



TM

expedia group™

Investor Presentation

February 7, 2019





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Non-GAAP measures. Reconciliations to GAAP measures of non-GAAP measures included in this presentation are included in the Appendix. These measures are intended to supplement, not substitute for, GAAP comparable measures. Investors are urged to consider carefully the comparable GAAP measures and reconciliations.

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Key investment highlights

- 1) Huge addressable market
- 2) Operating global multi-product travel platform
- 3) Harnessing significant scale and technological advantages
- 4) Leading brands with loyal customer base
- 5) Strong financial performance on solid trajectory
- 6) Attractive free cash flow generation
- 7) Track record of successful M&A and smart capital allocation



Huge opportunity in \$1.7T global market



US and
Canada



EMEA

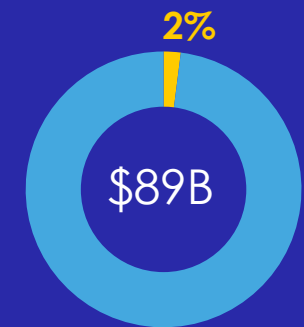
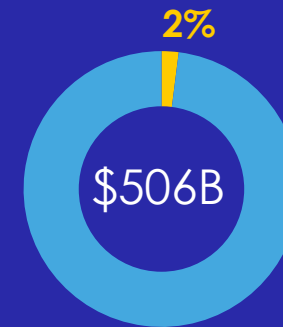
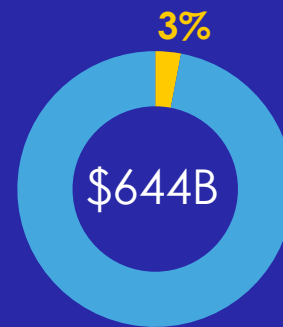
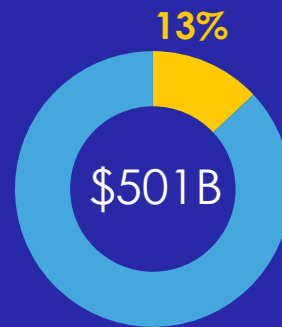


Asia
Pacific



Latin
America

2019 total travel market
Total travel market ~\$1.7T



■ Expedia Group ■ Other

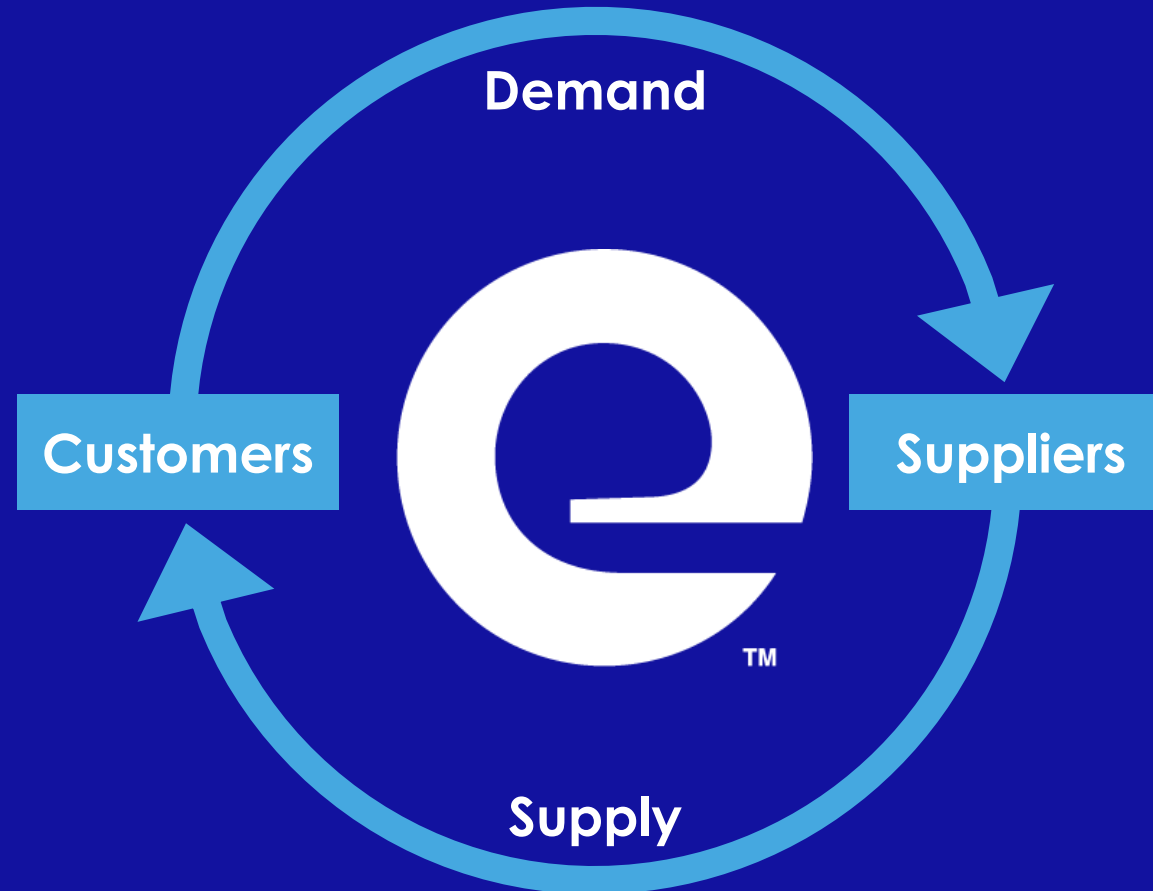
Notes: Expedia Group's share of travel market defined as gross bookings during 2018. Travel market size estimates based on Phocuswright data for 2019. 2019 data includes alternative accommodations and activities, which were not included prior to 2018. Sources: Phocuswright estimates and Expedia Group data.



