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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-37429

EXPEDIA GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-2705720**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1111 Expedia Group Way W.
Seattle, WA 98119
(Address of principal executive office) (Zip Code)
(206) 481-7200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, $0.0001 par value	EXPE	The Nasdaq Global Select Market
Expedia Group, Inc. 2.500% Senior Notes due 2022	EXPE22	New York Stock Exchange

The number of shares outstanding of each of the registrant's classes of common stock as of July 23, 2021 was:

Common stock, $0.0001 par value per share	145,296,350 shares
Class B common stock, $0.0001 par value per share	5,523,452 shares

Expedia Group, Inc.

Form 10-Q

For the Quarter Ended June 30, 2021

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Part I. Item 1. Consolidated Financial Statements

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share and per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue	$ 2,111	$ 566	$ 3,357	$ 2,775
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below) (1)	374	381	685	1,010
Selling and marketing (1)	1,199	291	1,863	1,496
Technology and content (1)	276	271	523	586
General and administrative (1)	184	149	340	334
Depreciation and amortization	205	232	414	461
Impairment of goodwill	—	20	—	785
Impairment of intangible assets	—	10	—	131
Legal reserves, occupancy tax and other	(8)	8	(9)	(13)
Restructuring and related reorganization changes	13	53	42	128
Operating loss	(132)	(849)	(501)	(2,143)
Other income (expense):				
Interest income	1	3	3	13
Interest expense	(83)	(95)	(181)	(145)
Loss on debt extinguishment	—	—	(280)	—
Other, net	(10)	(12)	(15)	(157)
Total other expense, net	(92)	(104)	(473)	(289)
Loss before income taxes	(224)	(953)	(974)	(2,432)
Provision for income taxes	47	213	216	295
Net loss	(177)	(740)	(758)	(2,137)
Net loss attributable to non-controlling interests	5	4	8	100
Net loss attributable to Expedia Group, Inc.	(172)	(736)	(750)	(2,037)
Preferred stock dividend	(22)	(17)	(50)	(17)
Loss on redemption of preferred stock	(107)	—	(107)	—
Net loss attributable to Expedia Group, Inc. common stockholders	$ (301)	$ (753)	$ (907)	$ (2,054)
Loss per share attributable to Expedia Group, Inc. available to common stockholders				
Basic	$ (2.02)	$ (5.34)	$ (6.16)	$ (14.57)
Diluted	(2.02)	(5.34)	(6.16)	(14.57)
Shares used in computing earnings (loss) per share (000's):				
Basic	149,093	141,072	147,148	140,947
Diluted	149,093	141,072	147,148	140,947

———

(1) Includes stock-based compensation as follows:				
Cost of revenue	$ 6	$ 3	$ 11	$ 6
Selling and marketing	32	13	49	25
Technology and content	32	18	59	38
General and administrative	50	20	84	40

See accompanying notes.

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net loss	$ (177)	$ (740)	$ (758)	$ (2,137)
Currency translation adjustments, net of tax[1]	19	34	(18)	(56)
Comprehensive loss	(158)	(706)	(776)	(2,193)
Less: Comprehensive income (loss) attributable to non-controlling interests	1	2	(18)	(100)
Less: Preferred stock dividend	22	17	50	17
Less: Loss on redemption of preferred stock	107	—	107	—
Comprehensive loss attributable to Expedia Group, Inc. common stockholders	$ (288)	$ (725)	$ (915)	$ (2,110)

(1) Currency translation adjustments include tax benefit of $3 million and tax expense of $6 million associated with net investment hedges for the three and six months ended June 30, 2021 and tax benefit of $3 million and $1 million for the three and six months ended June 30, 2020.

See accompanying notes.

EXPEDIA GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except number of shares, which are reflected in thousands, and par value)

	June 30, 2021	December 31, 2020
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,464	$ 3,363
Restricted cash and cash equivalents	2,541	772
Short-term investments	11	24
Accounts receivable, net of allowance of $86 and $101	1,440	701
Income taxes receivable	399	120
Prepaid expenses and other current assets	1,258	654
Total current assets	11,113	5,634
Property and equipment, net	2,261	2,257
Operating lease right-of-use assets	467	574
Long-term investments and other assets	663	671
Deferred income taxes	850	659
Intangible assets, net	1,457	1,515
Goodwill	7,370	7,380
TOTAL ASSETS	$ 24,181	$ 18,690
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, merchant	$ 1,157	$ 602
Accounts payable, other	778	496
Deferred merchant bookings	8,240	3,107
Deferred revenue	172	172
Income taxes payable	328	50
Accrued expenses and other current liabilities	1,038	979
Total current liabilities	11,713	5,406
Long-term debt	8,480	8,216
Deferred income taxes	22	67
Operating lease liabilities	408	513
Other long-term liabilities	465	462
Commitments and contingencies		
Series A Preferred Stock: $.001 par value, Authorized shares: 100,000; Shares issued and outstanding: 600 and 1,200	511	1,022
Stockholders' equity:		
Common stock: $.0001 par value; Authorized shares: 1,600,000	—	—
Shares issued: 269,239 and 261,564; Shares outstanding: 145,197 and 138,074		
Class B common stock: $.0001 par value; Authorized shares: 400,000	—	—
Shares issued: 12,800 and 12,800; Shares outstanding: 5,523 and 5,523		
Additional paid-in capital	13,995	13,566
Treasury stock - Common stock and Class B, at cost; Shares 131,318 and 130,767	(10,182)	(10,097)
Retained earnings (deficit)	(2,531)	(1,781)
Accumulated other comprehensive income (loss)	(186)	(178)
Total Expedia Group, Inc. stockholders' equity	1,096	1,510
Non-redeemable non-controlling interests	1,486	1,494
Total stockholders' equity	2,582	3,004
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 24,181	$ 18,690

See accompanying notes.

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share data)
(Unaudited)

Three months ended June 30, 2020	Common stock		Class B common stock		Additional paid-in capital	Treasury stock - Common and Class B		Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Non-redeemable non-controlling interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance as of March 31, 2020	258,769,812	$ —	12,799,999	$ —	$ 13,124	130,592,112	$ (10,083)	$ (470)	$ (301)	$ 1,471	$ 3,741
Net income (loss)								(736)		(4)	(740)
Other comprehensive income (loss), net of taxes									28	6	34
Payment of preferred dividends (declared at $14.02 per share)					(17)						(17)
Proceeds from exercise of equity instruments and employee stock purchase plans	315,120	—			10						10
Common stock warrants, net of issuance costs					110						110
Treasury stock activity related to vesting of equity instruments						57,631	(4)				(4)
Adjustment to the fair value of redeemable non-controlling interests					4						4
Other changes in ownership of non-controlling interests					9					(4)	5
Stock-based compensation expense					59						59
Other					1	20,630					1
Balance as of June 30, 2020	259,084,932	$ —	12,799,999	$ —	$ 13,300	130,670,373	$ (10,087)	$ (1,206)	$ (273)	$ 1,469	$ 3,203

Six months ended June 30, 2020	Common stock		Class B common stock		Additional paid-in capital	Treasury stock - Common and Class B		Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Non-redeemable non-controlling interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance as of December 31, 2019	256,691,777	$ —	12,799,999	$ —	$ 12,978	126,892,525	$ (9,673)	$ 879	$ (217)	$ 1,569	$ 5,536
Net income (loss)								(2,037)		(100)	(2,137)
Other comprehensive income (loss), net of taxes									(56)	—	(56)
Payment of preferred dividends (declared at $14.02 per share)					(17)						(17)
Payment of dividends to common stockholders (declared at $0.34 per share)								(48)			(48)
Proceeds from exercise of equity instruments and employee stock purchase plans	2,393,155	—			96						96
Common stock warrants, net of issuance costs					110						110
Treasury stock activity related to vesting of equity instruments						393,099	(44)				(44)
Common stock repurchases						3,364,119	(370)				(370)
Adjustment to the fair value of redeemable non-controlling interests					4						4
Other changes in ownership of non-controlling interests					10					—	10
Stock-based compensation expense					118						118
Other					1	20,630					1
Balance as of June 30, 2020	259,084,932	$ —	12,799,999	$ —	$ 13,300	130,670,373	$ (10,087)	$ (1,206)	$ (273)	$ 1,469	$ 3,203

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share data)
(Unaudited)

Three months ended June 30, 2021	Common stock		Class B common stock		Additional paid-in capital	Treasury stock - Common and Class B		Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Non-redeemable non-controlling interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance as of March 31, 2021	265,207,012	$ —	12,799,999	$ —	$ 13,919	131,141,343	$ (10,152)	$ (2,359)	$ (199)	$ 1,479	$ 2,688
Net income (loss)								(172)		(5)	(177)
Other comprehensive income (loss), net of taxes									13	6	19
Payment of preferred dividends (declared at $47.11 per share)					(50)						(50)
Proceeds from exercise of equity instruments and employee stock purchase plans	1,561,799	—			110						110
Exercise of common stock warrants	2,470,221	—			—						—
Loss on redemption of preferred stock					(107)						(107)
Treasury stock activity related to vesting of equity instruments						177,075	(30)				(30)
Adjustment to the fair value of redeemable non-controlling interests					(11)						(11)
Other changes in ownership of non-controlling interests					—					6	6
Stock-based compensation expense					134						134
Balance as of June 30, 2021	269,239,032	$ —	12,799,999	$ —	$ 13,995	131,318,418	$ (10,182)	$ (2,531)	$ (186)	$ 1,486	$ 2,582

Six months ended June 30, 2021	Common stock		Class B common stock		Additional paid-in capital	Treasury stock - Common and Class B		Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Non-redeemable non-controlling interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance as of December 31, 2020	261,563,912	—	12,799,999	—	13,566	130,766,537	(10,097)	(1,781)	(178)	1,494	$ 3,004
Net income (loss)								(750)		(8)	(758)
Other comprehensive income (loss), net of taxes									(8)	(10)	(18)
Payment of preferred dividends (declared at $47.11 per share)					(50)						(50)
Proceeds from exercise of equity instruments and employee stock purchase plans	5,204,899	—			379						379
Exercise of common stock warrants	2,470,221	—			—						—
Loss on redemption of preferred stock					(107)						(107)
Withholding taxes for stock options					(7)						(7)
Treasury stock activity related to vesting of equity instruments						551,881	(85)				(85)
Adjustment to the fair value of redeemable non-controlling interests					(11)						(11)
Other changes in ownership of non-controlling interests					—					10	10
Stock-based compensation expense					225						225
Balance as of June 30, 2021	269,239,032	$ —	12,799,999	$ —	$ 13,995	131,318,418	$ (10,182)	$ (2,531)	$ (186)	$ 1,486	$ 2,582

See accompanying notes.

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six months ended June 30,	
	2021	**2020**
Operating activities:		
Net loss	$ (758)	$ (2,137)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation of property and equipment, including internal-use software and website development	361	376
Amortization of intangible assets	53	85
Impairment of goodwill and intangible assets	—	916
Amortization of stock-based compensation	203	109
Deferred income taxes	(241)	(279)
Foreign exchange loss on cash, restricted cash and short-term investments, net	20	65
Realized (gain) loss on foreign currency forwards	12	(79)
(Gain) loss on minority equity investments, net	(4)	195
Loss on debt extinguishment	280	—
Provision for credit losses and other, net	6	119
Changes in operating assets and liabilities:		
Accounts receivable	(729)	1,479
Prepaid expenses and other assets	(614)	(585)
Accounts payable, merchant	556	(1,389)
Accounts payable, other, accrued expenses and other liabilities	353	(244)
Tax payable/receivable, net	2	(82)
Deferred merchant bookings	5,184	(1,058)
Deferred revenue	—	(121)
Net cash provided by (used in) operating activities	4,684	(2,630)
Investing activities:		
Capital expenditures, including internal-use software and website development	(351)	(493)
Purchases of investments	(1)	(685)
Sales and maturities of investments	12	761
Other, net	(73)	76
Net cash used in investing activities	(413)	(341)
Financing activities:		
Revolving credit facility borrowings	—	1,900
Proceeds from issuance of long-term debt, net of issuance costs	1,964	2,714
Payment of long-term debt	(1,706)	—
Debt extinguishment costs	(258)	—
Net proceeds from issuance of preferred stock and warrants	—	1,132
Redemption of preferred stock	(618)	—
Purchases of treasury stock	(85)	(414)
Payment of dividends to common stockholders	—	(48)
Payment of preferred stock dividends	(50)	(17)
Proceeds from exercise of equity awards and employee stock purchase plan	379	96
Other, net	(4)	(30)
Net cash provided by (used in) financing activities	(378)	5,333
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(26)	(93)
Net increase in cash, cash equivalents and restricted cash and cash equivalents	3,867	2,269
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	4,138	4,097
Cash, cash equivalents and restricted cash and cash equivalents at end of period	$ 8,005	$ 6,366
Supplemental cash flow information		
Cash paid for interest	$ 192	$ 118
Income tax payments, net	16	63

See accompanying notes.

Notes to Consolidated Financial Statements

June 30, 2021

(Unaudited)

Note 1 – Basis of Presentation

Description of Business

Expedia Group, Inc. and its subsidiaries provide travel products and services to leisure and corporate travelers in the United States and abroad as well as various media and advertising offerings to travel and non-travel advertisers. These travel products and services are offered through a diversified portfolio of brands including: Brand Expedia®, Hotels.com®, Expedia® Partner Solutions, Vrbo®, Egencia®, trivago®, Orbitz®, Travelocity®, Hotwire®, Wotif®, ebookers®, CheapTickets®, Expedia Group™ Media Solutions, CarRentals.com™, Expedia Cruises™, Traveldoo®, and VacationRentals.com. In addition, many of these brands have related international points of sale. We refer to Expedia Group, Inc. and its subsidiaries collectively as "Expedia Group," the "Company," "us," "we" and "our" in these consolidated financial statements.

COVID-19

During 2020, the COVID-19 pandemic severely restricted the level of economic activity around the world, and, is continuing to have an unprecedented effect on the global travel industry. The various government measures implemented to contain the COVID-19 pandemic, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forgo their time outside of their homes, initially led to unprecedented levels of cancellations and continues to have a negative impact on the number of new travel bookings. While many countries have continued vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may contribute to delays in economic recovery. Overall, the full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, our business, going forward.

Basis of Presentation

These accompanying financial statements present our results of operations, financial position and cash flows on a consolidated basis. The unaudited consolidated financial statements include Expedia Group, Inc., our wholly-owned subsidiaries, and entities we control, or in which we have a variable interest and are the primary beneficiary of expected cash profits or losses. We have eliminated significant intercompany transactions and accounts.

We have prepared the accompanying unaudited consolidated financial statements in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial reporting. We have included all adjustments necessary for a fair presentation of the results of the interim period. These adjustments consist of normal recurring items. Our interim unaudited consolidated financial statements are not necessarily indicative of results that may be expected for any other interim period or for the full year. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2020, previously filed with the Securities and Exchange Commission ("SEC"). trivago is a separately listed company on the Nasdaq Global Select Market and, therefore is subject to its own reporting and filing requirements, which could result in possible differences that are not expected to be material to Expedia Group.

Accounting Estimates

We use estimates and assumptions in the preparation of our interim unaudited consolidated financial statements in accordance with GAAP. Our estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our interim unaudited consolidated financial statements. These estimates and assumptions also affect the reported amount of net income or loss during any period. Our actual financial results could differ significantly from these estimates. The significant estimates underlying our interim unaudited consolidated financial statements include revenue recognition; recoverability of current and long-lived assets, intangible assets and goodwill; income and transactional taxes, such as potential settlements related to occupancy and excise taxes; loss contingencies; deferred loyalty rewards; acquisition purchase price allocations; stock-based compensation; accounting for derivative instruments and provisions for credit losses, customer refunds and chargebacks.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact our results of operations. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods.

Reclassifications

We have reclassified prior period financial statements to conform to the current period presentation. During the first quarter of 2021, we centralized the management of our licensing and maintenance costs and reclassified certain expenses to technology and content expense from within our other operating expense line items on our consolidated statements of operations. The following table presents a summary of the amounts as reported and as reclassified in our consolidated statements of operations for the three and six months ended June 30, 2020:

	Three months ended June 30, 2020		Six months ended June 30, 2020	
	As reported	As reclassified	As reported	As reclassified
	(In millions)			
Cost of revenue	$ 389	$ 381	$ 1,018	1,010
Selling and marketing	296	291	1,506	1,496
Technology and content	255	271	563	586
General and administrative	152	149	339	334

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. For example, traditional leisure travel bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. The number of bookings typically decreases in the fourth quarter. Because revenue for most of our travel services, including merchant and agency hotel, is recognized as the travel takes place rather than when it is booked, revenue typically lags bookings by several weeks for our hotel business and can be several months or more for our alternative accommodations business. Historically, Vrbo has seen seasonally stronger bookings in the first quarter of the year, with the relevant stays occurring during the peak summer travel months. The seasonal revenue impact is exacerbated with respect to income by the nature of our variable cost of revenue and direct sales and marketing costs, which we typically realize in closer alignment to booking volumes, and the more stable nature of our fixed costs. Furthermore, operating profits for our primary advertising business, trivago, have typically been experienced in the second half of the year, particularly the fourth quarter, as selling and marketing costs offset revenue in the first half of the year as we typically increase marketing during the busy booking period for spring, summer and winter holiday travel. As a result on a consolidated basis, revenue and income are typically the lowest in the first quarter and highest in the third quarter. The growth of our international operations, advertising business or a change in our product mix, including the growth of Vrbo, may influence the typical trend of the seasonality in the future.

