

Booking Holdings Inc.

Q1 revenue upside as travel rebounds. 2022 travel outlook above pre-pandemic levels. Lowering P/T to \$2,555.

COMPANY UPDATE

Rating: BUY

Ticker: BKNG

Price: \$2,105

Target: \$2,555
 (from \$2,850)

Q1 revenue upside: Booking recently (on May 4) reported its fiscal Q1 2022 (ending March) results. Revenue was \$2.70 billion (+136% y-o-y), compared to our estimate of \$2.62 billion and consensus of \$2.55 billion. Pro forma EPS was \$3.91, compared to our estimate of \$7.30 and consensus of \$0.80. EBITDA was \$310 million (vs. \$(195) million y-o-y), compared to our estimate of \$399 million. Q1 general qualitative guidance was 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".

Q1 continued strong rebound: Gross bookings were \$27.3 billion (+129% y-o-y), compared to our estimate of \$22.7 billion. The company saw solid recovery in most of its business around the world despite early quarter weakness from Omicron.

Q1 improvements: Since the lows in April 2020, the company has seen continual modest but bumpy improvements in travel. The company has seen some strong pockets of business return particularly in domestic travel in the U.S. and Europe. Business, international, and Asia business continues to be weaker, but even these areas are now showing improvements. This is even with COVID still around and current geopolitical issues with Russia/Ukraine.

Q2 and 2022 above pre-pandemic levels: In April, room nights were +10% 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. Gross bookings for summer are +15% higher than they were at the same time in 2019, with Western Europe and North America, both up over 30%.

Q2 guidance: The company declined to provide any forward guidance, but it did provide Q2 general qualitative guidance is that April room nights were +10% vs. 2019's, and that the company will have an operating profit.

Raising estimates: We are raising our 2022 estimates for revenue to \$15.9 billion, from \$15.1 billion, and for EPS to \$95.94 from \$94.27.

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 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.

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 lowering our 12-month price target to \$2,555 from \$2,850, which reflects a forward P/E of ~22x our 2023 EPS estimate of \$116. 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.

Stock Data

Exchange:	NasdaqGS
52-week Range:	\$1,796 – 2,716
Shares Outstanding (million):	41
Market cap (\$million):	\$86,305
EV (\$million):	\$85,524
Debt (\$million):	\$9,768
Cash (\$million):	\$10,549
Avg. Daily Trading Vol. (\$million):	\$842
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	2,695A	2,623E	4,389E	3,814E
Q2 Jun	3,984E	3,769E	4,183E	4,008E
Q3 Sep	5,613E	5,047E	5,899E	5,369E
Q4 Dec	<u>3,617E</u>		<u>3,839E</u>	<u>3,839E</u>
Total	15,909E	15,056E	18,310E	17,030E
EV/Revs	5x		5x	

Earnings per Share (pro forma)

	<u>2022E</u> (Cur.)	<u>2022E</u> (Old)	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)
Q1 Mar	3.91A	7.30E	14.24E	12.13E
Q2 Jun	20.76E	20.84E	24.12E	23.63E
Q3 Sep	44.68E	39.82E	48.96E	45.25E
Q4 Dec	<u>26.48E</u>	<u>26.22E</u>	<u>28.72E</u>	<u>29.94E</u>
Total	95.94E	94.27E	116.13E	111.04E
P/E	22x		18x	

