	\$325.53	\$341.34	\$345.99	\$372.36	\$410.65
Net cash per Share (diluted)	(\$32.96)	(\$29.37)	(\$14.87)	(\$23.23)	(\$28.90)	(\$10.69)	\$27.35	\$5.46	(\$19.40)	(\$0.70)	\$21.79	\$63.33	\$79.14	\$83.80	\$110.79	\$149.70

Source: Company reports and Ascendant Capital Markets estimates

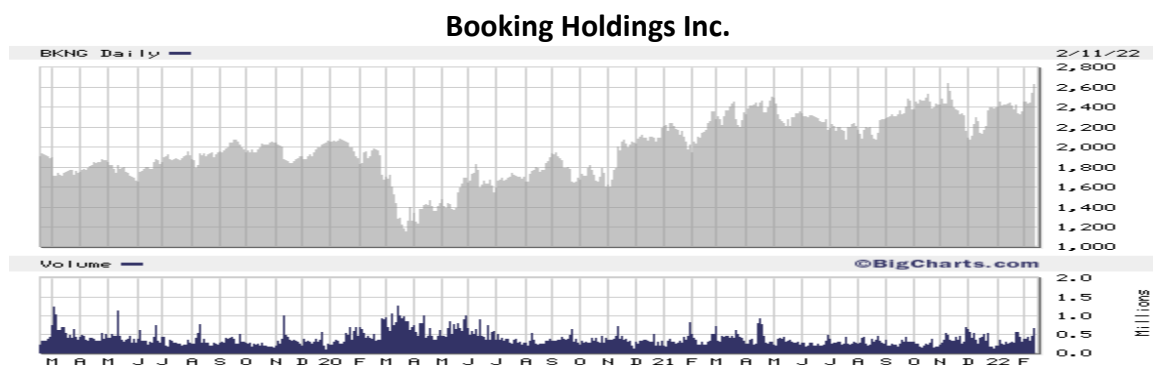
Booking Holdings Inc.

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	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(\$699)	\$122	\$801	(\$165)	\$59	(\$55)	(\$167)	\$769	\$618	\$1,165	\$177	\$739	\$1,530	\$968	\$3,414	\$381	\$862	\$1,770	\$1,131	\$4,144
Depreciation	117	112	115	114	458	113	108	102	98	421	60	60	60	60	240	60	60	60	60	240
Amortization					0	45	46	(91)	0	0	45	45	45	45	180	45	45	45	45	180
Provision for accounts receivable	262	60	(15)	12	319		37	51	21	109		0	0	0	0		0	0	0	0
Deferred income taxes	(97)	108	90	112	213	(50)	(70)	(223)	(102)	(445)		0	0	0	0		0	0	0	0
Stock comp	11	83	85	76	255	113	91	86	86	376	65	65	65	65	260	65	65	65	65	260
Amortization of financing	14	19	15	16	64	16	14	14	10	54					0					0
Tax benefit of stock option exercises					0					0					0					0
Other gains/losses	896	(835)	(157)	(553)	(649)	(32)	(153)	1,016	(20)	811					0					0
FX gains/losses	(33)	55	117	61	200	(91)	37	(54)	(27)	(135)					0					0
Other	48	46	43	49	186	(4)	21	135	43	195	(65)	(65)	(65)	(65)	(260)	(65)	(65)	(65)	(65)	(260)
Changes in operating assets and liabilities:																				
Accounts receivable	760	45	(251)	337	891	(72)	(748)	(352)	170	(1,002)	629	(360)	(369)	654	554	(256)	(98)	(393)	698	(49)
Prepaid expenses & other current assets	(445)	693	(18)	(69)	161	(258)	85	138	41	6	451	(5)	(13)	(87)	346	22	67	(14)	(92)	(18)
Accounts payable & accrued expenses	(1,135)	(432)	(26)	(673)	(2,266)	114	1,859	110	(544)	1,539	(2,316)	396	(217)	195	(1,942)	507	(337)	(230)	202	143
Income tax payable and other	(79)	46	121	106	194	(46)	(8)	(105)	(115)	(274)	0	0	0	0	0	0	0	0	0	0
Net cash (used in) provided by operating activities	(380)	122	920	(577)	85	(207)	1,152	1,596	279	2,820	(953)	875	1,035	1,835	2,792	760	598	1,237	2,044	4,639
Cash flow from investing activities																				
Purchases of property and equipment	(80)	(70)	(72)	(64)	(286)	(65)	(59)	(79)	(101)	(304)	(101)	(101)	(101)	(101)	(404)	(101)	(404)	(101)	(404)	(1,010)
Purchases of short-term investments	(72)			(2)	(74)	(7)			498	491	0	0	0	0	0	0	0	0	0	0
Sale of short-term investments	1,885	1,112			2,997					0					0					0
Acquisitions					0				(1,185)	(1,185)					0					0
Other	0	0			0	0	(5)		5	0	0	0	0	0	0	0	0	0	0	0
Net cash used in investing activities	1,733	1,042	(72)	(66)	2,637	(65)	(71)	(79)	(783)	(998)	(101)	(101)	(101)	(101)	(404)	(101)	(404)	(101)	(404)	(1,010)
Cash flow from financing activities																				
Issuance of debt		4,164	(56)		4,108	2,015	(10)		10	2,015					0					0
Repayment of debt		(1,282)		38	(1,244)		(1,982)	(1,086)		(3,068)	0	0	0	0	0	0	0	0	0	0
Repurchase of common stock	(1,281)	(13)	(5)	(4)	(1,303)	(137)	(13)	(9)	(4)	(163)	0	0	0	0	0	0	0	0	0	0
Proceeds from stock option exercises					0					0					0					0
Other		5		(38)	(33)	(9)	(2)	(1)	(11)	(23)					0					0
Proceeds from issuance of common stock					0					0	0	0	0	0	0	0	0	0	0	0
Cash provided by (used in) financing activities	(1,281)	2,874	(61)	(4)	1,528	1,869	(2,007)	(1,096)	(5)	(1,239)	0	0	0	0	0	0	0	0	0	0
Effect of exchange rate on cash and cash equivalents	(21)	2	7	12	0	(7)	6	(10)	(2)	(13)					0					0
Net increase (decrease) in cash and equivalents	51	4,040	794	(635)	4,250	1,590	(920)	411	(511)	570	(1,054)	774	934	1,734	2,388	659	194	1,136	1,640	3,629
Beginning cash and equivalents	6,332	6,383	10,423	11,217	6,332	10,582	12,172	11,252	11,663	10,582	11,152	10,098	10,872	11,807	11,152	13,540	14,199	14,393	15,529	13,540
Ending cash and equivalents	\$6,383	\$10,423	\$11,217	\$10,582	\$10,582	\$12,172	\$11,252	\$11,663	\$11,152	\$11,152	\$10,098	\$10,872	\$11,807	\$13,540	\$13,540	\$14,199	\$14,393	\$15,529	\$17,169	\$17,169

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

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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 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 January 15, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	40	98%	16	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	41	100%	16	39%

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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