



DUX CAPITAL

LTS CHALLENGE 2024



BOOKING
HOLDINGS

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Investment thesis – it's time to BUY!

We see BKNG trading at a lower price than it should

I. The outstanding OTA in the market

An extremely efficient player with **21%** traffic share worldwide

II. The most efficient marketing strategy in a competitive business

Booking invests more than **10%** than its peers in marketing and can dilute its expenses reaching **33%** EBITDA margin

III. A company guided by the right people and with an unique tech structure

Management with a **75%** variable compensation and a **10.8%** Revenue CAGR since 2017

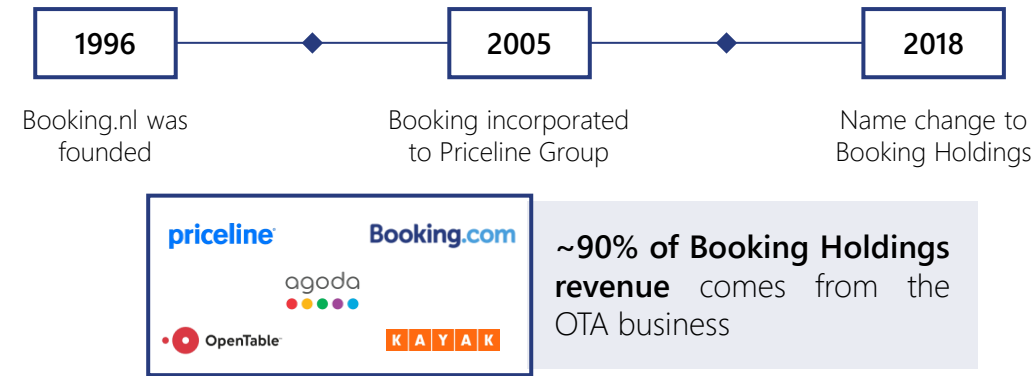


What is Booking Holdings?

Booking became the most relevant OTA worldwide in a winner-takes-all industry

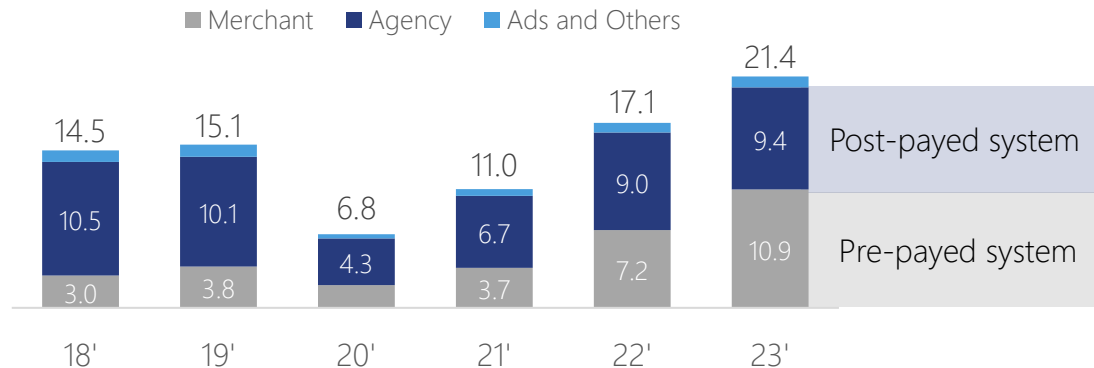
1. Booking started as a traditional OTA, but once it became part of Priceline Group, the ecosystem grew more complex...

Booking Holdings timeline

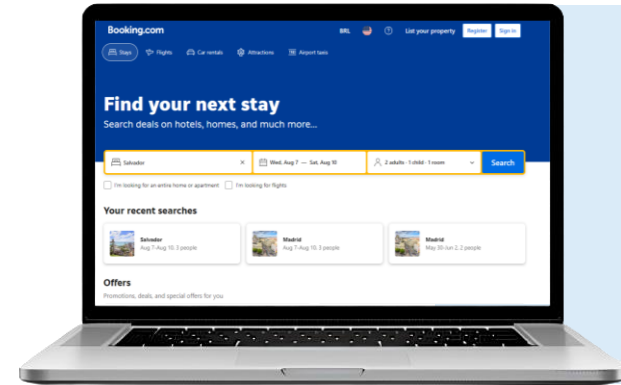


2. ...and was able to recover from the pandemics maintaining an 8% CAGR since 2018

Revenue breakdown [USD bn]



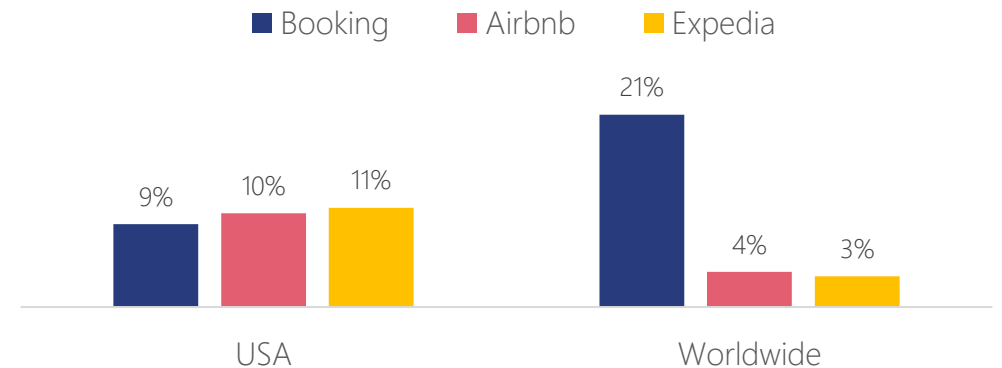
3. This performance is leveraged by a solid structure of a huge company, with a worldwide network...



136bn mkt cap [USD]
 6,339mn EBITDA [USD]
 20.1% Net Margin
 +475,000 hotels

4. ...which results in a massive market share on the OTAs markets were Booking is dominant

Traffic market share [%]

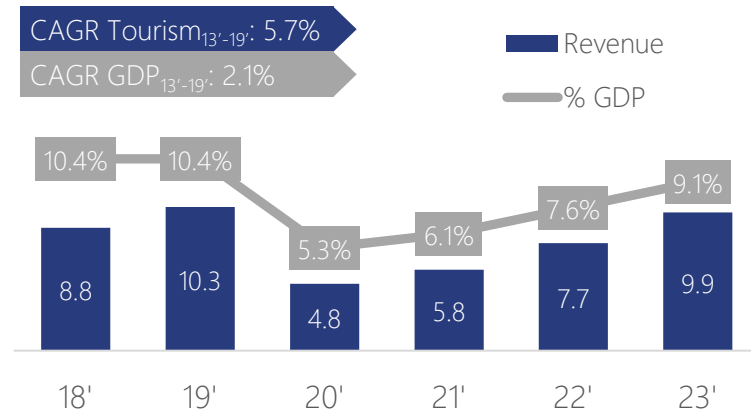


I. Travelling is back on track

After some complicated years, the travel industry is ready to retake development and growth

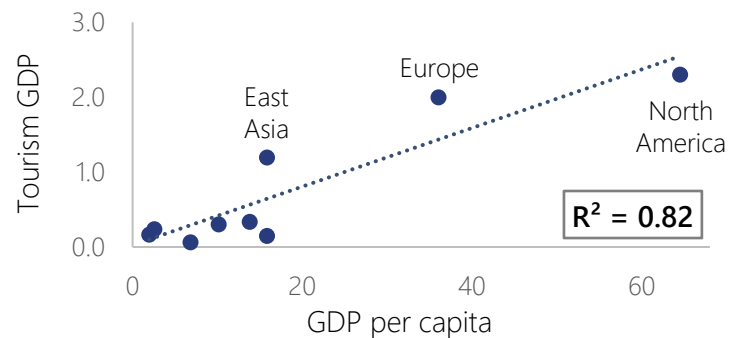
1. A relevant industry

Tourism GDP and relevance over total GDP [USD tn; %]



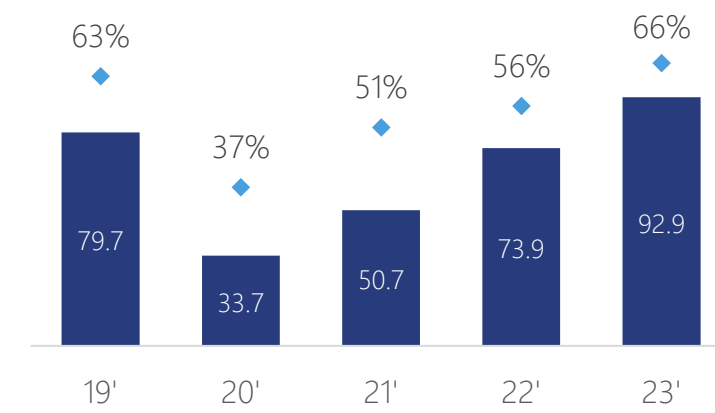
2. Sensible to crisis and disposable income

Correlation between GDP per capita [USD th] and tourism GDP per region [USD tn]



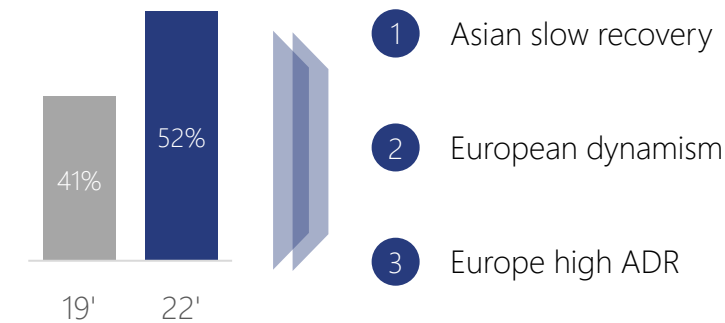
3. Already recovered from COVID-19

RevPAR and occupancy rate [USD; %]



4. With positive dynamics in Europe

Europe's international tourism share [%]



5. But very competitive

Hotels and Alternative Accommodation



56% of world's room supply in the hands of branded hotels

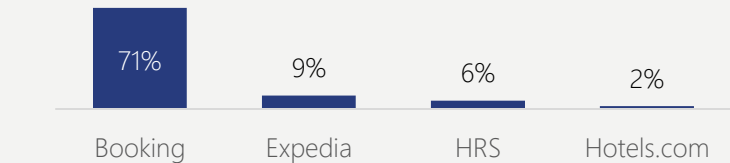
OTAs



Expedia leads in the US by a small margin, but Booking owns Europe

In the OTA segment, **Booking is the king**

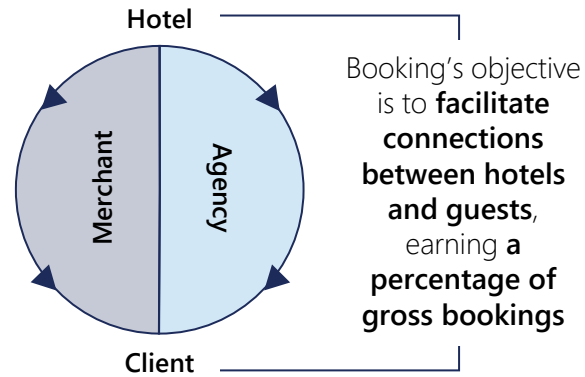
OTAs market share in Europe, [%]



I. A winning business model

A brief look at the company's financials

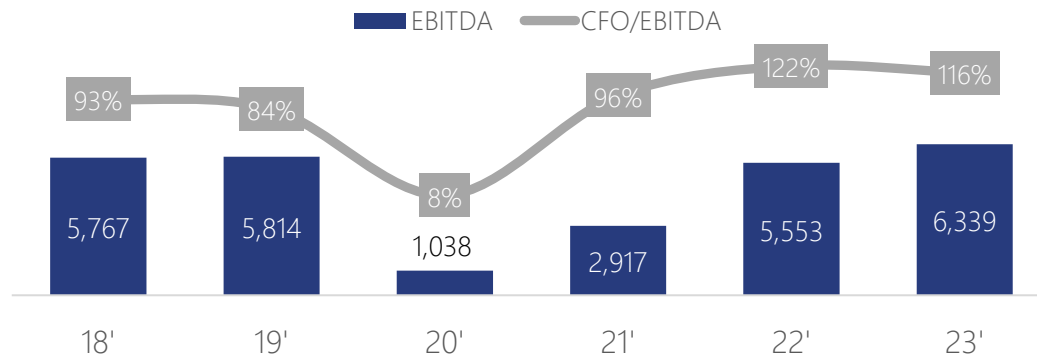
1. Simple and efficient business model, with low variable costs and an outstanding cash generation



