



## Expedia Group Reports Third Quarter 2022 Results

SEATTLE, WA – November 3, 2022 – Expedia Group, Inc. (NASDAQ: EXPE) announced financial results today for the third quarter ended September 30, 2022.

"The third quarter marked another period of robust travel demand despite the uncertain macroeconomic environment. We delivered strong financial performance with record quarterly revenue and adjusted EBITDA, which exceeded \$1 billion for the first time. These results reflect our emphasis on driving topline growth while improving margins," said Peter Kern, Vice Chairman and CEO, Expedia Group. "Our active loyalty members and active app users are at all-time highs, reflecting our ongoing focus on enhancing our products, technology and consumer offerings to drive greater engagement with our travelers and a more direct and valuable base of business."

### Key Highlights

- Record quarterly revenue and third quarter lodging bookings.
- Net income up 33% against 2021 and record adjusted EBITDA.
- Free cash flow for the first nine months of 2022 was \$3.1 billion, more than double 2019 levels.
- Resumed share buybacks with 2 million shares repurchased through October for approximately \$200 million.
- Retired \$500 million of debt, resulting in cumulative debt and preferred equity reduction of over \$3.4 billion over the past 18 months.

### Financial Summary & Operating Metrics (\$ millions except per share amounts)<sup>(1)</sup>

| Metric   | Expedia Group, Inc. |          |       |
|--|---------------------|----------|-------|
|  | Q3 2022             | Q3 2021  | Δ Y/Y |
| Booked room nights   | 81.6                | 65.4     | 25%   |
| Stayed room nights   | 93.2                | 77.8     | 20%   |
| Gross bookings   | \$23,987            | \$18,725 | 28%   |
| Revenue  | 3,619               | 2,962    | 22%   |
| Operating income   | 747                 | 524      | 42%   |
| Net income attributable to Expedia Group common stockholders | 482                 | 362      | 33%   |
| Diluted earnings per share                                   | \$2.98              | \$2.26   | 32%   |
| Adjusted EBITDA <sup>(2)</sup>                               | 1,079               | 855      | 26%   |
| Adjusted net income <sup>(2)</sup>                           | 640                 | 553      | 16%   |
| Adjusted EPS <sup>(2)</sup>                                  | \$4.05              | \$3.53   | 15%   |
| Net cash used in operating activities                        | (997)               | (1,221)  | (18)% |
| Free cash flow <sup>(2)</sup>                                | (1,167)             | (1,400)  | (17)% |

<sup>(1)</sup> All comparisons are against comparable period of 2021 unless otherwise noted

<sup>(2)</sup> "Adjusted EBITDA" (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization), "Adjusted net income (loss)," "Adjusted EPS" and "Free cash flow" are non-GAAP measures as defined by the Securities and Exchange Commission (the "SEC"). See "Definitions of Non-GAAP Measures" and "Tabular Reconciliations for Non-GAAP Measures" on pages 11-18 herein for an explanation and reconciliation of non-GAAP measures used throughout this release. Expedia Group does not calculate or report net income by segment.

## Discussion of Results

The results for Expedia Group, Inc. ("Expedia Group" or "the Company") include Brand Expedia®, Hotels.com®, Expedia® Partner Solutions, Vrbo®, Egencia®, trivago®, HomeAway®, Orbitz®, Travelocity®, Hotwire®, Wotif®, ebookers®, CheapTickets®, Expedia Group™ Media Solutions, CarRentals.com™, Expedia® Cruises™, and Triveldoo®. Results include the related international points of sale for all brands. In April 2021, we completed the sale of Classic Vacations®, and in November 2021 we completed the sale of Egencia®, which is included in results through the date of its sale. All amounts shown are in U.S. dollars.

## Gross Bookings & Revenue

### Gross Bookings & Revenue by Segment (\$ millions)

|                                   | Gross Bookings |          |     |
|-----------------------------------|----------------|----------|-----|
|                                   | Third Quarter  |          |     |
|                                   | 2022           | 2021     | Δ%  |
| Gross Bookings                    | \$23,987       | \$18,725 | 28% |
|                                   | Revenue        |          |     |
|                                   | Third Quarter  |          |     |
|                                   | 2022           | 2021     | Δ%  |
| Retail                            | \$ 2,707       | \$ 2,351 | 15% |
| B2B                               | 788            | 490      | 61% |
| Expedia Group (excluding trivago) | \$ 3,495       | \$ 2,841 | 23% |
| trivago                           | 185            | 163      | 13% |
| Intercompany eliminations         | (61)           | (42)     | 47% |
| Total                             | \$ 3,619       | \$ 2,962 | 22% |

For the third quarter of 2022, total gross bookings increased 28%, compared to the third quarter of 2021, as gross bookings for lodging, air, and other travel products grew as travel demand recovered.

Total revenue increased 22% as Retail, B2B, and trivago segments revenue all increased compared to the third quarter of 2021.

## Product & Services Detail

### Revenue by Service Type (\$ millions)

|                       | Revenue       |          |     |
|-----------------------|---------------|----------|-----|
|                       | Third Quarter |          |     |
|                       | 2022          | 2021     | Δ%  |
| Lodging               | \$ 2,881      | \$ 2,300 | 25% |
| Air                   | 100           | 61       | 61% |
| Advertising and media | 222           | 202      | 10% |
| Other                 | 416           | 399      | 4%  |
| Total                 | \$ 3,619      | \$ 2,962 | 22% |

As a percentage of total revenue in the third quarter of 2022, lodging accounted for 80%, advertising and media accounted for 6%, air accounted for 3%, and all other revenues accounted for the remaining 11%.

Lodging revenue increased 25% in the third quarter of 2022, compared to the third quarter of 2021, driven by a 20% growth in stayed room nights and a 4% increase in stayed average daily rates ("ADR").

Air revenue increased 61% in the third quarter of 2022, compared to the third quarter of 2021, primarily driven by 69% growth in revenue per air ticket.

Advertising and media revenue increased 10% in the third quarter of 2022, compared to the third quarter of 2021, driven by growth in Expedia Group Media Solutions. Other revenue increased 4% in the third quarter of 2022, driven by growth from travel insurance products.