Impacts from COVID-19 disrupted our typical seasonal pattern for bookings, revenue, profit and cash flows during 2020. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends normalized during the second half of 2020, and during the second quarter of 2021 have increased sequentially and from the end of second quarter of 2020 levels. This resulted in working capital benefits and positive cash flow more akin to typical historical trends. It remains difficult to forecast the seasonality for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

Note 2 – Summary of Significant Accounting Policies

Recently Adopted Accounting Policies

Simplifying the Accounting for Income Taxes. As of January 1, 2021, we adopted the Accounting Standards Updates ("ASU") guidance to simplify the accounting for income taxes. This new standard eliminated certain exceptions in current guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. It also clarified and simplified other aspects of the accounting for income taxes. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

Investments - equity securities; Investments - Equity Method and Joint Ventures; Derivatives and Hedging. As of January 1, 2021, we adopted the new ASU guidance which clarified the interaction between the accounting for investments in equity securities, equity method investments and certain derivative instruments. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. As of January 1, 2021, we adopted the new ASU guidance which simplified the accounting for certain financial instruments with characteristics of liabilities and

equity, including convertible instruments and contracts on an entity's own equity. Specifically, the standard simplified accounting for convertible instruments by removing major separation models required under current GAAP, removing certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which permitted more equity contracts to qualify for it, and simplified the diluted earnings per share calculation in certain areas. The adoption of this new guidance did not have a material impact on our consolidated financial statements. The convertible senior notes issued in February 2021 are accounted for in accordance with this new guidance. See Note 4 – Debt for additional information.

Significant Accounting Policies

Below are the significant accounting policies with interim disclosure requirements. For a comprehensive description of our accounting policies, refer to our Annual Report on Form 10-K for the year ended December 31, 2020.

Revenue

Prepaid Merchant Bookings. We classify payments made to suppliers in advance of Vrbo performance obligations as prepaid merchant bookings included within prepaid and other current assets. Prepaid merchant bookings was $955 million as of June 30, 2021 and $389 million as of December 31, 2020.

Deferred Merchant Bookings. We classify cash payments received in advance of our performance obligations as deferred merchant bookings. At December 31, 2020, $2.3 billion of advance cash payments was reported within deferred merchant bookings, $1.4 billion of which was recognized resulting in $216 million of revenue during the six months ended June 30, 2021. At June 30, 2021, the related balance was $7.5 billion.

At December 31, 2020, $769 million of deferred loyalty rewards was reported within deferred merchant bookings, $213 million of which was recognized within revenue during the six months ended June 30, 2021. At June 30, 2021, the related balance was $757 million.

Deferred Revenue. At December 31, 2020, $172 million was recorded as deferred revenue, $90 million of which was recognized as revenue during the six months ended June 30, 2021. At June 30, 2021, the related balance was $172 million.

Practical Expedients and Exemptions. We have used the portfolio approach to account for our loyalty points as the rewards programs share similar characteristics within each program in relation to the value provided to the traveler and their breakage patterns. Using this portfolio approach is not expected to differ materially from applying the guidance to individual contracts. However, we will continue to assess and refine, if necessary, how a portfolio within each rewards program is defined.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Cash, Restricted Cash and Cash Equivalents

Our cash and cash equivalents include cash and liquid financial instruments, including money market funds and term deposit investments, with maturities of three months or less when purchased. Restricted cash includes cash and cash equivalents that is restricted through legal contracts, regulations or our intention to use the cash for a specific purpose. Our restricted cash primarily relates to certain traveler deposits and to a lesser extent collateral for office leases. The following table reconciles cash, cash equivalents and restricted cash reported in our consolidated balance sheets to the total amount presented in our consolidated statements of cash flows:

	June 30, 2021	December 31, 2020
	(in millions)	
Cash and cash equivalents	$ 5,464	$ 3,363
Restricted cash and cash equivalents	2,541	772
Restricted cash included within long-term investments and other assets	—	3
Total cash, cash equivalents and restricted cash and cash equivalents in the consolidated statement of cash flow	$ 8,005	$ 4,138

Accounts Receivable and Allowances

Accounts receivable are generally due within thirty days and are recorded net of an allowance for expected uncollectible amounts. We consider accounts outstanding longer than the contractual payment terms as past due. The risk characteristics we generally review when analyzing our accounts receivable pools primarily include the type of receivable (for example, credit card vs hotel collect), collection terms and historical or expected credit loss patterns. For each pool, we make estimates of

expected credit losses for our allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded as cost of revenue in our consolidated statements of operations. During the six months ended June 30, 2021, we recorded approximately $2 million of recovery on previously expected uncollectible amounts as well as $13 million of write-offs during the six months ended June 30, 2021. Actual future bad debt could differ materially from this estimate resulting from changes in our assumptions of the duration and severity of the impact of the COVID-19 pandemic.

Note 3 – Fair Value Measurements

Financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 are classified using the fair value hierarchy in the table below:

	Total	Level 1	Level 2
		(In millions)	
Assets			
Cash equivalents:			
Money market funds	$ 257	$ 257	$ —
Mutual funds	24	24	—
Term deposits	48	—	48
Investments:			
Term deposits	11	—	11
Marketable equity securities	127	127	—
Total assets	$ 467	$ 408	$ 59
Liabilities			
Derivatives:			
Foreign currency forward contracts	$ 26	$ —	$ 26

Financial assets measured at fair value on a recurring basis as of December 31, 2020 are classified using the fair value hierarchy in the table below:

	Total	Level 1	Level 2
		(In millions)	
Assets			
Cash equivalents:			
Money market funds	$ 147	$ 147	$ —
Term deposits	49	—	49
U.S. treasury securities	150	150	—
Investments:			
Term deposits	24	—	24
Marketable equity securities	123	123	—
Total assets	$ 493	$ 420	$ 73
Liabilities			
Derivatives:			
Foreign currency forward contracts	$ 14	$ —	$ 14

We classify our cash equivalents and investments within Level 1 and Level 2 as we value our cash equivalents and investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs. Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, a Level 2 input.

As of June 30, 2021 and December 31, 2020, our cash and cash equivalents consisted primarily of U.S. treasury securities, term deposits and mutual funds with maturities of three months or less and bank account balances.

We hold term deposit investments with financial institutions. Term deposits with original maturities of less than three months are classified as cash equivalents and those with remaining maturities of less than one year are classified within short-term investments.

Our marketable equity securities consist of our investment in Despegar, a publicly traded company, which is included in long-term investments and other assets in our consolidated balance sheets. During the six months ended June 30, 2021 and 2020, we recognized a gain of approximately $4 million and a loss of approximately $60 million within other, net in our consolidated statements of operations related to the fair value changes of this equity investment.

Derivative instruments are carried at fair value on our consolidated balance sheets. We use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. Our goal in managing our foreign exchange risk is to reduce, to the extent practicable, our potential exposure to the changes that exchange rates might have on our earnings, cash flows and financial position. Our foreign currency forward contracts are typically short-term and, as they do not qualify for hedge accounting treatment, we classify the changes in their fair value in other, net. As of June 30, 2021, we were party to outstanding forward contracts hedging our liability and revenue exposures with a total net notional value of $2.2 billion. We had a net forward liability of $26 million ($37 million gross forward liability) as of June 30, 2021 and $14 million ($23 million gross forward liability) as of December 31, 2020 recorded in accrued expenses and other current liabilities. We recorded $(43) million and $(6) million in net gains (losses) from foreign currency forward contracts during the three months ended June 30, 2021 and 2020 as well as $(24) million and $100 million in net gains (losses) from foreign currency forward contracts during the six months ended June 30, 2021 and 2020.

Assets Measured at Fair Value on a Non-recurring Basis

Our non-financial assets, such as goodwill, intangible assets and property and equipment, as well as equity method investments, are adjusted to fair value when an impairment charge is recognized or the underlying investment is sold. Such fair value measurements are based predominately on Level 3 inputs. We measure our minority investments that do not have readily determinable fair values at cost less impairment, adjusted by observable price changes with changes recorded within other, net on our consolidated statements of operations.

Goodwill. During 2020, due to the severe and persistent negative effect COVID-19 had on global economies, the travel industry and our business, as well as the uncertainty and high variability in anticipated versus actual rates of recovery, in addition to our annual assessment on October 1, 2020, we deemed it necessary to perform various interim assessments of goodwill. As a result of assessments during the six months ended June 30, 2020, we recognized goodwill impairment charges of $785 million, of which $559 million related to our Retail segment, primarily our Vrbo reporting unit, and $226 million related to our trivago segment.

Our assessment compared the fair value of the reporting units to their carrying value. The fair value estimates for all reporting units, except trivago, were based on a blended analysis of the present value of future discounted cash flows and market value approach, Level 3 inputs. The significant estimates used in the discounted cash flows model included our weighted average cost of capital, projected cash flows and the long-term rate of growth. Our assumptions were based on the actual historical performance of the reporting unit and took into account operating result trends, the anticipated duration of COVID-19 impacts and rates of recovery, and implied risk premiums based on market prices of our equity and debt as of the assessment dates. Our significant estimates in the market approach model included identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and earnings multiples in estimating the fair value of the reporting unit. The fair value estimate for the trivago reporting unit was based on trivago's stock price, a Level 1 input, adjusted for an estimated control premium. The excess of the reporting unit's carrying value over our estimate of the fair value was recorded as goodwill impairment charges during 2020. As of December 31, 2020, the applicable reporting units within our Retail segment had $2.3 billion goodwill remaining after the impairments incurred in 2020 and our trivago segment had $337 million goodwill remaining.

Intangible Assets. During the six months ended June 30, 2020, we recognized intangible asset impairment charges of $131 million within our Retail segment primarily related to indefinite-lived trade names that resulted from changes in estimated future revenues of the related brands and, to a lesser extent, supplier relationship assets that were entirely written off in connection with a decision to streamline a smaller brand. The indefinite-lived assets, classified as Level 3 measurements, were valued using the relief-from-royalty method, which includes unobservable inputs, including royalty rates and projected revenues.

The full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will continue to unfold (in general and versus our expectations) for global economies, the travel industry or our business. Additionally, as the stock of our trivago segment is publicly traded, it is difficult to predict market dynamics and the extent or

duration of any stock price declines. As a result, we may continue to record impairment charges in the future due to the potential long-term economic impact and near-term financial impacts of the COVID-19 pandemic.

Minority Investments without Readily Determinable Fair Values. As of both June 30, 2021 and December 31, 2020, the carrying values of our minority investments without readily determinable fair values totaled $330 million. During the three and six months ended June 30, 2021, we had no material gains or losses recognized related to these minority investments. During the three and six months ended June 30, 2020, we recorded $21 million and $134 million of impairment losses related to a minority investment, which had recent observable and orderly transactions for similar investments, using an option pricing model that utilizes judgmental inputs such as discounts for lack of marketability and estimated exit event timing. As of June 30, 2021, total cumulative adjustments made to the initial cost basis of these investments included $2 million in unrealized upward adjustments and $105 million in unrealized downward adjustments (including impairments).

Note 4 – Debt

The following table sets forth our outstanding debt:

	June 30, 2021	December 31, 2020
	(In millions)	
2.5% (€650 million) senior notes due 2022	$ 772	$ 798
3.6% senior notes due 2023	496	496
4.5% senior notes due 2024	498	497
6.25% senior notes due 2025	1,031	1,972
7.0% senior notes due 2025	—	740
5.0% senior notes due 2026	745	744
0% convertible senior notes due 2026	984	—
4.625% senior notes due 2027	744	743
3.8% senior notes due 2028	993	993
3.25% senior notes due 2030	1,234	1,233
2.95% senior notes due 2031	983	—
Long-term debt[1]	$ 8,480	$ 8,216

(1) Net of applicable discounts and debt issuance costs.

Long-term Debt

Extinguishment of Debt. During the six months ended June 30, 2021, we used the net proceeds from the February and March 2021 private placements discussed below, to (i) finance a redemption of all of our outstanding 7.0% senior notes due 2025 (the "7.0% Notes"), (ii) finance a tender offer for a portion of our issued and outstanding 6.25% senior notes due 2025 (the "6.25% Notes") and (iii) to pay fees and expenses related to the foregoing. On March 3, 2021, we completed the redemption of all of our outstanding 7.0% Notes as well as settled the tender offer to purchase $956 million in aggregate principal of our 6.25% Notes, which resulted in the recognition of a loss on debt extinguishment of $280 million during the six months ended June 30, 2021. This loss primarily reflected the payment of early payment premiums and fees associated with the tender offer as well as the write-off of unamortized debt issuance costs. The cash payments related to the debt extinguishment were classified as cash outflows from financing activities on the consolidated statement of cash flows and were $258 million during the six months ended June 30, 2021, which reflected the $280 million loss on debt extinguishment adjusted for the non-cash write-off of debt issuance costs of approximately $23 million. In addition, we paid accrued and unpaid interest on the 7.0% and tendered portion of the 6.25% Notes up to the date of settlement.

February 2021 Convertible Senior Notes Private Placement. On February 19, 2021, we completed our private placement of $1 billion aggregate principal amount of unsecured 0% convertible senior notes due 2026 (the "Convertible Notes"). The net proceeds from the issuance of the Convertible Notes was approximately $983 million after deducting debt issuance costs.

The Convertible Notes are unsecured, unsubordinated obligations and rank equally in right of payment with each other and with all of our existing and future unsecured and unsubordinated obligations, including our existing senior notes. The Convertible Notes are fully and unconditionally guaranteed by the subsidiary guarantors, which include each domestic subsidiary that is a borrower under or guarantees the obligations under our existing senior secured credit agreement. So long as the guarantees are in effect, each subsidiary guarantor's guarantee will be the unsecured, unsubordinated obligation of such subsidiary guarantor and will rank equally in right of payment with each other and with all of such subsidiary guarantor's existing and future unsecured and unsubordinated obligations, including such subsidiary guarantor's guarantees of our existing senior notes.

The Convertible Notes will mature on February 15, 2026, unless earlier converted, redeemed or repurchased. The Convertible Notes will not bear regular interest, and the principal amount of the Convertible Notes will not accrete.

The Convertible Notes have an initial conversion rate of 3.9212 shares of common stock of Expedia Group with a par value $0.0001 per share (referred to as "our common stock" herein), per $1,000 principal amount of Convertible Notes, which is equal to an initial conversion price of approximately $255.02 per share of our common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of stock dividends and payment of cash dividends. At any time prior to the close of business on the business day immediately preceding November 15, 2025, holders may convert their Convertible Notes at their option only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is equal to or greater than 130% of the conversion price then in effect on each applicable trading day;
- during the five business day period immediately after any five consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if the Company calls any or all of the Convertible Notes for redemption, at any time prior to the close of business on the business day immediately prior to the redemption date, but only with respect to the Convertible Notes called for redemption (or deemed called for redemption); or
- upon the occurrence of specified corporate events.

Irrespective of the foregoing conditions, holders may convert their Convertible Notes on or after November 15, 2025 and prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Additionally, upon the occurrence of a corporate event that constitutes a "make-whole fundamental change" per the indenture, or if we call the Convertible Notes for redemption, and a holder elects to convert its Convertible Notes in connection with such make-whole fundamental change or during the related redemption period, as the case may be, such holder may be entitled to an increase in the conversion rate in certain circumstances as described in the indenture. Upon conversion, holders will receive cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

We may not redeem the Convertible Notes prior to February 20, 2024. On or after February 20, 2024 and prior to the 41st scheduled trading day immediately preceding the maturity date, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, we may redeem for cash all or part of the Convertible Notes at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date, except as otherwise described in the indenture.

The net carrying amount of the Convertible Notes as of June 30, 2021 was $984 million, which reflects the $1 billion in principal less unamortized debt issuance costs of $16 million. Interest expense related to the amortization of the debt issuance costs for the Convertible Notes was $1 million during the six months ended June 30, 2021. The estimated fair value of the Convertible Notes was $1.1 billion as of June 30, 2021. The fair value was determined based on quoted market prices in less active markets and is categorized as Level 2 in the fair value hierarchy.

March 2021 Senior Note Private Placement. On March 3, 2021, we privately placed $1 billion of senior unsecured notes that are due in March 2031 that bear interest at 2.95%. In May 2021, we completed an offer to exchange these notes for registered notes having substantially the same financial terms and covenants as the original notes (the unregistered and registered notes collectively, the "2.95% Notes"). The 2.95% Notes were issued at a price of 99.081% of the aggregate principal amount. Interest is payable semi-annually in arrears in March and September of each year, beginning September 15, 2021, and the interest rate is subject to adjustment based on certain ratings events. We may redeem some or all of the 2.95% Notes at any time prior to December 15, 2030 by paying a "make-whole" premium plus accrued and unpaid interest, if any. We may redeem some or all of the 2.95% Notes on or after December 15, 2030 at par plus accrued and unpaid interest, if any. The net proceeds from the issuance of the 2.95% Notes was approximately $982 million after deducting the discount and debt issuance costs.

In addition to registering the 2.95% Notes in May 2021, we also completed an offer to exchange the $500 million of senior unsecured notes due December 2023 bearing interest at 3.6% and the $750 million of senior unsecured notes due August 2027 bearing interest at 4.625%, both privately placed in July 2020, for registered notes having substantially the same financial terms and covenants as the original notes.

Additional information about our outstanding senior notes (collectively the "Senior Notes"), see Note 8 – Debt of the Notes to Consolidated Financial Statements in our 2020 Form 10-K.

All of our outstanding Senior Notes are senior unsecured obligations issued by Expedia Group and guaranteed by certain domestic Expedia Group subsidiaries. The Senior Notes rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations of Expedia Group and the guarantor subsidiaries. In addition, the Senior Notes include covenants that limit our ability to (i) create certain liens, (ii) enter into sale/leaseback transactions and (iii) merge or consolidate with or into another entity or transfer substantially all of our assets. The Senior Notes are redeemable in whole or in part, at the option of the holders thereof, upon the occurrence of certain change of control triggering events at a purchase price in cash equal to 101% of the principal plus accrued and unpaid interest. Accrued interest related to the Senior Notes was $89 million and $110 million as of June 30, 2021 and December 31, 2020.

The total estimated fair value of our Senior Notes was approximately $8.2 billion and $9.1 billion as of June 30, 2021 and December 31, 2020. The fair value was determined based on quoted market prices in less active markets and is categorized according as Level 2 in the fair value hierarchy.

Credit Facilities

Revolving Credit Facility. As of June 30, 2021, Expedia Group maintained a $1.145 billion revolving credit facility with a group of lenders that expires on May 31, 2023 (the "Revolving Credit Facility"). Obligations under the Revolving Credit Facility are secured by substantially all of the assets of the Company and its subsidiaries that guarantee the facility (subject to certain exceptions, including for our headquarters located in Seattle, WA) up to the maximum amount permitted under the indentures governing the Senior Notes without securing such Senior Notes.