World's largest diversified travel platform

High volume & diversity of Customers

-  Monthly visits¹
750M+
-  Active corporate travelers
2M+
-  Powering
~100K
Offline travel agents²
-  **35K+**
B2B partners leveraging
our platform
-  Contacts handled annually³
50M+



Broad and diversified Supply partners

-  Properties on core
lodging platform⁴
1M+
-  HomeAway online bookable
listings
1.8M+
-  Airlines
500+
-  Car rental companies
175+
-  Unique activities
35K+

Notes: Expedia Group data shown as of 12/31/18, unless otherwise noted. ¹Monthly visits based on data for Brand Expedia, Hotels.com, Orbitz, Travelocity, Wotif, HomeAway, trivago and Hotwire combined during 2018. ²Offline travel agents based on number of sales agents in Global Customer Operations, Expedia Partner Solutions (EPS), HomeAway, Classic Vacations, CruiseShipCenters, Travel Agent Affiliate Program (TAAP). ³Contacts handled annually include calls, emails, chats and social media. ⁴Includes more than 370,000 integrated HomeAway listings.



Unmatched portfolio of leading travel brands

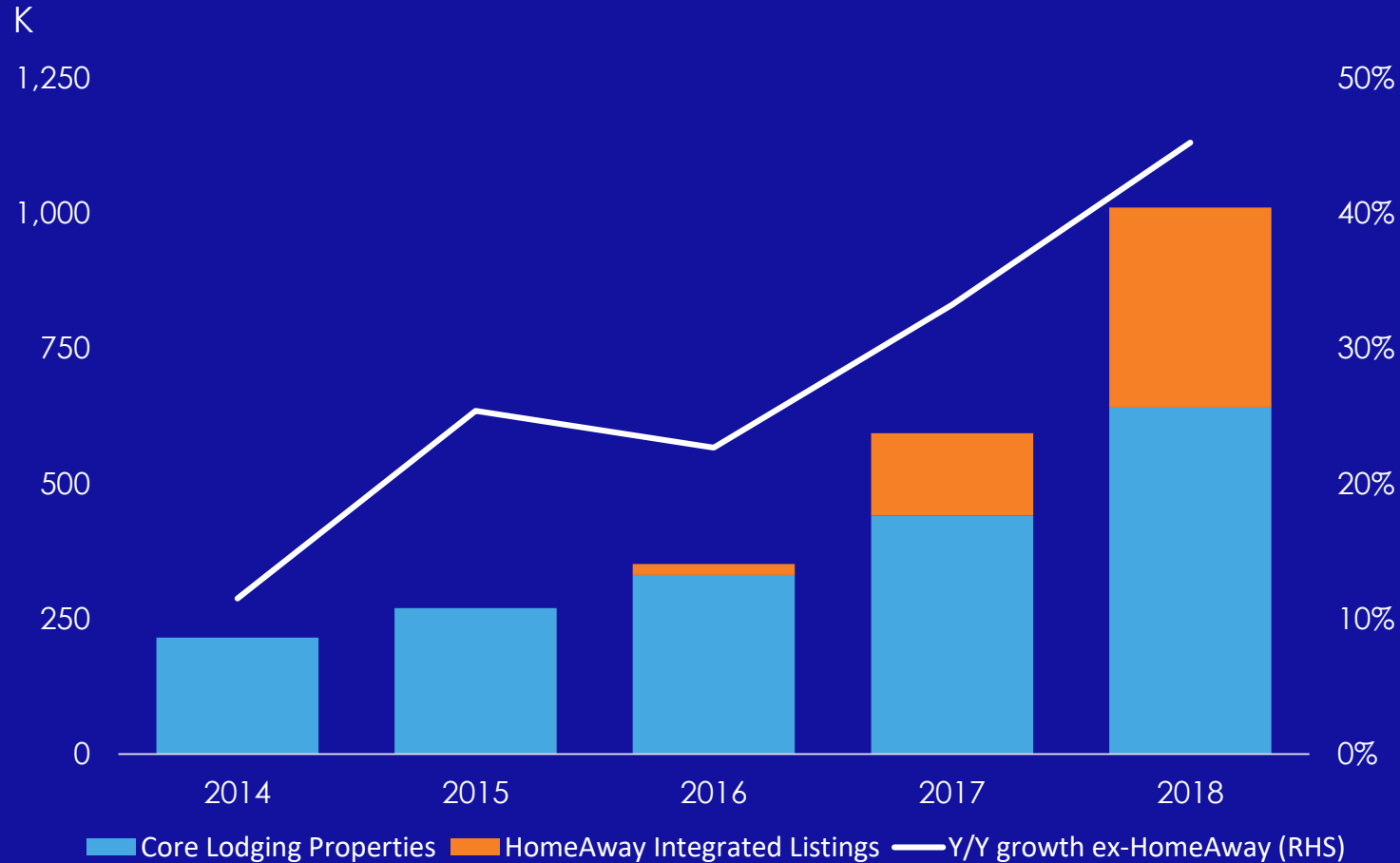


Notes: All stats shown are for the year ended 12/31/2018. ¹trivago revenue includes intercompany revenue.



Rapidly expanding supply

Property count



Core lodging platform includes
Over 1M
properties



Expedia loyalty programs drive repeat & create competitive differentiation



- 43M+ members
- 17M+ reward nights redeemed to date

Hotels.com Rewards™

Over 43 million members get instant savings with Secret Prices and enjoy reward nights



Collect 10 nights, get 1 reward night



- 30M+ members
- Available in 30+ countries

Redeem points

You've earned enough Expedia Rewards points to get \$6.22 off your next hotel.

Check it out

See Expedia Rewards activity

Check out the activity on your account to see how close you are to your next award.

Show activity

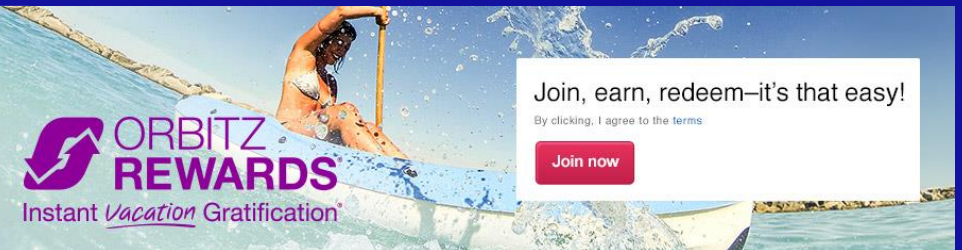
Shop as a member

See exclusive offers shown only to Expedia Rewards members.

