



TripAdvisor, Inc.

Q4 upside and 2023 outlook positive. Outlook is improving with travel industry growth and possible spinoffs. Lowering P/T to \$29.

COMPANY UPDATE

Rating: BUY

Ticker: TRIP

Price: \$18.45

Target: \$29.00 (from \$30)

Q4 upside: TripAdvisor recently (on February 14) reported its fiscal Q4 2022 (ending December) results. Revenue was \$354 million (+47% y-o-y), compared with our estimate of \$348 million and consensus of \$343 million. Pro forma EPS was \$0.16 compared with our estimates of \$0.05 and consensus of \$0.04. EBITDA was \$43 million (vs. \$29 million y-o-y), compared with our estimate of \$37 million. The company provided qualitative guidance for Q4 revenue of “low-single digit” growth from Q4 2019’s (~\$340 - 350 million) and EBITDA margins ~10% (~\$34 - 35 million).

Q4 revenue again above pre-pandemic levels: Its core hotel revenue was \$217 million (+34% y-o-y), Viator was \$127 million (+115% y-o-y), and TheFork was \$33 million (+10% y-o-y) and all have rebounded strongly from Q2 2020 when the pandemic lockdowns started. Total Q4 revenue was 106% of Q4 2019’s, the second straight quarter to exceed pre-pandemic levels.

With strong Viator and TheFork growth: The company’s Viator and TheFork business (was formally the Experiences & Dining (E&D) Segment) had strong growth and revenue was 208% and 94% (respectively) of Q4 2019’s revenue, so they have both again surpassed (or are near) pre-pandemic levels and growing strongly.

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

2023 guidance for growth: The company provided general qualitative guidance for 2023 revenue growth close to the travel industry’s growth (which we estimate to be around mid-teens growth rates).

Adjusting 2023 estimates: We are adjusting our 2023 estimates for revenue to \$1,700 million, from \$1,600 million, and for EPS to \$1.06 from \$1.50.

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

Long term positive: We believe that execution of TRIP’s long term plan, unlocking strategic value, a strong rebound/long term travel industry, and a positive long-term growth outlook bodes well for its share price to increase longer term.

Valuation attractive: Maintaining our BUY rating, but lowering our 12-month price target to \$29 from \$30, which reflects a forward P/E of 20x our 2024 EPS estimate of \$1.46. This P/E multiple is about inline with online travel companies to reflect our expectations for normalized earnings growth similar to its peers over the near term.

Company Description

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

United States
Internet Software and Services

March 26, 2023

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Stock Data

Exchange:	NasdaqGS
52-week Range:	\$16.87 – 28.28
Shares Outstanding (million):	146
Market cap (\$million):	\$2,694
EV (\$million):	\$2,475
Debt (\$million):	\$836
Cash (\$million):	\$1,055
Avg. Daily Trading Vol. (\$million):	\$43
Float (million shares):	102
Short Interest (million shares):	6
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	314E	301E	333E	
Q2 Jun	480E	438E	508E	
Q3 Sep	514E	487E	545E	
Q4 Dec	392E	375E	414E	
Total	1,700E	1,600E	1,800E	
EV/Revs	1.5x		1.4x	

Earnings per Share (pro forma)

	2023E (Cur.)	2023E (Old)	2024E (Cur.)	2024E (Old)
Q1 Mar	(0.01)E	(0.03)E	(0.04)E	
Q2 Jun	0.39E	0.35E	0.39E	
Q3 Sep	0.45E	0.80E	0.70E	
Q4 Dec	0.23E	0.38E	0.40E	
Total	\$1.06E	\$1.50E	\$1.46E	
P/E	17x		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 10.