- 1. Asset light business**
 Booking's website is the main asset, keeping a light structure
- 2. High marketing expenses**
 Marketing is essential to bring more traffic
- 3. Massive cash generation**
 Lean cost structure guarantee great margins and cash generation

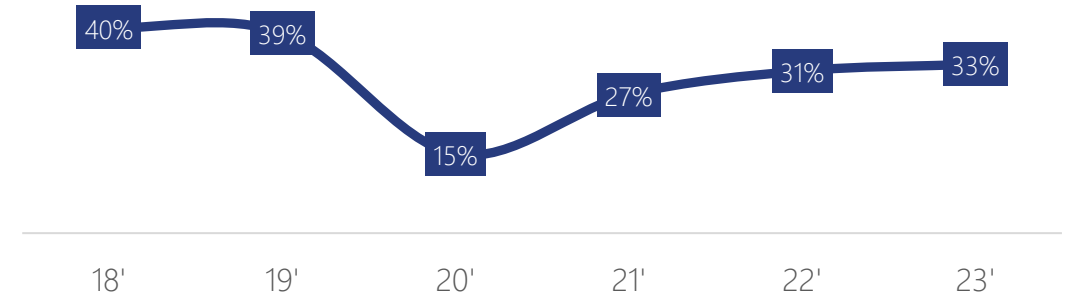
2. Excellent EBITDA conversion into cash flow, demonstrating the business's ability to generate cash

CFO/EBITDA and EBITDA [%; USD mn]



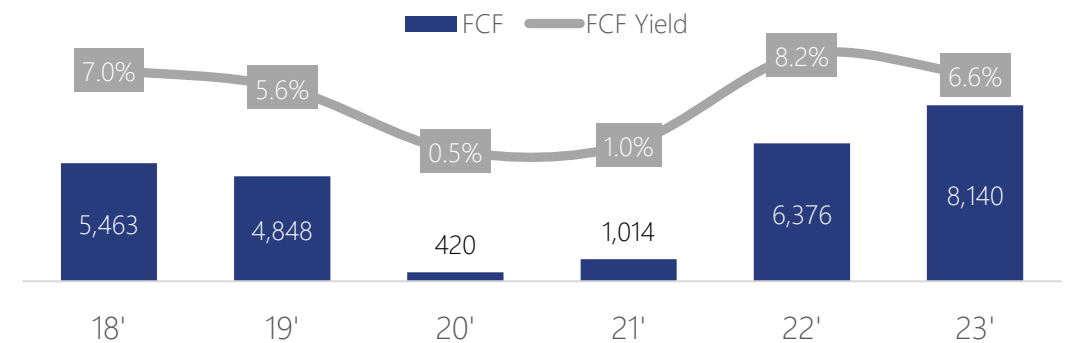
3. High-margin company maintaining profitability even amidst crisis

Adj. EBITDA Margin [%]



4. High FCF yield, affirming its capacity to generate an attractive cash flow despite its significant market cap

FCF yield and FCF [%; USD mn]

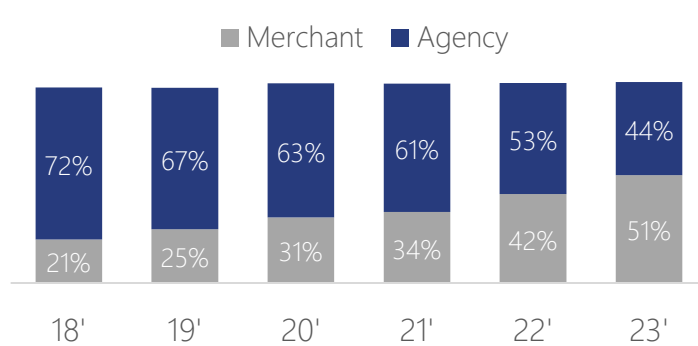


I. The financials beyond the business model

Looking at the company results and recent changes in its business model

1. Booking changed its main revenue stream, increasing the "pre-payment" line

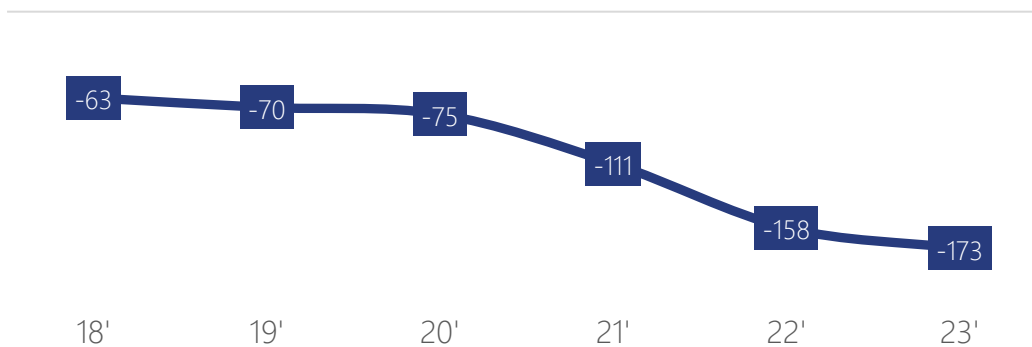
Booking revenue breakdown [%]



- 1 Improvement of cash flows and WC
- 2 Necessity to cross-sell and to use alternative payments
- 3 Better control over prices

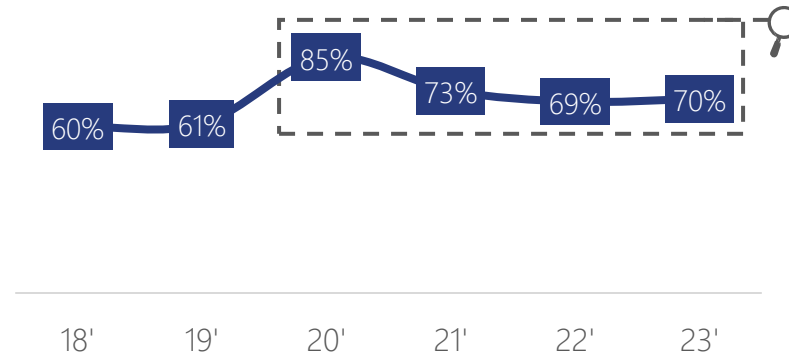
2. This resulted in a more efficient conversion cycle as the OTAs can receive faster

Cash Conversion Cycle [days]



3. Alternative payment methods have increased costs for the company

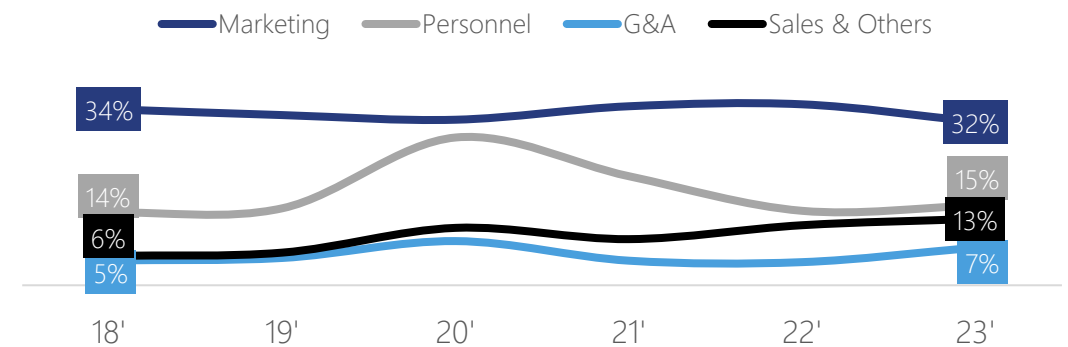
SG&A Margin [%]



Alternative payment methods lead to an increase in personnel and sales lines

4. Marketing expenses remain high for the company due to fierce competition

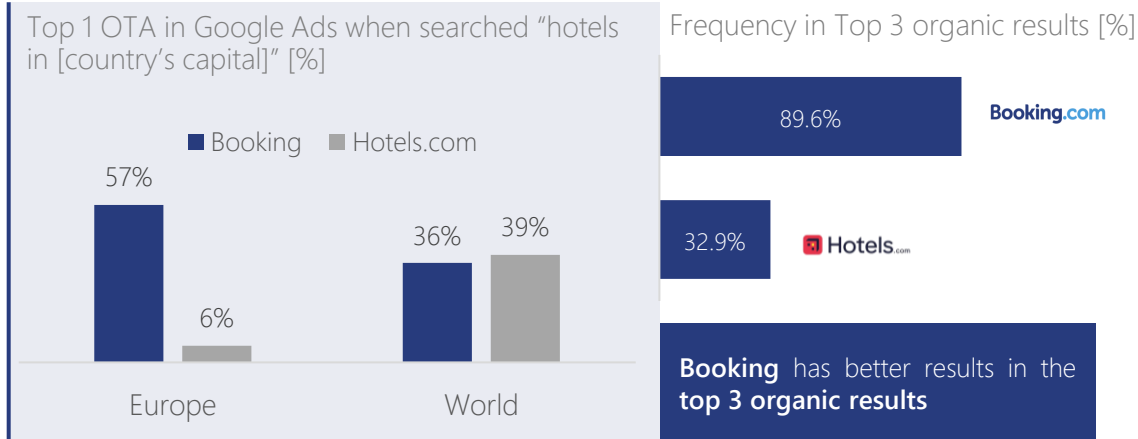
Expenses/net revenue breakdown [%]



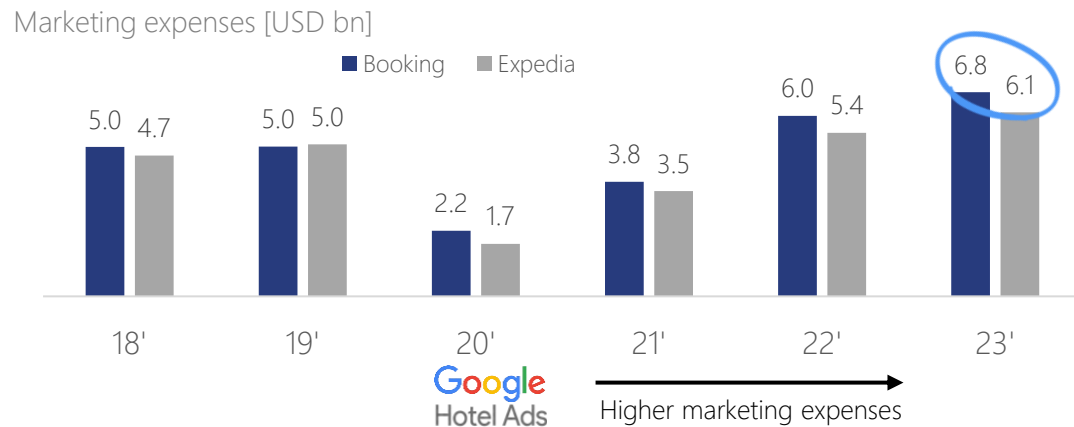
II. Marketing: spending more to take-off the company

The higher expense line in the company's business, marketing is the key factor to attracting customers

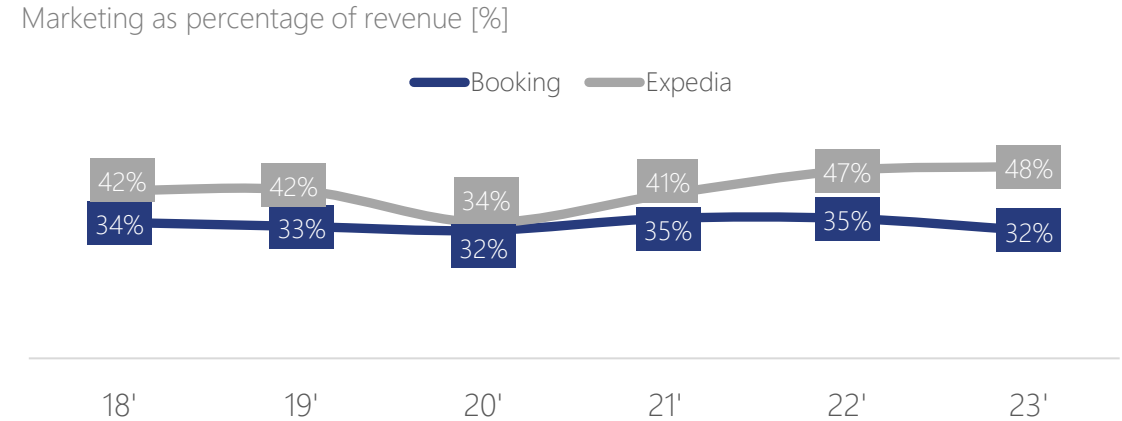
1. As most online searches pass through Google, Booking invests to have appear more often