Shop now



- 9M+ members
- Members booked >2x more hotels than non-members



Notes: All metrics provided are as of 12/31/18.



Investments in mobile drive growth & engagement



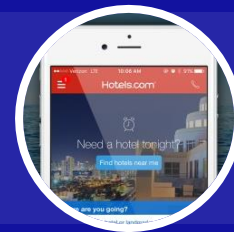
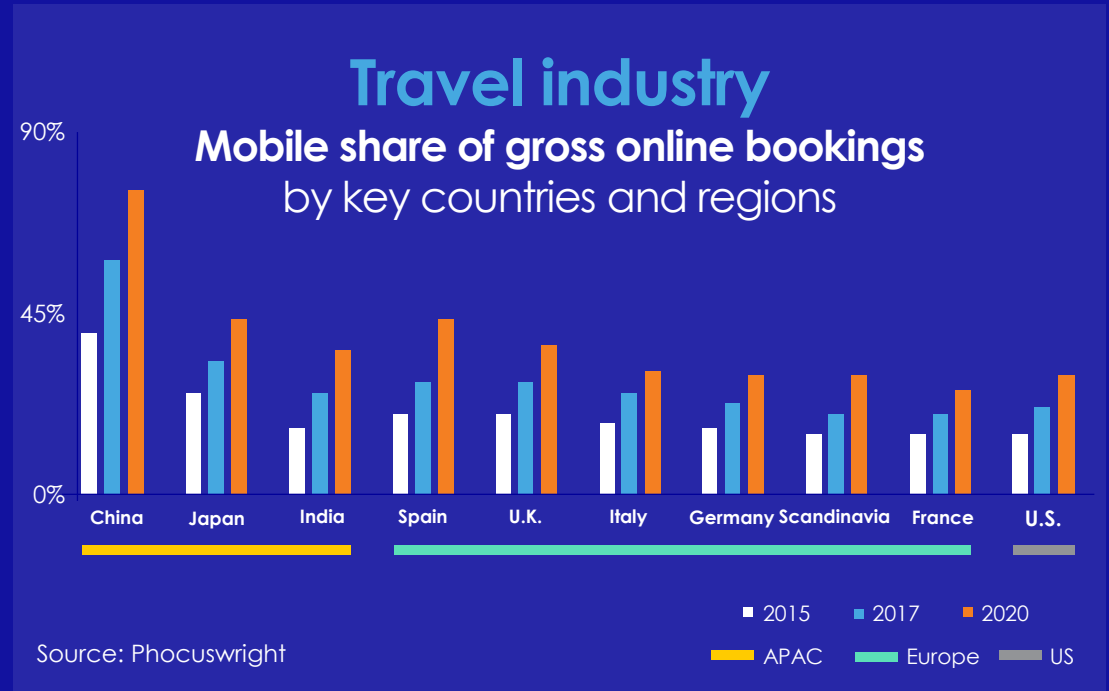
300M+
cumulative app downloads¹