OVERVIEW

- TripAdvisor recently (on February 14) reported its fiscal Q4 2022 (ending December) results.
- Revenue was \$354 million (+47% y-o-y), compared with our estimate of \$348 million and consensus of \$343 million.
- Pro forma EPS was \$0.16 compared with our estimates of \$0.05 and consensus of \$0.04.
- EBITDA was \$43 million (vs. \$29 million y-o-y), compared with our estimate of \$37 million.
- The company provided qualitative guidance for Q4 revenue of “low-single digit” growth from Q4 2019’s (~\$340 - 350 million) and EBITDA margins ~10% (~\$34 - 35 million).
- The company provided general qualitative guidance for 2023 revenue growth close to the travel industry’s growth (which we estimate to be around mid-teens growth rates).
- The company did not provide Q1 guidance.
- We are adjusting our 2023 estimates for revenue to \$1,700 million, from \$1,600 million, and for EPS to \$1.06 from \$1.50.
- We are initiating our 2024 estimates for revenue of \$1,800 million, and for EPS of \$1.46.

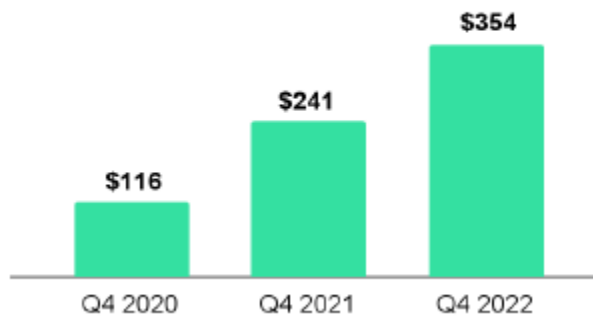
ADDITIONAL DETAILS

- Core Hotel revenue was \$217 million (+34% y-o-y), Viator was \$127 million (+115% y-o-y), and TheFork was \$33 million (+10% y-o-y).
- Core Hotel EBITDA was \$61 million (vs. \$49 million y-o-y), Viator was \$(3) million (vs. \$(6) million y-o-y), and TheFork was \$(15) million (vs. \$(14) million y-o-y).
- Gross profit for the quarter was \$324 million, compared with our estimate of \$322 million.
- Gross margin for the quarter was 92%, versus 92% last year and our expectation of 93%.
- Operating expenses were \$337 million, versus our expectation of \$346 million.
- Operating loss was \$13 million, versus our expectation of a loss of \$24 million.
- Pro forma net income was \$24 million, versus our expectation of \$8 million.
- In November 2021, the company announced that its co-founder and long-time CEO, Stephen Kaufer, will step down from his CEO position of Tripadvisor in 2022.
- In May 2022, Tripadvisor announced Matt Goldberg as its new CEO. Mr. Goldberg has leadership and experience in strategy and operations for more than 20 years across a number of leading media, advertising, and consumer-facing companies.
- In October, the company announced that Ernst Teunissen will retire as Chief Financial Officer to pursue other interests and that Mike Noonan will join the company as its new CFO.
- In February 2022, the company announced that it will evaluate strategic value opportunities related to Viator and TheFork (the bulk of its Experiences & Dining (E&D) Segment) including opportunities with industry participants as well as independent opportunities, including a potential sub-IPO, which would involve selling a minority stake of the Viator business to the public market.
- TripAdvisor has submitted a confidential draft S-1 registration statement with the U.S. Securities and Exchange Commission related to its proposed initial public offering of Viator. In parallel, the company is also assessing options to drive value recognition at TheFork though this is at an earlier stage than Viator.

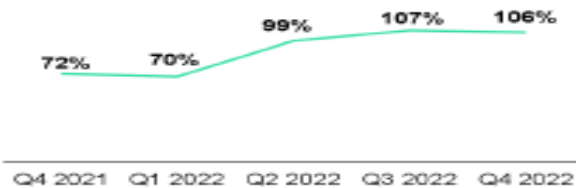
The company’s balance sheet remains solid with \$1,055 million in cash and \$836 million in debt (~\$2 in net cash per share), compared with \$1,100 million in cash and \$836 million in debt in September.