**Costs and Expenses (\$ millions)**

|   | Costs and Expenses |          |       | As a % of Revenue |        |         |
|---|--------------------|----------|-------|-------------------|--------|---------|
|   | Third Quarter      |          |       | Third Quarter     |        |         |
|   | 2022               | 2021     | Δ%    | 2022              | 2021   | Δ (bps) |
| <b>Generally Accepted Accounting Principles (GAAP) Expenses - Expedia Group</b> |                    |          |       |                   |        |         |
| Cost of revenue   | \$ 455             | \$ 442   | 3 %   | 12.6 %            | 14.9 % | (233)   |
| Selling and marketing - direct  | 1,504              | 1,132    | 33 %  | 41.6 %            | 38.2 % | 337     |
| Selling and marketing - indirect  | 165                | 182      | (10)% | 4.5 %             | 6.1 %  | (161)   |
| Selling and marketing   | 1,669              | 1,314    | 27 %  | 46.1 %            | 44.3 % | 176     |
| Technology and content  | 310                | 277      | 12 %  | 8.6 %             | 9.4 %  | (81)    |
| General and administrative  | 187                | 182      | 2 %   | 5.2 %             | 6.2 %  | (101)   |
| Total GAAP costs and expenses   | \$ 2,621           | \$ 2,215 | 18 %  | 72.4 %            | 74.8 % | (238)   |
| <b>Adjusted Expenses - Expedia Group</b>  |                    |          |       |                   |        |         |
| Cost of revenue*  | \$ 451             | \$ 436   | 4 %   | 12.5 %            | 14.7 % | (223)   |
| Selling and marketing - direct  | 1,504              | 1,132    | 33 %  | 41.6 %            | 38.2 % | 337     |
| Selling and marketing - indirect*   | 147                | 153      | (4)%  | 4.0 %             | 5.2 %  | (112)   |
| Selling and marketing*  | 1,651              | 1,285    | 28 %  | 45.6 %            | 43.4 % | 224     |
| Technology and content*   | 282                | 245      | 15 %  | 7.8 %             | 8.3 %  | (50)    |
| General and administrative*   | 140                | 133      | 4 %   | 3.8 %             | 4.5 %  | (65)    |
| Total adjusted costs and expenses   | \$ 2,524           | \$ 2,099 | 20 %  | 69.7 %            | 70.9 % | (113)   |
| Total overhead expenses**   | \$ 569             | \$ 531   | 7 %   | 15.7 %            | 17.9 % | (227)   |
| <b>Adjusted Expenses - Expedia Group (excluding trivago)***</b>                 |                    |          |       |                   |        |         |
| Cost of revenue*  | \$ 446             | \$ 430   | 4 %   | 12.8 %            | 15.2 % | (237)   |
| Selling and marketing*  | 1,583              | 1,205    | 31 %  | 45.3 %            | 42.4 % | 288     |
| Technology and content*   | 271                | 233      | 16 %  | 7.7 %             | 8.2 %  | (49)    |
| General and administrative*   | 133                | 127      | 5 %   | 3.8 %             | 4.4 %  | (66)    |
| Total adjusted costs and expenses excluding trivago                             | \$ 2,433           | \$ 1,995 | 22 %  | 69.6 %            | 70.3 % | (64)    |

Note: Some numbers may not add due to rounding.

\*Adjusted expenses are non-GAAP measures. See pages 11-18 herein for a description and reconciliation to the corresponding GAAP measures.

\*\*Total overhead expenses is the sum of adjusted expenses for Selling and marketing - indirect, Technology and content, and General and administrative.

\*\*\*Expedia Group (excluding trivago) figures exclude both trivago costs and expenses and trivago revenue when calculating 'As a % of Revenue.'

**Cost of Revenue**

- For the third quarter of 2022, total GAAP and adjusted cost of revenue increased 3% and 4%, respectively, compared to the third quarter of 2021, driven by higher merchant processing fees and cloud costs as a result of increased transaction volume which offset lower personnel costs related to the sale of Egencia in November 2021.

### *Selling and Marketing*

- For the third quarter of 2022, total GAAP and adjusted selling and marketing expense increased 27% and 28%, respectively, compared to the third quarter of 2021, primarily due to a \$372 million increase in direct costs driven by an increase in B2B partner commissions, as well as increased spend in Retail marketing channels. Total GAAP and adjusted indirect selling and marketing expenses, decreased 10% and 4%, respectively compared to the third quarter of 2021. The decrease in indirect marketing expense was driven by lower personnel costs related to the sale of Egencia in November 2021. The year-over-year decrease in GAAP indirect costs was driven by lower stock-based compensation.

### *Technology and Content*

- For the third quarter of 2022, total GAAP and adjusted technology and content expense increased 12% and 15%, respectively, compared to the third quarter of 2021, due to an increase in personnel costs from increased headcount.

### *General and Administrative*

- For the third quarter of 2022, total GAAP and adjusted general and administrative expense increased 2% and 4%, respectively, compared to the third quarter of 2021, due to an increase in personnel costs from increased headcount.

### ***Net Income (Loss) Attributable to Expedia Group and Adjusted EBITDA\****

#### **Adjusted EBITDA by Segment (\$ millions)**

|   | <b>Third Quarter</b> |             |           |
|---|----------------------|-------------|-----------|
|   | <b>2022</b>          | <b>2021</b> | <b>Δ%</b> |
| Retail  | \$ 943               | \$ 879      | 7%        |
| B2B   | 221                  | 74          | 198%      |
| Unallocated overhead costs  | (119)                | (116)       | 3%        |
| Expedia Group (excluding trivago)   | \$ 1,045             | \$ 837      | 25%       |
| trivago <sup>(1)</sup>  | 34                   | 18          | 85%       |
| Total Adjusted EBITDA   | \$ 1,079             | \$ 855      | 26%       |
| Net income attributable to Expedia Group common stockholders <sup>(2)</sup> | \$ 482               | \$ 362      | 33%       |

<sup>(1)</sup> 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.

<sup>(2)</sup> Expedia Group does not calculate or report net income (loss) by segment.

\* Adjusted EBITDA is a non-GAAP measure. See pages 11-18 herein for a description and reconciliation to the corresponding GAAP measures.

Note: Some numbers may not add due to rounding.

### ***Depreciation and Amortization***

Depreciation and amortization decreased 1% in the third quarter of 2022, compared to the third quarter of 2021.

### ***Interest and Other***

Consolidated interest income increased \$18 million in the third quarter of 2022 compared to the third quarter of 2021, as a result of higher rates of return. Consolidated interest expense decreased \$23 million in the third quarter of 2022, as a result of lower interest expense related to the early redemption of senior notes in the first nine months of 2022.

Consolidated other, net was a loss of \$87 million in the third quarter of 2022, primarily driven by mark-to-market losses on minority equity investments in American Express Global Business Travel ("GBT") and Despegar compared to a gain of \$25 million in the third quarter of 2021, in which we recognized a gain related to the sale of the Alice business.

### ***Income Taxes***

The GAAP effective tax rate was a 31% expense on a pre-tax income in the third quarter of 2022, compared to a 19% expense on pre-tax income in the third quarter of 2021. The change in the effective tax rate was primarily due primarily due to nondeductible mark-to-market adjustments to our minority equity investments as well as other discrete items

The effective tax rate on pretax adjusted net income was 24% in the third quarter of 2022, compared to 2% in the third quarter of 2021. The change in effective tax rate was primarily due to the increase in pretax adjusted net income and discrete items.

### ***Balance Sheet, Cash Flows and Capitalization***

For the three months ended September 30, 2022, consolidated net cash used in operating activities was approximately \$1.0 billion. Consolidated free cash flow totaled negative \$1.2 billion, compared to negative \$1.4 billion in the prior year, primarily due to an improvement in adjusted EBITDA.

Cash, cash equivalents and short-term investments totaled \$4.6 billion at September 30, 2022 compared to \$4.3 billion at December 31, 2021. Restricted cash and cash equivalents, which primarily consist of traveler deposits for Vrbo bookings, was \$1.8 billion at September 30, 2022 compared to \$1.7 billion at December 31, 2021. Prepaid expenses and other current assets was \$799 million at September 30, 2022 compared to \$827 million at December 31, 2021.

Deferred merchant bookings totaled approximately \$7.5 billion at September 30, 2022, including approximately \$915 million in deferred loyalty rewards compared to \$5.7 billion at December 31, 2021, including approximately \$800 million in deferred loyalty rewards.

As of September 30, 2022, Expedia Group had stock-based awards outstanding representing approximately 11 million shares of Expedia Group common stock, consisting of approximately 7 million restricted stock units, ("RSUs") and performance share units, ("PSUs") in addition to stock options to purchase approximately 4 million shares of common stock with a weighted average exercise price of \$135.22 and weighted average remaining life of 3.6 years.

On September 13, 2022, Expedia Group redeemed \$500 million of outstanding aggregate principal of the Company's 2.95% Notes due 2031. As a result of these redemptions, we recognized a gain on debt extinguishment of \$73 million in the quarter.