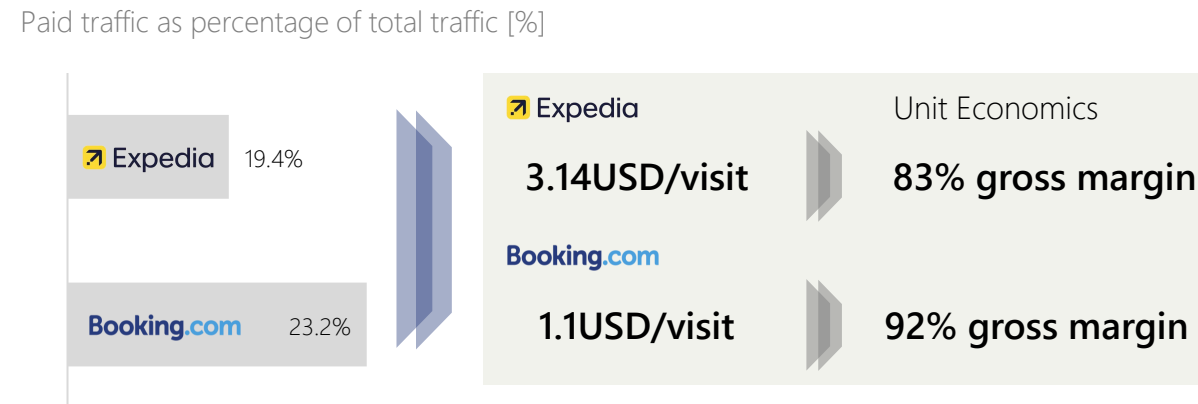
2. OTAs know that all marketing expenses will lead to an increase in the traffic



3. Expedia's expenses in marketing have grown since 2020 and reached almost 50% while Booking has maintained its costs



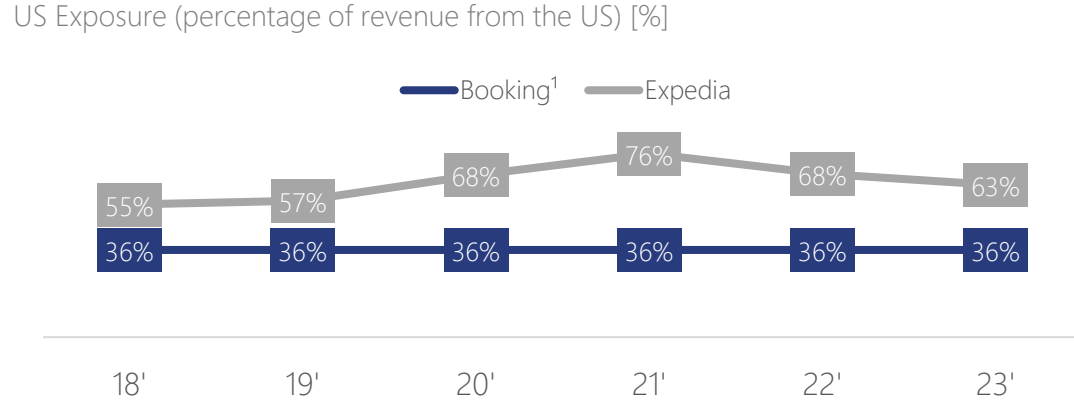
4. Despite the similarity, Expedia has more difficult converting marketing into traffic. **But why?**



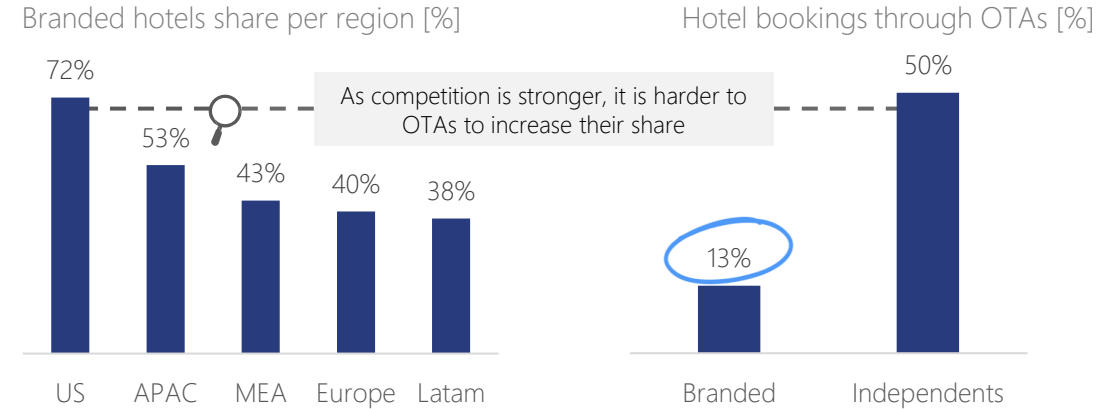
II. Expedia's backfire: the US market

Why is the biggest tourism market far from ideal for the OTAs?

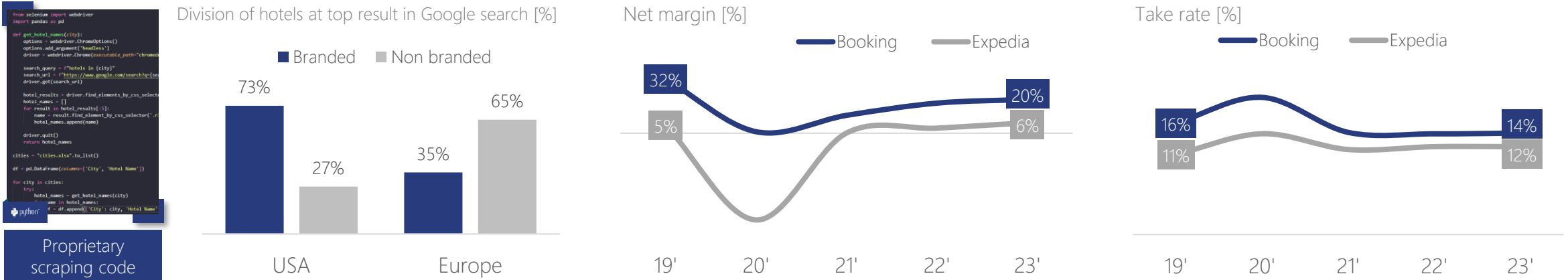
1. Different US Exposure can have a lot of impacts on the companies' results...



2. ...as branded hotels are more common than the OTAs in the US, creating difficulties to Expedia



3. Branded hotels can compete with the OTAs in marketing, acquiring relevant results in Google searches and destroying Expedia's numbers while Booking has better results mainly in Europe



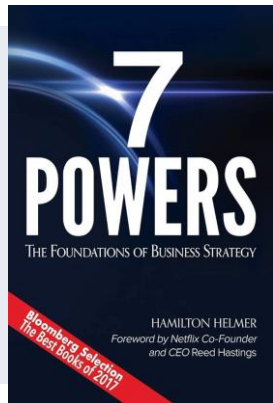
¹Booking's US Exposure is estimated by traffic market share and take rate



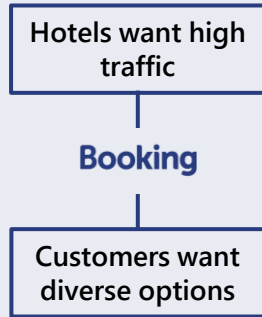
II. The ultimate moat: Network Economies

The company with the highest marketing efficiency and the best clients enjoy this massive advantage

1. Highest traffic + best conversion = network economies, an advantage where the winner takes all



“ **Network Economies:** the value of the service to each customer is enhanced as new customers join the network. In such a situation, **having the most customers is everything.** ”



2. We spoke to hotel managers and understood that it's impossible not to be listed on Booking

Visit happened on April 27th

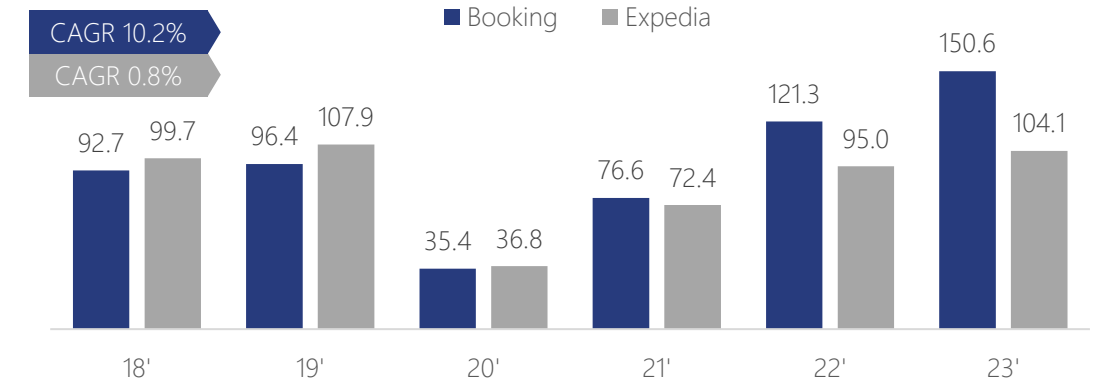


“ We **can't fight against Booking.** We rely on it for more reservations, so we don't have a choice but to become **Booking's partner.** Even loyalty programs are not as effective. ”

Giuliana Laganá,
General Manager at Qoya Hotel, São Paulo

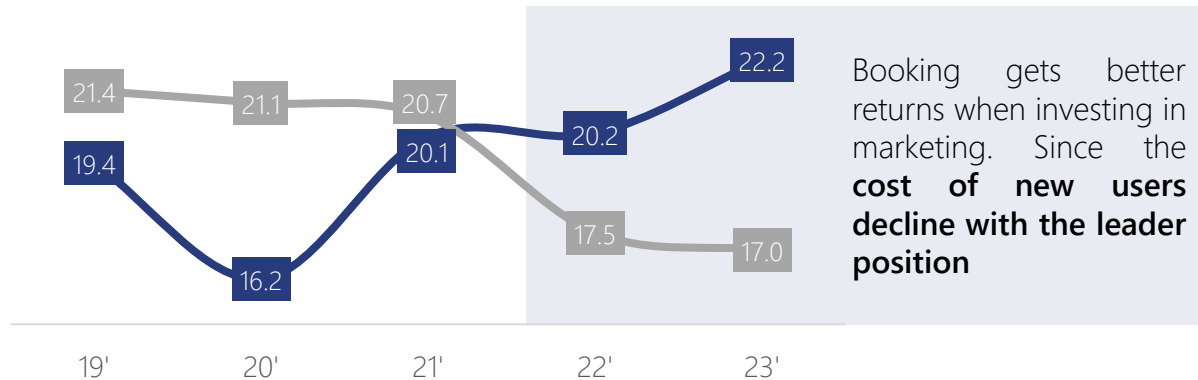
3. Booking experiences faster growth in gross bookings, capturing marginal market share

Gross Bookings [USD bn]



4. That happened due to marketing efficiency, where every dollar spent on marketing generates \$22.2 in gross bookings

Gross Bookings/Marketing Expenses [USD/USD]



