

**Expedia Group Inc**

Expedia is an online travel company that offers travel products and services to leisure and corporate travellers. In addition, it provides travel and non-travel advertisers access to a potential source of incremental traffic and transactions through its various media and advertising offerings on its transaction-based websites. The company operates through three business segments: retail (including Vrbo), business to business (B2B), and trivago. Revenues rose 22% y/y to USD3.6bn. All segments reported positive growth (y/y): retail (+15% to USD2.7bn), B2B (+61% to USD788m), and trivago (+13% to USD185m). Also, revenues increased (y/y) in domestic (+8% to USD2.4bn) and international (+61% to USD1.3bn) markets. Revenues from global lodging (80% of total revenue) grew 25% y/y to USD2.9bn, led by growth (y/y) in room nights stayed (+20% to 93.2m) and stayed ADRs (+4%). Room nights booked of 81.6m missed cons. Gross bookings were up 28% y/y to USD24.0bn, reflecting a continued recovery in travel demand. Adj. EBITDA rose 26% y/y to USD1.1bn. The adj. EBITDA margin expanded 90bps y/y to 29.8%, thanks to tight fixed cost controls. By segment, adj. EBITDA in retail grew 7% y/y to USD943m. Moreover, adj. EBITDA in B2B increased to USD221m (vs USD74m in Q3 2021) and that in trivago surged to USD34m (vs USD18m in Q3 2021). Adj. EPS stood at USD 4.05 (+15% y/y). EXPE did not provide any Q4 2022 guidance, as macroeconomic uncertainties still weigh on the travel market, though it commented positively on current Q4 trends.

| Corporate Ratings | Periodicity | Fiscal Quarterly | Currency | Default | Parent/Consolidated | C | Data | Adjusted (If Available) |
|-------------------|-------------|------------------|----------|---------|---------------------|---|------|-------------------------|
| S&P               | BBB-        |                  |          |         |                     |   |      |                         |
| Outlook           | Stable      |                  |          |         |                     |   |      |                         |
| Moody's           | Baa3        |                  |          |         |                     |   |      |                         |
| Outlook           | Stable      |                  |          |         |                     |   |      |                         |
| Fitch             | BBB-        |                  |          |         |                     |   |      |                         |
| Outlook           | Stable      |                  |          |         |                     |   |      |                         |

  

| CDS Data     | 03/23 E | 12/22 E | LTM | 09/22 Q | 06/22 Q | 03/22 Q | 12/21 Q | 09/21 Q | 06/21 Q | 03/21 Q | 12/20 Q |
|--------------|---------|---------|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| 5 YR CDS     | 139.58  |         |     |         |         |         |         |         |         |         |         |
| % 3 Months   | -16.40  |         |     |         |         |         |         |         |         |         |         |
| % 6 Months   | -23.17  |         |     |         |         |         |         |         |         |         |         |
| % 1 Year     | 107.40  |         |     |         |         |         |         |         |         |         |         |
| 52 Week Low  | 67.24   |         |     |         |         |         |         |         |         |         |         |
| 52 Week High | 246.13  |         |     |         |         |         |         |         |         |         |         |

  

| Profitability           | 03/23 E | 12/22 E | LTM | 09/22 Q | 06/22 Q | 03/22 Q | 12/21 Q | 09/21 Q | 06/21 Q | 03/21 Q | 12/20 Q |
|-------------------------|---------|---------|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| EBIT                    | 1,243   |         |     |         |         |         |         |         |         |         |         |
| Operating Margin        | 10.97   |         |     |         |         |         |         |         |         |         |         |
| Pretax Margin           | 8.20    |         |     |         |         |         |         |         |         |         |         |
| Return on Assets        | 3.11    |         |     |         |         |         |         |         |         |         |         |
| Return on Common Equity | 30.24   |         |     |         |         |         |         |         |         |         |         |
| Return on Capital       | 7.97    |         |     |         |         |         |         |         |         |         |         |
| Asset turnover          | 0.52    |         |     |         |         |         |         |         |         |         |         |