Exhibit 1: TripAdvisor's Metrics (2022/2021 vs. 2019)

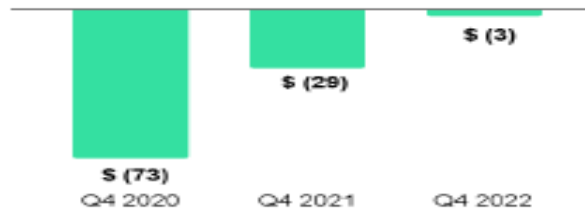
Q4 Revenue (\$M)



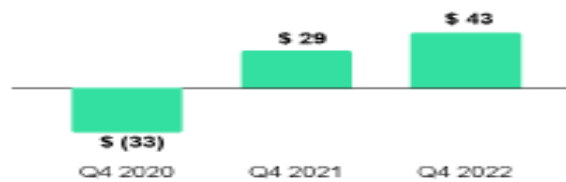
Quarterly Revenue as a % of 2019



Quarterly Net Income (Loss) (\$M)



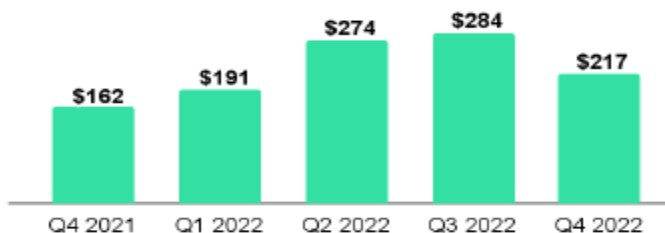
Quarterly Adjusted EBITDA (\$M)



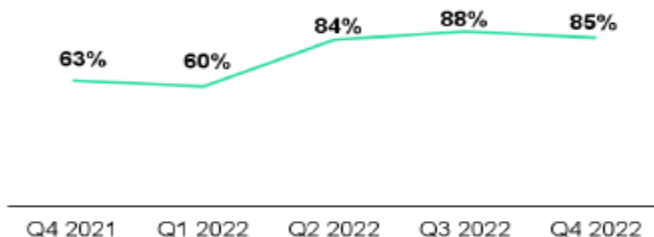
Source: Company report.

Exhibit 2: Segment Metrics (2022/2021 vs. 2019)

Tripadvisor Core Segment Revenue (\$M)



Tripadvisor Core Segment Revenue as % of 2019



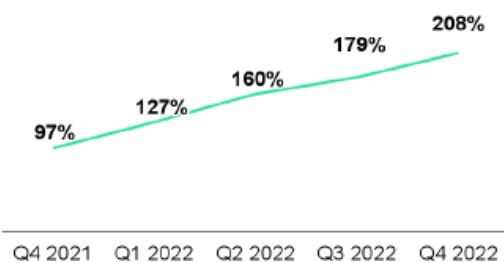
Viator Revenue (\$M)



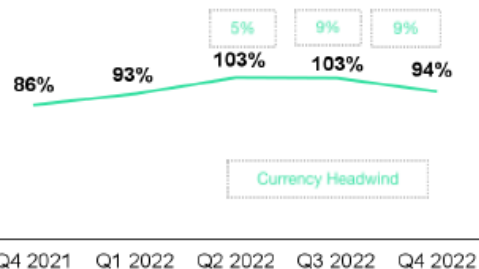
TheFork Revenue (\$M)



Viator Revenue as % of 2019



TheFork Revenue as % of 2019



Source: Company report.

Exhibit 3: Q1 and 2023 Outlook and Guidance (as of February 14, 2023)

Outlook

(As a reminder, we endeavor to be as accurate as possible with our forward-looking commentary; however, a number of factors outside of our control can limit our visibility into future financial performance and can cause our results to vary materially from our current expectations.)

Our fiscal 2023 outlook assumes no change in the macro environment, which remains uncertain, yet also assumes resilient travel demand. At this time, for the full year in 2023, we expect:

- Consolidated adjusted EBITDA margin to remain flat year-over-year, which assumes approximately flat year-over-year margins in Tripadvisor Core.
- Full year consolidated revenue growth that reflects the diverse growth profiles across our portfolio, and is consistent with broader travel growth trends.

Source: Company report.

Exhibit 4: TripAdvisor Stock Price (5-years)



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

Exhibit 5: Consensus Expectations (as of February 14, 2023)

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$262A	\$353E	Q1 Mar	\$(0.09)A	\$0.11E
Q2 Jun	\$417A		Q2 Jun	\$0.37A	
Q3 Sep	\$459A		Q3 Sep	\$0.28A	
Q4 Dec	\$343E		Q4 Dec	\$0.04E	
Total	\$1,481E	\$1,704E	Total	\$0.64E	\$1.32E

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

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

FINANCIAL MODEL

TripAdvisor, Inc.