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

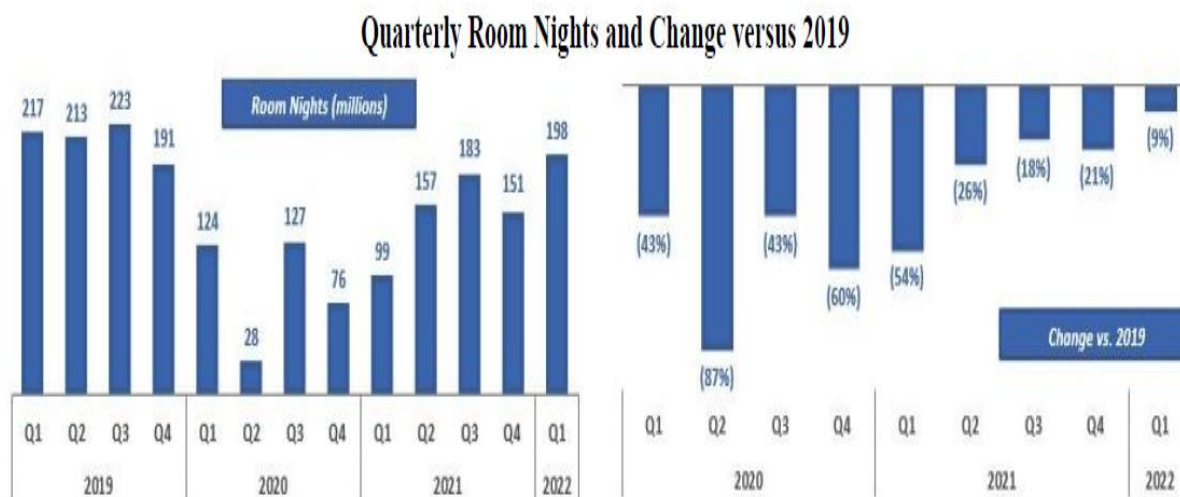
- Booking recently (on May 4) reported its fiscal Q1 2022 (ending March) results.
- Revenue was \$2.70 billion (+136% y-o-y), compared to our estimate of \$2.62 billion and consensus of \$2.55 billion.
- Pro forma EPS was \$3.91, compared to our estimate of \$7.30 and consensus of \$0.80.
- Gross bookings were \$27.3 billion (+129% y-o-y), compared to our estimate of \$22.7 billion.
- EBITDA was \$310 million (vs. \$(195) million y-o-y), compared to our estimate of \$399 million.
- Q1 general qualitative guidance was 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".
- Q2 general qualitative guidance is that April room nights were +10% vs. 2019's, and that the company will have an operating profit.
- We are raising our 2022 estimates for revenue to \$15.9 billion, from \$15.1 billion, and for EPS to \$95.94 from \$94.27.
- We are raising our 2023 estimates for revenue to \$18.3 billion, from \$17.0 billion, and for EPS to \$116.13 from \$111.04.

ADDITIONAL DETAILS

- Growth by product were: Hotels Room Nights +100% (vs. +100% in Q4 2021 and -20% in Q1 2021), Air Tickets +69% (vs. +108% in Q4 2021 and +62% in Q1 2021), and Rental Car Days +53% (vs. +36% in Q4 2021 and -15% in Q1 2021).
- Revenue as a percentage of gross bookings was 10%, compared with our estimate of 12% and 10% last year.
- Operating expenses were \$2.52 billion, versus our expectation of \$2.33 billion.
- Operating income was \$174 million, versus our expectation of \$294 million.
- Pro forma net income was \$161 million, versus our expectation of \$302 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 \$10.5 billion in cash and \$9.8 billion in debt (~\$19/share in net cash), compared with \$11.1 billion in cash and \$10.9 billion in debt at the end of December.

Exhibit 1: Quarterly Room Nights and Change versus 2019



Source: Company report.

Exhibit 2: Q2 2022 Guidance (as of May 4, 2022)