More than
1 in 3
transactions booked via mobile²



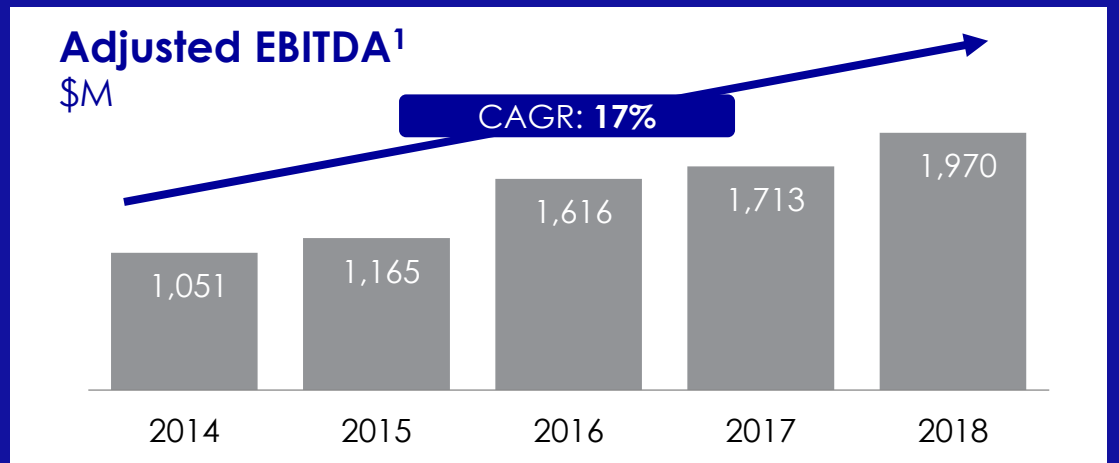
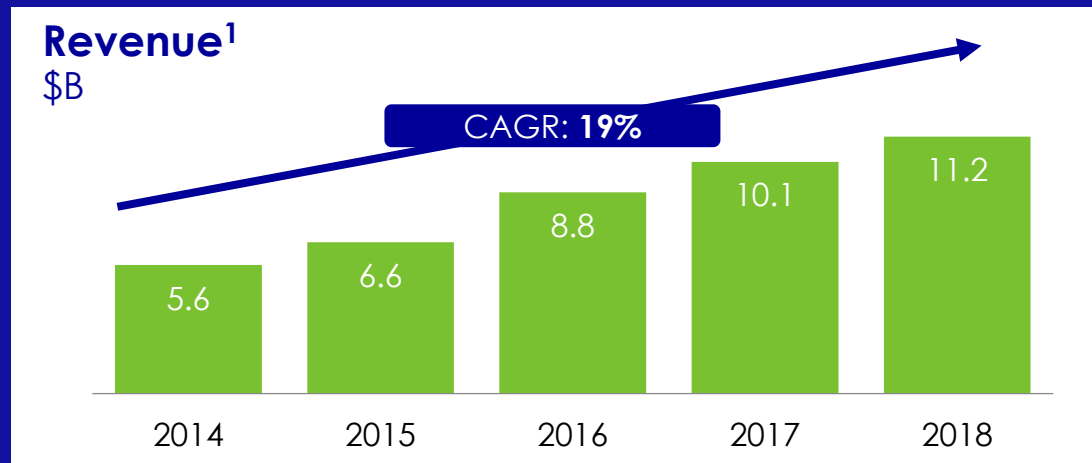