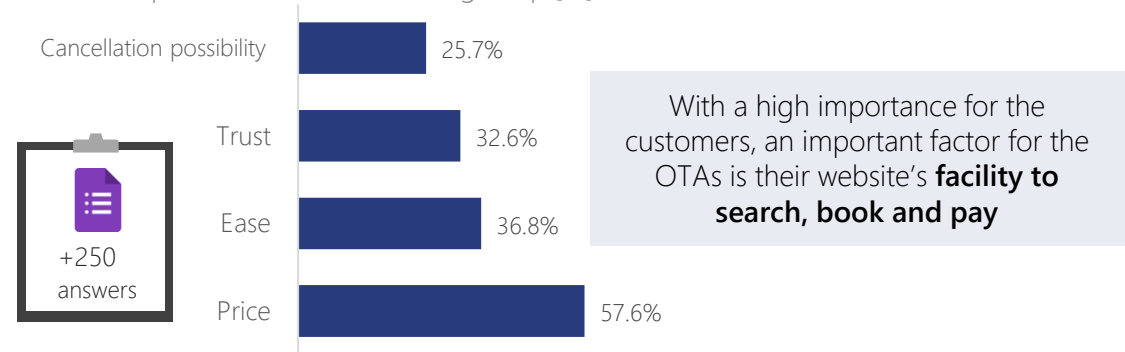
Booking gets better returns when investing in marketing. Since the **cost of new users decline with the leader position**

III. Booking's heart: tech background

Two of the most important factors in Booking history: tech innovations and A/B testing

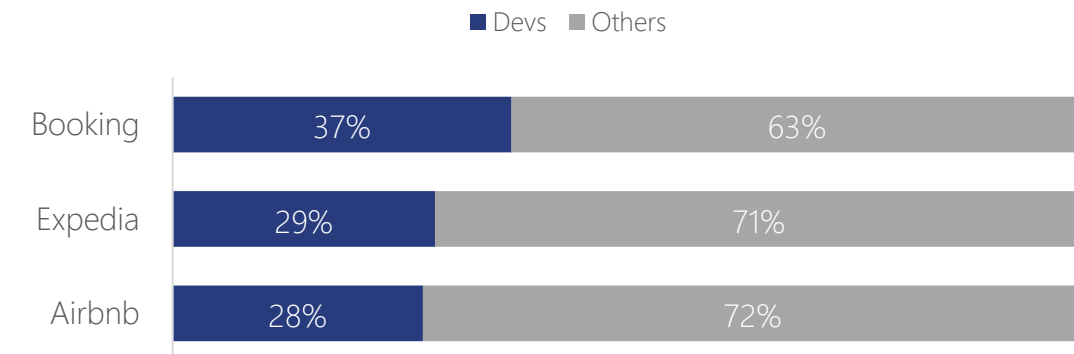
1. The ease of purchase is a significant factor for customers, creating the need of investments in the platform

Customers preferences when booking a trip [%]



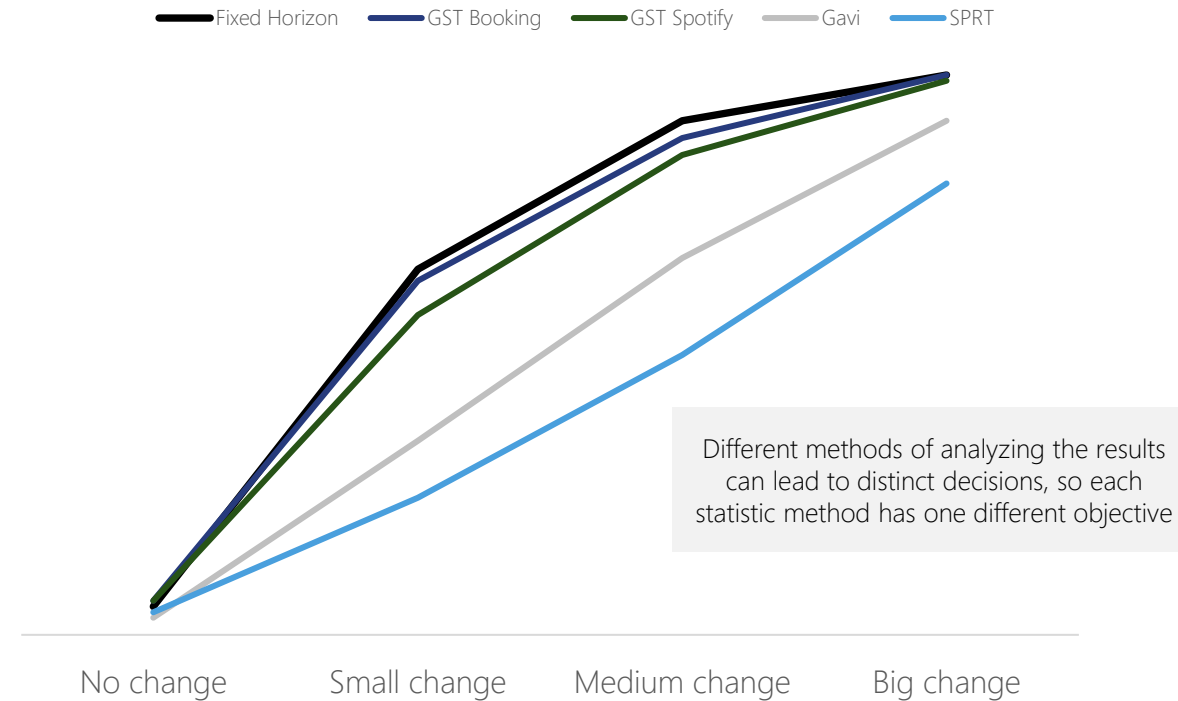
2. Booking has a higher number of developers since it is, after all, a tech company

Developers vs. others [%]



3. The model used by Booking is the most efficient in terms of accurately identifying true effects when they exist

Power of correctly seeing a positive effect [%]



More than using the A/B testing method, it's necessary to analyze the results efficiently, ensuring both **trustworthiness and speed**.

III. Management: boosting returns

The team wants not only to achieve great results for the company, but also give great returns to shareholders

1. Glenn Fogel is a CEO focused on maximizing returns and has proven successful so far



Glenn Fogel – CEO
24y experience at Booking

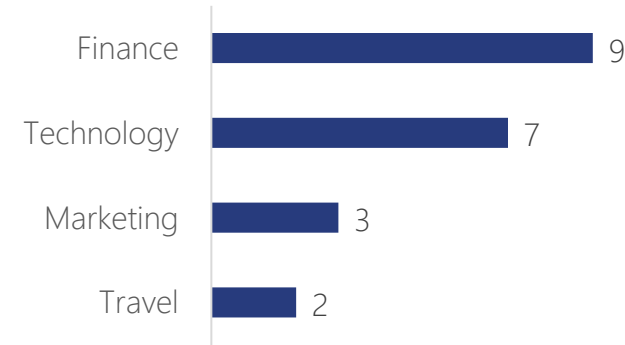
Net Income CAGR¹	Stock Performance¹	Performance Compensation
10.8%	157%	75%

Deals that Glenn participated in Corporate Development



3. An aligned board is indispensable for maintaining the company's position as the leading OTA

Board members with knowledge in these areas [#]

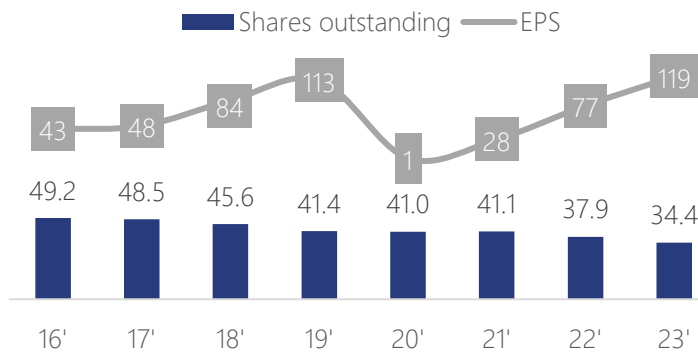


Board's compensation performance-based **76%**

Average time on Booking's board (Years) **5.8**

2. The company instituted an aggressive repurchase program in order to enhance shareholder returns, resulting in increased EPS

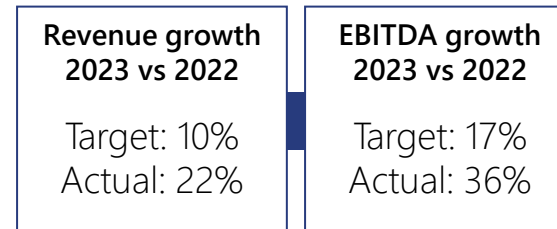
Shares outstanding and EPS [# mn; USD]



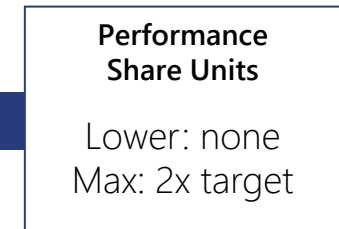
But why not dividends?
The repurchase is more profitable to shareholders. From 2019 to 2023, the investment IRR would be 2.7p.p. lower if dividends were distributed

4. The management alignment is based on some clear metrics that were achieved in the last years

Short Term Incentives



Long Term Incentives



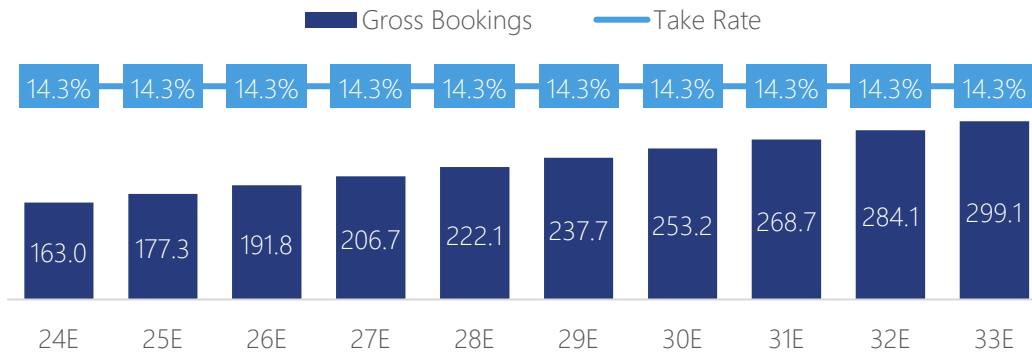
¹Since 2017, when Glenn became CEO

Valuation: Main assumptions

The main projections in our DCF model

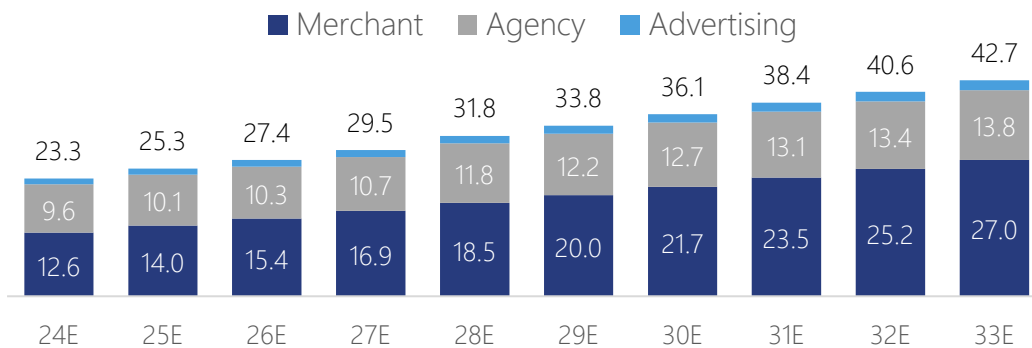
1. We see a 7.1% 10 year CAGR on gross bookings, with a take rate similar to historical data

Gross Bookings and Take Rate [USD bn; %]



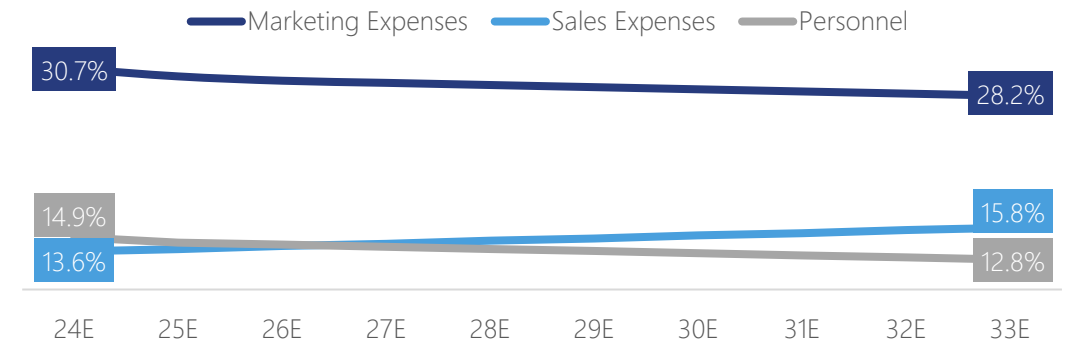
2. Revenue with the same CAGR, but merchant revenues reach 63% of total revenue in 2033