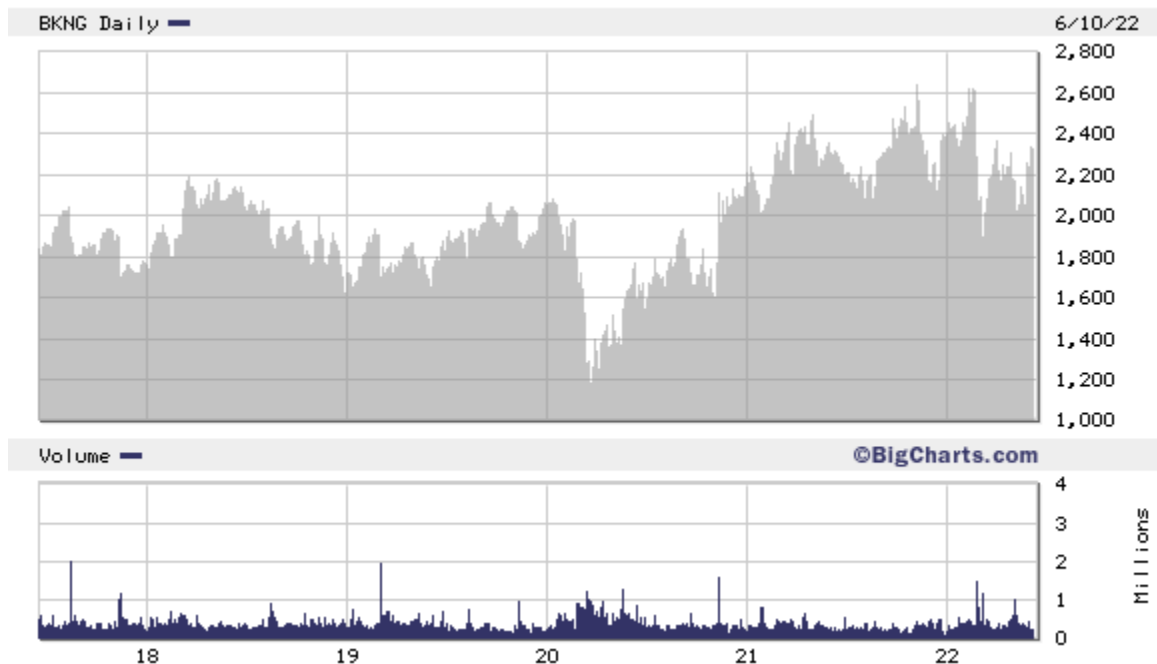
Outlook

In April 2022, we saw room nights grow about 10% relative to April 2019, driven by improving room night trends in all our regions, but primarily in Europe. Given the uncertainty related to the Russian invasion of Ukraine, as well as the COVID-19 pandemic, we cannot accurately predict the number of room nights that will be booked in the second quarter of 2022. Following from the above, for the second quarter of 2022 we currently expect:

- the change in gross bookings relative to the second quarter of 2019 will be about 20 percentage points better than the change in room nights relative to the same period primarily due to an increase in accommodation ADRs;
- revenues as a percentage of gross bookings will be lower than it was in the second quarter of 2019; and
- we will have an operating profit in the second quarter of 2022.

Source: Company report.

Exhibit 3: Booking Holdings Stock Price (Five Years)



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

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

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$2,551E		Q1 Mar	\$0.80E	
Q2 Jun	\$4,018E		Q2 Jun	\$18.73E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$16,034E	\$18,914E	Total	\$88.79E	\$121.67E