Income Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	123	235	303	241	902	262	417	459	354	1,492	314	480	514	392	1,700	333	508	545	414	1,800
Cost of Revenues	12	19	23	20	74	22	31	32	30	115	25	38	41	31	136	27	41	44	33	144
Gross Profit	111	216	280	221	828	240	386	427	324	1,377	289	441	473	361	1,564	307	468	501	381	1,656
Operating expenses:																				
Sales and marketing	73	123	148	126	470	141	217	234	194	786	154	235	252	192	833	143	219	218	159	739
Technology and content	55	54	52	51	212	54	53	55	60	222	66	62	62	67	257	97	102	71	83	352
General and administrative	38	46	37	46	167	40	28	45	58	171	60	58	62	47	226	63	61	65	50	239
Depreciation	29	28	27	26	110	25	25	23	25	98	28	28	28	28	112	28	28	28	28	112
Amortization of intangible					0					0	8	8	8	8	32	8	8	8	8	32
Related-party shared services fee					0					0					0					0
Restructuring and other					0					0	0	0	0	0	0	0	0	0	0	0
Total operating expenses	195	251	264	249	959	260	323	357	337	1,277	316	391	411	342	1,460	339	417	390	328	1,474
Operating income (loss)	(84)	(35)	16	(28)	(131)	(20)	63	70	(13)	100	(27)	50	62	19	104	(33)	50	111	53	182
Interest income (expense)	(11)	(11)	(12)	(11)	(45)	(13)	(10)	(7)	(2)	(32)	(6)	(6)	(6)	(6)	(24)	(6)	(6)	(6)	(6)	(24)
Other and minority interest	(1)		(1)	(8)	(10)			(1)	(1)	(2)					0					0
Income before income taxes	(96)	(46)	3	(47)	(186)	(33)	53	62	(16)	66	(33)	44	56	13	80	(39)	44	105	47	158
Income taxes	(16)	(6)	2	(18)	(38)	1	22	37	(13)	47	(8)	11	14	3	20	(10)	11	26	12	40
Net income (loss)	(80)	(40)	1	(29)	(148)	(34)	31	25	(3)	19	(24)	33	42	10	60	(29)	33	79	35	119
Nonrecurring/noncash adjustment	27	30	22	28	107	21	23	16	27	87	23	24	24	24	95	23	24	24	24	95
Net income	(53)	(10)	23	(1)	(41)	(13)	54	41	24	106	(1)	57	66	34	155	(6)	57	103	59	214
EBITDA	(26)	25	72	29	100	27	109	115	43	294	34	111	123	80	348	28	111	172	114	426
Shares, Basic	136	137	138	138	137	139	140	140	141	140	141	141	141	141	141	142	142	142	142	142
Shares, Diluted	136	137	144	138	137	139	145	146	146	146	146	146	146	146	146	147	147	147	147	147
EPS Basic (Pro forma)	(0.39)	(0.07)	0.17	(0.01)	(0.30)	(0.09)	0.39	0.29	0.17	0.76	(0.01)	0.41	0.47	0.24	1.10	(0.04)	0.40	0.73	0.42	1.51
EPS Diluted (Pro forma)	(0.39)	(0.07)	0.16	(0.01)	(0.30)	(0.09)	0.37	0.28	0.16	0.73	(0.01)	0.39	0.45	0.23	1.06	(0.04)	0.39	0.70	0.40	1.46
Income Statement Ratios																				
Gross margin	90%	92%	92%	92%	92%	92%	93%	93%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
Sales and marketing	59%	52%	49%	52%	52%	54%	52%	51%	55%	53%	49%	49%	49%	49%	49%	43%	43%	40%	39%	41%
Technology and content	45%	23%	17%	21%	24%	21%	13%	12%	17%	15%	21%	13%	12%	17%	15%	29%	20%	13%	20%	20%
General and administrative	31%	20%	12%	19%	19%	15%	7%	10%	16%	11%	19%	12%	12%	12%	13%	19%	12%	12%	12%	13%
Operating margin	-68%	-15%	5%	-12%	-15%	-8%	15%	15%	-4%	7%	-8%	10%	12%	5%	6%	-10%	10%	20%	13%	10%
Tax rate, GAAP	17%	13%	67%	38%	20%	-3%	42%	60%	81%	71%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Net margin	-65%	-17%	0%	-12%	-16%	-13%	7%	5%	-1%	1%	-8%	7%	8%	2%	4%	-9%	7%	14%	9%	7%
Y/Y % change																				
Total Revenue	-56%	298%	101%	108%	49%	113%	77%	51%	47%	65%	20%	15%	12%	11%	14%	6%	6%	6%	5%	6%
Gross margin	-57%	341%	103%	115%	51%	116%	79%	53%	47%	66%	21%	14%	11%	11%	14%	6%	6%	6%	5%	6%
Sales and marketing	-43%	128%	111%	91%	47%	93%	76%	58%	54%	67%	9%	8%	8%	-1%	6%	-7%	-7%	-13%	-17%	-11%
Technology and content	-25%	6%	13%	-7%	-6%	-2%	-2%	6%	18%	5%	22%	18%	12%	11%	16%	46%	63%	15%	24%	37%
General and administrative	-27%	7%	6%	5%	-4%	5%	-39%	22%	26%	2%	49%	106%	37%	-19%	32%	6%	6%	6%	5%	6%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	338%	NM	NM	NM	-20%	-12%	NM	4%	NM	0%	80%	180%	74%
Net income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	7%	67%	NM	217%	NM	0%	89%	263%	97%
EPS Diluted (Pro forma)	NM	NM	NM	NM	NM	NM	NM	76%	NM	NM	NM	5%	60%	40%	46%	NM	0%	56%	75%	37%