During the quarter ended September 30, 2022, Expedia Group repurchased 1.5 million shares of Expedia Group common stock for an aggregate purchase price of \$153 million excluding transaction costs (an average of \$100.07 per share). As of September 30, 2022, there were approximately 21.8 million shares remaining under the 2018 and 2019 repurchase authorizations. Subsequent to the end of the third quarter of 2022, Expedia Group repurchased an additional 0.5 million shares for a total cost of \$47 million excluding transaction costs (an average of \$95.65 per share).

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

|   | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |                 |
|---|-------------------------------------|---------------|------------------------------------|-----------------|
|   | 2022                                | 2021          | 2022                               | 2021            |
| Revenue   | \$ 3,619                            | \$ 2,962      | \$ 9,049                           | \$ 6,319        |
| Costs and expenses:   |                                     |               |                                    |                 |
| Cost of revenue (exclusive of depreciation and amortization shown separately below) <sup>(1)</sup>    | 455                                 | 442           | 1,245                              | 1,127           |
| Selling and marketing <sup>(1)</sup>  | 1,669                               | 1,314         | 4,724                              | 3,177           |
| Technology and content <sup>(1)</sup>   | 310                                 | 277           | 864                                | 800             |
| General and administrative <sup>(1)</sup>   | 187                                 | 182           | 562                                | 522             |
| Depreciation and amortization   | 199                                 | 201           | 593                                | 615             |
| Impairment of intangible assets   | 52                                  | —             | 81                                 | —               |
| Legal reserves, occupancy tax and other   | —                                   | 10            | 23                                 | 1               |
| Restructuring and related reorganization charges  | —                                   | 12            | —                                  | 54              |
| Operating income  | 747                                 | 524           | 957                                | 23              |
| Other income (expense):   |                                     |               |                                    |                 |
| Interest income   | 20                                  | 2             | 33                                 | 5               |
| Interest expense  | (63)                                | (86)          | (217)                              | (267)           |
| Gain (loss) on debt extinguishment, net   | 73                                  | —             | 49                                 | (280)           |
| Other, net  | (87)                                | 25            | (467)                              | 10              |
| Total other expense, net  | (57)                                | (59)          | (602)                              | (532)           |
| Income (loss) before income taxes   | 690                                 | 465           | 355                                | (509)           |
| Provision for income taxes  | (214)                               | (87)          | (187)                              | 129             |
| Net income (loss)   | 476                                 | 378           | 168                                | (380)           |
| Net (income) loss attributable to non-controlling interests   | 6                                   | (2)           | 7                                  | 6               |
| Net income (loss) attributable to Expedia Group, Inc.   | 482                                 | 376           | 175                                | (374)           |
| Preferred stock dividend  | —                                   | (14)          | —                                  | (64)            |
| Loss on redemption of preferred stock   | —                                   | —             | —                                  | (107)           |
| <b>Net income (loss) attributable to Expedia Group, Inc. common stockholders</b>                      | <b>\$ 482</b>                       | <b>\$ 362</b> | <b>\$ 175</b>                      | <b>\$ (545)</b> |
| <b>Earnings (loss) per share attributable to Expedia Group, Inc. available to common stockholders</b> |                                     |               |                                    |                 |
| Basic   | \$ 3.05                             | \$ 2.40       | \$ 1.11                            | \$ (3.67)       |
| Diluted   | 2.98                                | 2.26          | 1.08                               | (3.67)          |
| <b>Shares used in computing earnings (loss) per share (000's):</b>                                    |                                     |               |                                    |                 |
| Basic   | 157,628                             | 151,019       | 157,100                            | 148,453         |
| Diluted   | 161,829                             | 160,460       | 162,495                            | 148,453         |

(1) Includes stock-based compensation as follows:

|                            |      |      |       |       |
|----------------------------|------|------|-------|-------|
| Cost of revenue            | \$ 4 | \$ 6 | \$ 10 | \$ 17 |
| Selling and marketing      | 18   | 29   | 50    | 78    |
| Technology and content     | 28   | 32   | 82    | 91    |
| General and administrative | 47   | 49   | 138   | 133   |

**EXPEDIA GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(In millions, except number of shares which are reflected in thousands and par value)

|  | <b>September 30, 2022</b> | <b>December 31, 2021</b> |
|--|---------------------------|--------------------------|
|  | <b>(Unaudited)</b>        |                          |
| <b>ASSETS</b>  |                           |                          |
| Current assets:  |                           |                          |
| Cash and cash equivalents  | \$ 4,588                  | \$ 4,111                 |
| Restricted cash and cash equivalents   | 1,778                     | 1,694                    |
| Short-term investments   | 49                        | 200                      |
| Accounts receivable, net of allowance of \$61 and \$65                         | 1,991                     | 1,264                    |
| Income taxes receivable  | 65                        | 85                       |
| Prepaid expenses and other current assets                                      | 799                       | 827                      |
| Total current assets   | 9,270                     | 8,181                    |
| Property and equipment, net  | 2,169                     | 2,180                    |
| Operating lease right-of-use assets  | 360                       | 407                      |
| Long-term investments and other assets   | 1,122                     | 1,450                    |
| Deferred income taxes  | 626                       | 766                      |
| Intangible assets, net   | 1,223                     | 1,393                    |
| Goodwill   | 7,109                     | 7,171                    |
| <b>TOTAL ASSETS</b>  | <b>\$ 21,879</b>          | <b>\$ 21,548</b>         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                    |                           |                          |
| Current liabilities:   |                           |                          |
| Accounts payable, merchant   | \$ 1,535                  | \$ 1,333                 |
| Accounts payable, other  | 1,132                     | 688                      |
| Deferred merchant bookings   | 7,457                     | 5,688                    |
| Deferred revenue   | 160                       | 166                      |
| Income taxes payable   | 46                        | 16                       |
| Accrued expenses and other current liabilities                                 | 789                       | 824                      |
| Current maturities of long-term debt   | —                         | 735                      |
| Total current liabilities  | 11,119                    | 9,450                    |
| Long-term debt, excluding current maturities                                   | 6,237                     | 7,715                    |
| Deferred income taxes  | 50                        | 58                       |
| Operating lease liabilities  | 315                       | 360                      |
| Other long-term liabilities  | 445                       | 413                      |
| Commitments and contingencies  |                           |                          |
| Stockholders' equity:  |                           |                          |
| Common stock: \$.0001 par value; Authorized shares: 1,600,000                  | —                         | —                        |
| Shares issued: 277,607 and 274,661; Shares outstanding: 150,966 and 150,125    |                           |                          |
| 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   | 14,674                    | 14,229                   |
| Treasury stock - Common stock and Class B, at cost; Shares 133,917 and 131,813 | (10,503)                  | (10,262)                 |
| Retained earnings (deficit)  | (1,586)                   | (1,761)                  |
| Accumulated other comprehensive income (loss)                                  | (317)                     | (149)                    |
| Total Expedia Group, Inc. stockholders' equity                                 | 2,268                     | 2,057                    |
| Non-redeemable non-controlling interests                                       | 1,445                     | 1,495                    |
| Total stockholders' equity   | 3,713                     | 3,552                    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                              | <b>\$ 21,879</b>          | <b>\$ 21,548</b>         |