*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 Q1A	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	2,695	3,984	5,613	3,617	15,909	4,389	4,183	5,899	3,839	18,310
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	2,695	3,984	5,613	3,617	15,909	4,389	4,183	5,899	3,839	18,310
Advertising - brand					0					0					0					0
Marketing expenses	851	211	731	386	2,179	461	988	1,378	974	3,801	1,147	1,115	1,459	940	4,662	1,448	1,088	1,475	960	4,970
Sales and other	377	131	129	118	755	112	206	302	261	881	339	398	505	325	1,568	395	460	590	422	1,867
Personnel	484	452	517	491	1,944	552	686	591	485	2,314	596	916	898	615	3,025	1,229	878	826	576	3,509
General and administrative	201	104	148	128	581	119	134	179	188	620	158	359	281	253	1,050	395	376	295	269	1,335
IT	78	70	71	80	299	87	93	109	123	412	134	120	168	108	530	176	125	177	115	593
Depreciation and amortization	117	112	115	114	458	113	108	102	98	421	111	105	105	105	426	105	105	105	105	420
Restructuring and other	489	34	614	74	1,211	8	1		4	13	36			36						0
Total operating expenses	2,597	1,114	2,325	1,391	7,427	1,452	2,216	2,661	2,133	8,462	2,521	3,013	3,417	2,347	11,298	3,748	3,033	3,467	2,447	12,695
Operating income (loss)	(309)	(484)	315	(153)	(631)	(311)	(56)	2,015	848	2,496	174	971	2,197	1,269	4,610	641	1,150	2,431	1,392	5,615
Interest income (expense)	(32)	(84)	(93)	(98)	(307)	(98)	(81)	(80)	(75)	(334)	(68)	(67)	(68)	(67)	(270)	(66)	(66)	(66)	(65)	(262)
Other income (expense)	(381)	777	613	496	1,505	131	96	(967)	43	(697)	(955)	0	0	0	(955)	0	0	0	0	0
Income before income taxes	(722)	209	835	245	567	(278)	(41)	968	816	1,465	(849)	904	2,129	1,202	3,386	575	1,084	2,366	1,328	5,353
Income taxes	(23)	87	34	410	508	(223)	126	199	198	300	(149)	172	404	228	655	109	206	450	252	1,017
Net income (loss)	(699)	122	801	(165)	59	(55)	(167)	769	618	1,165	(700)	732	1,724	974	2,730	466	878	1,916	1,075	4,336
Nonrecurring/noncash adjustments	855	(565)	(297)	142	135	(160)	63	790	37	728	861	125	125	125	1,236	125	125	125	125	500
Net income	156	(443)	504	(24)	194	(215)	(103)	1,559	655	1,893	161	857	1,849	1,099	3,966	591	1,003	2,041	1,200	4,836
EBITDA	290	(376)	1,003	(38)	879	(195)	48	2,111	940	2,904	310	1,076	2,302	1,374	5,061	746	1,255	2,536	1,497	6,035
Shares, Basic	41.1	40.9	40.9	40.9	41.0	41.0	41.1	41.1	41.1	41.0	40.9	41.0	41.1	41.2	41.1	41.1	41.2	41.3	41.4	41.3
Shares, Diluted	41.4	40.9	41.1	40.9	41.2	41.0	41.1	41.3	41.4	41.4	41.2	41.3	41.4	41.5	41.3	41.5	41.6	41.7	41.8	41.6
EPS Basic (Pro forma)	\$3.80	(\$10.81)	\$12.31	(\$0.57)	\$4.73	(\$5.26)	(\$2.55)	\$37.96	\$15.94	\$46.13	\$3.94	\$20.90	\$44.97	\$26.65	\$96.57	\$14.37	\$24.34	\$49.40	\$28.98	\$117.17
EPS Diluted (Pro forma)	\$3.77	(\$10.81)	\$12.27	(\$0.57)	\$4.71	(\$5.26)	(\$2.55)	\$37.70	\$15.83	\$45.77	\$3.91	\$20.76	\$44.68	\$26.48	\$95.94	\$14.24	\$24.12	\$48.96	\$28.72	\$116.13
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%	42.6%	28.0%	26.0%	26.0%	29.3%	33.0%	26.0%	25.0%	25.0%	27.1%
Sales and marketing	16.5%	20.8%	4.9%	9.5%	11.1%	9.8%	9.5%	6.5%	8.8%	8.0%	12.6%	10.0%	9.0%	9.0%	9.9%	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%	22.1%	23.0%	16.0%	17.0%	19.0%	28.0%	21.0%	14.0%	15.0%	19.2%
General and administrative	8.8%	16.5%	5.6%	10.3%	8.5%	10.4%	6.2%	3.8%	6.3%	5.7%	5.9%	9.0%	5.0%	7.0%	6.6%	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%	5.0%	3.0%	3.0%	3.0%	3.3%	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%	6.5%	24.4%	39.1%	35.1%	29.0%	14.6%	27.5%	41.2%	36.3%	30.7%
Tax rate, GAAP	3.2%	41.6%	4.1%	167.3%	89.6%	80.2%	-307.3%	20.6%	24.3%	20.5%	17.6%	19.0%	19.0%	19.0%	19.4%	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%	-26.0%	18.4%	30.7%	26.9%	17.2%	10.6%	21.0%	32.5%	28.0%	23.7%
YY % change																				
Total Revenue	-20.8%	-83.6%	-47.6%	-62.9%	-55.0%	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	84.4%	20.0%	21.3%	45.2%	62.8%	5.0%	5.1%	6.2%	15.1%
Gross margin	-20.8%	-83.6%	-47.6%	-62.9%	-55.0%	-50.1%	242.9%	77.1%	140.8%	61.2%	136.2%	84.4%	20.0%	21.3%	45.2%	62.8%	5.0%	5.1%	6.2%	15.1%
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%	148.8%	12.9%	5.9%	-3.5%	22.7%	26.3%	-2.5%	1.0%	2.1%	6.6%
Sales and marketing	75.3%	-47.2%	-53.3%	-45.4%	-20.9%	-70.3%	57.3%	134.1%	121.2%	16.7%	202.7%	93.4%	67.3%	24.7%	78.0%	16.5%	15.5%	16.8%	29.7%	19.1%
Personnel	-3.4%	-27.0%	-8.7%	-12.6%	-13.5%	14.0%	51.8%	14.3%	-1.2%	19.0%	8.0%	33.6%	52.0%	26.8%	30.7%	106.2%	-4.1%	-8.1%	-6.3%	16.0%
General and administrative	5.2%	-42.2%	-34.2%	-36.3%	-27.1%	-40.8%	28.8%	20.9%	46.9%	6.7%	32.8%	167.6%	56.8%	34.7%	69.4%	150.0%	5.0%	5.1%	6.2%	27.1%
IT	20.0%	0.0%	0.0%	1.3%	4.9%	11.5%	32.9%	53.5%	53.8%	37.8%	54.0%	28.5%	54.5%	-11.8%	28.7%	31.0%	5.0%	5.1%	6.2%	11.8%
Operating income (loss)	NM	NM	-86.7%	NM	NM	NM	NM	NM	NM	NM	NM	NM	9.0%	49.7%	84.7%	268.4%	18.5%	10.7%	9.7%	21.8%
Net income (loss)	NM	-87.5%	-58.9%	NM	-98.8%	NM	NM	-4.0%	NM	NM	NM	NM	124.2%	57.6%	134.4%	NM	20.0%	11.1%	10.4%	58.8%
EPS Diluted (Pro forma)	-66.2%	NM	-73.0%	NM	-95.4%	NM	NM	207.3%	NM	NM	NM	NM	18.5%	67.3%	109.6%	264.0%	16.2%	9.6%	8.5%	21.0%

