



TripAdvisor, Inc.

Large Q2 upside and improved 2022 outlook. Outlook is improving with travel industry growth and possible spinoffs. Lowering P/T to \$35.

COMPANY UPDATE

Rating: BUY

Ticker: TRIP

Price: \$25.25

Target: \$35.00
(from \$36)

Large Q2 upside: TripAdvisor recently (on August 4) reported its fiscal Q2 2022 (ending June) results. Revenue was \$417 million (+77% y-o-y), compared with our estimate of \$396 million and consensus of \$393 million. Pro forma EPS was \$0.37, compared with our estimates of \$0.24 and consensus of \$0.25. EBITDA was \$109 million (vs. \$25 million y-o-y), compared with our estimate of \$80 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.

Q2 revenue back to pre-pandemic levels: Its core hotel revenue was \$274 million (+49% y-o-y), Viator was \$136 million (+240% y-o-y), and TheFork was \$32 million (+78% y-o-y) and all have rebounded strongly from Q2 2020 when the pandemic lockdowns started. Total Q2 revenue was 99% of Q2 2019’s.

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 160% and 103% (respectively) of Q2 2019’s revenue, so they have both surpassed 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, we believe 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.

2022 guidance for growth: The company provided qualitative guidance for Q3 revenue of “low- to mid-single digit” growth from Q3 2019’s (~\$430 - 450 million) and EBITDA margins in the low- to mid-20s% (~\$95 - 115 million).

Raising estimates: We are raising our 2022 estimates for revenue to \$1,463 million, from \$1,416 million, and for EPS to \$0.90 from \$0.84.

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 longer term, 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.

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 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 \$35 from \$36, which reflects a forward P/E of ~23x 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.

United States
Internet Software and Services

September 13, 2022

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Stock Data

Exchange:	NasdaqGS
52-week Range:	\$16.87 – 39.04
Shares Outstanding (million):	145
Market cap (\$million):	\$3,661
EV (\$million):	\$3,416
Debt (\$million):	\$835
Cash (\$million):	\$1,080
Avg. Daily Trading Vol. (\$million):	\$51
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		301E	
Q2 Jun	417A	396E	438E	455E
Q3 Sep	448E	409E	480E	450E
Q4 Dec	336E	349E	381E	394E
Total	1,463E	1,416E	1,600E	
EV/Revs	2.3x		2.1x	

Earnings per Share (pro forma)

	2022E (Cur.)	2022E (Old)	2023E (Cur.)	2023E (Old)
Q1 Mar	(0.09)A		(0.02)E	(0.04)E
Q2 Jun	0.37A	0.24E	0.35E	0.36E
Q3 Sep	0.41E	0.43E	0.79E	0.74E
Q4 Dec	0.20E	0.26E	0.38E	0.43E
Total	\$0.90E	\$0.84E	\$1.50E	
P/E	28x		17x	

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 August 4) reported its fiscal Q2 2022 (ending June) results.
- Revenue was \$417 million (+77% y-o-y), compared with our estimate of \$396 million and consensus of \$393 million.
- Pro forma EPS was \$0.37, compared with our estimates of \$0.24 and consensus of \$0.25.
- EBITDA was \$109 million (vs. \$25 million y-o-y), compared with our estimate of \$80 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.
- The company provided qualitative guidance for Q3 revenue of “low- to mid-single digit” growth from Q3 2019’s (~\$430 - 450 million) and EBITDA margins in the low- to mid-20s% (~\$95 - 115 million).
- We are raising our 2022 estimates for revenue to \$1,463 million, from \$1,416 million, and for EPS to \$0.90 from \$0.84.
- We are maintaining our 2023 estimates for revenue of \$1,600 million, and for EPS of \$1.50.