Loans under the Revolving Credit Facility bear interest (A) in the case of eurocurrency loans, at rates ranging from (i) prior to December 31, 2021, 2.25% per annum and (ii) on and after December 31, 2021, or prior to such date for each quarter that the leverage ratio, as of the end of the most recently ended fiscal quarter for which financial statements have been delivered, calculated on an annualized basis using consolidated EBITDA for the two most recently ended fiscal quarters included in such financial statements multiplied by two, is not greater than 5.00:1.00, from 1.00% to 1.75% depending on the Company's credit ratings, and (B) in the case of base rate loans, at rates (i) prior to December 31, 2021, 1.25% per annum and (ii) on and after December 31, 2021, or prior to such date if the leverage ratio condition referred to above is satisfied, from 0.00% to 0.75% per annum depending on the Company's credit ratings.

The Revolving Credit Facility contains covenants including a minimum liquidity requirement and, as of December 31, 2021, a maximum leverage ratio.

As of June 30, 2021 and December 31, 2020, we had no Revolving Credit Facility borrowings outstanding. The amount of stand-by letters of credit ("LOC") issued under the Revolving Credit Facility reduced the credit amount available. As of June 30, 2021 and December 31, 2020, there was $14 million and $13 million of outstanding stand-by LOCs issued under the facility.

Foreign Credit Facility. As of June 30, 2021, the Company and Expedia Group International Holdings III, LLC (the "Borrower") also maintained an $855 million credit facility with a group of lenders that expires on May 31, 2023 (the "Foreign Credit Facility"). Obligations under the Foreign Credit Facility are unsecured. Such obligations are guaranteed by the Company, its subsidiaries that guarantee obligations under the Revolving Credit Facility, as mentioned above, and certain of the Company's additional subsidiaries.

Loans under the Foreign Credit Facility bear interest at a rate equal to an index rate plus a margin (A) in the case of eurocurrency loans, (i) prior to December 31, 2021, equal to 2.50% per annum and (ii) on and after December 31, 2021, or prior to such date for each quarter that the leverage ratio, as of the end of the most recently ended fiscal quarter for which financial statements have been delivered, calculated on an annualized basis using consolidated EBITDA for the two most recently ended fiscal quarters included in such financial statements multiplied by two, is not greater than 5.00:1.00, ranging from 1.25% to 2.00% per annum, depending on the Company's credit ratings, and (B) in the case of base rate loans, (i) prior to December 31, 2021, equal to 1.50% per annum and (ii) on and after December 31, 2021, or prior to such date if the leverage ratio condition referred to above is satisfied, ranging from 0.25% to per 1.00% annum, depending on the Company's credit ratings.

The covenants, events of default and other terms and conditions in the Foreign Credit Facility are substantially similar to those in the Revolving Credit Facility, but include additional limitations on the Borrower and certain other entities that are not obligors under the Revolving Credit Facility.

As of June 30, 2021 and December 31, 2020, we had no Foreign Credit Facility borrowings outstanding.

Note 5 – Capital Stock

Preferred Stock and Warrants

On May 5, 2020, we completed the sale of Series A Preferred Stock and Warrants (as defined below) to purchase our common stock to AP Fort Holdings, L.P., an affiliate of Apollo Global Management, Inc. (the "Apollo Purchaser") and SLP Fort Aggregator II, L.P. and SLP V Fort Holdings II, L.P., affiliates of Silver Lake Group, L.L.C. (the "Silver Lake Purchasers") pursuant to the Company's previously announced Investment Agreements, dated as of April 23, 2020, with the Apollo Purchaser and the Silver Lake Purchasers (together, the "Investment Agreements").

We issued and sold (1) to the Apollo Purchaser, pursuant to the Apollo Investment Agreement, 600,000 shares of the Company's newly created Series A Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock") and Warrants (the "Warrants") to purchase 4.2 million shares of our common stock for an aggregate purchase price of $588 million and (2) to the Silver Lake Purchaser, pursuant to the Silver Lake Investment Agreement, 600,000 shares of Series A Preferred Stock and Warrants to purchase 4.2 million shares of common stock, for an aggregate purchase price of $588 million. On the terms and subject to the conditions set forth in the Investment Agreements, from and after the closing, (1) each of the Apollo Purchaser and the Silver Lake Purchaser designated one representative who was appointed to the Board of Directors of the Company (the "Board") and (2) the Apollo Purchaser appointed one non-voting observer to the Board, in each case until such time as the applicable Purchaser and its Permitted Transferees (as defined in the Investment Agreements) no longer beneficially own (a) at least 50% of the shares of Series A Preferred Stock purchased by the applicable Purchaser under the Investment Agreement (unless the applicable Purchaser holds less than 50% of the shares of Series A Preferred Stock as a result of redemptions by the Company, in which case the reference to 50% shall be replaced with a reference to 20%) and (b) Warrants and/or Common Stock for which the Warrants were exercised that represent in the aggregate and on an as exercised basis, at least 50% of the shares underlying the Warrants purchased by the applicable Purchaser under the Investment Agreement.

The Investment Agreements (including the forms of Certificate of Designations, Warrants and Registration Rights Agreement) contain other customary covenants and agreements, including certain standstill provisions and customary preemptive rights.

Certificate of Designations for Series A Preferred Stock. Dividends on each share of Series A Preferred Stock accrue daily on the Preference Amount (as defined below) at the then-applicable Dividend Rate (as defined below) and are payable semi-annually in arrears. As used herein, "Dividend Rate" with respect to the Series A Preferred Stock means (a) from the closing until the day immediately preceding the fifth anniversary of the closing, 9.5% per annum, (b) beginning on each of the fifth, sixth and seventh anniversaries of the closing, the then-applicable Dividend Rate shall be increased by 100 basis points on each such yearly anniversary, and (c) beginning on each of the eighth and ninth anniversaries of the closing date, the then-applicable Dividend Rate shall be increased by 150 basis points on each such yearly anniversary. The Dividend Rate is also subject to certain adjustments if the Company incurs indebtedness causing its leverage to exceed certain thresholds. Dividends are payable (a) until the third anniversary of the closing, either in cash or through an accrual of unpaid dividends ("Dividend Accrual"), at the Company's option, (b) from the third anniversary of the closing until the sixth anniversary of the closing, either in cash or in a combination of cash and Dividend Accrual (with no more than 50% of the total amount of such Dividend being paid through a Dividend Accrual), at the Company's option and (c) thereafter, in cash.

The Series A Preferred Stock rank senior to our common stock and the Class B common stock, par value $0.0001 per share, of the Company (the "Class B Common Stock") with respect to dividend rights, redemption rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

At any time after the first anniversary of the closing but on or prior to the second anniversary of the closing, we may redeem all or any portion of the Series A Preferred Stock in cash at a price equal to 103% of the sum of the original liquidation preference of $1,000 per share of Series A Preferred Stock plus any Dividend Accruals (the "Preference Amount"), plus accrued and unpaid distributions as of the redemption date. Any time after the second anniversary of the closing but on or prior to the third anniversary of the closing, we may redeem all or any portion of the Series A Preferred Stock in cash at a price equal to 102% of the Preference Amount, plus accrued and unpaid distributions as of the redemption date. Any time after the third anniversary of the closing but on or prior to the fourth anniversary of the closing, we may redeem all or any portion of the Series A Preferred Stock in cash at a price equal to 101% of the Preference Amount, plus accrued and unpaid distributions as of the redemption date. At any time after the fourth anniversary of the closing, we may redeem all or any portion of the Series A Preferred Stock in cash at a price equal to the Preference Amount plus accrued and unpaid distributions as of the redemption date.

In addition, upon the occurrence of a change of control, (i) we shall have the right, but not the obligation, to redeem any or all of the outstanding shares of Series A Preferred Stock at the then applicable redemption price, payable in cash and (ii) each holder will have the right, but not the obligation, to require the Company to redeem any or all of the outstanding shares of Series A Preferred Stock owned by such holder at the then applicable redemption price, payable in cash.

The Series A Preferred Stock is not convertible into our common stock or Class B Common Stock.

Each holder of Series A Preferred Stock will have one vote per share on any matter on which holders of Series A Preferred are entitled to vote separately as a class (as described below), whether at a meeting or by written consent. The holders of shares of Series A Preferred Stock do not otherwise have any voting rights.

The vote or consent of the holders of at least two-thirds of the shares of Series A Preferred Stock outstanding at such time, voting together as a separate class, is required in order for the Company to (i) amend, alter or repeal any provision of its Amended and Restated Certificate of Incorporation (including the certificates of designations relating to the Series A Preferred Stock) in a manner that would have an adverse effect on the rights, preferences or privileges of the Series A Preferred Stock, as applicable, (ii) issue, any capital stock ranking senior or pari passu to the Series A Preferred Stock, other than certain issuances to a governmental entity in connection with a financing transaction or (iii) liquidate, dissolve or wind up the Company.

The Series A Preferred Stock is classified within temporary equity on our consolidated balance sheets due to provisions that could cause the equity to be redeemable at the option of the holder. However, such events that could cause the Series A Preferred Stock to become redeemable are not considered probable of occurring. As of December 31, 2020, the carrying value of the Series A Preferred Stock was $1,022 million, net of $68 million in initial discount and issuance costs as well as $110 million allocated on a relative fair value basis to the concurrently issued Warrants recorded to additional paid-in capital (as described below). On May 20, 2021, we redeemed 50% of the outstanding Series A Preferred Stock at a price equal to 103% of the Preference Amount, plus accrued and unpaid distributions as to the redemption date using cash on-hand of $640 million, including an $18 million redemption premium and $22 million of accrued dividends. The loss on redemption of Preferred Stock was $107 million during the three and six months ended June 30, 2021, which included a charge to additional paid-in capital for the redemption premium as well as $89 million related to 50% of: the original issuance discount, issuance costs and the Warrants value.

As of June 30, 2021, the carrying value of the remaining Series A Preferred Stock was $511 million. The Series A Preferred Stock accumulated and we paid $50 million (or $47.11 per share of Series A Preferred Stock) in total dividends, including those mentioned above, during the six months ended June 30, 2021.

Warrants to Purchase Company Common Stock. Pursuant to the Investment Agreements, we issued to each of (1) the Silver Lake Purchasers (in the aggregate) and (2) the Apollo Purchaser, Warrants to purchase 4.2 million shares of our common stock at an exercise price of $72.00 per share, subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by the Company on our common stock. The Warrants are exercisable on a net share settlement basis and expire ten years after the closing date. In May 2021, the Apollo Purchaser exercised all of the Warrants it held and received approximately 2.5 million shares of our common stock in respect thereof. As of June 30, 2021, the Silver Lake Purchasers' warrants remain outstanding.

Dividends on our Common Stock

The Executive Committee, acting on behalf of the Board of Directors, declared and paid the following common stock dividend during the six months ended June 30, 2020:

Declaration Date	Dividend Per Share	Record Date	Total Amount (in millions)	Payment Date
February 13, 2020	$ 0.34	March 10, 2020	$ 48	March 26, 2020

During the second quarter of 2020, we suspended quarterly dividends on our common stock. At this time, we do not currently expect to declare future dividends on our common stock. Future declarations of dividends are subject to final determination by our Board of Directors.

Treasury Stock

As of June 30, 2021, the Company's treasury stock was comprised of approximately 124.0 million common stock and 7.3 million Class B shares. As of December 31, 2020, the Company's treasury stock was comprised of approximately 123.5 million shares of common stock and 7.3 million Class B shares.

Share Repurchases. In April 2018, the Executive Committee, acting on behalf of the Board of Directors, authorized a repurchase of up to 15 million outstanding shares of our common stock. In December 2019, the Board of Directors authorized a repurchase of up to 20 million outstanding shares of our common stock. We made no share repurchases during the six months ended June 30, 2021. During the six months ended June 30, 2020, we repurchased, through open market transactions, 3.4 million shares under these authorizations for the total cost of $370 million, excluding transaction costs, representing an average

repurchase price of $109.88 per share. As of June 30, 2021, there were approximately 23.3 million shares remaining under the 2018 and 2019 repurchase authorizations. There is no fixed termination date for the repurchases.

Accumulated Other Comprehensive Loss

The balance of accumulated other comprehensive loss as of June 30, 2021 and December 31, 2020 was comprised of foreign currency translation adjustments. These translation adjustments include foreign currency transaction losses at June 30, 2021 of $49 million ($65 million before tax) and $69 million ($90 million before tax) at December 31, 2020 associated with our 2.5% Notes. The 2.5% Notes are Euro-denominated debt designated as hedges of certain of our Euro-denominated net assets.

Note 6 – Earnings (Loss) Per Share

Basic earnings per share is calculated using our weighted-average outstanding common shares. The earnings per share amounts are the same for common stock and Class B common stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation.

Diluted earnings per share is calculated using our weighted-average outstanding common shares including the dilutive effect of stock awards and common stock warrants as determined under the treasury stock method and of our Convertible Notes using the if-converted method. In periods when we recognize a net loss, we exclude the impact of outstanding stock awards, common stock warrants and the potential share settlement impact related to our Convertible Notes from the diluted loss per share calculation as their inclusion would have an antidilutive effect. For the three and six months ended June 30, 2021, approximately 19 million of outstanding stock awards and common stock warrants and approximately 4 million shares related to the potential share settlement impact related to our Convertible Notes of have been excluded from the calculations of diluted earnings per share attributable to common stockholders because their effect would have been antidilutive. For the three and six months ended June 30, 2020, approximately 26 million of outstanding stock awards and common stock warrants were excluded.

Note 7 – Restructuring and Related Reorganization Charges

In 2020, we committed to restructuring actions intended to simplify our businesses and improve operational efficiencies, which have resulted in headcount reductions and office consolidations. As a result, we recognized $42 million and $128 million in restructuring and related reorganization charges during the six months ended June 30, 2021 and 2020. Based on current plans, which are subject to change, we expect total reorganization charges primarily in the remainder 2021 of approximately $15 million to $20 million. However, we continue to actively evaluate additional cost reduction efforts and should we make decisions in future periods to take further actions we will incur additional reorganization charges.

The following table summarizes the restructuring and related reorganization activity for the six months ended June 30, 2021:

	Employee Severance and Benefits	Other	Total
		(In millions)	
Accrued liability as of January 1, 2021	$ 103	$ —	$ 103
Charges	19	23	42
Payments	(53)	(4)	(57)
Non-cash items	(3)	(14)	(17)
Accrued liability as of June 30, 2021	$ 66	$ 5	$ 71

Note 8 – Income Taxes

We determine our provision for income taxes for interim periods using an estimate of our annual effective tax rate. We record any changes affecting the estimated annual effective tax rate in the interim period in which the change occurs, including discrete items.

For the three months ended June 30, 2021, the effective tax rate was a 21.0% benefit on a pre-tax loss, compared to a 22.3% benefit on pre-tax loss for the three months ended June 30, 2020.

For the six months ended June 30, 2021, the effective tax rate was a 22.1% benefit on a pre-tax loss, compared to a 12.1% benefit on pre-tax loss for the six months ended June 30, 2020. The change in the effective tax rate was primarily due to nondeductible impairments and a valuation allowance principally related to unrealized capital losses recorded in the prior year period.

We are subject to taxation in the United States and foreign jurisdictions. Our income tax filings are regularly examined by federal, state and foreign tax authorities. During the fourth quarter of 2019, the Internal Revenue Service ("IRS") issued final adjustments related to transfer pricing with our foreign subsidiaries for our 2011 to 2013 tax years. The proposed adjustments would increase our U.S. taxable income by $696 million, which would result in federal tax of approximately $244 million, subject to interest. We do not agree with the position of the IRS. We filed a protest with the IRS for our 2011 to 2013 tax years and Appeals returned the case to Exam for further review. We are also under examination by the IRS for our 2014 to 2016 tax years. Subsequent years remain open to examination by the IRS. We do not anticipate a significant impact to our gross unrecognized tax benefits within the next 12 months related to these years.

Note 9 – Commitments and Contingencies

Legal Proceedings

In the ordinary course of business, we are a party to various lawsuits. Management does not expect these lawsuits to have a material impact on the liquidity, results of operations, or financial condition of Expedia Group. We also evaluate other potential contingent matters, including value-added tax, excise tax, sales tax, transient occupancy or accommodation tax and similar matters. We do not believe that the aggregate amount of liability that could be reasonably possible with respect to these matters would have a material adverse effect on our financial results; however, litigation is inherently uncertain and the actual losses incurred in the event that our legal proceedings were to result in unfavorable outcomes could have a material adverse effect on our business and financial performance.

Litigation Relating to Occupancy Taxes. One hundred three lawsuits have been filed by or against cities, counties and states involving hotel occupancy and other taxes. Ten lawsuits are currently active. These lawsuits are in various stages and we continue to defend against the claims made in them vigorously. With respect to the principal claims in these matters, we believe that the statutes or ordinances at issue do not apply to us or the services we provide and, therefore, that we do not owe the taxes that are claimed to be owed. We believe that the statutes or ordinances at issue generally impose occupancy and other taxes on entities that own, operate or control hotels (or similar businesses) or furnish or provide hotel rooms or similar accommodations. To date, forty-eight of these lawsuits have been dismissed. Some of these dismissals have been without prejudice and, generally, allow the governmental entity or entities to seek administrative remedies prior to pursuing further litigation. Thirty-four dismissals were based on a finding that we and the other defendants were not subject to the local tax ordinance or that the local government lacked standing to pursue its claims. As a result of this litigation and other attempts by certain jurisdictions to levy such taxes, we have established a reserve for the potential settlement of issues related to hotel occupancy and other taxes, consistent with applicable accounting principles and in light of all current facts and circumstances, in the amount of $48 million and $58 million as of June 30, 2021 and December 31, 2020, respectively. Our settlement reserve is based on our best estimate of probable losses and the ultimate resolution of these contingencies may be greater or less than the liabilities recorded. An estimate for a reasonably possible loss or range of loss in excess of the amount reserved cannot be made. Changes to the settlement reserve are included within legal reserves, occupancy tax and other in the consolidated statements of operations.

Pay-to-Play. Certain jurisdictions may assert that we are required to pay any assessed taxes prior to being allowed to contest or litigate the applicability of the ordinances. This prepayment of contested taxes is referred to as "pay-to-play." Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously. If we prevail in the litigation, for which a pay-to-play payment was made, the jurisdiction collecting the payment will be required to repay such amounts and also may be required to pay interest.