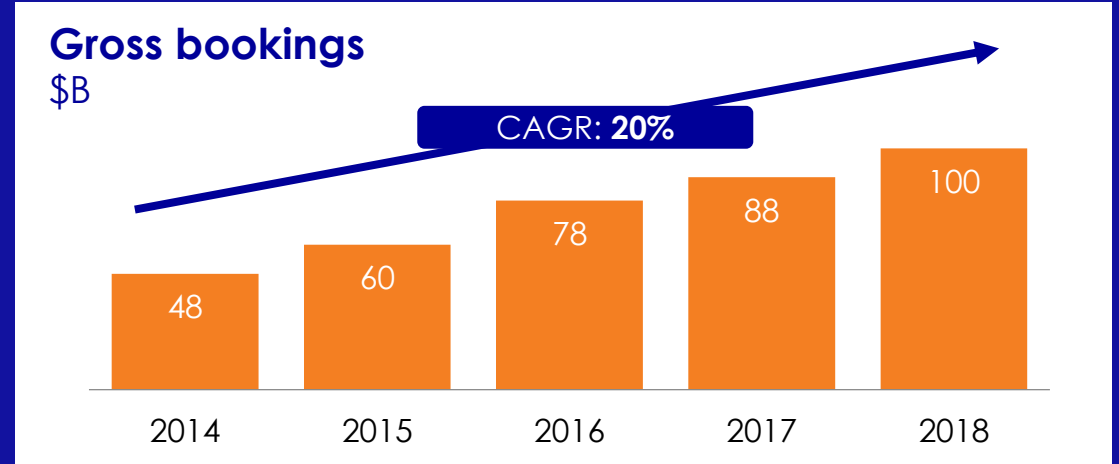
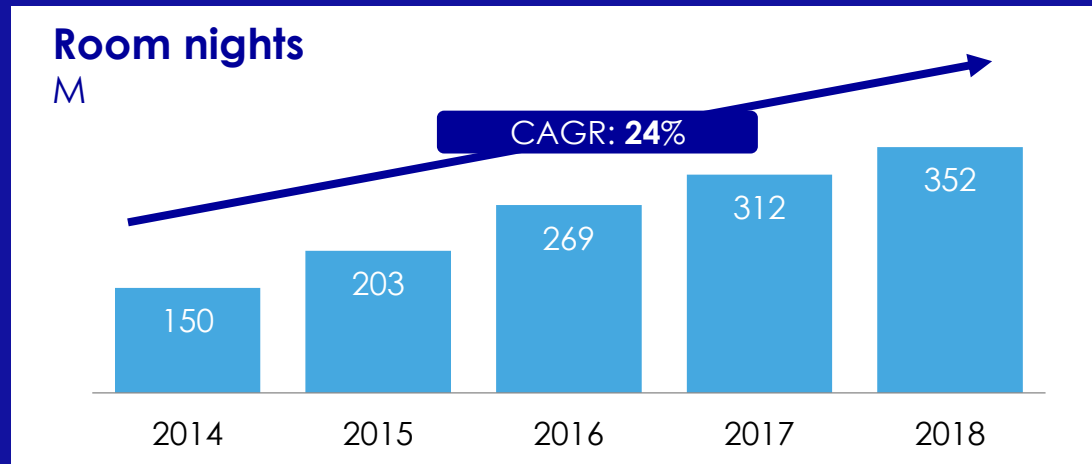
Nearly **50%**
y/y growth in app transactions
in 2018³