Revenue Breakdown [USD bn]



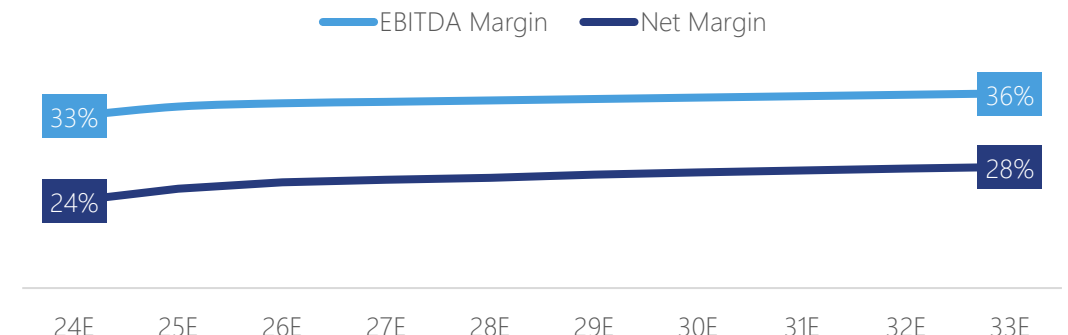
3. Merchant revenue grows, sales expenses increase, once this expense is higher for pre-paid services

Expenses as % of Net Revenue [%]



4. Margin expansion, a trend that could get even more aggressive if we were less conservative

Margins [%]

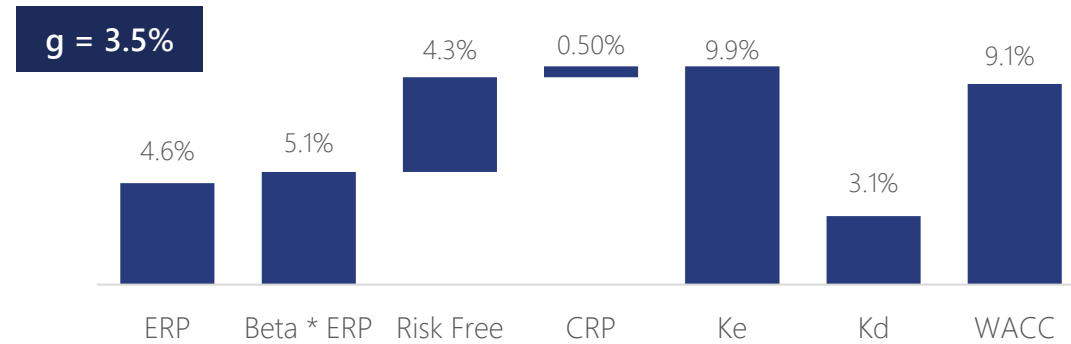


Zooming in the DCF

The path that justifies a 4,491 USD target price

1. We estimated our WACC, resulting in a 9.1% cost of capital

WACC Breakdown [%]



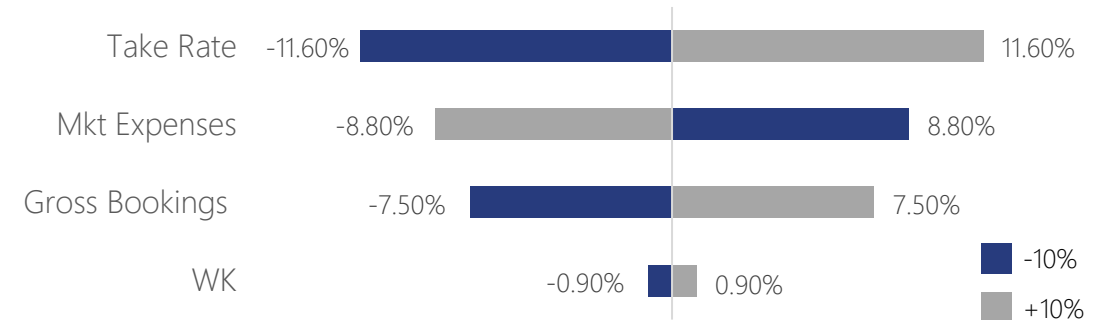
2. We also made a sensitivity analysis where we stressed WACC and perpetuity g

WACC vs g Sensitivity Analysis [downside/upside; %]

		WACC					
		18.3%	10.6%	9.9%	9.1%	8.4%	7.6%
g	2.0%	-17.3%	-8.5%	2.1%	15.3%	32.2%	
	2.8%	-12.9%	-2.9%	9.5%	25.3%	46.0%	
	3.5%	-7.7%	4.0%	18.8%	38.2%	64.8%	
	4.3%	-1.2%	12.7%	31.0%	55.9%	92.1%	
	5.0%	7.0%	24.2%	47.6%	81.6%	135.2%	

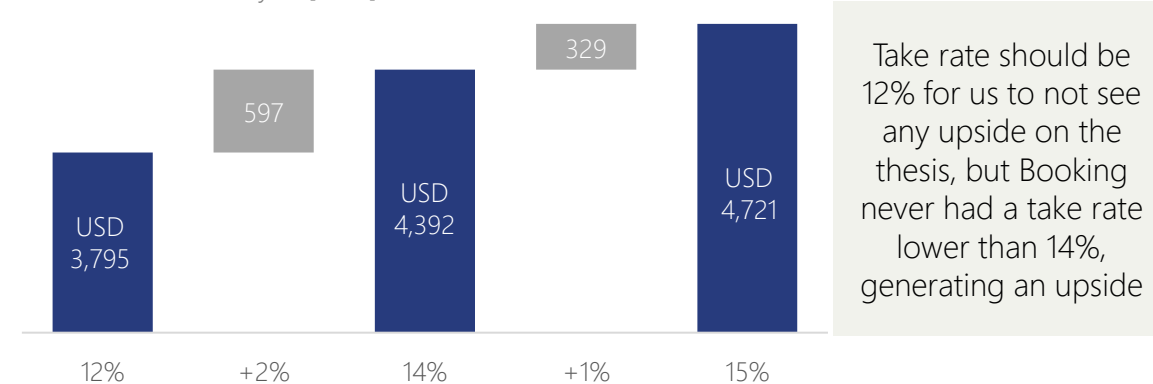
3. We made a Tornado Analysis to discern which variables have the most impact in our model...

Tornado Analysis [%]



4. ...and we analyzed the variable with the highest impact in the target price

Take Rate variation analysis [USD]

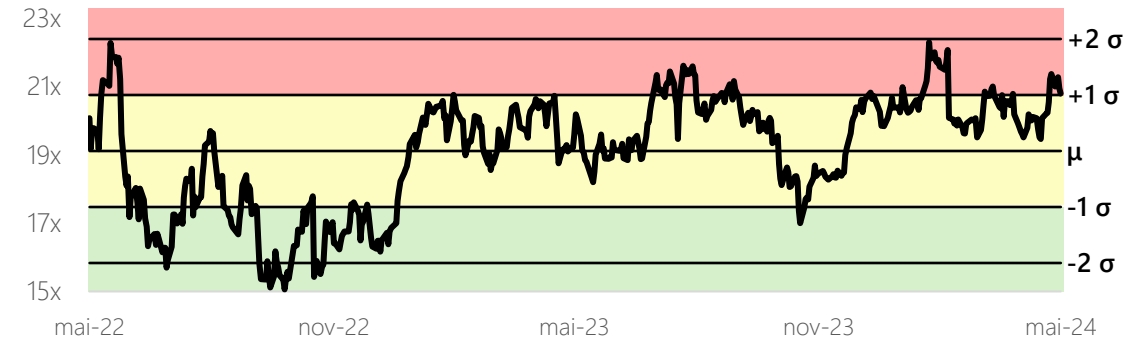


Multiples: High IRR related to the investment

We see a 15.8% IRR considering a 20x exit multiple and sensibility proving the BUY

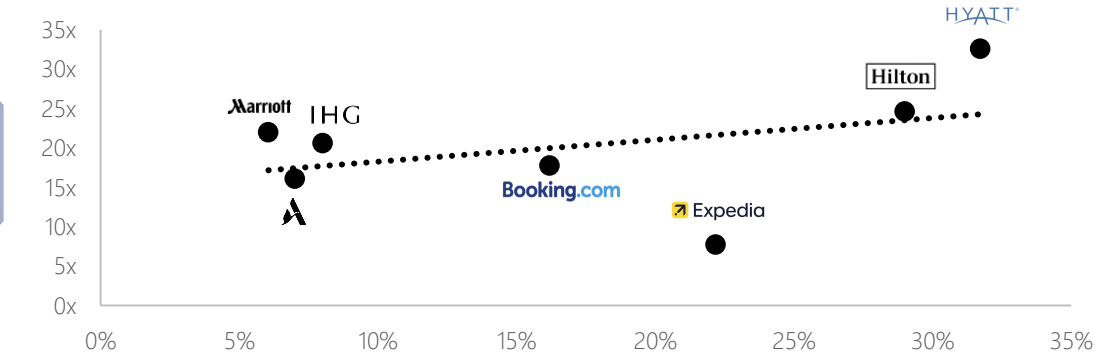
1. Booking is trading on high multiples compared to average of the last years...

P/E fwd 1Y Historic [x]



2. ...but with a multiple adjusted to its EPS CAGR

P/E 1Y fwd vs. EPS CAGR



3. Using a 20x exit multiple in 5y, it would result in a 15.8% IRR

IRR with exit P/E fwd [%]

	24'	25'	26'	27'	28'	
Transaction	-3,795	0	0	0	6,493	15.8% 5y IRR IRR-Ke=5.9%
Dividends per share	35	37	75	100	126	
Tax rate	30%	30%	30%	30%	30%	20x Exit P/E in 2028
Cash flow	-3,771	26	53	70	6,581	

4. With the Buy thesis confirmed by the higher amount of Buy scenarios in the sensitivity analysis

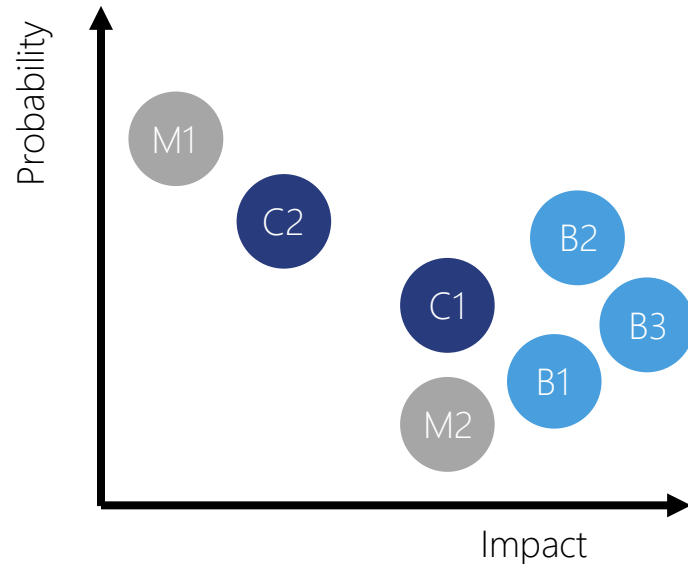
Exit multiple vs. revenue CAGR sensitivity analysis [downside/upside; %]

		Exit P/E fwd 1y					
		16.4%	14x	17x	20x	23x	26x
Revenue CAGR	6.3%	7.2%	10.9%	14.4%	17.6%	20.5%	
	7.1%	8.1%	11.8%	15.3%	18.6%	21.6%	
	7.8%	9.0%	12.8%	16.3%	19.6%	22.6%	
	8.6%	9.9%	13.7%	17.3%	20.6%	23.6%	
	9.3%	10.8%	14.7%	18.3%	21.6%	24.7%	

Risks and different scenarios

We raised our main concerns about the company and stressed different scenarios

1. We have highlighted the main risks for our thesis...



Competitive risks

- C1 – Google’s increased focus in the hospitality sector
- C2 – The growing market share of big hotels brands over the world

Business risks

- B1 – Inefficient investments in marketing
- B2 – Forced entry in the US with difficult to gain market share
- B3 – No connection with the new CFO

Macroeconomics risks

- M1 – Economic crisis over the world
- M2 – Tourism crisis in certain regions where Booking has higher market share

2. We see **clear competitive advantages**, but there are **caution points related potential wrong decision-making, especially in marketing** and a possible misstep in entering the US market

3. ...and we also reached a valuation for bull, base and bear cases

	Bear	Base	Bull
Gross Bookings CAGR	6.1%	7.1%	8.1%
Take Rate	13.3%	14.3%	15.3%
Mkt Expenses CAGR	6.9%	5.9%	4.9%
EBITDA 24E [mn USD]	6,355	7,753	8,830
Upside	-18.6%	18.3%	55.9%

Case in a nutshell

Summarizing our Booking Holdings' BUY thesis

Current Price

USD 3,795

BUY

18.3% upside

Target Price

USD 4,491

The best OTA

We see Booking as the leading OTA in the market, benefiting significantly from its network effects. The company's business model is highly cash-generative, resulting in strong margins and profitability. This is why we believe Booking will continue to expand its market share over the years and solidify its dominance in this winner-takes-all sector.