**EXPEDIA GROUP, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)

(Unaudited)

|  | Nine months ended<br>September 30, |                 |
|--|------------------------------------|-----------------|
|  | 2022                               | 2021            |
| <b>Operating activities:</b>   |                                    |                 |
| Net income (loss)  | \$ 168                             | \$ (380)        |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities:           |                                    |                 |
| Depreciation of property and equipment, including internal-use software and website development    | 527                                | 538             |
| Amortization of intangible assets  | 66                                 | 77              |
| Impairment of intangible assets  | 81                                 | —               |
| Amortization of stock-based compensation   | 280                                | 319             |
| Deferred income taxes  | 106                                | (158)           |
| Foreign exchange loss on cash, restricted cash and short-term investments, net                     | 193                                | 76              |
| Realized loss on foreign currency forwards   | 170                                | 21              |
| Loss on minority equity investments, net   | 423                                | 7               |
| (Gain) loss on debt extinguishment, net  | (49)                               | 280             |
| Other, net   | (26)                               | (33)            |
| Changes in operating assets and liabilities:   |                                    |                 |
| Accounts receivable  | (748)                              | (781)           |
| Prepaid expenses and other assets  | 31                                 | (190)           |
| Accounts payable, merchant   | 202                                | 663             |
| Accounts payable, other, accrued expenses and other liabilities                                    | 427                                | 238             |
| Tax payable/receivable, net  | 6                                  | 7               |
| Deferred merchant bookings   | 1,770                              | 2,787           |
| Deferred revenue   | (5)                                | (8)             |
| <b>Net cash provided by operating activities</b>   | <b>3,622</b>                       | <b>3,463</b>    |
| <b>Investing activities:</b>   |                                    |                 |
| Capital expenditures, including internal-use software and website development                      | (485)                              | (530)           |
| Purchases of investments   | (60)                               | (1)             |
| Sales and maturities of investments  | 200                                | 23              |
| Proceeds from initial exchange of cross-currency interest rate swaps                               | 337                                | —               |
| Payments for initial exchange of cross-currency interest rate swaps                                | (337)                              | —               |
| Other, net   | (169)                              | 2               |
| <b>Net cash used in investing activities</b>   | <b>(514)</b>                       | <b>(506)</b>    |
| <b>Financing activities:</b>   |                                    |                 |
| Proceeds from issuance of long-term debt, net of issuance costs                                    | —                                  | 1,964           |
| Payment of long-term debt  | (2,141)                            | (1,706)         |
| Debt extinguishment costs  | (22)                               | (258)           |
| Redemption of preferred stock  | —                                  | (618)           |
| Purchases of treasury stock  | (241)                              | (108)           |
| Payment of preferred stock dividends   | —                                  | (50)            |
| Proceeds from exercise of equity awards and employee stock purchase plan                           | 125                                | 421             |
| Other, net   | 34                                 | 4               |
| <b>Net cash used in financing activities</b>   | <b>(2,245)</b>                     | <b>(351)</b>    |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents | (302)                              | (126)           |
| <b>Net increase in cash, cash equivalents and restricted cash and cash equivalents</b>             | <b>561</b>                         | <b>2,480</b>    |
| Cash, cash equivalents and restricted cash and cash equivalents at beginning of period             | 5,805                              | 4,138           |
| <b>Cash, cash equivalents and restricted cash and cash equivalents at end of period</b>            | <b>\$ 6,366</b>                    | <b>\$ 6,618</b> |
| <b>Supplemental cash flow information</b>  |                                    |                 |
| Cash paid for interest   | \$ 254                             | \$ 298          |
| Income tax payments, net   | 71                                 | 15              |



**Expedia Group, Inc.**  
**Trended Metrics**  
**(All figures in millions)**

The supplemental metrics below are intended to supplement the financial statements in this release and in our filings with the SEC, and do not include adjustments for one-time items, acquisitions, foreign exchange or other adjustments. The definition, methodology and appropriateness of any of our supplemental metrics are subject to removal and/or change, and such changes could be material. In the event of any discrepancy between any supplemental metric and our historical financial statements, you should rely on the information filed with the SEC and the financial statements in our most recent earnings release.