  

| Structure                  | 03/23 E | 12/22 E | LTM | 09/22 Q | 06/22 Q | 03/22 Q | 12/21 Q | 09/21 Q | 06/21 Q | 03/21 Q | 12/20 Q |
|----------------------------|---------|---------|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| Current Ratio              | 0.83    |         |     |         |         |         |         |         |         |         |         |
| Quick Ratio                | 0.60    |         |     |         |         |         |         |         |         |         |         |
| Total Debt to Total Assets | 29.95   |         |     |         |         |         |         |         |         |         |         |
| Total Debt to Com Equity   | 288.89  |         |     |         |         |         |         |         |         |         |         |
| Acct Receivable Turnover   | 15.26   |         |     |         |         |         |         |         |         |         |         |
| Inventory Turnover         | --      |         |     |         |         |         |         |         |         |         |         |
| Gross Margin               | 85.52   |         |     |         |         |         |         |         |         |         |         |
| EBIT / Total Inter         | 4.13    |         |     |         |         |         |         |         |         |         |         |

  

| Growth Potential   | 03/23 E | 12/22 E | LTM | 09/22 Q | 06/22 Q | 03/22 Q | 12/21 Q | 09/21 Q | 06/21 Q | 03/21 Q | 12/20 Q |
|--------------------|---------|---------|-----|---------|---------|---------|---------|---------|---------|---------|---------|
| Sales 1yr Growth   | 65.38   |         |     |         |         |         |         |         |         |         |         |
| Asset 1yr Growth   | 15.29   |         |     |         |         |         |         |         |         |         |         |
| Capital 1yr Growth | -3.43   |         |     |         |         |         |         |         |         |         |         |

  

| Income Statement Summary    | 03/23 E | 12/22 E | LTM      | 09/22 Q | 06/22 Q | 03/22 Q | 12/21 Q | 09/21 Q | 06/21 Q | 03/21 Q | 12/20 Q |
|-----------------------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue                     | 2,652.2 | 2,705.2 | 11,328.0 | 3,619.0 | 3,181.0 | 2,249.0 | 2,279.0 | 2,962.0 | 2,111.0 | 1,246.0 | 920.0   |
| Operating Income            | 71.0    | 373.7   | 1,243.0  | 799.0   | 376.0   | -116.0  | 184.0   | 492.0   | -128.0  | -341.0  | -425.0  |
| Pretax Income               | -82.9   | 236.2   | 929.0    | 731.0   | 288.0   | -203.0  | 113.0   | 441.0   | -213.0  | -452.0  | -502.0  |
| Income bef XO Items         | -59.8   | 177.6   | 563.0    | 476.0   | -185.0  | -123.0  | 395.0   | 378.0   | -177.0  | -581.0  | -391.0  |
| Net Income                  | 24.2    | 253.3   | 681.9    | 526.1   | 210.4   | -119.6  | 65.1    | 335.9   | -168.2  | -349.4  | -383.0  |
| Basic EPS Before XO Items   | --      | --      | 3.62     | 3.34    | 1.34    | -0.77   | -0.29   | 2.13    | -1.99   | -2.60   | -2.89   |
| Basic EPS                   | 0.11    | 1.57    | 6.60     | 4.05    | 1.96    | -0.47   | 1.06    | 3.53    | -1.13   | -2.02   | -2.64   |
| Diluted EPS Before XO Items |         |         | 3.53     | 3.25    | 1.34    | -0.77   | -0.29   | 2.01    | -1.99   | -2.60   | -2.89   |
| Diluted EPS                 |         |         | 2.73     | 2.98    | -1.17   | -0.78   | 1.70    | 2.26    | -2.02   | -4.17   | -2.89   |
| Dividends per Share         | 0.13    | 0.06    | 0.2      | 0.00    | 0.00    | 0.17    | 0.00    | 0.00    | 0.00    | 0.34    | 0.18    |
| EBITDA                      | 281.2   | 560.2   | 2,379.0  | 1,079.0 | 648.0   | 173.0   | 479.0   | 855.0   | 201.0   | -58.0   | -160.0  |
| Return on Common Equity     | 6.6     | 35.1    | 23.8     | 23.8    | 22.7    | 13.8    | -15.1   | -64.5   | -120.2  | -120.7  | -98.1   |