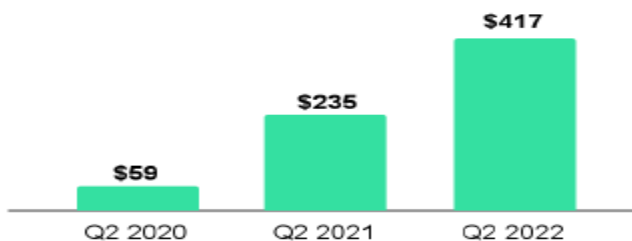
ADDITIONAL DETAILS

- Core Hotel revenue was \$274 million (+49% y-o-y), Viator was \$136 million (+240% y-o-y), and TheFork was \$32 million (+78% y-o-y).
- Core Hotel EBITDA was \$166 million (vs. \$49 million y-o-y), Viator was \$0 million (vs. \$(13) million y-o-y), and TheFork was \$(7) million (vs. \$(11) million y-o-y).
- Gross profit for the quarter was \$386 million, compared with our estimate of \$364 million.
- Gross margin for the quarter was 93%, versus 92% last year and our expectation of 92%.
- Operating expenses were \$323 million, versus our expectation of \$345 million.
- Operating income was \$63 million, versus our expectation of \$19 million.
- Pro forma net income was \$54 million, versus our expectation of \$34 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 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.

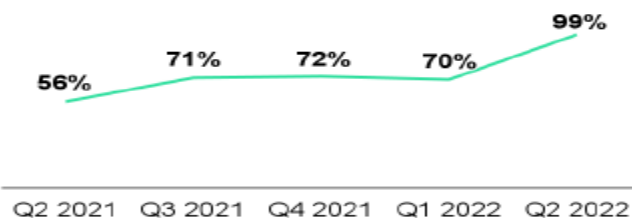
The company’s balance sheet remains solid with \$1,080 million in cash and \$835 million in debt (~\$2 in net cash per share), compared with \$907 million in cash and \$834 million in debt in March.

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

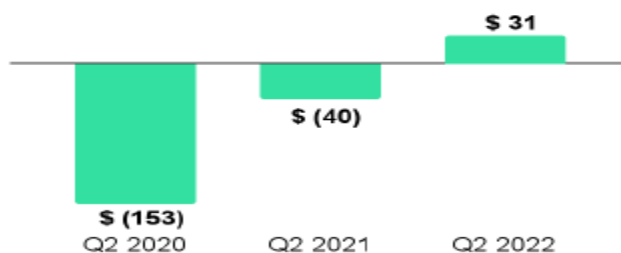
Q2 Revenue (\$M)



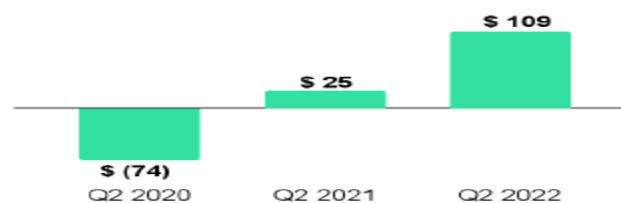
Quarterly Revenue as a % of 2019



Net Income (Loss) (\$M)



Adjusted EBITDA (\$M)



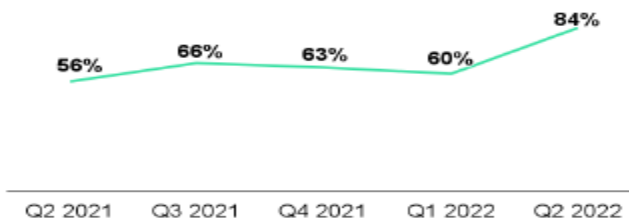
Source: Company report.

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

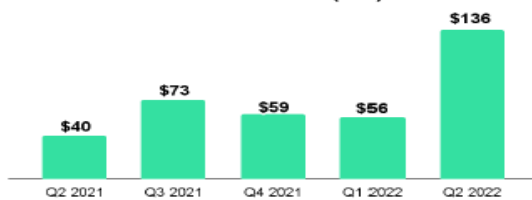
Tripadvisor Core Segment Revenue (\$M)



Tripadvisor Core Segment Revenue as % of 2019



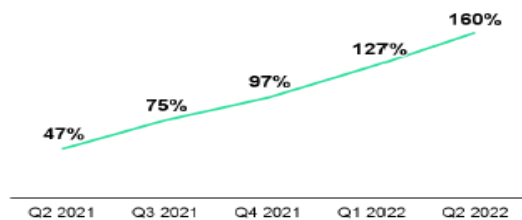
Viator Revenue (\$M)



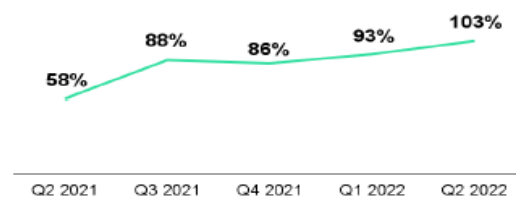
TheFork Revenue (\$M)



Viator Revenue as % of 2019



TheFork Revenue as % of 2019



Source: Company report.