Notes: ¹Cumulative app downloads as of 12/31/18 for all Expedia Group brands. ²Based on Expedia Group transactions in 2018. ³Includes Brand Expedia and Hotels.com



Strong financial execution



Notes: All figures shown excluding eLong. ¹Non-GAAP measure. See Appendix for non-GAAP to GAAP reconciliation.



New Seattle headquarters of Expedia Group

Building for the future



Key facts

- 40 acres on Seattle waterfront
- Initial build out of ~1.2M sq. ft. with approval to build up to 1.9M total sq. ft. over 15 years
- New construction began in late 2017
- Expect to begin moving in late 2019

Benefits

- A single, unified campus for Seattle area employees
- Helps attract and retain key talent
- Ample room to accommodate long-term growth

Financial considerations

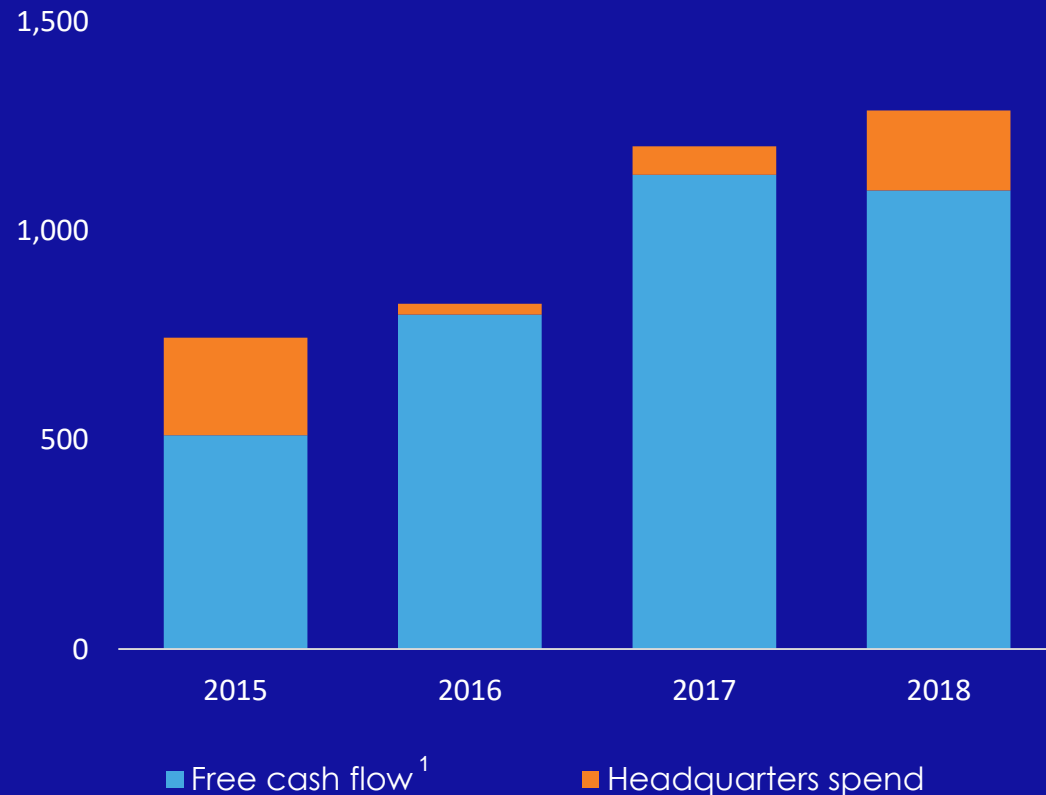
- Spend from 2016-2018 totaled \$290M followed by expected spend in 2019 of \$425-475M and \$135-\$185M in 2020¹
- Valuable asset in attractive location

Notes: Image courtesy of ZGF Architects. ¹We expect approximately \$900M in capital expenditures for the headquarters build out.

Strong free cash flow

Free cash flow overview

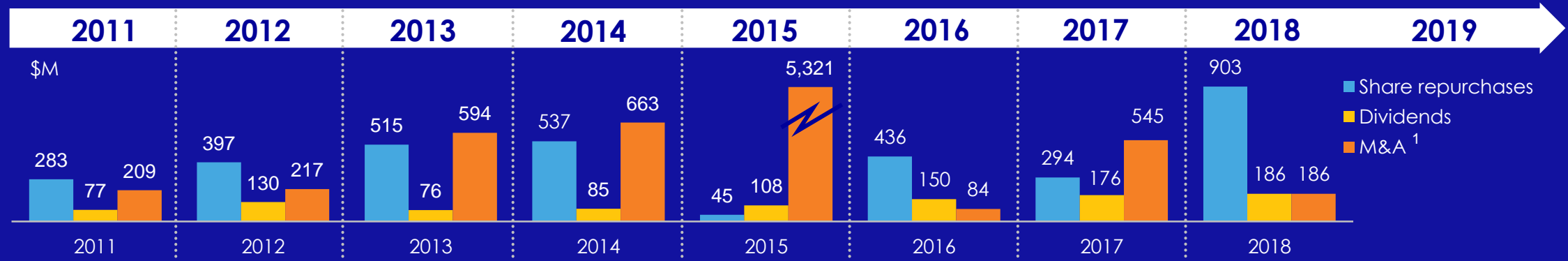
\$M



Notes: ¹Free cash flow is a non-GAAP measure and includes eLong. See Appendix for non-GAAP to GAAP reconciliation