We are in various stages of inquiry or audit with various tax authorities, some of which, including in the City of Los Angeles regarding hotel occupancy taxes, may impose a pay-to-play requirement to challenge an adverse inquiry or audit result in court.

Matters Relating to International VAT. We are in various stages of inquiry or audit in multiple European Union jurisdictions regarding the application of VAT to our European Union related transactions. While we believe we comply with applicable VAT laws, rules and regulations in the relevant jurisdictions, the tax authorities may determine that we owe additional taxes. In certain jurisdictions, including the United Kingdom, we may be required to "pay-to-play" any VAT assessment prior to contesting its validity. While we believe that we will be successful based on the merits of our positions with regard to audits in pay-to-play jurisdictions, it is nevertheless reasonably possible that we could be required to pay any assessed amounts in order to contest or litigate the applicability of any assessments and an estimate for a reasonably possible amount of any such payments cannot be made.

Competition and Consumer Matters. On August 23, 2018, the Australian Competition and Consumer Commission, or "ACCC", instituted proceedings in the Australian Federal Court against trivago. The ACCC alleged breaches of Australian Consumer Law, or "ACL," relating to trivago's advertisements in Australia concerning the hotel prices available on trivago's Australian site, trivago's strike-through pricing practice and other aspects of the way offers for accommodation were displayed

on trivago's Australian website. The matter went to trial in September 2019 and, on January 20, 2020, the Australian Federal Court issued a judgment finding trivago had engaged in conduct in breach of the ACL. On March 4, 2020, trivago filed a notice of appeal of part of that judgment at the Australian Federal Court. On November 4, 2020, the Australian Federal Court dismissed trivago's appeal. On May 27, 2021, the Australian Federal Court scheduled a separate trial regarding penalties and other orders for October 8, 2021, after having vacated the prior June 2021 trial date. We recorded the estimated probable loss associated with the proceedings in a previous period. An estimate for the reasonable possible loss or range of loss in excess of the amount reserved cannot be made.

Note 10 – Divestitures

On May 4, 2021, we announced that American Express Global Business Travel ("GBT") made a binding offer to acquire Egencia, Expedia Group's corporate travel arm included within our B2B segment. On August 4, 2021, Expedia Group accepted that offer. All relevant employee representative consultations have been completed and relevant regulatory approvals obtained, though the transaction remains subject to other customary closing conditions. As part of the transaction, Expedia Group would receive a minority ownership position in the combined business, and enter a 10-year lodging supply agreement with GBT. The transaction is currently anticipated to close during 2021. Upon closing, we may recognize a gain or loss on sale of the business. While the consideration for the transaction is not expected to materially change, the actual gain or loss on sale of the business to be recognized will depend on, among other things, final transaction proceeds, ending cash balances, and underlying costs as of the closing date, and changes in the estimated fair values of certain components of the considerations.

In addition, during the third quarter of 2020, in connection with our efforts to focus on our core businesses and streamline our activities, we committed to a plan to divest certain smaller businesses within our Retail segment. In April 2021, we completed the sale of Classic Vacations, which resulted in an immaterial gain within other, net in the consolidated statement of operations and net cash divested of approximately $56 million. In July 2021, we also completed the sale of another of our smaller businesses within our Retail segment.

As a result, the related assets and liabilities of the above disposal groups were considered held-for-sale and consisted of the following:

- Held-for-sale assets of $431 million as of June 30, 2021, which were primarily classified within cash of $46 million, accounts receivable of $108 million, property and equipment of $54 million, operating lease right-of-use asset of $20 million and goodwill of $163 million. Held-for-sale assets of $21 million as of December 31, 2020, which were primarily classified within cash of $5 million, accounts receivable of $2 million and prepaid expenses and other current assets of $12 million.
- Held-for-sale liabilities of $134 million as of June 30, 2021, which were primarily classified within merchant accounts payable of $16 million and accrued expenses and other current liabilities of $83 million. Held-for-sale liabilities of $53 million as of December 31, 2020, which were primarily classified within merchant accounts payable of $8 million, accrued expenses and other current liabilities of $5 million and deferred merchant bookings of $38 million.

Note 11 – Segment Information

We have the following reportable segments: Retail, B2B, and trivago. Our Retail segment, which consists of the aggregation of operating segments, provides a full range of travel and advertising services to our worldwide customers through a variety of consumer brands including: Expedia.com and Hotels.com in the United States and localized Expedia and Hotels.com websites throughout the world, Vrbo, Orbitz, Travelocity, Wotif Group, ebookers, CheapTickets, Hotwire.com, CarRentals.com and Expedia Cruises. Our B2B segment is comprised of our Expedia Business Services organization including Expedia Partner Solutions, which offers private label and co-branded products to make travel services available to travelers through third-party company branded websites, and Egencia, a full-service travel management company that provides travel services to businesses and their corporate customers. Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites.

We determined our operating segments based on how our chief operating decision makers manage our business, make operating decisions and evaluate operating performance. Our primary operating metric is Adjusted EBITDA. Adjusted EBITDA for our Retail and B2B segments includes allocations of certain expenses, primarily related to our global travel supply organization and the majority of costs from our product and technology platform, as well as facility costs and the realized foreign currency gains or losses related to the forward contracts hedging a component of our net merchant lodging revenue. We base the allocations primarily on transaction volumes and other usage metrics. We do not allocate certain shared expenses such as accounting, human resources, certain information technology and legal to our reportable segments. We include these expenses in Corporate and Eliminations. Our allocation methodology is periodically evaluated and may change.

Our segment disclosure includes intersegment revenues, which primarily consist of advertising and media services provided by our trivago segment to our Retail segment. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within Corporate and Eliminations in the table below.

Corporate and Eliminations also includes unallocated corporate functions and expenses as well as Bodybuilding.com through its sale in May 2020. In addition, we record amortization of intangible assets and any related impairment, as well as stock-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliation below.

The following tables present our segment information for the three and six months ended June 30, 2021 and 2020. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

	Three months ended June 30, 2021				
	Retail	B2B	trivago	Corporate & Eliminations	Total
	(In millions)				
Third-party revenue	$ 1,715	$ 305	$ 91	$ —	$ 2,111
Intersegment revenue	—	—	24	(24)	—
Revenue	$ 1,715	$ 305	$ 115	$ (24)	$ 2,111
Adjusted EBITDA	$ 303	$ (8)	$ 5	$ (99)	$ 201
Depreciation	(133)	(26)	(2)	(18)	(179)
Amortization of intangible assets	—	—	—	(26)	(26)
Stock-based compensation	—	—	—	(120)	(120)
Legal reserves, occupancy tax and other	—	—	—	8	8
Restructuring and related reorganization charges	—	—	—	(13)	(13)
Realized (gain) loss on revenue hedges	(3)	—	—	—	(3)
Operating income (loss)	$ 167	$ (34)	$ 3	$ (268)	(132)
Other expense, net					(92)
Loss before income taxes					(224)
Provision for income taxes					47
Net loss					(177)
Net loss attributable to non-controlling interests					5
Net loss attributable to Expedia Group, Inc.					(172)
Preferred stock dividend					(22)
Loss on redemption of preferred stock					(107)
Net loss attributable to Expedia Group, Inc. common stockholders					$ (301)

Notes to Consolidated Financial Statements – (Continued)

	Three months ended June 30, 2020				
	Retail	B2B	trivago	Corporate & Eliminations	Total
	(In millions)				
Third-party revenue	463	68	15	20	$ 566
Intersegment revenue	—	—	3	(3)	—
Revenue	$ 463	$ 68	$ 18	$ 17	$ 566
Adjusted EBITDA	(203)	(128)	(16)	(89)	$ (436)
Depreciation	(136)	(34)	(3)	(18)	(191)
Amortization of intangible assets	—	—	—	(41)	(41)
Impairment of goodwill	—	—	—	(20)	(20)
Impairment of intangible assets	—	—	—	(10)	(10)
Stock-based compensation	—	—	—	(54)	(54)
Legal reserves, occupancy tax and other	—	—	—	(8)	(8)
Restructuring and related reorganization charges	—	—	—	(53)	(53)
Realized (gain) loss on revenue hedges	(36)	—	—	—	(36)
Operating loss	$ (375)	$ (162)	$ (19)	$ (293)	(849)
Other expense, net					(104)
Loss before income taxes					(953)
Provision for income taxes					213
Net loss					(740)
Net loss attributable to non-controlling interests					4
Net loss attributable to Expedia Group, Inc.					(736)
Preferred stock dividend					(17)
Net loss attributable to Expedia Group, Inc. common stockholders					$ (753)

Notes to Consolidated Financial Statements – (Continued)

	Six months ended June 30, 2021				
	Retail	B2B	trivago	Corporate & Eliminations	Total
	(In millions)				
Third-party revenue	$ 2,740	$ 489	$ 128	$ —	$ 3,357
Intersegment revenue	—	—	33	(33)	—
Revenue	$ 2,740	$ 489	$ 161	$ (33)	$ 3,357
Adjusted EBITDA	$ 397	$ (68)	$ 1	$ (187)	$ 143
Depreciation	(266)	(54)	(5)	(36)	(361)
Amortization of intangible assets	—	—	—	(53)	(53)
Stock-based compensation	—	—	—	(203)	(203)
Legal reserves, occupancy tax and other	—	—	—	9	9
Restructuring and related reorganization charges	—	—	—	(42)	(42)
Realized (gain) loss on revenue hedges	6	—	—	—	6
Operating loss	$ 137	$ (122)	$ (4)	$ (512)	(501)
Other expense, net					(473)
Loss before income taxes					(974)
Provision for income taxes					216
Net loss					(758)
Net loss attributable to non-controlling interests					8
Net loss attributable to Expedia Group, Inc.					$ (750)
Preferred stock dividend					(50)
Loss on redemption of preferred stock					(107)
Net loss attributable to Expedia Group, Inc. common stockholders					$ (907)

	Six months ended June 30, 2020				
	Retail	B2B	trivago	Corporate & Eliminations	Total
			(In millions)		
Third-party revenue	2,045	553	118	59	$ 2,775
Intersegment revenue	—	—	54	(54)	—
Revenue	$ 2,045	$ 553	$ 172	$ 5	$ 2,775
Adjusted EBITDA	(181)	(102)	(17)	(212)	$ (512)
Depreciation	(264)	(66)	(6)	(40)	(376)
Amortization of intangible assets	—	—	—	(85)	(85)
Impairment of goodwill	—	—	—	(785)	(785)
Impairment of intangible assets	—	—	—	(131)	(131)
Stock-based compensation	—	—	—	(109)	(109)
Legal reserves, occupancy tax and other	—	—	—	13	13
Restructuring and related reorganization charges	—	—	—	(128)	(128)
Realized (gain) loss on revenue hedges	(27)	(3)	—	—	(30)
Operating loss	$ (472)	$ (171)	$ (23)	$ (1,477)	(2,143)
Other expense, net					(289)
Loss before income taxes					(2,432)
Provision for income taxes					295
Net loss					(2,137)
Net loss attributable to non-controlling interests					100
Net loss attributable to Expedia Group, Inc.					(2,037)
Preferred stock dividend					(17)
Net loss attributable to Expedia Group, Inc. common stockholders					$ (2,054)

Revenue by Business Model and Service Type

The following table presents revenue by business model and service type:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	(in millions)			
Business Model:				
Merchant	$ 1,338	$ 368	$ 2,134	$ 1,708
Agency	573	105	896	667
Advertising, media and other	200	93	327	400
Total revenue	$ 2,111	$ 566	$ 3,357	$ 2,775
Service Type:				
Lodging	$ 1,533	$ 487	$ 2,436	$ 2,029
Air	78	(70)	128	39
Advertising and media	161	25	249	228
Other[1]	339	124	544	479
Total revenue	$ 2,111	$ 566	$ 3,357	$ 2,775

(1) Other includes car rental, insurance, destination services, cruise and fee revenue related to our corporate travel business, among other revenue streams, none of which are individually material. Other also includes product revenue of $20 million and $59 million during the three and six months ended June 30, 2020 related to Bodybuilding.com, which was sold in May 2020.

Our Retail and B2B segments generate revenue from the merchant, agency and advertising, media and other business models as well as all service types. trivago segment revenue is generated through advertising and media.

Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the views of our management regarding current expectations and projections about future events and are based on currently available information. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, but not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 31, 2020, Part I, Item 1A, "Risk Factors," as well as those discussed elsewhere in this report. COVID-19, and the volatile regional and global economic conditions stemming from it, and additional or unforeseen effects from the COVID-19 pandemic, could also give rise to or aggravate these risk factors, which in turn could materially adversely affect our business, financial condition, liquidity, results of operations (including revenues and profitability) and/or stock price. Further, COVID-19 may also affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations. Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition and results of operations. Accordingly, readers should not place undue reliance on these forward-looking statements. The use of words such as "anticipates," "believes," "could," "estimates," "expects," "goal," "intends," "likely," "may," "plans," "potential," "predicts," "projected," "seeks," "should" and "will," or the negative of these terms or other similar expressions, among others, generally identify forward-looking statements; however, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. We are not under any obligation to, and do not intend to, publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Please carefully review and consider the various disclosures made in this report and in our other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

The information included in this management's discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes included in this Quarterly Report, and the audited consolidated financial statements and notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Overview

Expedia Group's mission is to power global travel for everyone, everywhere. We believe travel is a force for good. Travel is an essential human experience that strengthens connections, broadens horizons and bridges divides. We help reduce the barriers to travel, making it easier, more enjoyable, more attainable and more accessible. We bring the world within reach for customers and partners around the globe. We leverage our supply portfolio, platform and technology capabilities across an extensive portfolio of consumer brands, and provide solutions to our business partners, to orchestrate the movement of people and the delivery of travel experiences on both a local and global basis. We make available, on a stand-alone and package basis, travel services provided by numerous lodging properties, airlines, car rental companies, activities and experiences providers, cruise lines, alternative accommodations property owners and managers, and other travel product and service companies. We also offer travel and non-travel advertisers access to a potential source of incremental traffic and transactions through our various media and advertising offerings on our websites. For additional information about our portfolio of brands, see the disclosure set forth in Part I, Item 1, Business, under the caption "Management Overview" in our Annual Report on Form 10-K for the year ended December 31, 2020.

All percentages within this section are calculated on actual, unrounded numbers.

Trends

The COVID-19 pandemic, and measures to contain the virus, including government travel restrictions and quarantine orders, have had a significant negative impact on the travel industry. COVID-19 has negatively impacted consumer sentiment and consumer's ability to travel, and many of our supply partners, particularly airlines and hotels, continue to operate at reduced service levels.

As the spread of the virus has been contained to varying degrees in certain countries, travel restrictions have been lifted and consumers have become more comfortable traveling, particularly to domestic locations. This led to a moderation of the declines in travel bookings and in cancellation rates since March and April 2020. However, travel bookings remain below and cancellation rates still remain elevated compared to pre-COVID levels.

The degree of containment of the virus, and the recovery in travel, has varied country by country. During the recovery period, there have been instances where cases of COVID-19 have started to increase again after a period of decline, which in some cases impacted the recovery of travel in certain countries. While many countries have continued vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, vaccine hesitancy, as well as uncertainty over the impact of the delta or other new variants of the virus, including the efficacy of the vaccine against such variants, may contribute to delays in economic recovery. COVID-19 has also had broader economic impacts, including an increase in unemployment levels and reduction in economic activity, which if COVID-19 starts to increase again, could lead to a reduction in consumer or business spending on travel activities, which may negatively impact the timing and level of a recovery in travel demand. Broader, sustained negative economic impacts could also put strain on our suppliers, business and service partners which increases the risk of credit losses and service level or other disruptions.

Our financial and operating results for 2020 were significantly impacted due to the decrease in travel demand related to COVID-19. While we saw sequential improvement in trends during the second quarter of 2021, the impact to the overall travel market, and our business, has continued. The full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, our business.

Additionally, further health-related events, political instability, geopolitical conflicts, acts of terrorism, significant fluctuations in currency values, sovereign debt issues, and natural disasters, are examples of other events that could have a negative impact on the travel industry in the future.

Prior to the onset of COVID-19, we began to execute a cost savings initiative aimed at simplifying the organization and increasing efficiency. Following the onset of COVID-19, we accelerated execution on several of these cost savings initiatives and took additional actions to reduce costs to help mitigate the impact to demand from COVID-19 and reduce our monthly cash usage. While some cost actions during COVID-19 are temporary and intended to minimize cash usage during this disruption, we expect to continue to benefit from the majority of the savings when business conditions return to more normalized levels. Overall, we continue to expect annualized run-rate fixed cost savings of $700 to $750 million compared to the fourth quarter of 2019 exit rate, and we continue to evaluate additional opportunities to increase efficiency and improve operational effectiveness across the Company. In addition to the actions to reduce fixed costs, we are executing initiatives to reduce certain variable costs and improve our marketing efficiency.

As a result of these cost savings initiatives, we expect Adjusted EBITDA margins to increase compared to historical levels when revenue returns to more normalized levels.

Online Travel

Increased usage and familiarity with the internet are driving rapid growth in online penetration of travel expenditures. According to Phocuswright, an independent travel, tourism and hospitality research firm, in 2019, approximately 49% of U.S., European and Latin American leisure and unmanaged corporate travel expenditures occurred online. As of January 2021, this figure was estimated to reach approximately 53% in 2022. Online penetration rates in the emerging markets, such as Asia Pacific and Latin American regions, have historically lagged behind that of the United States and Europe. These penetration rates increased over the past few years, and are expected to continue growing, which presents an attractive growth opportunity for our business, while also attracting many competitors to online travel. This competition intensified in recent years, and the industry is expected to remain highly competitive for the foreseeable future. In addition to the growth of online travel agencies, we see increased interest in the online travel industry from search engine companies such as Google, evidenced by continued product enhancements, including new trip planning features for users and the integration of its various travel products into the Google Travel offering, as well as further prioritizing its own products in search results. Competitive entrants such as “metasearch” companies, including Kayak.com (owned by Booking Holdings), trivago (in which Expedia Group owns a majority interest) as well as TripAdvisor, introduced differentiated features, pricing and content compared with the legacy online travel agency companies, as well as various forms of direct or assisted booking tools. Further, airlines and lodging companies are aggressively pursuing direct online distribution of their products and services. In addition, the increasing popularity of the “sharing economy,” accelerated by online penetration, has had a direct impact on the travel and lodging industry. Businesses such as Airbnb, Vrbo (previously HomeAway, which Expedia Group acquired in December 2015) and Booking.com (owned by Booking Holdings) have emerged as the leaders, bringing incremental alternative accommodation and vacation rental inventory to the market. Many other competitors, including vacation rental metasearch players, continue to emerge in this space, which is expected to continue to grow as a percentage of the global accommodation market. Finally, traditional consumer ecommerce and group buying websites expanded their local offerings into the travel market by adding hotel offers to their websites.