|   | 2019            |                 |                 |                 | 2020            |                 |                 |                 | 2021            |                 |                 |                 | 2022            |                 |                 | Y/Y Growth |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|
|   | Q1              | Q2              | Q3              | Q4              | Q1              | Q2              | Q3              | Q4              | Q1              | Q2              | Q3              | Q4              | Q1              | Q2              | Q3              |            |
| <b>Gross bookings by business model</b>                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| Agency  | \$17,352        | \$16,112        | \$14,585        | \$11,956        | \$ 9,823        | \$ 1,363        | \$ 3,530        | \$ 3,405        | \$ 6,737        | \$10,362        | \$ 8,855        | \$ 8,325        | \$11,346        | \$12,773        | \$10,904        | 23%        |
| Merchant  | 12,057          | 12,180          | 12,342          | 11,289          | 8,062           | 1,350           | 5,101           | 4,162           | 8,685           | 10,453          | 9,870           | 9,138           | 13,066          | 13,366          | 13,083          | 33%        |
| <b>Total</b>  | <b>\$29,409</b> | <b>\$28,292</b> | <b>\$26,927</b> | <b>\$23,245</b> | <b>\$17,885</b> | <b>\$ 2,713</b> | <b>\$ 8,631</b> | <b>\$ 7,567</b> | <b>\$15,422</b> | <b>\$20,815</b> | <b>\$18,725</b> | <b>\$17,463</b> | <b>\$24,412</b> | <b>\$26,139</b> | <b>\$23,987</b> | <b>28%</b> |
| <b>Revenue by segment</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| Retail  | \$ 1,901        | \$ 2,333        | \$ 2,613        | \$ 1,961        | \$ 1,582        | \$ 463          | \$ 1,246        | \$ 702          | \$ 1,025        | \$ 1,715        | \$ 2,351        | \$ 1,730        | \$ 1,740        | \$ 2,420        | \$ 2,707        | 15%        |
| B2B   | 556             | 657             | 731             | 635             | 485             | 68              | 203             | 186             | 184             | 305             | 490             | 481             | 432             | 650             | 788             | 61%        |
| Corporate (Bodybuilding.com)  | —               | —               | 24              | 34              | 39              | 20              | —               | —               | —               | —               | —               | —               | —               | —               | —               | NM         |
| Expedia Group (excluding trivago)                                   | \$ 2,457        | \$ 2,990        | \$ 3,368        | \$ 2,630        | \$ 2,106        | \$ 551          | \$ 1,449        | \$ 888          | \$ 1,209        | \$ 2,020        | \$ 2,841        | \$ 2,211        | \$ 2,172        | \$ 3,070        | \$ 3,495        | 23%        |
| trivago   | 237             | 251             | 279             | 171             | 154             | 18              | 70              | 38              | 46              | 115             | 163             | 99              | 116             | 154             | 185             | 13%        |
| Intercompany eliminations   | (85)            | (88)            | (89)            | (54)            | (51)            | (3)             | (15)            | (6)             | (9)             | (24)            | (42)            | (31)            | (39)            | (43)            | (61)            | 47%        |
| <b>Total</b>  | <b>\$ 2,609</b> | <b>\$ 3,153</b> | <b>\$ 3,558</b> | <b>\$ 2,747</b> | <b>\$ 2,209</b> | <b>\$ 566</b>   | <b>\$ 1,504</b> | <b>\$ 920</b>   | <b>\$ 1,246</b> | <b>\$ 2,111</b> | <b>\$ 2,962</b> | <b>\$ 2,279</b> | <b>\$ 2,249</b> | <b>\$ 3,181</b> | <b>\$ 3,619</b> | <b>22%</b> |
| <b>Revenue by geography</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| U.S. points of sale   | \$ 1,476        | \$ 1,838        | \$ 1,982        | \$ 1,573        | \$ 1,317        | \$ 463          | \$ 1,033        | \$ 698          | \$ 1,001        | \$ 1,736        | \$ 2,177        | \$ 1,655        | \$ 1,656        | \$ 2,208        | \$ 2,358        | 8%         |
| Non-U.S. points of sale   | 1,133           | 1,315           | 1,576           | 1,174           | 892             | 103             | 471             | 222             | 245             | 375             | 785             | 624             | 593             | 973             | 1,261           | 61%        |
| <b>Total</b>  | <b>\$ 2,609</b> | <b>\$ 3,153</b> | <b>\$ 3,558</b> | <b>\$ 2,747</b> | <b>\$ 2,209</b> | <b>\$ 566</b>   | <b>\$ 1,504</b> | <b>\$ 920</b>   | <b>\$ 1,246</b> | <b>\$ 2,111</b> | <b>\$ 2,962</b> | <b>\$ 2,279</b> | <b>\$ 2,249</b> | <b>\$ 3,181</b> | <b>\$ 3,619</b> | <b>22%</b> |
| <b>Revenue by business model</b>                                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| Agency  | \$ 842          | \$ 1,047        | \$ 1,177        | \$ 816          | \$ 562          | \$ 105          | \$ 329          | \$ 271          | \$ 323          | \$ 573          | \$ 800          | \$ 611          | \$ 566          | \$ 808          | \$ 935          | 17%        |
| Merchant  | 1,435           | 1,758           | 1,980           | 1,590           | 1,340           | 368             | 1,032           | 521             | 796             | 1,338           | 1,923           | 1,480           | 1,485           | 2,125           | 2,427           | 26%        |
| Advertising & media and other                                       | 332             | 348             | 401             | 341             | 307             | 93              | 143             | 128             | 127             | 200             | 239             | 188             | 198             | 248             | 257             | 7%         |
| <b>Total</b>  | <b>\$ 2,609</b> | <b>\$ 3,153</b> | <b>\$ 3,558</b> | <b>\$ 2,747</b> | <b>\$ 2,209</b> | <b>\$ 566</b>   | <b>\$ 1,504</b> | <b>\$ 920</b>   | <b>\$ 1,246</b> | <b>\$ 2,111</b> | <b>\$ 2,962</b> | <b>\$ 2,279</b> | <b>\$ 2,249</b> | <b>\$ 3,181</b> | <b>\$ 3,619</b> | <b>22%</b> |
| <b>Adjusted EBITDA by segment</b>                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| Retail  | \$ 208          | \$ 561          | \$ 889          | \$ 513          | \$ 36           | \$ (191)        | \$ 440          | \$ 13           | \$ 106          | \$ 316          | \$ 879          | \$ 481          | \$ 188          | \$ 582          | \$ 943          | 7%         |
| B2B   | 79              | 135             | 155             | 101             | 32              | (123)           | (47)            | (52)            | (57)            | (4)             | 74              | 97              | 80              | 156             | 221             | 198%       |
| Unallocated overhead costs  | (135)           | (148)           | (144)           | (165)           | (143)           | (106)           | (96)            | (117)           | (103)           | (116)           | (116)           | (119)           | (120)           | (123)           | (119)           | 3%         |
| Expedia Group (excluding trivago)                                   | \$ 152          | \$ 548          | \$ 900          | \$ 449          | \$ (75)         | \$ (420)        | \$ 297          | \$ (156)        | \$ (54)         | \$ 196          | \$ 837          | \$ 459          | \$ 148          | \$ 615          | \$ 1,045        | 25%        |
| trivago   | 24              | 20              | 12              | 29              | (1)             | (16)            | 7               | (4)             | (4)             | 5               | 18              | 20              | 25              | 33              | 34              | 85%        |
| <b>Total</b>  | <b>\$ 176</b>   | <b>\$ 568</b>   | <b>\$ 912</b>   | <b>\$ 478</b>   | <b>\$ (76)</b>  | <b>\$ (436)</b> | <b>\$ 304</b>   | <b>\$ (160)</b> | <b>\$ (58)</b>  | <b>\$ 201</b>   | <b>\$ 855</b>   | <b>\$ 479</b>   | <b>\$ 173</b>   | <b>\$ 648</b>   | <b>\$ 1,079</b> | <b>26%</b> |
| Net income (loss) attributable to Expedia Group common stockholders | \$ (103)        | \$ 183          | \$ 409          | \$ 76           | \$ (1,301)      | \$ (753)        | \$ (221)        | \$ (412)        | \$ (606)        | \$ (301)        | \$ 362          | \$ 276          | \$ (122)        | \$ (185)        | \$ 482          | 33%        |
| <b>Worldwide lodging (merchant &amp; agency)</b>                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |            |
| Booked room nights  | 103.9           | 100.8           | 101.3           | 86.3            | 58.5            | 12.2            | 41.1            | 33.3            | 54.0            | 68.4            | 65.4            | 59.7            | 77.0            | 82.5            | 81.6            |            |
| Booked room night growth  | 9 %             | 10 %            | 11 %            | 9 %             | (44)%           | (88)%           | (59)%           | (61)%           | (8)%            | 462 %           | 59 %            | 79 %            | 43 %            | 21 %            | 25 %            |            |
| Booked ADR growth   | (2)%            | (1)%            | — %             | — %             | (2)%            | (14)%           | 2 %             | 4 %             | 34 %            | 49 %            | 21 %            | 23 %            | 4 %             | 3 %             | 5 %             |            |

|                                   | 2019 |       |       |      | 2020  |       |       |       | 2021  |       |       |       | 2022 |      |      | Y/Y    |
|-----------------------------------|------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|--------|
|                                   | Q1   | Q2    | Q3    | Q4   | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1   | Q2   | Q3   | Growth |
| Stayed room nights                | 80.8 | 100.1 | 116.5 | 91.6 | 69.4  | 19.2  | 48.8  | 36.1  | 37.1  | 56.6  | 77.8  | 62.9  | 56.5 | 79.1 | 93.2 |        |
| Stayed room night growth          | 9 %  | 12 %  | 11 %  | 11 % | (14)% | (81)% | (58)% | (61)% | (47)% | 196 % | 59 %  | 74 %  | 52 % | 40 % | 20 % |        |
| Stayed ADR growth                 | (1)% | — %   | (1)%  | — %  | 2 %   | 1 %   | 8 %   | 2 %   | 8 %   | 21 %  | 19 %  | 23 %  | 20 % | 9 %  | 4 %  |        |
| Revenue per night growth          | (2)% | 1 %   | — %   | (1)% | 6 %   | 15 %  | 14 %  | 6 %   | 10 %  | 7 %   | 17 %  | 24 %  | 17 % | 12 % | 5 %  |        |
| Lodging revenue growth            | 7 %  | 12 %  | 11 %  | 9 %  | (9)%  | (78)% | (52)% | (58)% | (41)% | 215 % | 87 %  | 116 % | 78 % | 57 % | 25 % |        |
| Worldwide air (merchant & agency) |      |       |       |      |       |       |       |       |       |       |       |       |      |      |      |        |
| Tickets sold growth               | 11 % | 10 %  | 8 %   | — %  | (26)% | (85)% | (74)% | (69)% | (50)% | 299 % | 132 % | 92 %  | 48 % | 1 %  | (4)% |        |
| Airfare growth                    | (1)% | 1 %   | — %   | 1 %  | (5)%  | (35)% | (36)% | (31)% | (26)% | 30 %  | 31 %  | 32 %  | 39 % | 35 % | 32 % |        |
| Revenue per ticket growth         | (7)% | (7)%  | (10)% | (9)% | (41)% | NM    | (48)% | (35)% | (10)% | NM    | (2)%  | (12)% | 1 %  | 21 % | 69 % |        |
| Air revenue growth                | 3 %  | 2 %   | (3)%  | (8)% | (56)% | NM    | (87)% | (80)% | (55)% | NM    | 128 % | 68 %  | 50 % | 22 % | 61 % |        |

Notes:

- All comparisons are against comparable period of prior year unless otherwise noted.
- Advertising & Media Revenue includes third party revenue from trivago. All trivago revenue is classified as Non-U.S. point of sale.
- Corporate includes product revenue subsequent to our acquisition of Bodybuilding.com in July 26, 2019 through its sale in May 2020.
- B2B includes Egencia through its sale in November 2021.
- Some numbers may not add due to rounding. All percentages above and throughout this release are calculated on precise, unrounded numbers

### ***Notes & Definitions:***

**Gross Bookings:** Gross bookings generally represent the total retail value of transactions booked, recorded at the time of booking reflecting the total price due for travel by travelers, including taxes, fees and other charges, adjusted for cancellations and refunds.