Source: Company reports and Ascendant Capital Markets estimates.

TripAdvisor, Inc.

Balance Sheet (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	674	775	682	723	781	1,045	1,066	1,021	1,017	1,161	1,265	1,303	1,220	1,369	1,512	1,574
Restricted cash																
Short term investments									0	0	0	0	0	0	0	0
Accounts receivable, net	97	159	198	142	180	246	205	205	168	213	211	131	178	226	224	138
Prepaid expenses and other current assets	24	25	28	26	33	34	38	44	13	19	21	16	13	20	22	17
Deferred income taxes	50	47	52	49	49	12			11	11	11	11	11	11	11	11
Total current assets	845	1,006	960	940	1,043	1,337	1,309	1,270	1,208	1,404	1,508	1,460	1,422	1,626	1,769	1,740
Property and equipment, net	229	225	220	215	209	201	195	194	191	188	185	182	179	176	173	170
Long term investments and other	143	142	174	184	126	35	34	34	34	34	34	34	34	34	34	34
Goodwill and intangibles, net	932	929	915	908	901	878	858	873	865	857	849	841	833	825	817	809
Other	83	85	43	42	93	161	169	198	3	3	3	3	3	3	3	3
Total assets	2,232	2,387	2,312	2,289	2,372	2,612	2,565	2,569	2,301	2,486	2,579	2,520	2,471	2,664	2,796	2,756
Liabilities and stockholders' equity																
Accounts payable	13	15	22	27	12	50	67	39	22	34	36	27	23	36	38	29
Deferred merchant payable	71	173	123	113	197	323	240	203	203	203	203	203	203	203	203	203
Payable to Expedia									2	2	2	2	2	2	2	2
Deferred revenue	38	49	39	36	59	70	51	44	44	44	44	44	44	44	44	44
Tax payable									70	70	70	70	70	70	70	70
Accrued expenses and other	155	207	179	181	199	213	215	247	219	335	359	274	233	355	380	289
Short-term debt									0	0	0	0	0	0	0	0
Total current liabilities	277	444	363	357	467	656	573	533	560	687	714	620	575	709	737	637
Long-term debt	831	832	832	833	834	835	836	836	836	836	836	836	836	836	836	836
Deferred tax	2	2	2	1	1	1		1	25	25	25	25	25	25	25	25
Other long-term liabilities	337	330	321	309	303	324	343	338	18	18	18	18	18	18	18	18
Minority interest																
Total other liabilities	1,170	1,164	1,155	1,143	1,138	1,160	1,179	1,175	879	879	879	879	879	879	879	879
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	1,244	1,275	1,297	1,326	1,342	1,364	1,380	1,404	1,429	1,454	1,479	1,504	1,529	1,554	1,579	1,604
Treasury stock	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)	(722)
Retained earnings (deficit)	309	269	270	241	207	238	263	261	237	270	312	321	292	326	405	440
Unearned compensation									0	0	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	(46)	(43)	(51)	(56)	(60)	(84)	(108)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)	(82)
Total stockholders' equity	785	779	794	789	767	796	813	861	862	920	987	1,021	1,017	1,076	1,180	1,240
Total stockholders' equity and liabilities	2,232	2,387	2,312	2,289	2,372	2,612	2,565	2,569	2,301	2,486	2,579	2,520	2,471	2,664	2,796	2,756