Exhibit 3: Q3 and 2022 Outlook and Guidance (as of August 4, 2022)

Like many in the travel industry, we have seen that consumers were still spending on travel, despite some of the macro uncertainties, the geopolitical atmosphere, and even lingering COVID-19 flare-ups. However, as we embark on the 2H, it's difficult to predict the probability, or the magnitude, of macro weakness, or of currency movements, and how they might impact the 2H of 2022 and the start of 2023.

Despite these factors, we expect modest improvement from Q2 recovery levels across segments, and flattening in the 2H, partly driven by the impact of currency.

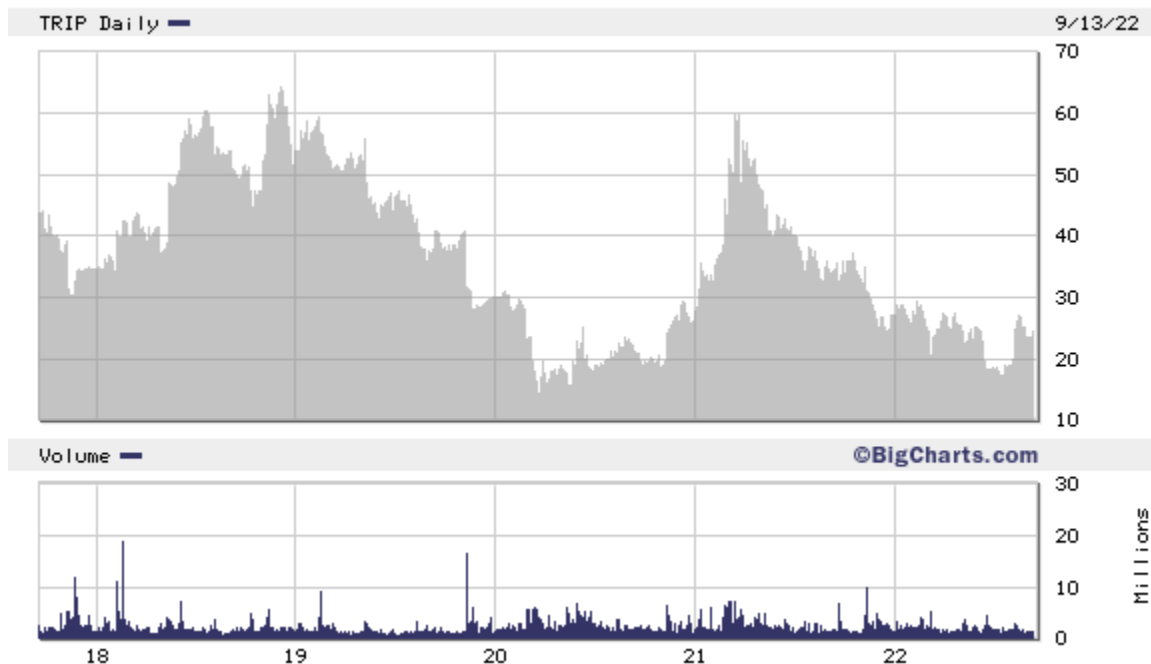
For 3Q, we expect:

- Consolidated revenue higher than 2019 by low- to mid-single digit percentage points
- Consolidated adjusted EBITDA margin of the low- to mid-20s as a percent of revenue

We expect a seasonal step down in consolidated adjusted EBITDA margin in Q4 versus Q3. In addition, in 2H we expect to partly reinvest the Q2 2022 COVID-19 related benefit in TheFork.

Source: Company report.

Exhibit 4: TripAdvisor Stock Price (5-years)



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

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

	Revenue (mil)			EPS	
	2022E	2023E		2022E	2023E
Q1 Mar	\$262A		Q1 Mar	\$(0.09)A	
Q2 Jun	\$393E		Q2 Jun	\$0.25E	
Q3 Sep	\$424E		Q3 Sep	\$0.41E	
Q4 Dec			Q4 Dec		
Total	\$1,406E	\$1,654E	Total	\$0.77E	\$1.63E