**Retail:** The 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, localized Expedia and Hotels.com websites throughout the world, Vrbo, Orbitz, Travelocity, Wotif Group, ebookers, Hotwire.com, CarRentals.com.

**B2B:** The B2B segment is comprised of our Expedia Business Services organization which consists of Expedia Partner Solutions, which operates private label and co-branded programs to make travel services available to leisure travelers through third-party company branded websites. Expedia Group results include Egencia through its sale on November 1, 2021.

**trivago:** The trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its localized hotel metasearch websites.

**Corporate:** Includes unallocated corporate expenses as well as Bodybuilding.com subsequent to our acquisition in July 2019 through its sale in May 2020.

**Lodging Metrics:** Reported on a stayed and booked basis. Lodging consists of both merchant and agency model hotel and alternative accommodations.

**Room Nights Stayed:** Room nights stayed represent stayed hotel room nights and include property nights for our Retail reportable segment and stayed hotel room nights for our B2B reportable segment. Stayed hotel room nights include both merchant and agency hotel stays. Property nights, which are related to our alternative accommodation business, are reported upon the first day of stay and check-in to a property and represent the total number of nights for which a property is rented.

**Room Nights Booked:** Room nights booked represent booked hotel room nights and include property nights for our Retail reportable segment and booked hotel room nights for our B2B reportable segment. Booked hotel room nights include both merchant and agency hotel stays. Property nights are related to our alternative accommodation business.

**Air Metrics:** Reported on a booked basis and includes both merchant and agency air bookings.

### **Definitions of Non-GAAP Measures**

Expedia Group reports Adjusted EBITDA, Adjusted Net Income (Loss), Adjusted EPS, Free Cash Flow and Adjusted Expenses (non-GAAP cost of revenue, non-GAAP selling and marketing, non-GAAP technology and content and non-GAAP general and administrative), all of which are supplemental measures to GAAP and are defined by the SEC as non-GAAP financial measures. These measures are 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. These non-GAAP measures 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, Adjusted Net Income (Loss) and Adjusted EPS have certain limitations in that they do 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 measures presented by also providing the most directly comparable GAAP measures and descriptions of the reconciling items and adjustments to derive the non-GAAP measures. Adjusted EBITDA, Adjusted Net Income (Loss) and Adjusted EPS also exclude certain items related to transactional tax matters, which may ultimately be settled in cash. We urge investors to review the detailed disclosure regarding these matters in the Management Discussion and Analysis and Legal Proceedings sections, as well as the notes to the financial statements, included in the Company's annual and quarterly reports filed with the Securities and Exchange Commission. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The definition of Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization was revised in the fourth quarter of 2012 and in the first quarter of 2016 and the definition for Adjusted Net Income (Loss) was revised in the fourth quarters of 2010, 2011, 2012 and 2017. The definition of Adjusted Expenses was revised in the first quarter of 2014 and in the second quarter 2015.

**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; and
  - (iii) upfront consideration paid to settle employee compensation plans of the acquiree;
- (6) certain other items, including restructuring;
- (7) items included in legal reserves, occupancy tax and other, which includes reserves for potential settlement of issues related to transactional taxes (e.g. hotel and excise taxes), related to court decisions and final settlements, and charges incurred, if any, for monies that may be required to be paid in advance of litigation in certain transactional tax proceedings;
- (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 non-cash 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.

Adjusted Net Income (Loss) generally captures all items on the statements of operations that occur in normal course operations and have been, or ultimately will be, settled in cash and is defined as net income (loss) attributable to Expedia Group plus the following items, net of tax:

- (1) stock-based compensation expense, including compensation expense related to equity plans of certain subsidiaries and equity-method investments;
- (2) acquisition-related impacts, including:
  - (i) amortization of intangible assets, including as part of equity-method investments, and goodwill and intangible asset impairment;
  - (ii) gains (losses) recognized on changes in the value of contingent consideration arrangements;
  - (iii) upfront consideration paid to settle employee compensation plans of the acquiree; and
  - (iv) gains (losses) recognized on non-controlling investment basis adjustments when we acquire or lose controlling interests;
- (3) currency gains or losses on U.S. dollar denominated cash;
- (4) since adoption of new accounting guidance in the first quarter of 2018, the changes in fair value of equity investments;
- (5) certain other items, including restructuring charges;
- (6) items included in legal reserves, occupancy tax and other, which includes reserves for potential settlement of issues related to transactional taxes (e.g., hotel occupancy and excise taxes), related court decisions and final settlements, and charges incurred, if any, for monies that may be required to be paid in advance of litigation in certain transactional tax proceedings, including as part of equity method investments;
- (7) discontinued operations;
- (8) the non-controlling interest impact of the aforementioned adjustment items; and
- (9) unrealized gains (losses) on revenue hedging activities that are included in other, net.

Adjusted Net Income (Loss) includes preferred share dividends. We believe Adjusted Net Income (Loss) is useful to investors because it represents Expedia Group's combined results, taking into account depreciation, which

management believes is an ongoing cost of doing business, but excluding the impact of certain expenses and items not directly tied to the core operations of our businesses.

Adjusted EPS is defined as Adjusted Net Income (Loss) divided by adjusted weighted average shares outstanding, which, when applicable, include dilution from our convertible debt instruments per the treasury stock method for Adjusted EPS. The treasury stock method assumes we would elect to settle the principal amount of the debt for cash and the conversion premium for shares. If the conversion prices for such instruments exceed our average stock price for the period, the instruments generally would have no impact to adjusted weighted average shares outstanding. This differs from the GAAP method for dilution from our convertible debt instruments, which include them on an if-converted method. We believe Adjusted EPS is useful to investors because it represents, on a per share basis, Expedia Group's consolidated results, taking into account depreciation, which we believe is an ongoing cost of doing business, as well as other items which are not allocated to the operating businesses such as interest expense, taxes, foreign exchange gains or losses, and minority interest, but excluding the effects of certain expenses not directly tied to the core operations of our businesses. Adjusted Net Income (Loss) and Adjusted EPS have similar limitations as Adjusted EBITDA. In addition, Adjusted Net Income (Loss) does not include all items that affect our net income (loss) and net income (loss) per share for the period. Therefore, we think it is important to evaluate these measures along with our consolidated statements of operations.

Free Cash Flow is defined as net cash flow provided by operating activities less capital expenditures. Management believes Free Cash Flow is useful to investors because it represents the operating cash flow that our operating businesses generate, less capital expenditures but before taking into account other cash movements that are not directly tied to the core operations of our businesses, such as financing activities, foreign exchange or certain investing activities. We added additional detail for the capital expenditures associated with building our new headquarters facility in Seattle, Washington. We believe separating out capital expenditures for this discrete project is important to provide additional transparency to investors related to operating versus project-related capital expenditures. Free Cash Flow has certain limitations in that it does not represent the total increase or decrease in the cash balance for the period, nor does it represent the residual cash flow for discretionary expenditures. Therefore, it is important to evaluate Free Cash Flow along with the consolidated statements of cash flows.