Balance Sheet Drivers

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	20%	11%	9%	11%	13%	8%	8%	12%	4%	4%	4%	4%	4%	4%	4%	4%
Accounts payable as % of total rev	11%	6%	7%	11%	5%	12%	15%	11%	7%	7%	7%	7%	7%	7%	7%	7%
Accrued expenses as % of total rev	126%	88%	59%	75%	76%	51%	47%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Activity Ratios																
A/R Days Sales Outstanding	71	61	59	53	62	53	40	52	48	40	37	30	48	40	37	30
A/P Days Payable	98	71	86	122	49	145	188	117	79	79	79	79	79	79	79	79
Book & Cash Value (per share)																
Book Value per Share (diluted)	\$5.77	\$5.69	\$5.51	\$5.72	\$5.52	\$5.49	\$5.57	\$5.90	\$5.90	\$6.29	\$6.74	\$6.98	\$6.94	\$7.34	\$8.04	\$8.45
Cash per Share (diluted)	\$6.01	\$6.69	\$5.94	\$6.57	\$6.53	\$7.45	\$7.53	\$7.23	\$7.19	\$8.17	\$8.88	\$9.13	\$8.56	\$9.57	\$10.54	\$10.95
Net cash per Share (diluted)	(\$0.10)	\$0.62	\$0.17	\$0.54	\$0.53	\$1.69	\$1.81	\$1.50	\$1.47	\$2.45	\$3.17	\$3.42	\$2.85	\$3.87	\$4.84	\$5.26
Total Debt	\$831	\$832	\$832	\$833	\$834	\$835	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836	\$836

Source: Company reports and Ascendant Capital Markets estimates.

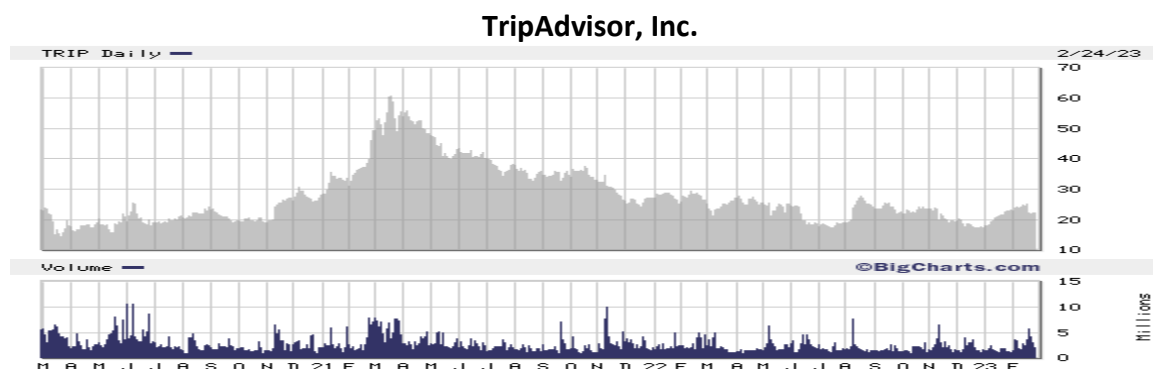
TripAdvisor, Inc.