*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) 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 Q2A	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	278	59	151	116	604	123	235	303	241	902	262	417	448	336	1,463	301	438	480	381	1,600
Cost of Revenues	19	10	13	13	55	12	19	23	20	74	22	31	36	25	114	21	31	34	27	112
Gross Profit	259	49	138	103	549	111	216	280	221	828	240	386	412	311	1,349	280	407	447	354	1,488
Operating expenses:																				
Sales and marketing	129	54	70	66	319	73	123	148	126	470	141	217	188	151	698	130	188	163	148	630
Technology and content	73	51	46	55	225	55	54	52	51	212	54	53	76	67	250	87	88	62	76	313
General and administrative	52	43	35	44	174	38	46	37	46	167	40	28	58	44	170	57	53	58	46	213
Depreciation	25	32	30	31	118	29	28	27	26	110	25	25	28	28	106	28	28	28	28	112
Amortization of intangible	7				7					0			8	8	16	8	8	8	8	32
Related-party shared services fee					0					0					0					0
Restructuring and other		33	3	(11)	35					0			0	0	0	0	0	0	0	0
Total operating expenses	286	213	184	195	878	195	251	264	249	959	260	323	359	298	1,240	310	364	319	306	1,300
Operating income (loss)	(27)	(164)	(46)	(92)	(329)	(84)	(35)	16	(28)	(131)	(20)	63	54	13	109	(30)	43	127	48	188
Interest income (expense)			(12)	(14)	(26)	(11)	(11)	(12)	(11)	(45)	(13)	(10)	(14)	(14)	(52)	(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)	53	39	(2)	58	(44)	28	113	33	131
Income taxes	(11)	(26)	(10)	(31)	(78)	(16)	(6)	2	(18)	(38)	1	22	10	(0)	32	(11)	7	28	8	33
Net income (loss)	(16)	(153)	(48)	(73)	(290)	(80)	(40)	1	(29)	(148)	(34)	31	29	(1)	25	(33)	21	85	25	98
Nonrecurring/noncash adjustment	25	51	25	18	123	27	30	22	28	107	21	23	30	30	104	30	30	30	30	120
Net income	9	(102)	(23)	(55)	(167)	(53)	(10)	23	(1)	(41)	(13)	54	59	29	129	(3)	51	115	55	218
EBITDA	40	(74)	15	(33)	(52)	(26)	25	72	29	100	27	109	115	74	324	31	104	188	109	432
Shares, Basic	136	134	134	135	135	136	137	138	138	137	139	140	140	140	140	140	140	141	141	140
Shares, Diluted	136	134	134	135	135	136	137	144	138	137	139	145	145	145	144	145	145	146	146	145
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)	0.39	0.42	0.21	0.92	(0.02)	0.37	0.82	0.39	1.55
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)	0.37	0.41	0.20	0.90	(0.02)	0.35	0.79	0.38	1.50
Income Statement Ratios																				
Gross margin	93%	83%	91%	89%	91%	90%	92%	92%	92%	92%	92%	93%	93%	93%	92%	93%	93%	93%	93%	93%
Sales and marketing	46%	92%	46%	57%	53%	59%	52%	49%	52%	52%	54%	52%	42%	45%	48%	43%	43%	34%	39%	39%
Technology and content	26%	86%	30%	47%	37%	45%	23%	17%	21%	24%	21%	13%	17%	20%	17%	29%	20%	13%	20%	20%
General and administrative	19%	73%	23%	38%	29%	31%	20%	12%	19%	19%	15%	7%	13%	13%	12%	19%	12%	12%	12%	13%
Operating margin	-10%	-278%	-30%	-79%	-54%	-68%	-15%	5%	-12%	-15%	-8%	15%	12%	4%	7%	-10%	10%	27%	13%	12%
Tax rate, GAAP	41%	15%	17%	30%	21%	17%	13%	67%	38%	20%	-3%	42%	25%	25%	56%	25%	25%	25%	25%	25%
Net margin	-6%	-259%	-32%	-63%	-48%	-65%	-17%	0%	-12%	-16%	-13%	7%	7%	0%	2%	-11%	5%	18%	7%	6%
Y/Y % change																				
Total Revenue	-26%	-86%	-65%	-65%	-61%	-56%	298%	101%	108%	49%	113%	77%	48%	39%	62%	15%	5%	7%	13%	9%
Gross margin	-27%	-88%	-66%	-67%	-63%	-57%	341%	103%	115%	51%	116%	79%	47%	41%	63%	17%	5%	8%	14%	10%
Sales and marketing	-28%	-70%	-60%	-53%	-53%	-43%	128%	111%	91%	47%	93%	76%	27%	20%	48%	-8%	-13%	-13%	-2%	-10%
Technology and content	0%	-31%	-39%	-21%	-23%	-25%	6%	13%	-7%	-6%	-2%	-2%	47%	32%	18%	62%	65%	-18%	13%	25%
General and administrative	24%	-4%	-31%	-10%	-7%	-27%	7%	6%	5%	-4%	5%	-39%	58%	-5%	2%	43%	88%	-1%	5%	25%
Operating income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	235%	NM	NM	NM	-32%	137%	275%	72%
Net income (loss)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	-31%	188%	NM	287%
EPS Diluted (Pro forma)	-82%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	157%	NM	NM	NM	-5%	92%	91%	66%