Adjusted Expenses (cost of revenue, selling and marketing, technology and content and general and administrative expenses) exclude stock-based compensation related to expenses for stock options, restricted stock units and other equity compensation under applicable stock-based compensation accounting standards. Expedia Group excludes stock-based compensation from these measures primarily because they are non-cash expenses that we do not believe are necessarily reflective of our ongoing cash operating expenses and cash operating income. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use when adopting applicable stock-based compensation accounting standards, management believes that providing non-GAAP financial measures that exclude stock-based compensation allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies, as well as providing management with an important tool for financial operational decision making and for evaluating our own recurring core business operating results over different periods of time. There are certain limitations in using financial measures that do not take into account stock-based compensation, including the fact that stock-based compensation is a recurring expense and a valued part of employees' compensation. Therefore, it is important to evaluate both our GAAP and non-GAAP measures. See the Notes to the Consolidated Statements of Operations for stock-based compensation by line item.

Expedia Group, Inc. (excluding trivago) In order to provide increased transparency on the transaction-based component of the business, Expedia Group is reporting results both in total and excluding trivago.

In addition, we evaluate certain operating and financial measures, including revenue growth, on both an as-reported and excluding the impact of foreign exchange, FX neutral, basis. FX neutral results are among the primary metrics by which management evaluates the performance of the business and management believes that investors should have access to the same set of tools that management uses to analyze our results. We estimate FX neutral revenue growth by (i) excluding the FX impacts resulting from the time period between a transaction's booking date and

revenue recognition date for both the current and prior year periods, and (ii) converting our current-year period results for transactions recorded in currencies other than U.S. Dollars using the corresponding prior-year period exchange rates rather than the current-year period exchange rates.

### Tabular Reconciliations for Non-GAAP Measures

Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation & Amortization) by Segment<sup>(1)</sup>

|  | Three months ended September 30, 2022 |               |              |                          |                 |
|--|---------------------------------------|---------------|--------------|--------------------------|-----------------|
|  | Retail                                | B2B           | trivago      | Corporate & Eliminations | Total           |
|  | (In millions)                         |               |              |                          |                 |
| Operating income (loss)                | \$ 827                                | \$ 205        | \$ 32        | \$ (317)                 | \$ 747          |
| Realized gain (loss) on revenue hedges | (10)                                  | (6)           | —            | —                        | (16)            |
| Stock-based compensation               | —                                     | —             | —            | 97                       | 97              |
| Amortization of intangible assets      | —                                     | —             | —            | 23                       | 23              |
| Depreciation                           | 126                                   | 22            | 2            | 26                       | 176             |
| Impairment of intangible assets        | —                                     | —             | —            | 52                       | 52              |
| Adjusted EBITDA <sup>(1)</sup>         | <u>\$ 943</u>                         | <u>\$ 221</u> | <u>\$ 34</u> | <u>\$ (119)</u>          | <u>\$ 1,079</u> |

  

|  | Three months ended September 30, 2021 |              |              |                          |               |
|--|---------------------------------------|--------------|--------------|--------------------------|---------------|
|  | Retail                                | B2B          | trivago      | Corporate & Eliminations | Total         |
|  | (In millions)                         |              |              |                          |               |
| Operating income (loss)                          | \$ 757                                | \$ 50        | \$ 15        | \$ (298)                 | \$ 524        |
| Realized gain (loss) on revenue hedges           | (8)                                   | —            | —            | —                        | (8)           |
| Restructuring and related reorganization charges | —                                     | —            | —            | 12                       | 12            |
| Legal reserves, occupancy tax and other          | —                                     | —            | —            | 10                       | 10            |
| Stock-based compensation                         | —                                     | —            | —            | 116                      | 116           |
| Amortization of intangible assets                | —                                     | —            | —            | 24                       | 24            |
| Depreciation                                     | 130                                   | 24           | 3            | 20                       | 177           |
| Adjusted EBITDA <sup>(1)</sup>                   | <u>\$ 879</u>                         | <u>\$ 74</u> | <u>\$ 18</u> | <u>\$ (116)</u>          | <u>\$ 855</u> |

(1) Adjusted EBITDA for our Retail and B2B segments includes allocations of certain expenses, primarily cost of revenue and facilities, the total costs of our global travel supply organizations, the majority of platform and marketplace technology 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.

*Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation & Amortization)*

|   | <b>Three months ended<br/>September 30,</b> |               | <b>Nine months ended<br/>September 30,</b> |               |
|---|---|---------------|--|---------------|
|   | <b>2022</b>                                 | <b>2021</b>   | <b>2022</b>                                | <b>2021</b>   |
|   | (In millions)                               |               |  |               |
| Net income (loss) attributable to Expedia Group, Inc.       | \$ 482                                      | \$ 376        | \$ 175                                     | \$ (374)      |
| Net income (loss) attributable to non-controlling interests | (6)   | 2             | (7)  | (6)           |
| Provision for income taxes                                  | 214   | 87            | 187  | (129)         |
| Total other expense, net                                    | 57  | 59            | 602  | 532           |
| Operating income  | 747   | 524           | 957  | 23            |
| Gain (loss) on revenue hedges related to revenue recognized | (16)  | (8)           | (34)                                       | (14)          |
| Restructuring and related reorganization charges            | —   | 12            | —  | 54            |
| Legal reserves, occupancy tax and other                     | —   | 10            | 23   | 1             |
| Stock-based compensation                                    | 97  | 116           | 280  | 319           |
| Depreciation and amortization                               | 199   | 201           | 593  | 615           |
| Impairment of intangible assets                             | 52  | —             | 81   | —             |
| Adjusted EBITDA   | <u>\$ 1,079</u>                             | <u>\$ 855</u> | <u>\$ 1,900</u>                            | <u>\$ 998</u> |

Adjusted Net Income (Loss) & Adjusted EPS

|   | Three months ended<br>September 30,            |         | Nine months ended<br>September 30, |           |
|---|--|---------|------------------------------------|-----------|
|   | 2022   | 2021    | 2022                               | 2021      |
|   | (In millions, except share and per share data) |         |                                    |           |
| Net income (loss) attributable to Expedia Group, Inc.             | \$ 482   | \$ 376  | \$ 175                             | \$ (374)  |
| Less: Net (income) loss attributable to non-controlling interests | 6  | (2)     | 7                                  | 6         |
| Less: Provision for income taxes                                  | (214)  | (87)    | (187)                              | 129       |
| Income (loss) before income taxes                                 | 690  | 465     | 355                                | (509)     |
| Amortization of intangible assets                                 | 23   | 24      | 66                                 | 77        |
| Stock-based compensation  | 97   | 116     | 280                                | 319       |
| Legal reserves, occupancy tax and other                           | —  | 10      | 23                                 | 1         |
| Restructuring and related reorganization charges                  | —  | 12      | —                                  | 54        |
| Impairment of intangible assets                                   | 52   | —       | 81                                 | —         |
| Unrealized (gain) loss on revenue hedges                          | (9)  | (3)     | (15)                               | (5)       |
| Loss on minority equity investments, net                          | 71   | 11      | 423                                | 7         |
| (Gain) loss on debt extinguishment, net                           | (73)   | —       | (49)                               | 280       |
| Gain on sale of business, net                                     | —  | (54)    | (2)                                | (55)      |
| Adjusted income before income taxes                               | 851  | 581     | 1,162                              | 169       |
| GAAP Provision for income taxes                                   | (214)  | (87)    | (187)                              | 129       |
| Provision for income taxes for adjustments                        | 12   | 78      | (74)                               | (144)     |
| Total Adjusted provision for income taxes                         | (202)  | (9)     | (261)                              | (15)      |
| Total Adjusted income tax rate                                    | 23.7 %   | 1.5 %   | 22.5 %                             | 8.8 %     |
| Non-controlling interests   | (9)  | (5)     | (25)                               | —         |
| Preferred stock dividend  | —  | (14)    | —                                  | (64)      |
| Adjusted net income attributable to Expedia Group, Inc.           | \$ 640   | \$ 553  | \$ 876                             | \$ 90     |
| GAAP diluted weighted average shares outstanding (000's)          | 161,829  | 160,460 | 162,495                            | 148,453   |
| Adjustment to dilutive securities (000's)                         | (3,921)  | (3,921) | (3,921)                            | 7,295     |
| Adjusted weighted average shares outstanding (000's)              | 157,908  | 156,539 | 158,574                            | 155,748   |
| GAAP diluted earnings (loss) per share                            | \$ 2.98  | \$ 2.26 | \$ 1.08                            | \$ (3.67) |
| Adjusted earnings per share attributable to Expedia Group, Inc.   | \$ 4.05  | \$ 3.53 | \$ 5.53                            | \$ 0.58   |
| <i>Ex-trivago Adjusted Net Income (Loss) and Adjusted EPS</i>     |  |         |                                    |           |
| Adjusted net income attributable to Expedia Group, Inc.           | \$ 640   | \$ 553  | \$ 876                             | \$ 90     |
| Less: Adjusted net income (loss) attributable to trivago          | 17   | (4)     | 46                                 | 3         |
| Adjusted net income excluding trivago                             | \$ 623   | \$ 557  | \$ 830                             | \$ 87     |
| Adjusted earnings per share attributable to Expedia Group, Inc.   | \$ 4.05  | \$ 3.53 | \$ 5.53                            | \$ 0.58   |
| Less: Adjusted earnings (loss) per share attributable to trivago  | 0.11   | (0.02)  | 0.29                               | 0.02      |
| Adjusted earnings per share excluding trivago                     | \$ 3.94  | \$ 3.56 | \$ 5.23                            | \$ 0.56   |