Marketing business

The marketing game in the OTA sector is absolutely dominated by Booking. With better traffic, conversion rates, and marketing cost dilution, Booking is ahead of its peers in almost every country. However, regarding the US, the company must be cautious with its expansion as the market presents a different scenario with hotels. An incorrect approach in the American market is the major risk to our thesis.

Right people guiding the company

Booking's CEO, Glenn Fogel, has already proven his capability in leading the company over the past years. The new challenge will be forming a strong connection with the new CFO, Ewout Steenberg. The company's board is complete with independent members from diverse and complementary areas. We see Booking with an aligned management and board, supported by an excellent tech structure and team.

Appendix

The main topics behind the presentation

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Appendix

The main topics behind the presentation

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Past Presentation

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Airbnb: a real competitor?

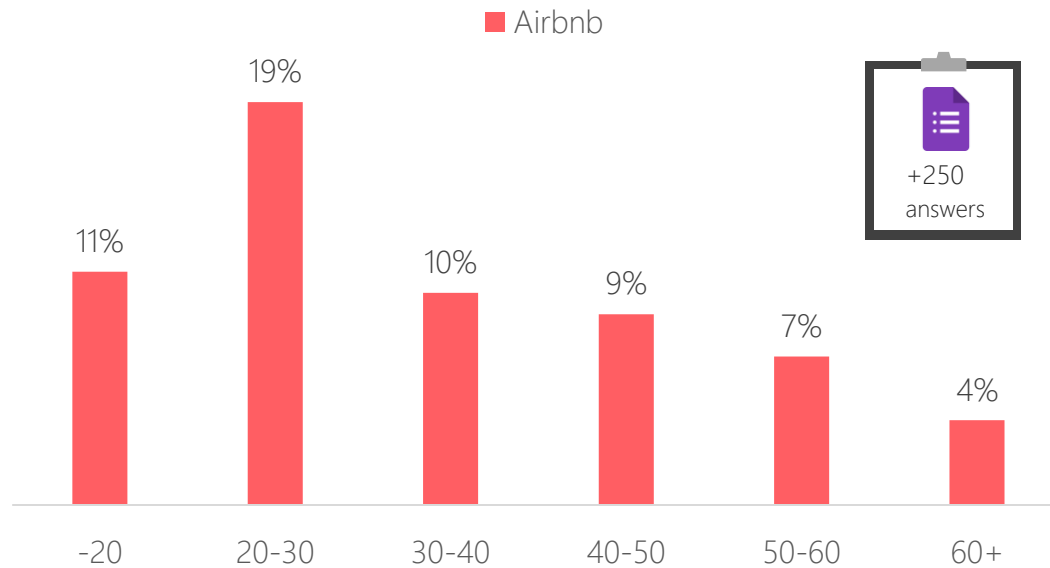
We see Airbnb attracting a different target and mainly offering different products

Different target: young people that wants to spend less money on a trip and exchange spending less for less convenience



Airbnb's main difference: lower price. Who does want lower prices instead of convenience?

Votes on "where do you usually buy hotel/house reservations?" by ages [%]

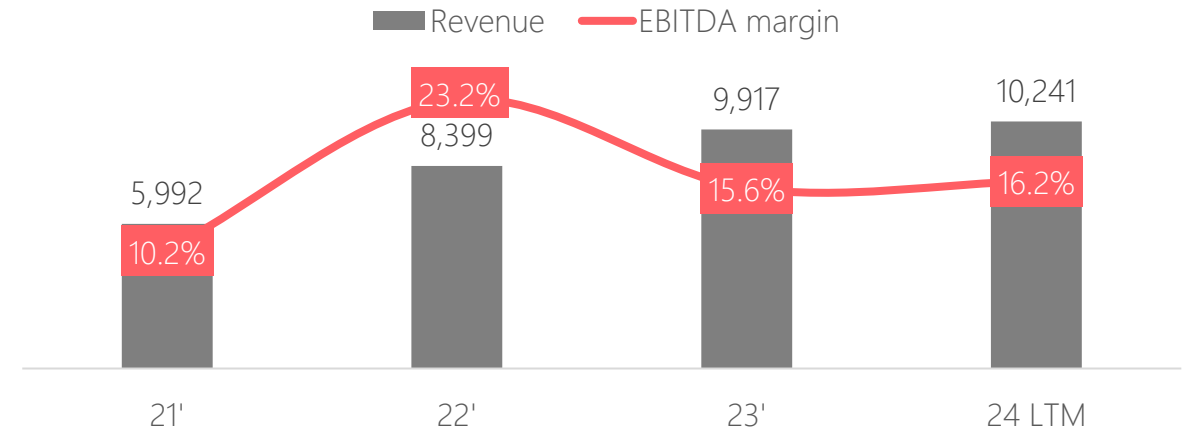


Offering different products in its main line: houses vs. hotels



More than 5 million hosts offering their own properties

Revenue and EBITDA margin [USD mn; %]



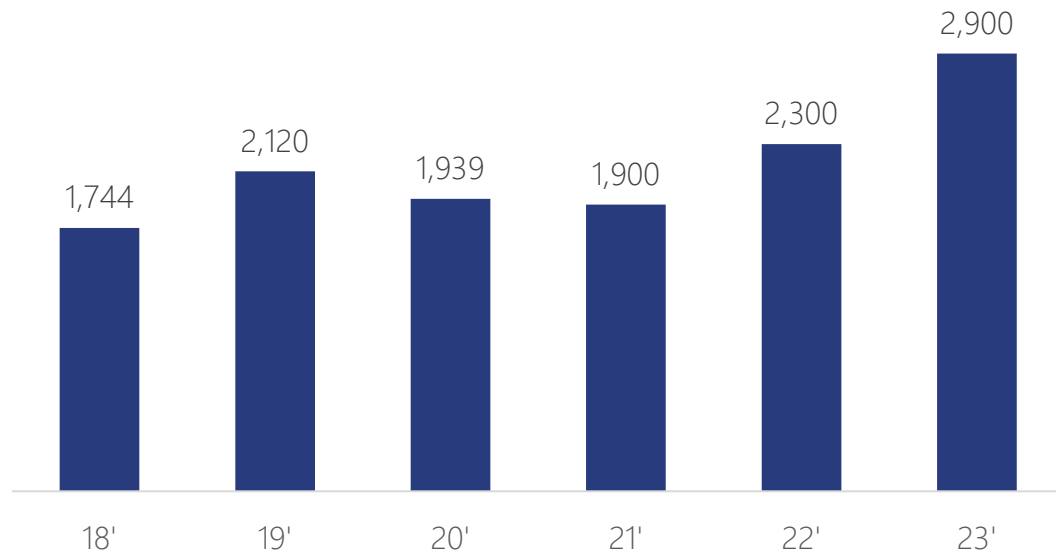
We see a smaller player with different target public and less efficient than Booking. Therefore, we do not see Airbnb as a strong competitor that can threat Booking's dominance

Airbnb: a real competitor?

We see Airbnb attracting a different target and mainly offering different products

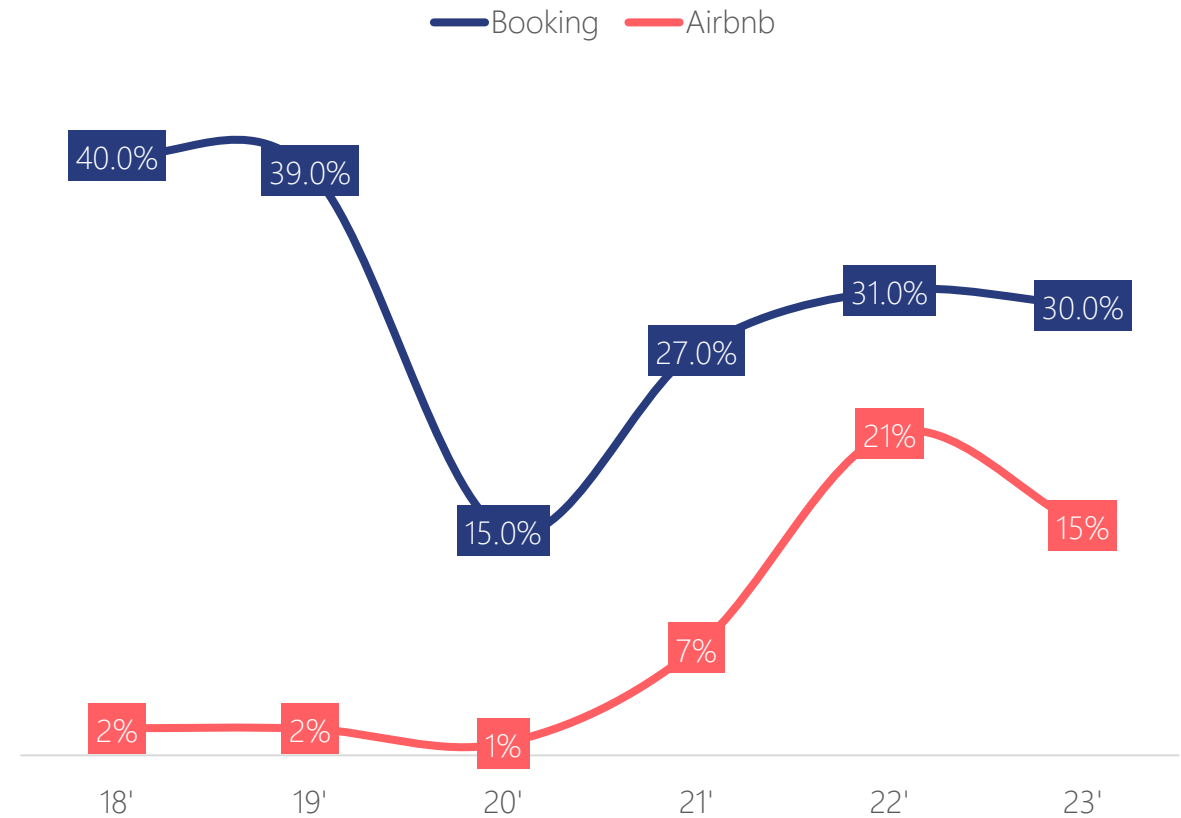
How do we see alternative accommodation in Booking?

Alternative accommodation evolution [# mn]



Yet, Airbnb has a worst cost structure, resulting in a lower EBIT margin

EBIT Margin [%]



Despite not being the focus, Booking started growing its alternative accommodations, tightening the competition with Airbnb

Visit at Qoya Hotel, São Paulo

Summing up...



On April 27th we had the opportunity to visit the Qoya Hotel São Paulo, Curio Collection by Hilton and talk to Giuliana Laganá, manager at the hotel. In this visit, we talked about loyalty programs at branded hotels like Hilton and how they are not enough to ensure high occupancy rates. She highlighted how, nowadays, it's impossible not to be listed on the OTAs, or they would lose a relevante part of their reservations.

Visit at Double Tree São Paulo

Summing up...



On April 18th we had the opportunity to visit the Double Tree by Hilton and talk to Guilherme Batista, general manager at the hotel. During this visit, he highlighted the importance of OTAs for the first contact with the client. If a hotel is not listed on Booking, it is basically not an option for a massive number of possible guests that use this type of platform while looking for a place to stay. Besides that, we talked about how hotels establish prices, and he said that prices on the OTAs can't be much different than the offered by hotels due to regulation.