The online travel industry also saw the development of alternative business models and variations in the timing of payment by travelers and to suppliers, which in some cases place pressure on historical business models. In particular, the agency hotel model saw rapid adoption in Europe. Expedia Group facilitates both merchant (Expedia Collect) and agency

(Hotel Collect) hotel offerings with our hotel supply partners through both agency-only contracts as well as our hybrid Expedia Traveler Preference ("ETP") program, which offers travelers the choice of whether to pay Expedia Group at the time of booking or pay the hotel at the time of stay.

In 2020, we shifted to managing our marketing investments holistically across the brand portfolio in our Retail segment to optimize results for the Company, and making decisions on a market by market and customer segment basis that we think are appropriate based on the relative growth opportunity, the expected returns and the competitive environment. Over time, intense competition historically led to aggressive marketing efforts by the travel suppliers and intermediaries, and a meaningful unfavorable impact on our overall marketing efficiencies and operating margins. During 2020, we increased our focus on opportunities to differentiate brands across customer and geographic segments, increase marketing efficiency, drive a higher proportion of transactions through direct channels and ultimately improve the balance of transaction growth and profitability.

Lodging

Lodging includes hotel accommodations and alternative accommodations. As a percentage of our total worldwide revenue in the second quarter of 2021, lodging accounted for 73%. As a result of the improvement in travel demand, stayed room nights grew 196% in the second quarter of 2021 and 6% in the first half of 2021, as compared to a decline of 55% in 2020 and growth of 11% in 2019. The timing of a further recovery in consumer sentiment on travel and on staying at hotels will be a factor in our level of room night growth, and as noted above, we expect that to vary by country. Average Daily Rates ("ADRs") for rooms booked on Expedia Group websites decreased 1% in 2019, increased 3% in 2020 and increased 18% in the first half of 2021. During 2020 and the first half of 2021, the year-over-year increase in ADRs for our Vrbo business remained elevated compared to years prior to the COVID-19 outbreak. Vrbo carries a higher ADR than hotels and has accounted for a higher percentage of room nights due to the faster recovery in alternative accommodations during this period.

The uncertain environment related to COVID-19, and the potential for a higher degree of discounting activity due to the lower travel demand, could result in variations in hotel ADR declines for a period of time. Similarly, fluctuations in supply and demand for alternative accommodations, could impact ADRs for Vrbo. In addition, travel restrictions and shift in consumer behavior during COVID-19 that impact the mix of our lodging bookings across geographies and types of accommodations could impact total ADRs. Given these dynamics, it is difficult to predict ADR trends in the near-term.

As of June 30, 2021, our global lodging marketplace had approximately 3 million lodging properties available, including over 2 million online bookable alternative accommodations listings and approximately 885,000 hotels.

Hotel. We generate the majority of our revenue through the facilitation of hotel reservations (stand-alone and package bookings). After rolling out ETP globally over a period of several years, during which time we reduced negotiated economics in certain instances to compensate for hotel supply partners absorbing expenses such as credit card fees and customer service costs, our relationships and overall economics with hotel supply partners have been broadly stable in recent years. As we continue to expand the breadth and depth of our global hotel offering, in some cases we have reduced our economics in various geographies based on local market conditions. These impacts are due to specific initiatives intended to drive greater global size and scale through faster overall room night growth. Additionally, increased promotional activities such as growing loyalty programs contribute to declines in revenue per room night and profitability.

Since our hotel supplier agreements are generally negotiated on a percentage basis, any increase or decrease in ADRs has an impact on the revenue we earn per room night. Over the course of the last several years, occupancies and ADRs in the lodging industry generally increased on a currency-neutral basis in a gradually improving overall travel environment. However, due to COVID-19, current occupancy rates for hotels in the United States are at reduced levels. In addition, other factors could pressure ADR trends, including the continued growth in hotel supply in recent years and the increase in alternative accommodation inventory. Further, while the global lodging industry remains very fragmented, there has been consolidation in the hotel space among chains as well as ownership groups. In the meantime, certain hotel chains have been focusing on driving direct bookings on their own websites and mobile applications by advertising lower rates than those available on third-party websites as well as incentives such as loyalty points, increased or exclusive product availability and complimentary Wi-Fi.

Alternative Accommodations. With our acquisition of Vrbo (previously HomeAway) and all of its brands in December 2015, we expanded into the fast growing alternative accommodations market. Vrbo is a leader in this market and represents an attractive growth opportunity for Expedia Group. Vrbo has transitioned from a listings-based classified advertising model to an online transactional model that optimizes for both travelers and homeowner and property manager partners, with a goal of increasing monetization and driving growth through investments in marketing as well as in product and technology. Vrbo offers hosts subscription-based listing or pay-per-booking service models. It also generates revenue from a traveler service fee for bookings. In addition, we have actively moved to integrate Vrbo listings into our global Retail services, as well as directly add alternative accommodation listings to our offerings, to position our key global brands to offer a full range of lodging options for consumers.

Air

The airline industry has been dramatically impacted by COVID-19. As a result of the significantly reduced air travel demand due to government travel restrictions and the impact on consumer sentiment related to COVID-19, airlines have been operating with less capacity and passenger traffic has declined significantly. During the third and fourth quarter of 2020, air passenger traffic declines further moderated and remained stable, but continue to lag the recovery in lodging bookings. The recovery in air travel remains difficult to predict, and may not correlate with the recovery in lodging demand. According to the Transportation Security Administration ("TSA"), air traveler 7-day average throughput declined 95% in April 2020 compared to prior year levels. The declines moderated to 60 to 65% in mid-October 2020 and, as of mid-July 2021, further moderated to down 20 to 25% compared to 2019 levels.

In addition, there is significant correlation between airline revenue and fuel prices, and fluctuations in fuel prices generally take time to be reflected in air revenue. Given current volatility, it is uncertain how fuel prices could impact airfares. We could encounter pressure on air remuneration as air carriers combine, certain supply agreements renew, and as we continue to add airlines to ensure local coverage in new markets.

Air ticket volumes increased 299% during the second quarter of 2021 and 6% in first half of 2021 compared to a decline of 63% in 2020 and an increase of 7% in 2019. As a percentage of our total worldwide revenue in the second quarter of 2021, air accounted for 4%.

Advertising & Media

Our advertising and media business is principally driven by revenue generated by trivago, a leading hotel metasearch website, and Expedia Group Media Solutions, which is responsible for generating advertising revenue on our global online travel brands. In the second quarter of 2021, we generated $161 million of advertising and media revenue, a 539% increase from the same period in 2020, representing 8% of our total worldwide revenue. Given the decline in travel demand related to COVID-19, online travel agencies dramatically reduced marketing spend, including on trivago, and given the uncertain duration and impact of COVID-19 it is difficult to predict when spend will recover to normalized levels. In response, in 2020, trivago significantly reduced its marketing spend and took additional actions to lower operating expenses. We expect trivago to continue to experience pressure on revenue and profit until online travel agencies and other hotel suppliers begin to see consumer demand that warrants an increase in their advertising spend with trivago.

Business Strategy

As we endeavor to power global travel for everyone, everywhere our focus is to: leverage our brand and supply strength, and our platform, to provide greater services and value to our travelers, suppliers and business partners, and generate sustained, profitable growth.

Leverage Brand and Supply Strength. We believe the strength of our brand portfolio and enhancements to product and service offerings, which when combined with our global scale and broad based supply, drive increasing value to customers and customer demand. With our significant global audience of travelers, and our deep and broad selection of travel products, there is a rich interplay between supply and demand in our global marketplace that helps us provide value to both travelers planning trips and supply partners wanting to grow their business through a better understanding of travel retailing and consumer demand in addition to reaching consumers in markets beyond their reach. Our multi-brand strategy and deep product and supply footprint allows us to tailor offerings to target different types of consumers and travel needs, employ geographic segmentation in markets around the world, and leverage brand differentiation, among other benefits. Additionally, we know that consumers typically visit multiple travel websites prior to booking travel, and having a multi-brand strategy increases the likelihood that those consumers will visit one or more of our websites. We also market to consumers through a variety of channels, including internet search, metasearch and social media websites, and having multiple brands appear in search results also increases the likelihood of attracting new visitors.

Leverage Our Platform. During 2020, Expedia Group shifted to a platform operating model with more centralized technology, product, data engineering and data science teams building services and capabilities that are leveraged across our business units to serve our end customers and provide value-add services to our travel suppliers. This model enables us to deliver more scalable services and operate more efficiently. All of our transaction-based businesses share and benefit from our platform infrastructure, including customer servicing and support, data centers, search capabilities and transaction processing functions, including payment processing and fraud operations.

As we continue to evolve our platform infrastructure, our focus is on developing technical capabilities that support various travel products while using common applications and frameworks. We believe this strategy will enable us to: build in parallel because of simpler, standard architecture; ship products faster; create more innovative solutions; and achieve greater

scale. Over time, as we enable domains around application development frameworks, we believe we can unlock additional platform service opportunities beyond our internal brands and other business travel partners.

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. For example, traditional leisure travel bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. The number of bookings typically decreases in the fourth quarter. Because revenue for most of our travel services, including merchant and agency hotel, is recognized as the travel takes place rather than when it is booked, revenue typically lags bookings by several weeks for our hotel business and can be several months or more for our alternative accommodations business. Historically, Vrbo has seen seasonally stronger bookings in the first quarter of the year, with the relevant stays occurring during the peak summer travel months. The seasonal revenue impact is exacerbated with respect to income by the nature of our variable cost of revenue and direct sales and marketing costs, which we typically realize in closer alignment to booking volumes, and the more stable nature of our fixed costs. Furthermore, operating profits for our primary advertising business, trivago, have typically been experienced in the second half of the year, particularly the fourth quarter, as selling and marketing costs offset revenue in the first half of the year as we typically increase marketing during the busy booking period for spring, summer and winter holiday travel. As a result on a consolidated basis, revenue and income are typically the lowest in the first quarter and highest in the third quarter. The growth of our international operations, advertising business or a change in our product mix, including the growth of Vrbo, may influence the typical trend of the seasonality in the future.

Impacts from COVID-19 disrupted our typical seasonal pattern for bookings, revenue, profit and cash flows during 2020. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends normalized during the second half of 2020, and during the second quarter of 2021 have increased sequentially and from the end of second quarter of 2020 levels. This resulted in working capital benefits and positive cash flow more akin to typical historical trends. It remains difficult to forecast the seasonality for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that we use judgment and estimates in applying those policies. We prepare our consolidated financial statements and accompanying notes in accordance with generally accepted accounting principles in the United States ("GAAP"). Preparation of the consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

There are certain critical estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider an accounting estimate to be critical if:

- It requires us to make an assumption because information was not available at the time or it included matters that were highly uncertain at the time we were making the estimate; and
- Changes in the estimate or different estimates that we could have selected may have had a material impact on our financial condition or results of operations.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact our results of operations. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods

For additional information about our other critical accounting policies and estimates, see the disclosure included in our Annual Report on Form 10-K for the year ended December 31, 2020 as well as updates in the current fiscal year provided in Note 2 – Summary of Significant Accounting Policies in the notes to the consolidated financial statements.

Occupancy and Other Taxes

Legal Proceedings. We are currently involved in ten lawsuits brought by or against states, cities and counties over issues involving the payment of hotel occupancy and other taxes. We continue to defend these lawsuits vigorously. With respect to the principal claims in these matters, we believe that the statutes and/or ordinances at issue do not apply to us or the services we

provide, namely the facilitation of travel planning and reservations, and, therefore, that we do not owe the taxes that are claimed to be owed. We believe that the statutes and ordinances at issue generally impose occupancy and other taxes on entities that own, operate or control hotels (or similar businesses) or furnish or provide hotel rooms or similar accommodations

For additional information on these and other legal proceedings, see Part II, Item 1, Legal Proceedings.

We have established a reserve for the potential settlement of issues related to hotel occupancy and other tax litigation, consistent with applicable accounting principles and in light of all current facts and circumstances, in the amount of $48 million as of June 30, 2021, and $58 million as of December 31, 2020.

Certain jurisdictions, including without limitation the states of New York, New Jersey, North Carolina, Minnesota, Oregon, Rhode Island, Maryland, Pennsylvania, Hawaii, Iowa, Massachusetts, Arizona, Wisconsin, Idaho, Arkansas, Indiana, Maine, Nebraska, Vermont, the city of New York, and the District of Columbia, have enacted legislation seeking to tax online travel company services as part of sales or other taxes for hotel and/or other accommodations and/or car rental. In addition, in certain jurisdictions, we have entered into voluntary collection agreements pursuant to which we have agreed to voluntarily collect and remit taxes to state and/or local taxing jurisdictions. We are currently remitting taxes to a number of jurisdictions, including without limitation the states of New York, New Jersey, South Carolina, North Carolina, Minnesota, Georgia, Wyoming, West Virginia, Oregon, Rhode Island, Montana, Maryland, Kentucky, Maine, Pennsylvania, Hawaii, Iowa, Massachusetts, Arizona, Wisconsin, Idaho, Arkansas, Indiana, Nebraska, Vermont, the city of New York and the District of Columbia, as well as certain other jurisdictions.

Pay-to-Play

Certain jurisdictions may assert that we are required to pay any assessed taxes prior to being allowed to contest or litigate the applicability of the ordinances. This prepayment of contested taxes is referred to as “pay-to-play.” Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously. If we prevail in the litigation, for which a pay-to-play payment was made, the jurisdiction collecting the payment will be required to repay such amounts and also may be required to pay interest. However, any significant pay-to-play payment or litigation loss could negatively impact our liquidity.

Other Jurisdictions. We are also in various stages of inquiry or audit with various tax authorities, some of which, including the City of Los Angeles regarding hotel occupancy taxes, may impose a pay-to-play requirement to challenge an adverse inquiry or audit result in court.

Segments

We have the following reportable segments: Retail, B2B, and trivago. Our Retail segment provides a full range of travel and advertising services to our worldwide customers through a variety of consumer brands including: Expedia.com and Hotels.com in the United States and localized Expedia and Hotels.com websites throughout the world, Vrbo, Orbitz, Travelocity, Wotif Group, ebookers, CheapTickets, Hotwire.com, CarRentals.com and Expedia Cruises. Our B2B segment is comprised of our Expedia Business Services organization including Expedia Partner Solutions, which offers private label and co-branded products to make travel services available to travelers through third-party company branded websites, and Egencia, a full-service travel management company that provides travel services to businesses and their corporate customers. Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites.

Operating Metrics

Our operating results are affected by certain metrics, such as gross bookings and revenue margin, which we believe are necessary for understanding and evaluating us. Gross bookings generally represent the total retail value of transactions booked for agency and merchant transactions, recorded at the time of booking reflecting the total price due for travel by travelers, including taxes, fees and other charges, and are reduced for cancellations and refunds. Revenue margin is defined as revenue as a percentage of gross bookings.

Gross Bookings and Revenue Margin

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Gross bookings	$ 20,815	$ 2,713	667 %	$ 36,237	$ 20,598	76 %
Revenue margin [1]	10.1 %	20.9 %		9.3 %	13.5 %	

(1) trivago, which is comprised of a hotel metasearch business that differs from our transaction-based websites, does not have associated gross bookings or revenue margin. However, third-party revenue from trivago is included in revenue used to calculate total revenue margin.

During the three and six months ended June 30, 2021, gross bookings increased 667% and 76%, compared to the same periods in 2020. Booking trends for our lodging, air and other travel products all improved sequentially from the first quarter of 2021.

Revenue margin for the three and six months ended June 30, 2020 was higher than in the current periods due in part to significant lodging cancellations in the prior year periods, which reduced gross bookings, creating an unusual mix of bookings and revenue.

Results of Operations

Revenue

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Revenue by Segment						
Retail	$ 1,715	$ 463	270 %	$ 2,740	$ 2,045	34 %
B2B	305	68	348 %	489	553	(11) %
trivago (Third-party revenue)	91	15	509 %	128	118	8 %
Corporate (Bodybuilding.com)	—	20	N/A	—	59	N/A
Total revenue	$ 2,111	$ 566	273 %	$ 3,357	$ 2,775	21 %

Revenue increased 273% and 21% for the three and six months ended June 30, 2021, compared to the same periods in 2020. Our Retail, B2B and trivago segments revenue all increased in the quarter. The growth in revenue largely reflected continued improvement in leisure travel trends during the quarter.

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Revenue by Service Type						
Lodging	$ 1,533	$ 487	215 %	$ 2,436	$ 2,029	20 %
Air	78	(70)	N/A	128	39	221 %
Advertising and media[1]	161	25	539 %	249	228	9 %
Other	339	124	174 %	544	479	14 %
Total revenue	$ 2,111	$ 566	273 %	$ 3,357	$ 2,775	21 %

(1) Includes third-party revenue from trivago as well as our transaction-based websites.

Lodging revenue increased 215% and 20% for the three and six months ended June 30, 2021, compared to the same periods in 2020, on a 196% and 6% increase in room nights stayed and a 7% and 13% increase in revenue per room night. For the three months ended June 30, 2021, revenue per room night benefited from higher ADRs driven by an increase in regional rates and a higher mix of U.S. hotels. Revenue per room night also benefited in the six months ended June 30, 2021 from an

increase in the percentage of stayed room nights contributed by alternative accommodations, which generate a higher revenue per room night than the other lodging products.

Air revenue, which is recognized when booked net of an estimate of cancellations, was negative in the second quarter of 2020 due to several revenue offsets that exceeded new booked revenue in the prior year quarter. Air revenue increased for the three and six months ended June 30, 2021 driven by an increase in air tickets sold of 299% and 6% as air travel demand improved.