Free Cash Flow

|   | Three months ended<br>September 30, |                   | Nine months ended<br>September 30, |                 |
|---|-------------------------------------|-------------------|------------------------------------|-----------------|
|   | 2022                                | 2021              | 2022                               | 2021            |
|   | (In millions)                       |                   |                                    |                 |
| Net cash provided by (used in) operating activities | \$ (997)                            | \$ (1,221)        | \$ 3,622                           | \$ 3,463        |
| Headquarters capital expenditures                   | —                                   | —                 | —                                  | (23)            |
| Non-headquarters capital expenditures               | (170)                               | (179)             | (485)                              | (507)           |
| Less: Total capital expenditures                    | (170)                               | (179)             | (485)                              | (530)           |
| Free cash flow                                      | <u>\$ (1,167)</u>                   | <u>\$ (1,400)</u> | <u>\$ 3,137</u>                    | <u>\$ 2,933</u> |

Adjusted Expenses (Cost of revenue, selling and marketing, technology and content and general and administrative expenses)

|   | Three months ended<br>September 30, |                 | Nine months ended<br>September 30, |                 |
|---|-------------------------------------|-----------------|------------------------------------|-----------------|
|   | 2022                                | 2021            | 2022                               | 2021            |
|   | (In millions)                       |                 |                                    |                 |
| Cost of revenue   | \$ 455                              | \$ 442          | \$ 1,245                           | \$ 1,127        |
| Less: stock-based compensation                                  | 4                                   | 6               | 10                                 | 17              |
| Adjusted cost of revenue  | \$ 451                              | \$ 436          | \$ 1,235                           | \$ 1,110        |
| Less: trivago cost of revenue <sup>(1)</sup>                    | 5                                   | 6               | 13                                 | 13              |
| Adjusted cost of revenue excluding trivago                      | <u>\$ 446</u>                       | <u>\$ 430</u>   | <u>\$ 1,222</u>                    | <u>\$ 1,097</u> |
| Selling and marketing expense                                   | \$ 1,669                            | \$ 1,314        | \$ 4,724                           | \$ 3,177        |
| Less: stock-based compensation                                  | 18                                  | 29              | 50                                 | 78              |
| Adjusted selling and marketing expense                          | \$ 1,651                            | \$ 1,285        | \$ 4,674                           | \$ 3,099        |
| Less: trivago selling and marketing expense <sup>(1)(2)</sup>   | 68                                  | 80              | 148                                | 158             |
| Adjusted selling and marketing expense excluding trivago        | <u>\$ 1,583</u>                     | <u>\$ 1,205</u> | <u>\$ 4,526</u>                    | <u>\$ 2,941</u> |
| Technology and content expense                                  | \$ 310                              | \$ 277          | \$ 864                             | \$ 800          |
| Less: stock-based compensation                                  | 28                                  | 32              | 82                                 | 91              |
| Adjusted technology and content expense                         | \$ 282                              | \$ 245          | \$ 782                             | \$ 709          |
| Less: trivago technology and content expense <sup>(1)</sup>     | 11                                  | 12              | 36                                 | 37              |
| Adjusted technology and content expense excluding trivago       | <u>\$ 271</u>                       | <u>\$ 233</u>   | <u>\$ 746</u>                      | <u>\$ 672</u>   |
| General and administrative expense                              | \$ 187                              | \$ 182          | \$ 562                             | \$ 522          |
| Less: stock-based compensation                                  | 47                                  | 49              | 138                                | 133             |
| Adjusted general and administrative expense                     | \$ 140                              | \$ 133          | \$ 424                             | \$ 389          |
| Less: trivago general and administrative expense <sup>(1)</sup> | 7                                   | 6               | 23                                 | 21              |
| Adjusted general and administrative expense excluding trivago   | <u>\$ 133</u>                       | <u>\$ 127</u>   | <u>\$ 401</u>                      | <u>\$ 368</u>   |

Note: Some numbers may not add due to rounding.

(1) trivago amount presented without stock-based compensation as those are included with the consolidated totals above.

(2) Selling and marketing expense adjusted to add back Retail spend on trivago eliminated in consolidation.

## **Conference Call**

Expedia Group, Inc. will webcast a conference call to discuss third quarter 2022 financial results and certain forward-looking information on Thursday, November 3, 2022 at 1:30 p.m. Pacific Time (PT). The webcast will be open to the public and available via [ir.expediagroup.com](http://ir.expediagroup.com). Expedia Group expects to maintain access to the webcast on the IR website for approximately three months subsequent to the initial broadcast.

## **Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995**

This release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These forward-looking statements are based on assumptions that are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as “believe,” “estimate,” “expect” 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 and may include statements relating to future revenues, expenses, margins, profitability, net income (loss), earnings per share and other measures of results of operations and the prospects for future growth of Expedia Group, Inc.’s business. Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those described in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed periodic reports on Form 10-K and Form 10-Q, which are available on our investor relations website at [ir.expediagroup.com](http://ir.expediagroup.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). All information provided in this release is as of November 3, 2022. Undue reliance should not be placed on forward-looking statements in this release, which are based on information available to us on the date hereof. We undertake no duty to update this information unless required by law.

## **About Expedia Group**

Expedia Group, Inc. (NASDAQ: EXPE) companies power travel for everyone, everywhere through our global platform. Driven by the core belief that travel is a force for good, we help people experience the world in new ways and build lasting connections. We provide industry-leading technology solutions to fuel partner growth and success, while facilitating memorable experiences for travelers. Our organization is made up of three pillars: Expedia Product & Technology, focused on the group’s product and technical strategy and offerings; Expedia Brands, housing all our consumer brands; and Expedia for Business, consisting of business-to-business solutions and relationships throughout the travel ecosystem. The Expedia Group family of brands includes: Expedia®, Hotels.com®, Expedia® Partner Solutions, Vrbo®, trivago®, Orbitz®, Travelocity®, Hotwire®, Wotif®, ebookers®, CheapTickets®, Expedia Group™ Media Solutions, CarRentals.com™, and Expedia Cruises™.

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