  

| Balance Sheet Summary         | 03/23 E | 12/22 E | LTM      | 09/22 Q  | 06/22 Q  | 03/22 Q  | 12/21 Q  | 09/21 Q  | 06/21 Q  | 03/21 Q  | 12/20 Q  |
|-------------------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Total Current Assets          |         |         | 9,270.0  | 9,270.0  | 11,786.0 | 11,147.0 | 8,181.0  | 9,043.0  | 11,113.0 | 8,836.0  | 5,634.0  |
| Total Long-Term Assets        |         |         | 12,609.0 | 12,609.0 | 12,958.0 | 13,430.0 | 13,367.0 | 12,901.0 | 13,068.0 | 13,030.0 | 13,056.0 |
| Total Assets                  |         |         | 21,879.0 | 21,879.0 | 24,744.0 | 24,577.0 | 21,548.0 | 21,944.0 | 24,181.0 | 21,866.0 | 18,690.0 |
| Total Current Liabilities     |         |         | 11,119.0 | 11,119.0 | 13,837.0 | 12,469.0 | 9,450.0  | 9,751.0  | 11,713.0 | 8,774.0  | 5,406.0  |
| Total Long-Term Liabilities   |         |         | 7,047.0  | 7,047.0  | 7,526.0  | 8,541.0  | 8,546.0  | 8,591.0  | 9,375.0  | 9,382.0  | 9,258.0  |
| Total Liabilities             |         |         | 18,166.0 | 18,166.0 | 21,363.0 | 21,010.0 | 17,996.0 | 18,342.0 | 21,088.0 | 18,156.0 | 14,664.0 |
| Total Shareholders' Equity    |         |         | 3,713.0  | 3,713.0  | 3,381.0  | 3,567.0  | 3,552.0  | 3,602.0  | 3,093.0  | 3,710.0  | 4,026.0  |
| Shares Outstanding            |         |         | 156.5    | 156.5    | 157.5    | 157.1    | 155.6    | 151.4    | 150.7    | 146.9    | 143.6    |
| Book Value per Share          | 27.2    | 27.5    | 14.5     | 14.5     | 12.1     | 13.2     | 13.2     | 10.0     | 6.7      | 7.0      | 10.5     |
| Tangible Book Value / Sh      |         |         | -38.8    | -38.8    | -41.5    | -41.1    | -41.8    | -47.7    | -51.9    | -53.2    | -51.4    |
| Shareholder Equity/Total Liab |         |         | 17.0     | 17.0     | 13.7     | 14.5     | 16.5     | 16.4     | 12.8     | 17.0     | 21.5     |

  

| Cash Flow Summary             | 03/23 E | 12/22 E | LTM      | 09/22 Q  | 06/22 Q  | 03/22 Q | 12/21 Q | 09/21 Q  | 06/21 Q | 03/21 Q | 12/20 Q |
|-------------------------------|---------|---------|----------|----------|----------|---------|---------|----------|---------|---------|---------|
| Net Income                    | -59.8   | 177.6   | 561.0    | 482.0    | -185.0   | -122.0  | 386.0   | 376.0    | -172.0  | -578.0  | -383.0  |
| Depreciation and Amortization | 181.1   | 175.7   | 704.0    | 176.0    | 176.0    | 175.0   | 177.0   | 177.0    | 179.0   | 182.0   | 180.0   |
| Change in Working Capital     |         |         | -1,141.0 | 202.0    | -729.0   | -53.0   | -561.0  | -108.0   | -662.0  | -166.0  | -871.0  |
| Cash - Operating Activities   |         |         | 3,907.0  | -997.0   | 1,628.0  | 2,991.0 | 285.0   | -1,221.0 | 2,514.0 | 2,170.0 | -385.0  |
| Capital Expenditures          | -170.9  | -164.6  | -628.0   | -170.0   | -159.0   | -156.0  | -143.0  | -179.0   | -183.0  | -168.0  | -128.0  |
| Cash - Investing Activities   |         |         | -939.0   | -266.0   | -261.0   | 13.0    | -425.0  | -93.0    | -233.0  | -180.0  | -156.0  |
| Cash - Financing Activities   |         |         | -3,220.0 | -695.0   | -1,178.0 | -674.0  | -673.0  | -73.0    | -541.0  | 137.0   | -402.0  |
| Net Changes in Cash           |         |         | -252.0   | -1,958.0 | 189.0    | 2,330.0 | -813.0  | -1,387.0 | 1,740.0 | 2,127.0 | -943.0  |
| Free Cash Flow                | 2,006.4 | -89.3   | 3,279.0  | -1,167.0 | 1,469.0  | 2,835.0 | 142.0   | -1,400.0 | 2,331.0 | 2,002.0 | -513.0  |

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