Advertising and media revenue increased 539% and 9% for the three and six months ended June 30, 2021, compared to the same periods in 2020, due to increases at both trivago and Expedia Group Media Solutions. All other revenue, which includes car rental, insurance, destination services, fee revenue related to our corporate travel business and Bodybuilding.com (through its sale in May 2020), increased 174% and 14% for the three and six months ended June 30, 2021, compared to the same periods in 2020 from growth in car as well as travel insurance products.

In addition to the above segment and product revenue discussion, our revenue by business model is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Revenue by Business Model						
Merchant	$ 1,338	$ 368	264 %	$ 2,134	$ 1,708	25 %
Agency	573	105	442 %	896	667	34 %
Advertising, media and other	200	93	115 %	327	400	(18) %
Total revenue	$ 2,111	$ 566	273 %	$ 3,357	$ 2,775	21 %

Merchant revenue increased for the three months ended June 30, 2021, compared to the same period in 2020, primarily due to an increase in merchant hotel revenue driven by an increase in room nights stayed as well as an increase in Vrbo merchant alternative accommodations revenue. Merchant revenue increased for the six months ended June 30, 2021, compared to the same period in 2020, primarily due to an increase in Vrbo merchant alternative accommodations revenue, partially offset by a decline in merchant hotel revenue.

Agency revenue increased for the three and six months ended June 30, 2021, compared to the same periods in 2020, primarily due to an increase in agency hotel, air and car revenue.

Advertising, media and other increased for the three months ended June 30, 2021, compared to the same period in 2020, primarily due to an increase in advertising revenue. Advertising, media and other decreased for the six months ended June 30, 2021, compared to the same period in 2020, primarily due to declines related to our prior year sale of Bodybuilding.com, partially offset by an increase in advertising revenue.

In the below discussion, we reclassified certain prior period information to conform to the current period presentation primarily related to the classification of licensing and maintenance costs within our operating expenses. For additional information, see Note 1 – Basis of Presentation in the notes to the consolidated financial statements.

Cost of Revenue

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Direct costs	$ 266	$ 252	6 %	$ 467	$ 727	(36) %
Personnel and overhead	108	129	(17) %	218	283	(23) %
Total cost of revenue	$ 374	$ 381	(2) %	$ 685	$ 1,010	(32) %
% of revenue	17.7 %	67.2 %		20.4 %	36.4 %	

Cost of revenue primarily consists of direct costs to support our customer operations, including our customer support and telesales as well as fees to air ticket fulfillment vendors; credit card processing, including merchant fees, fraud and chargebacks; and other costs, primarily including data center and cloud costs to support our websites, supplier operations, destination supply, certain transactional level taxes, costs related to Bodybuilding.com during our period of ownership as well as related personnel and overhead costs, including stock-based compensation.

Cost of revenue decreased $7 million during the three months ended June 30, 2021, compared to the same period in 2020, primarily due to a decrease in decreased customer service and personnel costs, lower bad debt expense as well as the absence of expenses related to Bodybuilding.com, which was disposed of in the second quarter of 2020. These decreases were partially offset by increase in merchant fees resulting from recovering transaction volumes and higher cloud expense.

Cost of revenue decreased $325 million during the six months ended June 30, 2021, compared to the same period in 2020, primarily due to a decrease in bad debt expense, which was significantly elevated in the first six months of 2020 due to the initial impacts of COVID-19, decreased customer service and personnel costs, and the absence of expenses related to Bodybuilding.com.

Selling and Marketing

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Direct costs	$ 1,002	$ 90	1,019 %	$ 1,489	$ 1,044	43 %
Indirect costs	197	201	(2)%	374	452	(17) %
Total selling and marketing	$ 1,199	$ 291	313 %	$ 1,863	$ 1,496	25 %
% of revenue	56.8 %	51.3 %		55.5 %	53.9 %	

Selling and marketing expense primarily relates to direct costs, including traffic generation costs from search engines and internet portals, television, radio and print spending, private label and affiliate program commissions, public relations and other costs. The remainder of the expense relates to indirect costs, including personnel and related overhead in our various brands and global supply organization, as well as stock-based compensation costs.

Selling and marketing expenses increased $908 million and $367 million during the three and six months ended June 30, 2021, compared to the same periods in 2020, primarily due to an increase in direct costs driven by a significant increase in marketing spend during the second quarter of 2021 in response to the anticipation of a further recovery in travel demand. The change in indirect costs reflect lower personnel costs in connection with previously announced cost savings initiatives, partially offset by higher stock-based compensation expense.

Technology and Content

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Personnel and overhead	$ 204	$ 191	7 %	$ 378	$ 415	(9) %
Other	72	80	(11) %	145	171	(16) %
Total technology and content	$ 276	$ 271	2 %	$ 523	$ 586	(11) %
% of revenue	13.1 %	48.0 %		15.6 %	21.1 %	

Technology and content expense includes product development and content expense, as well as information technology costs to support our infrastructure, back-office applications and overall monitoring and security of our networks, and is principally comprised of personnel and overhead, including stock-based compensation, as well as other costs including cloud expense and licensing and maintenance expense.

Technology and content expense increased $5 million during the three months ended June 30, 2021, compared to the same period in 2020, primarily reflecting higher stock-based compensation expense, partially offset by lower other personnel and related costs in connection with previously announced cost savings initiatives.

Technology and content expense decreased $63 million during the six months ended June 30, 2021, compared to the same period in 2020, primarily reflecting lower personnel and related costs as well as license and maintenance expense in connection with previously announced cost savings initiatives, partially offset by higher stock-based compensation.

General and Administrative

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Personnel and overhead	$ 148	$ 113	30 %	$ 268	$ 246	9 %
Professional fees and other	36	36	(1) %	72	88	(19) %
Total general and administrative	$ 184	$ 149	23 %	$ 340	$ 334	1 %
% of revenue	8.7 %	26.5 %		10.1 %	12.1 %	

General and administrative expense consists primarily of personnel-related costs, including our executive leadership, finance, legal and human resource functions and related stock-based compensation as well as fees for external professional services.

General and administrative expense increased $35 million and $6 million during the three and six months ended June 30, 2021, compared to the same periods in 2020, mainly due to an increase in stock-based compensation. For the six months ended June 30, 2021, this increase was mostly offset by a decrease in personnel costs in connection with previously announced savings initiatives.

Depreciation and Amortization

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Depreciation	$ 179	$ 191	(7) %	$ 361	$ 376	(4) %
Amortization of intangible assets	26	41	(37) %	53	85	(37) %
Total depreciation and amortization	$ 205	$ 232	(12) %	$ 414	$ 461	(10) %

Depreciation decreased $12 million and $15 million during the three and six months ended June 30, 2021, compared to the same periods in 2020. Amortization of intangible assets decreased $15 million and $32 million during the three and six months ended June 30, 2021, compared to the same periods in 2020 primarily due to the completion of amortization related to certain intangible assets as well as the impact of definite-lived intangible impairments in the prior year.

Impairment of Goodwill and Intangible Assets

During the three months ended June 30, 2020, we recognized goodwill impairment charges of $20 million and intangible asset impairment charges of $10 million due to a decision to streamline operations for a smaller brand within our Retail segment. During the six months ended June 30, 2020, primarily as a result of the significant negative impact related to COVID-19, which had a severe effect on the entire global travel industry, we recognized goodwill impairment charges of $785 million as well as intangible asset impairment charges of $131 million. See Note 3 – Fair Value Measurements in the notes to the consolidated financial statements for further information.

Legal Reserves, Occupancy Tax and Other

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Legal reserves, occupancy tax and other	$ (8)	$ 8	N/A	$ (9)	$ (13)	(38) %
% of revenue	(0.4)%	1.3 %		(0.2)%	(0.5)%	

Legal reserves, occupancy tax and other consists of changes in our reserves for court decisions and the potential and final settlement of issues related to hotel occupancy and other taxes, expenses recognized related to monies paid in advance of occupancy and other tax proceedings (“pay-to-play”) as well as certain other legal reserves.

During the three and six months ended June 30, 2021, there were net reductions to our reserve related to hotel occupancy and other taxes. During the six months ended June 30, 2020, we recorded a $25 million gain in relation to a legal settlement, which was partially offset by changes in our reserve related to hotel occupancy and other taxes.

Restructuring and Related Reorganization Charges

In 2020, we committed to restructuring actions intended to simplify our businesses and improve operational efficiencies, which have resulted in headcount reductions and office consolidations. As a result, we recognized $13 million and $53 million in restructuring and related reorganization charges during the three months ended June 30, 2021 and 2020 and, during the six months ended June 30, 2021 and 2020, we recognized $42 million and $128 million. Based on current plans, which are subject to change, we expect total reorganization charges primarily in the remainder of 2021 of approximately $15 million to $20 million. However, we continue to actively evaluate additional cost reduction efforts and should we make decisions in future periods to take further actions we will incur additional reorganization charges.

Operating Loss

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Operating loss	$ (132)	$ (849)	(84) %	$ (501)	$ (2,143)	(77) %
% of revenue	(6.3)%	(149.9)%		(14.9)%	(77.3)%	

During the three and six months ended June 30, 2021, we had operating losses of $132 million and $501 million, compared to operating losses of $849 million and $2.1 billion for the same periods in 2020. The lower operating losses for the quarter were primarily due to growth in revenue in excess of operating costs. The lower operating losses for the year-to-date period was due to revenue growth as well as the prior year goodwill and intangible impairment charges mentioned above.

Adjusted EBITDA by Segment

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Retail	$ 303	$ (203)	N/A	$ 397	$ (181)	N/A
B2B	(8)	(128)	(93) %	(68)	(102)	(33) %
trivago	5	(16)	N/A	1	(17)	N/A
Unallocated overhead costs (Corporate) [1]	(99)	(89)	11 %	(187)	(212)	(12) %
Total Adjusted EBITDA [2]	$ 201	$ (436)	N/A	$ 143	$ (512)	N/A

(1) Includes immaterial operating results of Bodybuilding.com through its sale in May 2020.
(2) Adjusted EBITDA is a non-GAAP measure. See “Definition and Reconciliation of Adjusted EBITDA” below for more information.

Adjusted EBITDA is our primary segment operating metric. See Note 11 – Segment Information in the notes to the consolidated financial statements for additional information on intersegment transactions, unallocated overhead costs and for a reconciliation of Adjusted EBITDA by segment to net income (loss) attributable to Expedia Group, Inc. for the periods presented above.

Our Retail, B2B and trivago segments all experienced improvements from the Adjusted EBITDA losses in the prior year periods as a result of the recovering travel environment in the current year as well as impacts of the costs saving initiatives implemented in 2020.

Unallocated overhead costs increased $10 million during the three months ended June 30, 2021, compared to the same period in 2020, primarily due to an increase in general and administrative expenses. Unallocated overhead costs decreased $25 million during the six months ended June 30, 2021, compared to the same period in 2020, primarily due to lower general and administrative as well as technology and content expenses.

Interest Income and Expense

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Interest income	$ 1	$ 3	(55) %	$ 3	$ 13	(75) %
Interest expense	(83)	(95)	(12) %	(181)	(145)	25 %
Loss on debt extinguishment	—	—	N/A	(280)	—	N/A

Interest income decreased for the three and six months ended June 30, 2021, compared to the same periods in 2020, as a result of lower rates of return. Interest expense decreased for the three months ended June 30, 2021, compared to the same period in 2020, primarily as a result of interest related to our prior year draw on our revolving credit facility, which we fully repaid in December 2020. Interest expense increased for the six months ended June 30, 2021, compared to the same period in 2020, primarily as a result of higher average debt balances due to additional debt issued since May 2020.

As a result of the debt refinancing transactions during the six months ended June 30, 2021, we recognized a loss on debt extinguishment of $280 million, which included the payment of early payment premiums and fees as well as the write-off of unamortized debt issuance costs. See Note 4 – Debt in the notes to the consolidated financial statements for further information.

Other, Net

Other, net is comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	($ in millions)			
Foreign exchange rate gains (losses), net	$ (7)	$ (3)	$ (18)	$ 42
Gains (losses) on minority equity investments, net	(4)	(7)	4	(195)
Other	1	(2)	(1)	(4)
Total other, net	$ (10)	$ (12)	$ (15)	$ (157)

During the six months ended June 30, 2020, losses on minority equity investments, net included $134 million of impairment losses related to a minority investment as well as $60 million of mark-to-market losses related to our publicly traded marketable equity investment, Despegar. See Note 3 – Fair Value Measurements in the notes to the consolidated financial statements for further information.

Provision for Income Taxes

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% Change	2021	2020	% Change
	($ in millions)			($ in millions)		
Provision for income taxes	$ (47)	$ (213)	(78) %	$ (216)	$ (295)	(27) %
Effective tax rate	21.0 %	22.3 %		22.1 %	12.1 %	

We determine our provision for income taxes for interim periods using an estimate of our annual effective tax rate. We record any changes affecting the estimated annual tax rate in the interim period in which the change occurs, including discrete items.

For the three months ended June 30, 2021, the effective tax rate was a 21.0% benefit on a pre-tax loss, compared to a 22.3% benefit on pre-tax loss for the three months ended June 30, 2020.

For the six months ended June 30, 2021, the effective tax rate was a 22.1% benefit on a pre-tax loss, compared to a 12.1% benefit on pre-tax loss for the six months ended June 30, 2020. The change in the effective tax rate was primarily due to nondeductible impairments and a valuation allowance principally related to unrealized capital losses recorded in the prior year period.

We are subject to taxation in the United States and foreign jurisdictions. Our income tax filings are regularly examined by federal, state and foreign tax authorities. During the fourth quarter of 2019, the Internal Revenue Service ("IRS") issued final adjustments related to transfer pricing with our foreign subsidiaries for our 2011 to 2013 tax years. The proposed adjustments would increase our U.S. taxable income by $696 million, which would result in federal tax of approximately $244 million, subject to interest. We do not agree with the position of the IRS. We filed a protest with the IRS for our 2011 to 2013 tax years and Appeals returned our case to Exam for further review. We are also under examination by the IRS for our 2014 to 2016 tax years. Subsequent years remain open to examination by the IRS. We do not anticipate a significant impact to our gross unrecognized tax benefits within the next 12 months related to these years.

Definition and Reconciliation of Adjusted EBITDA

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA is among the primary metrics by which management evaluates the performance of the business and on which internal budgets are based. Management believes that investors should have access to the same set of tools that management uses to analyze our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP. Adjusted EBITDA has certain limitations in that it does not take into account the impact of certain expenses to our consolidated statements of operations. We endeavor to compensate for the limitation of the non-GAAP measure presented by also providing the most directly comparable GAAP measure and a description of the reconciling items and adjustments to derive the non-GAAP measure. Adjusted EBITDA also excludes certain items related to transactional tax matters, which may ultimately be settled in cash, and we urge investors to review the detailed disclosure regarding these matters included above, in the Legal Proceedings section, as well as the notes to the financial statements. The non-GAAP financial measure used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

Adjusted EBITDA is defined as net income (loss) attributable to Expedia Group adjusted for (1) net income (loss) attributable to non-controlling interests; (2) provision for income taxes; (3) total other expenses, net; (4) stock-based compensation expense, including compensation expense related to certain subsidiary equity plans; (5) acquisition-related impacts, including (i) amortization of intangible assets and goodwill and intangible asset impairment, (ii) gains (losses) recognized on changes in the value of contingent consideration arrangements, if any, and (iii) upfront consideration paid to settle employee compensation plans of the acquiree, if any; (6) certain other items, including restructuring; (7) items included in legal reserves, occupancy tax and other; (8) that portion of gains (losses) on revenue hedging activities that are included in other, net that relate to revenue recognized in the period; and (9) depreciation.

The above items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount and timing of these items is unpredictable, not driven by core operating results and renders comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA is a useful measure for analysts and investors to evaluate our future on-going performance as this measure allows a more meaningful comparison of our performance and projected cash earnings with our historical results from prior periods and to the results of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole and our individual business segments. In addition, we believe that by excluding certain items, such as stock-based compensation and acquisition-related impacts, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business and allows investors to gain an understanding of the factors and trends affecting the ongoing cash earnings capabilities of our business, from which capital investments are made and debt is serviced.

The reconciliation of net income (loss) attributable to Expedia Group, Inc. to Adjusted EBITDA is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	(In millions)			
Net loss attributable to Expedia Group, Inc.	$ (172)	$ (736)	$ (750)	$ (2,037)
Net loss attributable to non-controlling interests	(5)	(4)	(8)	(100)
Provision for income taxes	(47)	(213)	(216)	(295)
Total other expense, net	92	104	473	289
Operating loss	(132)	(849)	(501)	(2,143)
Gain (loss) on revenue hedges related to revenue recognized	3	36	(6)	30
Restructuring and related reorganization charges	13	53	42	128
Legal reserves, occupancy tax and other	(8)	8	(9)	(13)
Stock-based compensation	120	54	203	109
Depreciation and amortization	205	232	414	461
Impairment of goodwill	—	20	—	785
Impairment of intangible assets	—	10	—	131
Adjusted EBITDA	$ 201	$ (436)	$ 143	$ (512)

Financial Position, Liquidity and Capital Resources

Our principal sources of liquidity are typically cash flows generated from operations, cash available under our credit facilities as well as our cash and cash equivalents and short-term investment balances, which were $5.5 billion and $3.4 billion at June 30, 2021 and December 31, 2020. As of June 30, 2021, the total cash and cash equivalents and short-term investments held outside the United States was $925 million ($683 million in wholly-owned foreign subsidiaries and $242 million in majority-owned subsidiaries). Our credit facilities were essentially untapped at June 30, 2021 and December 31, 2020.