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	Q1A	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	\$10,549	\$8,607	\$9,719	\$11,399	\$12,360	\$12,362	\$13,636	\$15,140
Short term investments	826			501	500	501	522	25		0	0	0	0	0	0	0
Restricted cash										0	0	0	0	0	0	0
Accounts receivable, net	667	566	859	529	586	1,290	1,555	1,358	1,611	1,151	1,622	804	1,219	1,208	1,704	853
Prepaid expenses and other current assets	1,404	483	527	614	871	767	632	635	715	199	225	289	307	209	236	307
Deferred income taxes										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	12,875	9,957	11,565	12,492	13,887	13,780	15,576	16,300
Property and equipment, net	720	736	744	756	734	748	762	822	844	893	942	991	1,040	1,416	1,465	1,841
Intangibles, net	4,288	4,277	3,703	3,707	3,644	3,611	3,549	4,944	4,875	4,830	4,785	4,740	4,695	4,650	4,605	4,560
Deferred income taxes										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	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Other	1,538	1,500	1,443	1,446	1,381	1,414	1,395	1,555	1,590	1,590	1,590	1,590	1,590	1,590	1,590	1,590
Total assets	17,862	20,912	22,145	21,874	23,655	23,881	23,341	23,641	22,384	19,470	21,082	22,013	23,412	23,636	25,436	26,491
Liabilities and stockholders' equity																
Accounts payable	926	581	1,114	735	570	1,028	1,466	1,586	1,504	598	674	434	614	627	708	461
Accrued expenses	1,255	1,445	1,388	1,382	1,350	1,620	2,069	1,765	1,876	996	1,123	1,085	1,755	1,046	1,180	1,152
Deferred merchant	960	910	487	323	643	1,896	1,086	906	2,765	876	561	796	878	920	590	845
Income tax payable and other																
Convertible/short term debt	995	973	979	985	3,905	2,180	1,158	1,989	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333
Total current liabilities	4,136	3,909	3,968	3,425	6,468	6,724	5,779	6,246	7,478	3,803	3,691	3,648	4,581	3,927	3,810	3,790
Deferred income taxes	786	931	1,006	2,050	2,034	1,107	906	905	721	721	721	721	721	721	721	721
Other long term liabilities	1,552	1,440	1,429	477	459	1,260	1,235	1,375	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Convertible/long term debt	7,557	10,633	10,829	11,029	9,930	9,991	9,876	8,937	8,435	8,435	8,435	8,435	8,435	8,435	8,435	8,435
Minority interest										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	10,533	10,533	10,533	10,533	10,533	10,533	10,533	10,533
Common stock										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)	(25,390)	(25,390)	(25,390)	(25,390)	(25,390)	(25,390)	(25,390)	(25,390)
Additional paid-in capital	5,758	5,699	5,779	5,851	5,965	6,059	6,068	6,159	6,163	6,163	6,163	6,163	6,163	6,163	6,163	6,163
Retained earnings	22,530	22,652	23,453	23,288	23,233	23,066	23,835	24,453	23,783	24,515	26,239	27,213	27,679	28,557	30,474	31,549
Accumulated other comprehensive (loss) income	(342)	(233)	(196)	(118)	(160)	(43)	(72)	(144)	(183)	(183)	(183)	(183)	(183)	(183)	(183)	(183)
Other									29	29	29	29	29	29	29	29
Total stockholders' equity	3,831	3,999	4,913	4,893	4,764	4,799	5,545	6,178	4,373	5,135	6,859	7,832	8,298	9,177	11,093	12,168
Total stockholders' equity and liabilities	\$17,862	\$20,912	\$22,145	\$21,874	\$23,655	\$23,881	\$23,341	\$23,641	\$22,384	\$19,470	\$21,082	\$22,013	\$23,412	\$23,636	\$25,436	\$26,491