Solid track record of capital allocation



Total free cash flow generated: \$6.7B²

2011

TripAdvisor spin (~\$500M invested, \$7.9B value today³)



2011 – 2013

- Improving financial performance fueled by organic investment in tech
- \$1.2B share repurchases
- trivago majority investment of ~\$632M (Expedia Group's ownership interest ~\$1.2B value today)⁴
- Opportunistic M&A

2014 – 2017

- Solid financial performance
- Strategic investments in hotel margins & supply footprint
- Orbitz synergies realization
- \$1.3B share repurchases
- HomeAway ~\$3.6B acquisition; shift from subscription to eCommerce model

2018+

- Strategic investments in lodging supply and cloud computing transition
- HomeAway transition completes and growth story continues
- Opportunistic M&A, share repurchases and dividends
- Begin moving into new Seattle HQ campus in late 2019

Notes: ¹Does not include \$671M divestiture of eLong. ²Free cash flow is a non-GAAP measure and includes eLong. See Appendix for non-GAAP to GAAP reconciliation. ³Value as of 1/31/19. ⁴Value of majority investment based on exchange rates as of transaction announcement date 12/21/12. Includes approximately \$57M in stock-based compensation related to the issuance of common stock. Value as of 1/31/19 based on 59.5% ownership interest at 12/31/18.