Summing up...



On April 22nd we had the opportunity to talk to João Annibale, former CEO at Leading Hotels of the World. We discussed how COVID changed some trends in tourism, since now people seem to give preference to experiences over goods and are willing to spend more. Even with the deep crisis faced by the sector, the hospitality industry is already recovered and those trends were boosted. We also talked about the essential role of OTAs in the hospitality industry and how it seems not to exist a tourism scenario without these engines.

Call with Guilherme Castro

Summing up...



On April 12th we had the opportunity to talk to Guilherme Castro, VP of the Fórum de Operadores Hoteleiros do Brasil. We discussed hotels' business model and the shift to a franchise focus. We also talked about the importance of investments in marketing to hotels and how branded hotels get a big advantage against independent ones. The way to backfire this advantage is by using OTAs and getting into the huge ecosystem that they provide.

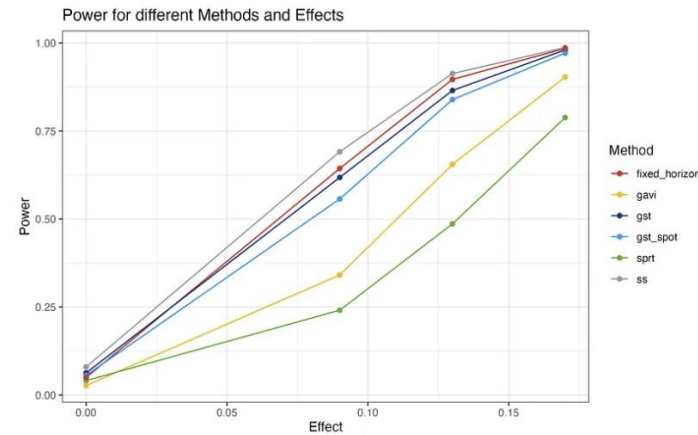
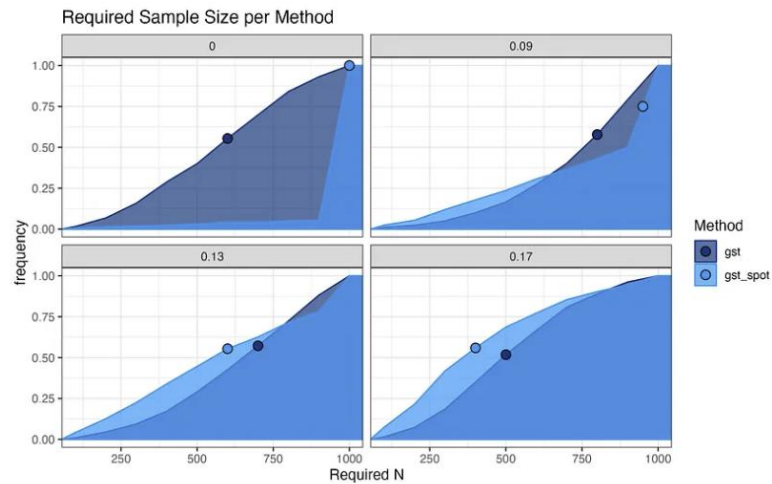
A/B Testing

Why is it so important and how can Booking differ from its peers?

Small changes on the website can lead to different conversion rates, increasing or decreasing purchases. THE OTA's challenge is to determine which changes are effective in a trustful and fast method. **It is all about reliable and fast product decisions...**

Not only fast...

...but also reliable



Effect	gst booking	gst spotify	gavi	sprt	ss
0	600	1000	1000	1000	1000
0.09 (small)	800	950	1000	1000	830
0.13 (medium)	700	600	742	1000	682
0.17 (large)	500	400	460	536	564

Effect	Fixed horizon	gst booking	gst spotify	gavi	sprt	ss
0	0.05	0.06	0.06	0.03	0.04	0.08
0.09 (small)	0.64	0.62	0.56	0.34	0.24	0.69
0.13 (medium)	0.9	0.87	0.84	0.66	0.49	0.91
0.17 (large)	0.98	0.98	0.97	0.9	0.79	0.99



Dr. Nils Skotara, PhD
Data Scientist at Booking.com

“

(...) main advantages are: (i) we can stop ineffective changes very early, (ii) we eliminate peeking issues and (iii) it is not trivial to implement it in a large scale.

”



The new CFO

At the end of last year, Booking announced Ewout Steenbergen as the new CFO

Ewout has deep experience in **technology and finance**, two essential areas in Booking's business. Something really important is that in the S&P Global (Ewout's last job), he was already focused on growth and sustainable shareholder value, two characteristics that are in line with Booking's culture



Ewout Steenbergen
New CFO at Booking Holdings



2024



- CFO since March 15th

2016



- **VP and CFO** from 2016 to 2024
- Introduced **new performance metrics**, boosting results

2010



- VP and CFO
- Conducted the IPO in 2013

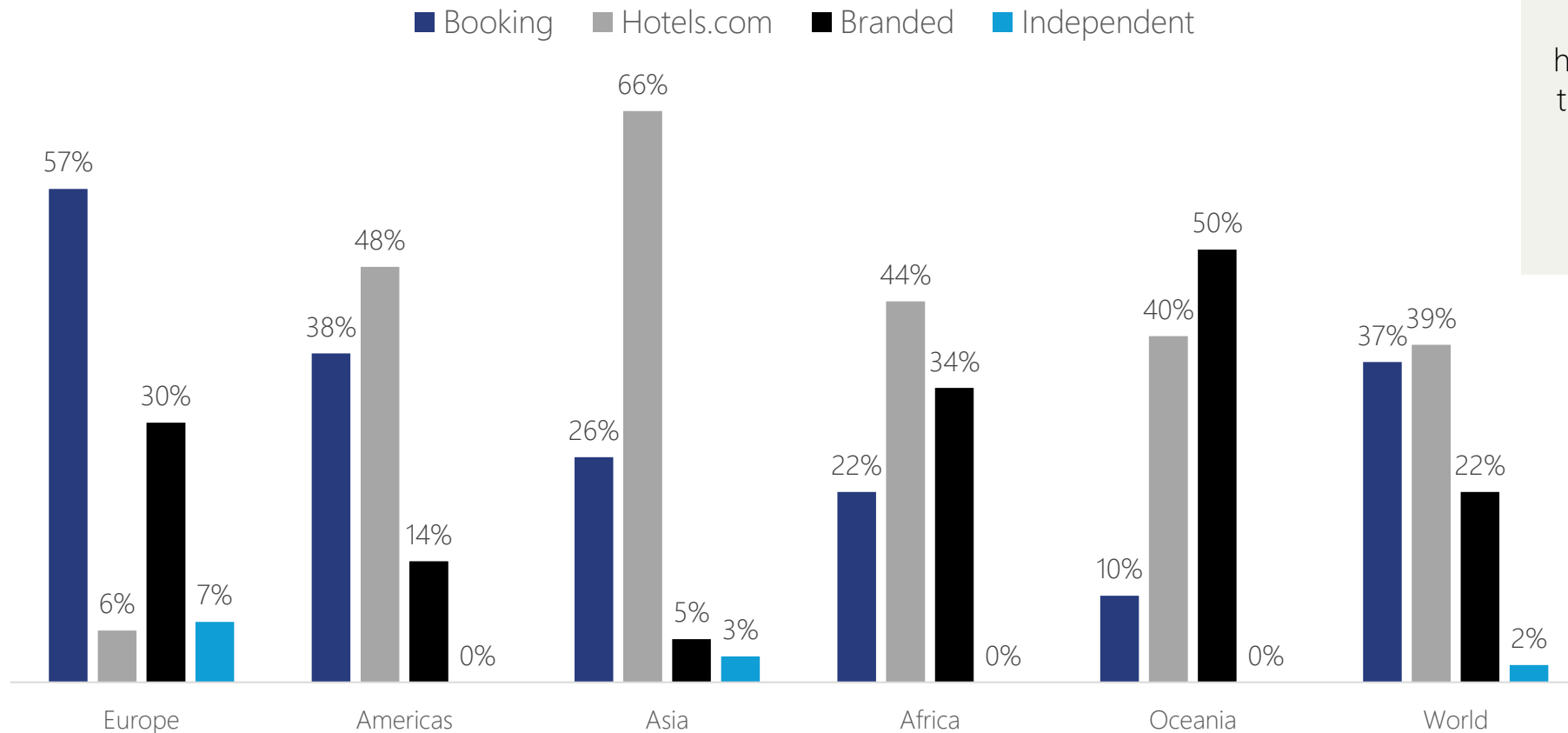
"I look forward to working alongside the company's strong leadership team to continue the company's **growth, capitalize on the long-term** opportunities in front of us, and achieve our **strategic objectives**."

Hotels in... analysis (ads)

How did we conduct our analysis?

We searched for hotels in all the world's capitals with one goal in mind: to understand which website comes out on top. The results confirmed our thoughts: Booking is an outstanding company with paid ads in Europe

Top 1 OTA in Google Ads when searched "hotels in [country's capital]" [%]



The strategy is very clear: the biggest part of marketing expenses are headed to Europe, where Booking is the leader. Even with a leadership in Asia en Americas, **Expedia (Hotels.com) has only 69% of Booking's gross bookings**

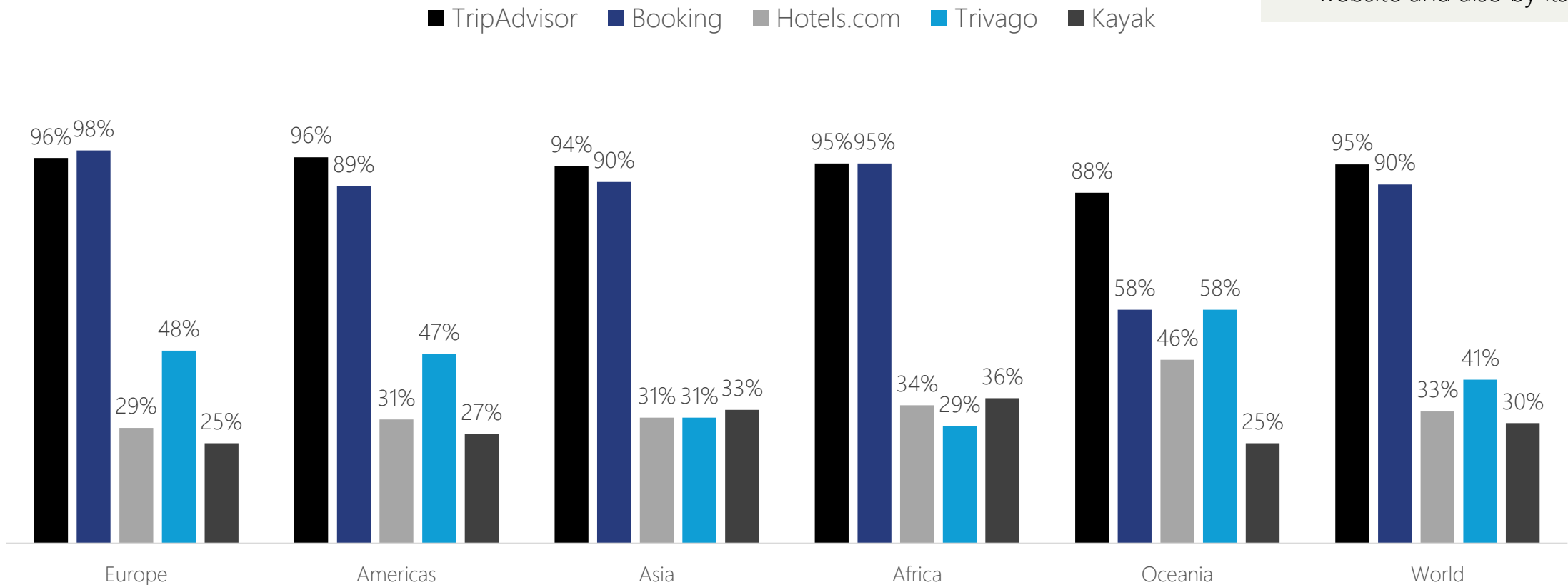
Hotels in... analysis (organic)

How did we conduct our analysis?