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	61%	77%	20%	50%	76%	36%	14%	21%	27%	5%	4%	8%	7%	5%	4%	8%
Deferred Merchant as % of total rev	42%	144%	18%	26%	56%	88%	23%	30%	103%	22%	10%	22%	20%	22%	10%	22%
Accounts payable as % of total rev	40%	92%	42%	59%	50%	48%	31%	53%	56%	15%	12%	12%	14%	15%	12%	12%
Accrued expenses as % of total rev	55%	229%	53%	112%	118%	75%	44%	59%	70%	25%	20%	30%	40%	25%	20%	30%
Activity Ratios																
A/R Days Sales Outstanding	26	81	29	38	46	54	30	41	54	26	26	20	25	26	26	20
Deferred Merchant (w/ Revenue)	38	130	17	23	51	79	21	27	92	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	\$106.16	\$124.35	\$165.71	\$188.77	\$200.00	\$221.17	\$266.71	\$291.87
Cash per Share (diluted)	\$173.85	\$254.24	\$272.56	\$270.20	\$308.76	\$285.77	\$294.20	\$269.56	\$256.10	\$208.46	\$234.81	\$274.73	\$297.91	\$297.95	\$327.87	\$363.15
Net cash per Share (diluted)	(\$32.96)	(\$29.37)	(\$14.87)	(\$23.23)	(\$28.90)	(\$10.69)	\$27.35	\$5.46	\$18.96	(\$28.11)	(\$1.18)	\$39.31	\$62.48	\$62.53	\$93.01	\$128.86

Source: Company reports and Ascendant Capital Markets estimates

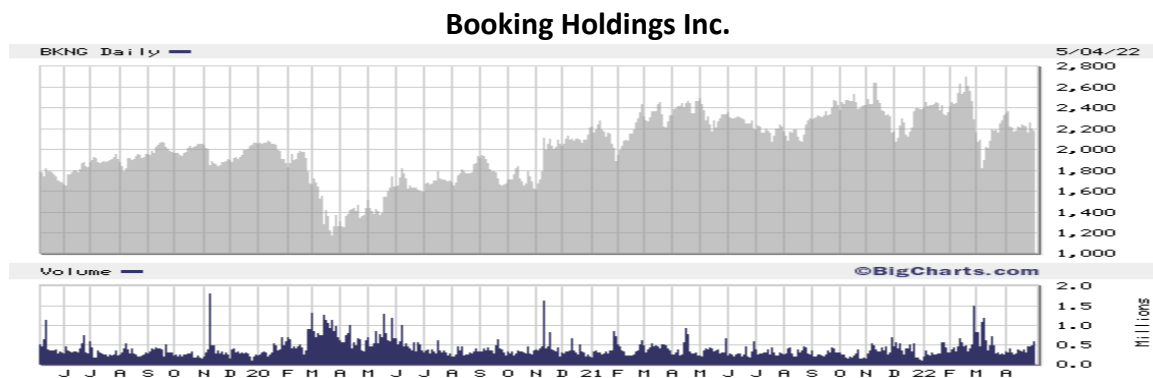
Booking Holdings Inc.