Appendix





Non-GAAP Definitions

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. The definition for Adjusted EBITDA was revised in the fourth quarter of 2012.

Expedia Group revenue and adjusted EBITDA excluding eLong. Expedia Group sold its ownership interest in eLong, Inc. on May 22, 2015. In order to allow comparison with prior periods for the ongoing Expedia Group businesses, Expedia Group excluding eLong revenue, and Adjusted EBITDA, each exclude the impact of eLong.

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.



APPENDIX

Non-GAAP/ GAAP reconciliation: Revenue

\$ Millions	2014	2015	2016	2017	2018
Core OTA revenue	\$4,905	\$5,877	\$7,084	\$7,881	\$8,760
trivago revenue	414	548	836	1,166	1,084
Egencia revenue	400	400	462	521	601
HomeAway revenue	-	20	689	906	1,171
eLong revenue	178	42	-	-	-
Intercompany eliminations	(133)	(215)	(297)	(414)	(393)
Revenue attributable to Expedia Group, Inc.	\$5,763	\$6,672	\$8,774	\$10,060	\$11,223
eLong revenue	(178)	(42)	-	-	-
Revenue excluding eLong	\$5,585	\$6,631	\$8,774	\$10,060	\$11,223

Notes: Numbers may not foot due to rounding.



APPENDIX

Non-GAAP/ GAAP reconciliation: Adjusted EBITDA

\$ Millions	2014	2015	2016	2017	2018
Net income attributable to Expedia Group, Inc.	\$398	\$764	\$282	\$378	\$406
Net income (loss) attributable to noncontrolling interests	(25)	(42)	(21)	(6)	(8)
Net income	373	723	261	372	398
Provision for income taxes	92	203	16	45	87
Income before income taxes	465	926	277	417	485
Total other expense, net	53	(4)	185	208	229
Gain on sale of business	-	(509)	-	-	-
Operating income	\$518	\$414	\$462	\$625	\$714
Gain (loss) on revenue hedges related to revenue recognized	9	44	13	8	25
Restructuring charges	26	72	43	17	-
Legal reserves, occupancy tax and other	42	(105)	27	25	(59)
Stock-based compensation	85	178	242	149	203
Amortization and impairment of intangible assets	80	164	352	275	325
Impairment of goodwill	-	-	-	-	86
Depreciation	266	337	477	614	676
Adjusted EBITDA	\$1,025	\$1,103	\$1,616	\$1,713	\$1,970
eLong adjusted EBITDA	27	62	-	-	-
Adjusted EBITDA excluding eLong	\$1,051	\$1,165	\$1,616	\$1,713	\$1,970

Notes: Numbers may not foot due to rounding.



APPENDIX

Non-GAAP/ GAAP reconciliation: Free cash flow

\$ Millions	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
Cash provided by operations	\$826	\$1,237	\$763	\$1,367	\$1,299	\$1,549	\$1,845	\$1,975	\$10,861
Headquarters capital expenditures	-	-	-	-	(233)	(26)	(68)	(192)	(519)
Non-headquarters capital expenditures	(208)	(236)	(309)	(328)	(554)	(723)	(642)	(686)	(3,686)
Total capital expenditures	(208)	(236)	(309)	(328)	(787)	(749)	(710)	(878)	(4,205)
Free cash flow	\$618	\$1,001	\$455	\$1,039	\$512	\$800	\$1,135	\$1,097	\$6,657

Notes: Numbers may not foot due to rounding and include eLong. Prior years have been restated for new accounting guidance for restricted cash treatment in Statement of Cash Flow.