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	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	798	698	446	418	674	775	682	723	781	1,045	1,258	1,304	1,116	1,214	1,355	1,432
Restricted cash																
Short term investments											0	0	0	0	0	0
Accounts receivable, net	159	74	91	83	97	159	198	142	180	246	184	112	161	195	197	127
Prepaid expenses and other current assets	29	26	26	22	24	25	28	26	33	34	18	13	12	18	19	15
Deferred income taxes	26	55	50	50	50	47	52	49	49	12	12	12	11	11	11	11
Total current assets	1,012	853	613	573	845	1,006	960	940	1,043	1,337	1,472	1,441	1,300	1,437	1,582	1,585
Property and equipment, net	268	259	250	240	229	225	220	215	209	201	198	195	192	189	186	183
Long term investments and other	54	41	40	40	143	142	174	184	126	35	35	35	35	35	35	35
Goodwill and intangibles, net	927	932	934	948	932	929	915	908	901	878	870	862	854	846	838	830
Other	166	164	159	168	83	85	43	42	93	161	161	161	3	3	3	3
Total assets	2,427	2,249	1,996	1,969	2,232	2,387	2,312	2,289	2,372	2,612	2,736	2,694	2,384	2,510	2,644	2,636
Liabilities and stockholders' equity																
Accounts payable	34	13	14	18	13	15	22	27	12	50	31	24	21	31	34	27
Deferred merchant payable	71	57	38	36	71	173	123	113	197	323	323	323	323	323	323	323
Payable to Expedia											2	2	2	2	2	2
Deferred revenue	60	38	31	28	38	49	39	36	59	70	70	70	70	70	70	70
Tax payable											70	70	70	70	70	70
Accrued expenses and other	146	141	148	160	155	207	179	181	199	213	229	172	154	224	245	194
Short-term debt											0	0	0	0	0	0
Total current liabilities	311	249	231	242	277	444	363	357	467	656	725	660	640	719	744	686
Long-term debt	700	700	490	491	831	832	832	833	834	835	835	835	835	835	835	835
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	324	324	324	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	1,160	1,160	1,160	878	878	878	878
Common stock, class A											0	0	0	0	0	0
Common stock, class B											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	1,364	1,389	1,414	1,439	1,464	1,489	1,514
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	238	267	266	233	254	339	364
Unearned compensation											0	0	0	0	0	0
Accumulated other comprehensive income (loss)	(80)	(68)	(55)	(34)	(46)	(43)	(51)	(56)	(60)	(84)	(84)	(84)	(84)	(84)	(84)	(84)
Total stockholders' equity	1,027	912	908	886	785	779	794	789	767	796	850	874	866	912	1,022	1,072
Total stockholders' equity and liabilities	2,427	2,249	1,996	1,969	2,232	2,387	2,312	2,289	2,372	2,612	2,736	2,694	2,384	2,510	2,644	2,636

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	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	10%	44%	17%	19%	20%	11%	9%	11%	13%	8%	4%	4%	4%	4%	4%	4%
Accounts payable as % of total rev	12%	22%	9%	16%	11%	6%	7%	11%	5%	12%	7%	7%	7%	7%	7%	7%
Accrued expenses as % of total rev	53%	239%	98%	138%	126%	88%	59%	75%	76%	51%	51%	51%	51%	51%	51%	51%
Activity Ratios																
A/R Days Sales Outstanding	51	113	54	64	71	61	59	53	62	53	37	30	48	40	37	30
A/P Days Payable	161	117	97	125	98	71	86	122	49	145	79	84	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	\$5.49	\$5.86	\$6.02	\$5.96	\$6.28	\$7.03	\$7.36
Cash per Share (diluted)	\$6.26	\$5.51	\$3.63	\$3.39	\$6.01	\$6.69	\$5.94	\$6.57	\$6.53	\$7.45	\$8.91	\$9.22	\$7.92	\$8.59	\$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	\$1.69	\$3.15	\$3.47	\$2.18	\$2.84	\$3.81	\$4.34
Total Debt	\$700	\$700	\$490	\$491	\$831	\$832	\$832	\$833	\$834	\$835	\$835	\$835	\$835	\$835	\$835	\$835