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	Q1A	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	(\$700)	\$732	\$1,724	\$974	\$2,730	\$466	\$878	\$1,916	\$1,075	\$4,336	
Depreciation	117	112	115	114	458	113	108	102	98	421	111	60	60	60	291	60	60	60	60	240	
Amortization					0	45	46	(91)	0	0		45	45	45	135	45	45	45	45	180	
Provision for accounts receivable	262	60	(15)	12	319		37	51	21	109	55	0	0	0	55	0	0	0	0	0	
Deferred income taxes	(97)	108	90	112	213	(50)	(70)	(223)	(102)	(445)	(216)	0	0	0	(216)	0	0	0	0	0	
Stock comp	11	83	85	76	255	113	91	86	86	376	93	65	65	65	288	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	987				987					0	
FX gains/losses	(33)	55	117	61	200	(91)	37	(54)	(27)	(135)	(30)				(30)					0	
Other	48	46	43	49	186	(4)	21	135	43	195	69	(65)	(65)	(65)	(126)	(65)	(65)	(65)	(65)	(260)	
Changes in operating assets and liabilities:																					
Accounts receivable	760	45	(251)	337	891	(72)	(748)	(352)	170	(1,002)	(326)	460	(471)	818	481	(415)	11	(496)	851	(49)	
Prepaid expenses & other current assets	(445)	693	(18)	(69)	161	(258)	85	138	41	6	(56)	516	(25)	(65)	370	(18)	98	(27)	(71)	(18)	
Accounts payable & accrued expenses	(1,135)	(432)	(26)	(673)	(2,266)	114	1,859	110	(544)	1,539	1,868	(3,675)	(112)	(43)	(1,962)	933	(654)	(116)	(20)	143	
Income tax payable and other	(79)	46	121	106	194	(46)	(8)	(105)	(115)	(274)	(160)	0	0	0	(160)	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	1,695	(1,862)	1,221	1,789	2,843	1,070	438	1,383	1,940	4,831	
Cash flow from investing activities																					
Purchases of property and equipment	(80)	(70)	(72)	(64)	(286)	(65)	(59)	(79)	(101)	(304)	(109)	(109)	(109)	(109)	(436)	(109)	(436)	(109)	(436)	(1,090)	
Purchases of short-term investments	(72)			(2)	(74)		(7)		498	491	(12)	0	0	0	(12)	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)	(121)	(109)	(109)	(109)	(448)	(109)	(436)	(109)	(436)	(1,090)	
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)	(1,102)	0	0	0	(1,102)	0	0	0	0	0	
Repurchase of common stock	(1,281)	(13)	(5)	(4)	(1,303)	(137)	(13)	(9)	(4)	(163)	(1,049)	0	0	0	(1,049)	0	0	0	0	0	
Proceeds from stock option exercises					0					0					0					0	
Other		5		(38)	(33)	(9)	(2)	(1)	(11)	(23)	12				12					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)	(2,139)	0	0	0	(2,139)	0	0	0	0	0	
Effect of exchange rate on cash and cash equivalents	(21)	2	7	12	0	(7)	6	(10)	(2)	(13)	(9)				(9)					0	
Net increase (decrease) in cash and equivalents	51	4,040	794	(635)	4,250	1,590	(920)	411	(511)	570	(574)	(1,971)	1,112	1,680	247	961	2	1,274	1,504	3,741	
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	10,578	8,607	9,719	11,152	11,399	12,360	12,362	13,636	11,399	
Ending cash and equivalents	\$6,383	\$10,423	\$11,217	\$10,582	\$10,582	\$12,172	\$11,252	\$11,663	\$11,152	\$11,152	\$10,578	\$8,607	\$9,719	\$11,399	\$11,399	\$12,360	\$12,362	\$13,636	\$15,140	\$15,140	

Source: Company reports and Ascendant Capital Markets estimates

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

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

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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 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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