Managing our balance sheet prudently and maintaining appropriate liquidity are high priorities during the current COVID-19 pandemic. In 2020, in order to best position the Company to navigate our temporary working capital changes and depressed revenue, we took a number of actions to bolster our liquidity and preserve financial flexibility. During the six months ended June 30, 2021, we continued these actions, including suspension of our share repurchases and quarterly common stock dividends as well as completed the following:

- *0% Convertible Notes Issuance.* On February 19, 2021, we completed our private placement of $1 billion aggregate principal amount of unsecured 0% convertible senior notes due 2026 (the “Convertible Notes”). The net proceeds from the issuance of the Convertible Notes was approximately $983 million after deducting debt issuance costs. The Convertible Notes will mature on February 15, 2026, unless earlier converted, redeemed or repurchased. The Convertible Notes will not bear regular interest. The Convertible Notes have an initial conversion rate of 3.9212 shares of common stock of Expedia Group with a par value $0.0001 per share, per $1,000 principal amount of Convertible Notes, which is equal to an initial conversion price of approximately $255.02 per share of our common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of stock dividends and payment of cash dividends.
- *2.95% Senior Notes Issuance.* On March 3, 2021, we privately placed $1 billion of senior unsecured notes that are due in March 2031 that bear interest at 2.95% (the “2.95% Notes”). The 2.95% Notes were issued at a price of 99.081% of the aggregate principal amount. Interest is payable semi-annually in arrears in March and September of each year, beginning September 15, 2021, and the interest rate is subject to adjustment based on certain ratings events. The net proceeds from the issuance of the 2.95% Notes was approximately $982 million after deducting the discount and debt issuance costs.
- *Extinguishment of High Cost Debt.* On March 3, 2021, we used the net proceeds from the Convertible Notes and 2.95% Notes and completed the redemption of all of our outstanding 7.0% Notes as well as settled the tender offer to purchase $956 million in aggregate principal of our 6.25% Notes, which resulted in the recognition of a loss on debt extinguishment of $280 million during the six months ended June 30, 2021 comprised of early payment premiums and

fees associated with the tender offer as well as the write-off of unamortized debt issuance costs.

- *Partial Repayment of Preferred Stock*. On May 20, 2021, we completed the prepayment of 50% of the outstanding Series A Preferred Stock at a price equal to 103% of the Preference Amount, plus accrued and unpaid distributions as to the redemption date using cash on-hand.

Our credit ratings are periodically reviewed by rating agencies. As of June 30, 2021, Moody's rating was Baa3 with an outlook of "negative," S&P's rating was BBB- with an outlook of "negative" and Fitch's rating was BBB- with an outlook of "negative." In July 2021, Moody's changed its outlook from "negative" to "stable" "reflecting Moody's expectation for continued recovery in travel demand, particularly in the U.S. where the company is a leading online travel agency, combined with Expedia's commitment to reduce debt balances with excess cash and restore credit metrics to pre-pandemic levels." Changes in our operating results, cash flows, financial position, capital structure, financial policy or capital allocations to share repurchase, dividends, investments and acquisitions could impact the ratings assigned by the various rating agencies. Should our credit ratings be adjusted downward, we may incur higher costs to borrow and/or limited access to capital markets and interest rates on the 6.25% Notes issued in May 2020, the 3.6% and 4.625% Notes issued in July 2020 as well as the 2.95% Notes issued in March 2021 will increase, which could have a material impact on our financial condition and results of operations.

As of June 30, 2021, we were in compliance with the covenants and conditions in our revolving credit facilities and outstanding debt as detailed in Note 4 – Debt in the notes to the consolidated financial statements.

Under the merchant model, we receive cash from travelers at the time of booking and we record these amounts on our consolidated balance sheets as deferred merchant bookings. We pay our airline suppliers related to these merchant model bookings generally within a few weeks after completing the transaction. For most other merchant bookings, which is primarily our merchant lodging business, we generally pay after the travelers' use and, in some cases, subsequent billing from the hotel suppliers. Therefore, generally we receive cash from the traveler prior to paying our supplier, and this operating cycle represents a working capital source of cash to us. Typically, the seasonal fluctuations in our merchant hotel bookings have affected the timing of our annual cash flows. Generally, during the first half of the year, hotel bookings have traditionally exceeded stays, resulting in much higher cash flow related to working capital. During the second half of the year, this pattern typically reverses and cash flows are typically negative. During 2020, impacts of COVID-19 disrupted our typical working capital trends. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends normalized during the second half of 2020, and during second quarter 2021 have increased sequentially and from the end of second quarter 2020 levels, resulting in working capital benefits and positive cash flow in the current period more akin to typical historical trends. However, it remains difficult to forecast the working capital trends for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

Prior to COVID-19, we embarked on an ambitious cost reduction initiative to simplify the organization and increase efficiency. In response to COVID-19, we took several additional actions to further reduce costs to help mitigate the financial impact from COVID-19 and continue to improve our long-term cost structure. We temporarily halted construction on our new headquarters during the initial quarantine order in March 2020 but restarted construction later in the year. We spent approximately $850 million on construction between 2016 and 2020 and approximately $23 million was spent during the six months ended June 30, 2021. As of the end of the second quarter of 2021, the project was substantially complete and was within the expected total project spend of approximately $900 million.

Our cash flows are as follows:

	Six months ended June 30,		
	2021	2020	$ Change
	(In millions)		
Cash provided by (used in):			
Operating activities	$ 4,684	$ (2,630)	$ 7,314
Investing activities	(413)	(341)	(72)
Financing activities	(378)	5,333	(5,711)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	(26)	(93)	67

For the six months ended June 30, 2021, net cash provided by operating activities was $4.7 billion compared to cash used in operations of $2.6 billion for the six months ended June 30, 2020. In the prior year period, impacts from the COVID-19 pandemic resulted in a significant use of cash to fund working capital changes and operating losses compared to a current year

cash benefit from working capital. The largest driver of the swing in working capital relates to a significant use of cash in the prior year for deferred merchant bookings as refunds for cancelled bookings exceeded new bookings compared to a meaningful increase in booking volumes and deferred merchant bookings in the current year period.

For the six months ended June 30, 2021, cash used in investing activities was $413 million compared to cash used in investing activities of $341 million for the six months ended June 30, 2020. The increase was largely due to the settlement of currency forward contract losses in the current year period compared to gains in the prior year period as well as lower net sales of maturities of investments, partially offset by lower capital expenditures, including those related to our new headquarters as our construction winds down.

For the six months ended June 30, 2021, cash used in financing activities primarily included payments of approximately $2 billion related to the extinguishment of debt and $618 million for the 50% redemption of preferred stock both discussed above as well as $85 million of cash paid for treasury stock activity related to the vesting of equity instruments and $50 million in preferred stock dividends. These uses of cash were largely offset by approximately $2 billion of net proceeds from the issuance of Convertible Notes and 2.95% Notes issued in February and March 2020, respectively, as well as $379 million of proceeds from the exercise of options and employee stock purchase plans. For the six months ended June 30, 2020, cash provided by financing activities primarily included $2.7 billion of net proceeds from the issuance of the 6.25% and 7.0% Notes issued in May 2020, $1.9 billion of proceeds from our revolving credit facility draw in March 2020, $1.1 billion of net proceeds from a private equity investment as well as $96 million of proceeds from the exercise of options and employee stock purchase plans. These sources were partially offset by cash paid to acquire shares of $414 million and cash dividend payments of $65 million.

During the six months ended June 30, 2021, we accumulated and paid $50 million (or $47.11 per share of Series A Preferred Stock) of dividends on our Series A Preferred Stock. At this time, we do not expect to make future quarterly dividend payments on our common stock. Future declarations of dividends are subject to final determination by our Board of Directors.

Foreign exchange rate changes resulted in a decrease of our cash and restricted cash balances denominated in foreign currency during the six months ended June 30, 2021 and 2020 of $26 million and $93 million reflecting a net depreciation in foreign currencies relative to the U.S. dollar during the periods.

In our opinion, our liquidity position provides sufficient capital resources to meet our foreseeable cash needs. There can be no assurance, however, that the cost or availability of future borrowings, including refinancings, if any, will be available on terms acceptable to us.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities

Summarized financial information of Expedia Group, Inc. (the “Parent”) and our subsidiaries that are guarantors of our debt facility and instruments (the “Guarantor Subsidiaries”) is shown below on a combined basis as the “Obligor Group.” The debt facility and instruments are guaranteed by certain of our wholly-owned domestic subsidiaries and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations. The guarantees are full, unconditional, joint and several with the exception of certain customary automatic subsidiary release provisions. In this summarized financial information of the Obligor Group, all intercompany balances and transactions between the Parent and Guarantor Subsidiaries have been eliminated and all information excludes subsidiaries that are not issuers or guarantors of our debt facility and instruments, including earnings from and investments in these entities.

	June 30, 2021	December 31, 2020
	(In millions)	
Combined Balance Sheets Information:		
Current Assets [1]	$ 9,513	$ 5,076
Non-Current Assets	10,476	10,245
Current Liabilities	10,030	4,595
Non-Current Liabilities	9,047	8,804
Series A Preferred Stock	511	1,022

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Combined Statements of Operations Information:		
Revenue	$ 2,877	$ 4,229
Operating loss [2]	(405)	(1,884)
Net loss	(622)	(1,890)
Net loss attributable to Obligors	(779)	(1,965)

(1) Current assets include intercompany receivables with non-guarantors of $1.3 billion as of June 30, 2021 and $1.2 billion as of December 31, 2020.
(2) Operating loss includes intercompany expenses with non-guarantors of $343 million for the six months ended June 30, 2021 and $600 million for the year ended December 31, 2020.

Contractual Obligations, Commercial Commitments and Off-balance Sheet Arrangements

There have been no material changes outside the normal course of business to our contractual obligations and commercial commitments since December 31, 2020. Other than our contractual obligations and commercial commitments, we did not have any off-balance sheet arrangements as of June 30, 2021 or December 31, 2020.

Part I. Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Management

There have been no material changes in our market risk during the three and six months ended June 30, 2021. For additional information, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in Part II of our Annual Report on Form 10-K for the year ended December 31, 2020.

Part I. Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, including our Chairman and Senior Executive, Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, our Chairman and Senior Executive, Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

Changes in internal control over financial reporting.

There were no changes to our internal control over financial reporting that occurred during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Item 1. Legal Proceedings

In the ordinary course of business, Expedia Group and its subsidiaries are parties to legal proceedings and claims involving property, tax, personal injury, contract, alleged infringement of third-party intellectual property rights and other claims. A discussion of certain legal proceedings can be found in the section titled "Legal Proceedings," of our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. The following are developments regarding, as applicable, such legal proceedings and/or new legal proceedings:

Litigation Relating to Occupancy and Other Taxes

City of San Antonio, Texas Litigation. On May 27, 2021, the court affirmed the Fifth Circuit's cost award; plaintiffs paid the Expedia Group companies approximately $1.3 million in June 2021, thereby ending the matter.

Pine Bluff, Arkansas Litigation. In April 2021, defendants filed a motion to dismiss/motion to strike the intervenor's amended complaint, which remains pending.

State of Mississippi Litigation. On July 12, 2021, the trial court issued a "final judgment." That order referenced the court's previous rulings finding the defendant online travel companies liable for state and local sales taxes and interest, and held that the defendants are liable for penalties as well. On July 26, 2021, the defendants filed a notice of appeal from the final judgment and all other adverse findings and rulings made by the trial court.

State of Louisiana/City of New Orleans Litigation. The court denied the parties' motions for summary judgment on May 20, 2021. On June 25, 2021, the defendant online travel companies collectively filed three writ applications with the Louisiana Court of Appeals seeking relief from three of the trial court's rulings regarding the plaintiffs' Louisiana Unfair Trade Practices Act claims; those writ applications were denied on July 27, 2021. Trial is currently scheduled to begin on August 16, 2021.

Clark County, Nevada Litigation. On May 14, 2021, Clark County, Nevada filed a lawsuit in state court against a number of online travel companies, including a number of Expedia Group companies such as Expedia, Hotels.com, Orbitz, Travelscape, and Hotwire. Clark County, Nevada v. Orbitz Worldwide, LLC, et al., Case No. A-21-834681-C (Clark County District Court). The complaint alleges the defendants failed to comply with state and local transient occupancy tax statutes. The complaint further alleges claims for conversion, breach of fiduciary duty, unjust enrichment, fraud and violation of the Nevada Deceptive Trade Practices Act. Plaintiffs purport to seek compensatory and punitive damages, declaratory relief and imposition of a constructive trust.

Stockholder Litigation

In re Expedia Group, Inc. Stockholders Litigation. On July 28, 2021, the Special Litigation Committee filed a letter informing the court that the parties to the litigation have reached an agreement in principle to resolve the action and requesting a stay of further proceedings while that agreement is formalized. The July 28, 2021 letter was publicly filed on August 4, 2021.

Competition and Consumer Matters

On May 27, 2021, in the proceedings against trivago, the Australian Federal Court scheduled a separate trial regarding penalties and other orders for October 18, 2021, after having vacated the prior June 2021 trial date.

Part II. Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect our business, financial condition or future results. These are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Part II. Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Part II. Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q.

Exhibit No.	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	SEC File No.	Exhibit	Filing Date
10.1	Fifth Amendment, dated as of May 4, 2021, to the Amended and Restated Credit Agreement among Expedia Group, Inc., the borrowing subsidiaries party thereto, the lenders party thereto and JP Morgan Chase Bank, N.A., as administrative agent and London agent	X				
10.2	Third Amendment, dated as of May 4, 2021, to the Credit Agreement among Expedia Group, Inc., Expedia Group International Holdings III, LLC, the lenders from time to time party thereto and JP Morgan Chase Bank, N.A. as Administrative Agent and London Agent	X				
22	List of Guarantor Subsidiaries of Expedia Group, Inc.	X				
31.1	Certification of the Chairman and Senior Executive pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.3	Certification of the Chief Financial Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1	Certification of the Chairman and Senior Executive pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.2	Certification of the Chief Executive Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.3	Certification of the Chief Financial Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X				
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in XBRL: (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.	X				

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

August 5, 2021

Expedia Group, Inc.

By: /s/ Eric Hart

Eric Hart
Chief Financial Officer

Exhibit 10.1

FIFTH AMENDMENT dated as of May 4, 2021 (this "Amendment"), to the AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 5, 2020 (as heretofore amended, supplemented or otherwise modified, the "Credit Agreement"), among EXPEDIA GROUP, INC., a Delaware corporation (the "Company"), the BORROWING SUBSIDIARIES from time to time party thereto, the LENDERS from time to time party thereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent and London Agent.

WHEREAS, the Lenders have agreed to extend credit to the Borrowers under the Credit Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, the Company has requested that the Lenders agree to effect certain amendments to the Credit Agreement as set forth herein; and

WHEREAS, the parties hereto, which include Lenders constituting the Required Lenders as of the Fifth Amendment Effective Date (as defined below), are willing to amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein (including in the preamble and the recitals hereto) have the meanings assigned to them in the Credit Agreement (as amended hereby).

SECTION 2. Amendment of Credit Agreement. Effective as of the Fifth Amendment Effective Date:

(a) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order:

"Egencia" means Egencia LLC, a Nevada limited liability company. "Egencia Business" means the corporate travel management line of business conducted by the Company and its Subsidiaries.

"Egencia Business Subsidiary" means any Subsidiary of the Company all or substantially all of the business and operations of which, and all or substantially all of the assets of which, consist of the business, operations or assets comprising the Egencia Business.

"Egencia Disposition" means the sale, transfer or other disposition by the Company and its Subsidiaries to any Person that is not an Affiliate of the Company of all or substantially all of the business, assets, liabilities and operations of the Egencia

Business, including any such disposition in the form of a sale or other disposition of the Equity Interests in Egencia or any other Egencia Business Subsidiary, to a purchaser identified in writing to the Lenders prior to the Fifth Amendment Effective Date, provided that (a) no Default shall have occurred and be continuing at the time of entry into the agreement governing such sale, transfer or other disposition or would result from the consummation thereof, (b) such sale, transfer or other disposition shall be made for fair value, as determined in good faith by the board of the directors of the Company or a committee thereof, and (c) to the extent consideration therefor consists of cash, the Net Proceeds thereof shall be subject to clause (iv) (and, if a reduction and/or prepayment under such clause (iv) is required, clause (v)) of Section 6.08(l) as if such sale, transfer or other disposition was made in reliance on Section 6.08(l).

"Fifth Amendment" means the Fifth Amendment, dated as of May 4, 2021, to this Agreement.

"Fifth Amendment Effective Date" has the meaning assigned to such term in the Fifth Amendment.

(b) Section 6.02 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (q) thereof, replacing the period at the end of clause (r) thereof with "; and" and inserting the following new clause (s) immediately after clause (r) thereof:

"(s) in the case of any Person that is not a Wholly-Owned Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Person set forth in the organizational documents of such Person or any related joint venture or equityholder agreement.".

(c) Section 6.04(a) of the Credit Agreement is hereby amended by (i) in the first proviso thereof, inserting the parenthetical "(or, in the case of any merger, consolidation, liquidation or dissolution consummated in connection with the Egencia Disposition, no Default shall have occurred and be continuing at the time of entry into the agreement governing the Egencia Disposition)" immediately following "provided that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing" and (ii) in the proviso to subclause (B) thereof, inserting the phrase ", or all or substantially all of the assets of," immediately following the phrase "Equity Interests in".

(d) Section 6.06 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (l) thereof to read as follows:

"(l) transactions permitted under Section 6.08(m) or 6.08(u),".

(e) Section 6.07 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (i)(E) thereof to read as follows:

"(E) in the case of (x) any Domestic Subsidiary that is not a Designated Subsidiary or any Foreign Subsidiary, in each case, that is not a Wholly Owned Subsidiary or (y) Equity Interests in any Person that is not a Wholly- Owned Subsidiary of the Company, restrictions in such Subsidiary's or such other Person's organizational documents or pursuant to any joint venture agreement or equityholders agreement,".

(f) Section 6.07 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (iii)(A) thereof to read as follows:

"(A) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or of assets of the Company or any Subsidiary pending such sale; provided that such restrictions and conditions apply only to the Subsidiary or assets that are to be sold and such sale is permitted hereunder, or".

(g) Section 6.08 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (s) thereof, replacing the period at the end of clause (t) thereof with "; and" and inserting the following new clause (u) immediately after clause (t) thereof:

"(u) (i) the Egencia Disposition and (ii) sales, transfers, leases or other dispositions of (A) the assets or properties comprising the Egencia Business or the Equity Interests in any Egencia Business Subsidiary and (B) intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in each case under this clause (ii), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (u), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted.".

(h) Section 6.12 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (w) thereof, replacing the period at the end of clause (x) thereof with "; and" and inserting the following new clause (y) immediately after clause (x) thereof:

"(y) Investments made by the Company or any Subsidiary in any Egencia Business Subsidiary in the form of a transfer of any assets or properties comprising the Egencia Business and any intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted

Investments or other cash equivalents, except as described below), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (y), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted.".