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	Q2A	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)	31	29	(1)	25	(33)	21	85	25	98
Depreciation	25	32	30	31	118	29	28	27	26	110	25	25	28	28	106	28	28	28	28	112
Stock comp	26	25	28	29	108	29	32	29	31	121	22	21	25	25	93	25	25	25	25	100
Tax benefit from stock comp					0					0					0					0
Amortization of intangibles	7		3		10					0			8	8	16	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)		14	0	0	14	25	0	0	0	25
F/X gains/losses					0					0			0	0	0	0	0	0	0	0
Expedia receivable and payable					0					0			2	0	2	0	0	0	0	0
Other gains/losses		20	1	1	22	2	1	(2)	2	3	1	2	0	0	3	0	0	0	0	0
Other			4	2	6	4	3	3	8	18	3	(1)	0	0	2	0	0	0	0	0
Changes in operating assets and liabilities:																				
Accounts receivable					0					0			62	72	134	(49)	(34)	(3)	71	(15)
Prepaid expenses & other current assets					0					0			16	4	21	1	(5)	(2)	4	(2)
Accounts payable					0					0			(19)	(8)	(26)	(2)	10	3	(7)	3
Tax payable					0					0			70	0	70	0	0	0	0	0
Accrued expenses & other					0					0			16	(57)	(41)	(18)	70	22	(51)	23
Deferred revenue					0					0			0	0	0	0	0	0	0	0
Other	(124)	1	(48)		(171)	19	108	(124)	45	48	69	203	0	0	272	(148)	0	0	0	(148)
Net cash (used in) provided by oper.	(70)	(78)	(31)	(15)	(194)	(19)	126	(64)	65	108	86	295	238	71	690	(163)	122	166	103	228
Cash flow from investing activities																				
Purchases of property and equipment	(20)	(15)	(11)	(9)	(55)	(10)	(14)	(15)	(14)	(53)	(14)	(13)	(25)	(25)	(77)	(25)	(25)	(25)	(25)	(100)
Purchases of short-term investments					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
Acquisitions					0					0			0	0	0	0	0	0	0	0
Transfer to Expedia					0					0			0	0	0	0	0	0	0	0
Other		1	(2)		(1)		(2)	1	1	0		1	0	0	1	0	0	0	0	0
Net cash used in investing activities	(20)	(14)	(13)	(9)	(56)	(10)	(16)	(14)	(13)	(53)	(14)	(12)	(25)	(25)	(76)	(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)	(2)	0	0	(4)	0	0	0	0	0
Repurchase of common stock	(115)				(115)					0			0	0	0	0	0	0	0	0
Dividends					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)	(1)	0	0	(9)	0	0	0	0	0
Change in restricted cash					0					0			0	0	0	0	0	0	0	0
Other	(1)	(1)	(1)		(3)					0		1	0	0	1	0	0	0	0	0
Acquisition funding by Expedia					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)	(2)	0	0	(12)	0	0	0	0	0
Effect of exchange rate on cash and ca	(1)		4	3	6	(2)	(2)	(3)	(4)	(11)	(4)	(17)	0	0	(21)	0	0	0	0	0
Net increase (decrease) in cash and	479	(100)	(252)	(28)	99	256	101	(93)	41	305	58	264	213	46	581	(188)	97	141	78	128
Beginning cash and equivalents	319	798	698	446	319	418	674	775	682	418	723	781	1,045	1,258	723	1,304	1,116	1,214	1,355	1,304
Ending cash and equivalents	798	698	446	418	418	674	775	682	723	723	781	1,045	1,258	1,304	1,304	1,116	1,214	1,355	1,432	1,432

Source: Company reports and Ascendant Capital Markets estimates.

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Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

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
47	6/12/2022	B	36.00

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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:

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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 July 14, 2022)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	41	98%	15	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	42	100%	15	36%

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