Cash Flow Statement (\$ millions)	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(80)	(40)	1	(29)	(148)	(34)	31	25	(3)	19	(24)	33	42	10	60	(29)	33	79	35	119
Depreciation	29	28	27	26	110	25	25	23	25	98	28	28	28	28	112	28	28	28	28	112
Stock comp	29	32	29	31	121	22	21	22	23	88	25	25	25	25	100	25	25	25	25	100
Tax benefit from stock comp	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of intangibles	0	0	0	0	0	0	0	0	0	0	8	8	8	8	32	8	8	8	8	32
Amortization of deferred financing costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred tax	(22)	(6)	2	(18)	(44)	14	(6)	(27)	(19)	(19)	13	0	0	0	13	0	0	0	0	0
F/X gains/losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expedia receivable and payable	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2	0	0	0	0	0
Other gains/losses	2	1	(2)	2	3	1	2	1	3	7	0	0	0	0	0	0	0	0	0	0
Other	4	3	3	8	18	3	(1)	3	1	6	0	0	0	0	0	0	0	0	0	0
Changes in operating assets and liabilities:																				
Accounts receivable	0	0	0	0	0	0	37	(45)	2	81	74	(47)	(48)	2	86	(7)				
Prepaid expenses & other current assets	0	0	0	0	0	0	31	(7)	(1)	5	28	2	(7)	(1)	5	(1)				
Accounts payable	0	0	0	0	0	0	(17)	12	2	(9)	(12)	(4)	12	3	(9)	2				
Tax payable	0	0	0	0	0	0	70	0	0	70	0	0	0	0	0	0				
Accrued expenses & other	0	0	0	0	0	0	(28)	115	24	(85)	27	(41)	122	26	(91)	15				
Deferred revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Other	19	108	(124)	45	48	69	203	(8)	(62)	202	(125)	0	0	0	(125)	0	0	0	0	0
Net cash (used in) provided by oper.	(19)	126	(64)	65	108	86	295	60	(40)	401	21	169	130	63	382	(58)	174	168	87	371
Cash flow from investing activities																				
Purchases of property and equipment	(10)	(14)	(15)	(14)	(53)	(14)	(13)	(14)	(15)	(56)	(25)	(25)	(25)	(25)	(100)	(25)	(25)	(25)	(25)	(100)
Purchases of short-term investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of short-term investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Expedia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	(2)	1	1	0	0	1	3	4	4	0	0	0	0	0	0	0	0	0	0
Net cash used in investing activities	(10)	(16)	(14)	(13)	(53)	(14)	(12)	(11)	(15)	(52)	(25)	(25)	(25)	(25)	(100)	(25)	(25)	(25)	(25)	(100)
Cash flow from financing activities																				
Term loan borrowing (net)	303	(2)	(2)	(7)	292	(2)	(2)	(2)	(2)	(8)	0	0	0	0	0	0	0	0	0	0
Repurchase of common stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from stock option exercise	(16)	(5)	(10)	(31)	(62)	(8)	(1)	(9)	(2)	(20)	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	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Acquisition funding by Expedia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash provided by (used in) financing	287	(7)	(12)	(7)	261	(10)	(2)	(11)	(4)	(27)	0	0	0	0	0	0	0	0	0	0
Effect of exchange rate on cash and ca	(2)	(2)	(3)	(4)	(11)	(4)	(17)	(17)	14	(24)	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash and	256	101	(93)	41	305	58	264	21	(45)	298	(4)	144	105	38	282	(83)	149	143	62	271
Beginning cash and equivalents	418	674	775	682	418	723	781	1,045	1,066	723	1,021	1,017	1,161	1,265	1,021	1,303	1,220	1,369	1,512	1,303
Ending cash and equivalents	674	775	682	723	723	781	1,045	1,066	1,021	1,021	1,017	1,161	1,265	1,303	1,303	1,220	1,369	1,512	1,574	1,574

Source: Company reports and Ascendant Capital Markets estimates.

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

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

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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
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	45	100%	18	40%

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