(i) Section 6.12 of the Credit Agreement is hereby further amended by amending and restating the last sentence thereof in its entirety as follows:

"Notwithstanding anything to the contrary contained in the foregoing, no Investment in the form of a transfer of (i) Equity Interests in any Subsidiary held by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(k), 6.08(m), 6.08(n), 6.08(q), 6.08(s) or 6.08(u) or (ii) Intellectual Property by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(e), 6.08(m), 6.08(q) or 6.08(u).".

SECTION 3. Representations and Warranties. The Company and each Borrowing Subsidiary represents and warrants to the Lenders that:

(a) This Amendment has been duly executed and delivered by the Company and each Borrowing Subsidiary and (assuming due execution by the parties hereto other than the Company and the Borrowing Subsidiaries) constitutes a legal, valid and binding obligation of the Company and each Borrowing Subsidiary, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Before and after giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects (in all respects in the case of representations and warranties qualified by materiality in the text thereof) on and as of the Fifth Amendment Effective Date with the same effect as if made on and as of such date, except to the extent

such representations and warranties expressly relate to an earlier date, in which case they were so true and correct as of such earlier date.

(c) As of the Fifth Amendment Effective Date, before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 4. Effectiveness. This Amendment shall become effective as of the first date (the "Fifth Amendment Effective Date") on which the Administrative Agent shall have signed a counterpart of this Amendment and shall have received from the Company, each Borrowing Subsidiary and Lenders constituting at least the Required Lenders a counterpart of this Amendment executed by such Person (which, subject to Section 9.06(b) of the Credit Agreement, may include any Electronic Signatures transmitted by fax, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page of this Amendment). The Administrative Agent shall notify the Company, the Lenders and the Issuing Banks of the Fifth Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Effect of this Amendment. (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Agents, the Issuing Banks or the Lenders under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to any other consent to, or any other waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Fifth Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "herein", "hereunder", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other Loan Document shall be deemed to be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 6. **Applicable Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which, when taken together, shall constitute a single instrument.

SECTION 8. Fees and Expenses. The Company agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent. All fees shall be payable in immediately available funds and shall not be refundable.

SECTION 9. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION 10. Incorporation by Reference. The provisions of Sections 9.06(b), 9.07, 9.09(b), 9.09(c), 9.09(d), 9.10 and 9.11 of the Credit Agreement are hereby incorporated by reference as if set forth in full herein, mutatis mutandis.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

EXPEDIA GROUP, INC.,
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

EXPEDIA, INC.
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

TRAVELSCAPE, LLC
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

HOTWIRE, INC.
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent,

by:

/s/ John Kowalczuk

Name: John Kowalczuk
Title: Executive Director

Name of Institution: Bank of America, N.A.

by:

/s/ Eric Ridgway

Name: Eric Ridgway
Title: Director

Name of Institution: BNP Paribas

by:

/s/ Barbara Nash

Name: Barbara Nash
Title: Managing Director

Name of Institution: [1] BNP Paribas

by:

/s/ Stefano Locatelli

Name: Stefano Locatelli
Title: Vice President

[1] For any institution requiring a second signature line.

Mizuho Bank, Ltd.

by:

/s/ Tracy Rahn

Name: Tracy Rahn
Title: Executive Director

Name of Institution: HSBC Bank USA, National Association

by:

/s/ Darren Santos

Name: Darren Santos
Title: Senior Vice President, 22672

Name of Institution: [1]

by:

Name:
Title:

[1] For any institution requiring a second signature line.

Name of Institution: MUFG BANK, LTD.

by:

/s/ Ted Jurgielewicz

Name: Ted Jurgielewicz
Title: Vice President

Name of Institution: Royal Bank of Canada

by:

/s/ Jenny Wang

Name: Jenny Wang
Title: Vice President, Corporate Client Group - Finance

Name of Institution: Sumitomo Mitsui Banking Corporation

by:

/s/ Michael Maguire

Name: Michael Maguire
Title: Managing Director

Name of Institution: [1]

by:

Name:
Title:

[1] For any institution requiring a second signature line.

Name of Institution: U.S. Bank National Association

by:

/s/ Lukas Coleman

Name: Lukas Coleman
Title: Vice President

Name of Institution: THE BANK OF NOVA SCOTIA

by:

/s/ Todd Kennedy

Name: Todd Kennedy
Title: Director

Goldman Sachs Bank USA:

by:

/s/ Dan Martis

Name: Dan Martis
Title: Authorized Signatory

Name of Institution: STANDARD CHARTERED BANK

by:

/s/ James Beck

Name: James Beck
Title: Director

THIRD AMENDMENT dated as of May 4, 2021 (this "Amendment"), to the CREDIT AGREEMENT dated as of August 5, 2020 (as heretofore amended, supplemented or otherwise modified, the "Credit Agreement"), among EXPEDIA GROUP, INC., a Delaware corporation (the "Company"), EXPEDIA GROUP INTERNATIONAL HOLDINGS III, LLC, a Delaware limited liability company (the "Borrower"), the LENDERS from time to time party thereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent and London Agent.

WHEREAS, the Lenders have agreed to extend credit to the Borrower under the Credit Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, the Company has requested that the Lenders agree to effect certain amendments to the Credit Agreement as set forth herein; and

WHEREAS, the parties hereto, which include Lenders constituting the Required Lenders as of the Third Amendment Effective Date (as defined below), are willing to amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein (including in the preamble and the recitals hereto) have the meanings assigned to them in the Credit Agreement (as amended hereby).

SECTION 2. Amendment of Credit Agreement. Effective as of the Third Amendment Effective Date:

(a) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order:

"Egencia" means Egencia LLC, a Nevada limited liability company. "Egencia Business" means the corporate travel management line of business conducted by the Company and its Subsidiaries.

"Egencia Business Subsidiary" means any Subsidiary of the Company all or substantially all of the business and operations of which, and all or substantially all of the assets of which, consist of the business, operations or assets comprising the Egencia Business.

"Egencia Disposition" means the sale, transfer or other disposition by the Company and its Subsidiaries to any Person that is not an Affiliate of the Company of all or substantially all of the business, assets, liabilities and operations of the Egencia Business, including any such disposition in the form of a sale or other disposition of the Equity Interests in Egencia or any other Egencia Business Subsidiary, to a purchaser identified in writing to the Lenders prior to the Third Amendment Effective Date, provided that (a) no Default shall have occurred and be continuing at the time of entry into the agreement governing such sale, transfer or other disposition or would result from the consummation thereof, (b) such sale, transfer or other disposition shall be made for fair value, as determined in good faith by the board of the directors of the Company or a committee thereof, and (c) to the extent consideration therefor consists of cash, the Net Proceeds thereof shall be subject to clause (iv) (and, if a reduction and/or prepayment under such clause (iv) is required, clause (v)) of Section 6.08(l) as if such sale, transfer or other disposition was made in reliance on Section 6.08(l).

"Third Amendment" means the Third Amendment, dated as of May 4, 2021, to this Agreement.

"Third Amendment Effective Date" has the meaning assigned to such term in the Third Amendment.

(b) Section 6.02 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (q) thereof, replacing the period at the end of clause (r) thereof with "; and" and inserting the following new clause (s) immediately after clause (r) thereof:

> "(s) in the case of any Person that is not a Wholly-Owned Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Person set forth in the organizational documents of such Person or any related joint venture or equityholder agreement.".

(c) Section 6.04(a) of the Credit Agreement is hereby amended by (i) in the first proviso thereof, inserting the parenthetical "(or, in the case of any merger, consolidation, liquidation or dissolution consummated in connection with the Egencia Disposition, no Default shall have occurred and be continuing at the time of entry into the agreement governing the Egencia Disposition)" immediately following "provided that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing" and (ii) in the proviso to subclause (B) thereof and to subclause (C) thereof, inserting the phrase ", or all or substantially all of the assets of," immediately following the phrase "Equity Interests in".

(d) Section 6.05 of the Credit Agreement is hereby amended to insert the following at the end of the final paragraph thereof:

"; provided that the Borrower Group Members may make any Restricted Payment of the Equity Interests in any Egencia Business Subsidiary or of any assets comprising the Egencia Business.".

(e) Section 6.06 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (l) thereof to read as follows:

"(l) transactions permitted under Section 6.08(m) or 6.08(u),".

(f) Section 6.07 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (i)(F) thereof to read as follows:

"(F) in the case of (x) any Subsidiary that is not a Designated Subsidiary and that is not a Wholly Owned Subsidiary or (y) Equity Interests in any Person that is not a Wholly-Owned Subsidiary of the Company, restrictions in such Subsidiary's or such other Person's organizational documents or pursuant to any joint venture agreement or equityholders agreement,".

(g) Section 6.07 of the Credit Agreement is hereby amended by amending and restating in its entirety clause (iii)(A) thereof to read as follows:

"(A) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or of assets of the Company or any Subsidiary pending such sale; provided that such restrictions and conditions apply only to the Subsidiary or assets that are to be sold and such sale is permitted hereunder, or".

(h) Section 6.08 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (s) thereof, replacing the period at the end of clause (t) thereof with "; and" and inserting the following new clause (u) immediately after clause (t) thereof:

"(u) (i) the Egencia Disposition and (ii) sales, transfers, leases or other dispositions of (A) the assets or properties comprising the Egencia Business or the Equity Interests in any Egencia Business Subsidiary and (B) intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in each case under this clause (ii), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (u), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of

business and owed by any Egencia Business Subsidiary shall be permitted.".

(i) Section 6.08 of the Credit Agreement is hereby further amended by amending and restating the last sentence thereof in its entirety as follows:

"Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, the Borrower will not, and the Company will not permit any Borrower Group Member to, sell, transfer, lease or otherwise dispose of (including by way of a merger or consolidation) any asset, including any Equity Interest, owned by it to the Company or any Subsidiary (other than a Borrower Group Member), nor will the Company permit any Borrower Group Member (other than the Borrower) to issue any additional Equity Interest in such Borrower Group Member to the Company or any Subsidiary (other than a Borrower Group Member), except (i) sales, transfers, leases or other dispositions described in Section 6.08(e), 6.08(q) or 6.08(u) and (ii) sales, transfers, leases or other dispositions in the form of cash, Permitted Investments, other cash equivalents or evidences of Indebtedness or constituting a Permitted Borrower Group Transaction (it being agreed that no sale, transfer, lease or other disposition shall be permitted by this clause (ii) unless such sale, transfer, lease or other disposition is permitted by and made in reliance on any of clauses (a) through (u) of this Section 6.08).".

(j) Section 6.12 of the Credit Agreement is hereby amended by deleting "and" at the end of clause (w) thereof, replacing the period at the end of clause (x) thereof with "; and" and inserting the following new clause (y) immediately after clause (x) thereof:

"(y) Investments made by the Company or any Subsidiary in any Egencia Business Subsidiary in the form of a transfer of any assets or properties comprising the Egencia Business and any intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (y), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted.".

(k) Section 6.12 of the Credit Agreement is hereby further amended by amending and restating the last sentence thereof in its entirety as follows:

"Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, no Investment in the form of a transfer of (i) Equity Interests in any Subsidiary held by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(k), 6.08(m), 6.08(n), 6.08(q), 6.08(s) or 6.08(u) or (ii)

Intellectual Property by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(e), 6.08(m), 6.08(q) or 6.08(u); provided that, in each case under clauses (i) and (ii), any such transfer by any Borrower Group Member to the Company or any Subsidiary (other than a Borrower Group Member) is also permitted by and made in reliance on the last paragraph of Section 6.08.".

(l) Section 6.16 of the Credit Agreement is hereby amended by inserting the following sentence immediately following the end thereof:

"Notwithstanding anything to the contrary in this Section 6.16, nothing in this Section 6.16 shall prohibit any transaction permitted by Section 6.08(u), Section 6.12(y) or the proviso to the last paragraph of Section 6.05."

SECTION 3. Representations and Warranties. Each of the Company and the Borrower represents and warrants to the Lenders that:

(a) This Amendment has been duly executed and delivered by each of the Company and the Borrower and (assuming due execution by the parties hereto other than the Company and the Borrower) constitutes a legal, valid and binding obligation of the Company and the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(b) Before and after giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects (in all respects in the case of representations and warranties qualified by materiality in the text thereof) on and as of the Third Amendment Effective Date with the same effect as if made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they were so true and correct as of such earlier date.

(c) As of the Third Amendment Effective Date, before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 4. Effectiveness. This Amendment shall become effective as of the first date (the "Third Amendment Effective Date") on which the Administrative Agent shall have signed a counterpart of this Amendment and shall have received from the Company, the Borrower and Lenders constituting at least the Required Lenders a counterpart of this Amendment executed by such Person (which, subject to Section 9.06(b) of the Credit Agreement, may include any Electronic Signatures transmitted by fax, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page of this Amendment). The Administrative Agent shall notify the Company and the Lenders of the Third Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Effect of this Amendment. (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Agents or the Lenders under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to any other consent to, or any other waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Third Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "herein", "hereunder", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other Loan Document shall be deemed to be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 6. **Applicable Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

SECTION 7. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which, when taken together, shall constitute a single instrument.

SECTION 8. Fees and Expenses. The Company agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this

Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent. All fees shall be payable in immediately available funds and shall not be refundable.

SECTION 9. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION 10. Incorporation by Reference. The provisions of Sections 9.06(b), 9.07, 9.09(b), 9.09(c), 9.09(d), 9.10 and 9.11 of the Credit Agreement are hereby incorporated by reference as if set forth in full herein, mutatis mutandis.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

EXPEDIA GROUP, INC.,
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

EXPEDIA GROUP INTERNATIONAL HOLDINGS III, LLC,
by:
/s/ Michael S. Marron
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent,

by:

/s/ John Kowalczuk

Name: John Kowalczuk
Title: Executive Director

Name of Institution: Bank of America, N.A.

by:

/s/ Eric Ridgway

Name: Eric Ridgway
Title: Director

Name of Institution: BNP Paribas

by:

/s/ Barbara Nash

Name: Barbara Nash
Title: Managing Director

Name of Institution:[1] BNP Paribas

by:

/s/ Stefano Locatelli

Name: Stefano Locatelli
Title: Vice President

[1] For any institution requiring a second signature line.

Mizuho Bank, Ltd.

by:

/s/ Tracy Rahn

Name: Tracy Rahn
Title: Executive Director

Name of Institution: HSBC Bank USA, National Association

by:

/s/ Darren Santos

Name: Darren Santos
Title: Senior Vice President, 22672

Name of Institution:[1]

by:

Name:
Title:

[1] For any institution requiring a second signature line.

Name of Institution: MUFG BANK, LTD.
by:

/s/ Ted Jurgielewicz

Name: Ted Jurgielewicz
Title: Vice President

Name of Institution: Royal Bank of Canada

by:

/s/ Jenny Wang

Name: Jenny Wang
Title: Vice President, Corporate Client Group – Finance

Name of Institution: Sumitomo Mitsui Banking Corporation

by:

/s/ Michael Maguire

Name: Michael Maguire
Title: Managing Director

Name of Institution:[1]

by:

Name:
Title:

[1] For any institution requiring a second signature line.

Name of Institution: U.S. Bank National Association

by:

/s/ Lukas Coleman

Name: Lukas Coleman
Title: Vice President

Name of Institution: THE BANK OF NOVA SCOTIA

by:

/s/ Todd Kennedy

Name: Todd Kennedy
Title: Director

Goldman Sachs Bank USA:

by:

/s/ Dan Martis

Name: Dan Martis
Title: Authorized Signatory

Name of Institution: STANDARD CHARTERED BANK:

by:

/s/ James Beck

Name: James Beck
Title: Director

Exhibit 22

As of August 5, 2021, the following subsidiaries of Expedia Group, Inc. (the "Parent") are Subsidiary Guarantors with respect to our debt facilities and instruments:

Guarantor	**Jurisdiction of Formation**
BedandBreakfast.com, Inc.	United States – CO
CarRentals.com, Inc.	United States – NV
Cruise, LLC	United States - WA
EAN.com, LP	United States - DE
Egencia LLC	United States - NV
Expedia Group Commerce, Inc.	United States – DE
Expedia, Inc.	United States - WA
Expedia LX Partner Business, Inc.	United States – DE
Higher Power Nutrition Common Holdings, LLC	United States - DE
HomeAway Software, Inc.	United States - DE
HomeAway.com, Inc.	United States - DE
Hotels.com GP, LLC	United States - TX
Hotels.com, L.P.	United States - TX
Hotwire, Inc.	United States - DE
HRN 99 Holdings, LLC	United States - NY
Interactive Affiliate Network, LLC	United States - DE
LEMS I LLC	United States - DE
LEXE Marginco, LLC	United States - DE
LEXEB, LLC	United States - DE
Liberty Protein, Inc.	United States - DE
O Holdings Inc.	United States – DE
Orbitz Financial Corp.	United States – DE
Orbitz for Business, Inc.	United States – DE
Orbitz, Inc.	United States - DE
Orbitz, LLC	United States - DE
Orbitz Worldwide, Inc.	United States - DE
Orbitz Worldwide, LLC	United States - DE
OWW Fulfillment Services, Inc.	United States – TN
Travelscape, LLC	United States - NV
Trip Network, Inc.	United States - DE
VRBO Holdings, Inc.	United States - DE
WWTE, Inc.	United States – NV

Exhibit 31.1

Certification

I, Barry Diller, Chairman and Senior Executive of Expedia Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Expedia Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ BARRY DILLER

Barry Diller

Chairman and Senior Executive

Exhibit 31.2

Certification

I, Peter M. Kern, Vice Chairman and Chief Executive Officer of Expedia Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Expedia Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ PETER M. KERN

Peter M. Kern

Vice Chairman and Chief Executive Officer

Exhibit 31.3

Certification

I, Eric Hart, Chief Financial Officer of Expedia Group, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Expedia Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ ERIC HART

Eric Hart

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Barry Diller, Chairman and Senior Executive of Expedia Group, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2021 (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

/s/ BARRY DILLER
Barry Diller
Chairman and Senior Executive

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter M. Kern, Vice Chairman and Chief Executive Officer of Expedia Group, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2021 (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

/s/ PETER M. KERN
Peter M. Kern
Vice Chairman and Chief Executive Officer

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Hart, Chief Financial Officer of Expedia Group, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2021 (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

/s/ ERIC HART
Eric Hart
Chief Financial Officer