We also looked to the top 3 organic results in our research, and Booking was in even more results than in the paid results from Google ads

Booking was present in **almost all organic results in Europe**, but also shown a **massive presence in other continents**. This organic relevance is obtained by a high traffic in the website and also by its quality

Top 1 OTA in Google Ads when searched "hotels in [country's capital]" [%]

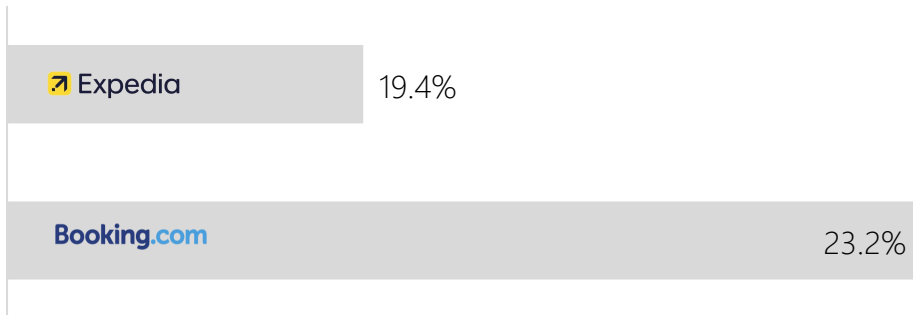


Paid traffic analysis

How did we conduct our analysis?

Using the paid traffic share and visits of each website, we can estimate the price per visit for the players...

Paid traffic [%]



Estimating an average ticket for a trip in each site

(a) 1,049 [mn] Rooms Nights
 (b) [mn] 74 Rental car days booked
 (c) [mn] 36 Airlines tickets booked
 (d) [mn] 150,627 Gross Bookings

(e) Orders bought = $(a)/3 + (b)/3 + c = 410$ [mn]
 Spent per order = $(d)/(e) = 384$
 Revenue = spent per order * take rate = 55

	Visits	Paid visits	Mkt	Mkt/month	USD/visit	USD/p visit
Expedia	175.2M	34M	1.65USD bn	550USD mn	3.14	16.2
Booking	514M	119.3M	1.61USD bn	535USD mn	1.1	4.5

Booking can clearly be more efficient regarding its marketing expenses

Expedia
 This would mean **16.2USD/paid visit and 3.14USD/visit**

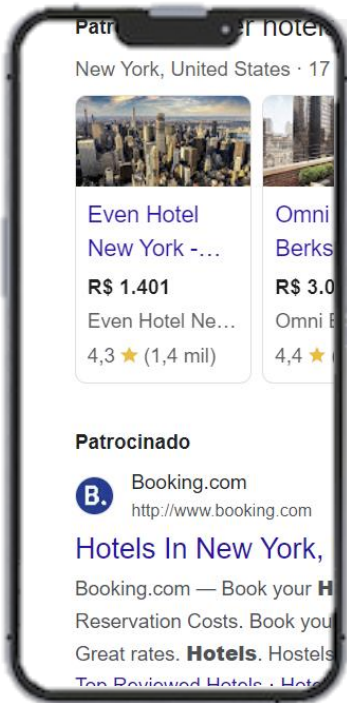
Booking.com
 This would mean **4.5USD/paid visit and 1.1USD/visit**

Estimating a 96USD revenue for a 3-day travel, it translates to an **83% gross margin**

Estimating a 55USD revenue for a 3-day travel, it translates to a **92% gross margin**

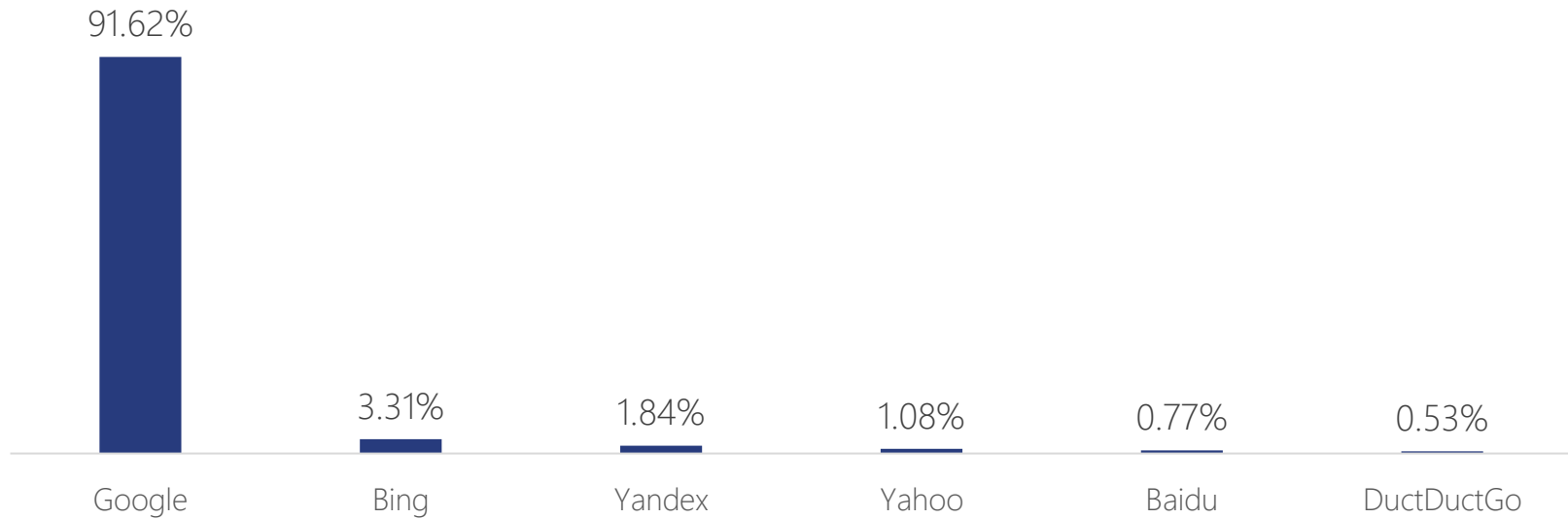
Google: main risk

How can Google be a risk for the thesis?



Google is the main platform used to search for hotels. Despite Booking being the first website in the search for hotels in most cases, it is still behind Google Hotel Ads. Today, this platform works only as metasearch. We see a big risk if the company starts to introduce payments directly from this page

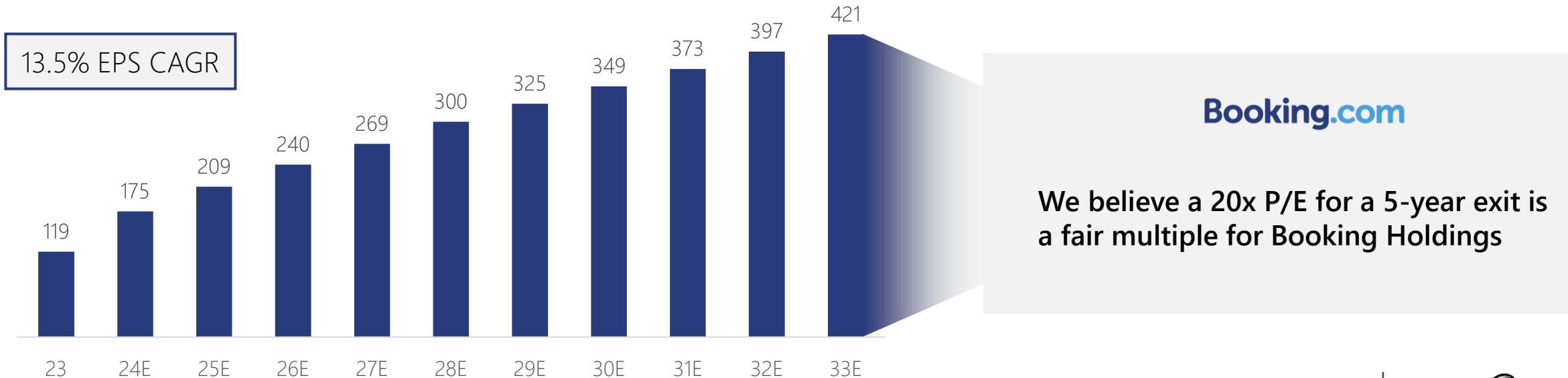
Search engine market share [%]



Multiples: rational

	Marriott	Hilton	IHG	HYATT®		 Expedia
P/E fwd 1y	22x	24.7x	20.7x	32.6x	16.2x	7.8x

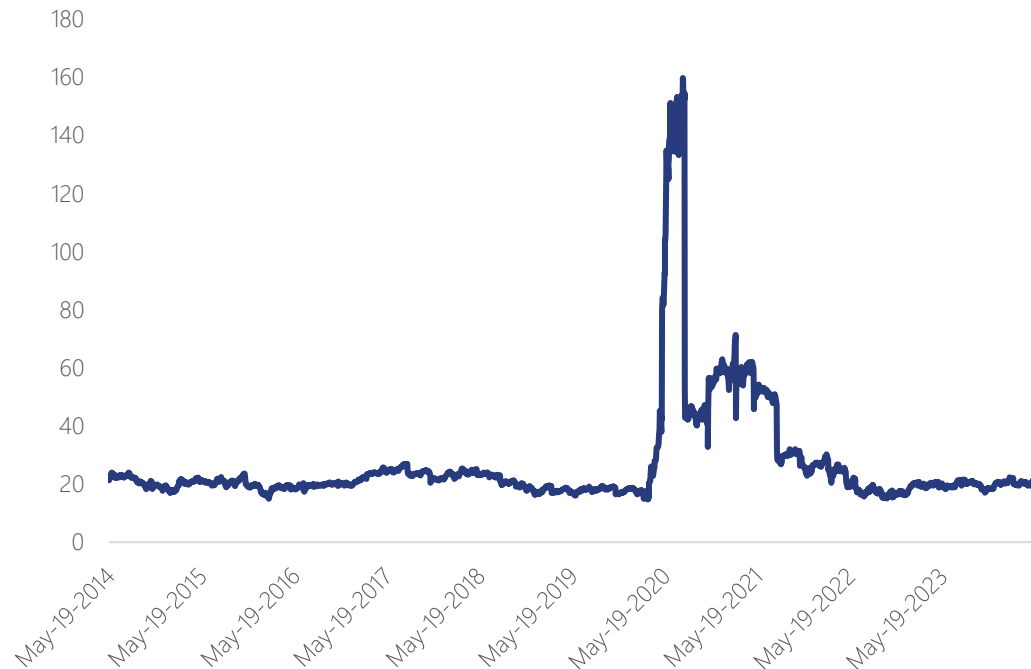
Despite the comp table, we see BKNQ increasing its EPS with a high CAGR, increasing the fair multiple for the company
Earnings per share [USD]



Multiples: Justifying our P/E

For our exit multiple we used the company's historical multiple over the last 10 years

P/E fwd 1y



Average
20.8x

Median
20.2x

DESV P
3.2x

To make a sanity check, we calculated the implied multiple from our model

Implied P/E calculation

Free Cash Flow to Firm	2029	2030	2031	2032	2033	Perpetuity
(=) EBIT	11,314	12,127	12,941	13,751	14,550	
(-) Tax rate	(0)	(0)	(0)	(0)	(0)	
(=) Nopat	9,053	9,704	10,355	11,002	11,642	
(+) D&A	606	625	648	675	703	
(-) ΔWC	813	835	845	849	846	
(-) Capex	(601)	(640)	(679)	(717)	(755)	
(=) FCFF	9,871	10,524	11,170	11,809	12,436	228,993

Cash for periods	9,871	10,524	11,170	11,809	241,429
Periods	1	2	3	4	5

NVP	9,046	8,838	8,597	8,329	156,047
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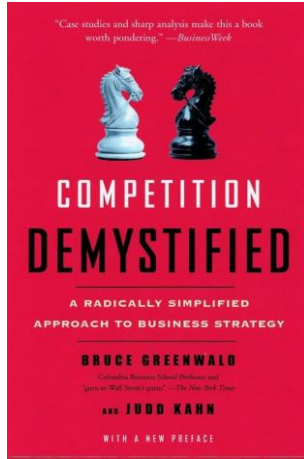
Enterprise Value	190,857
Net debt	1,048
Equity Value	189,809
Net income 29'	9,193
Implied P/E	20.6

g	3.5%
---	------

WACC	9.1%
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* Average, Median and Desv.p calculated excluding pandemic years

Genius – The idea behind a loyalty program



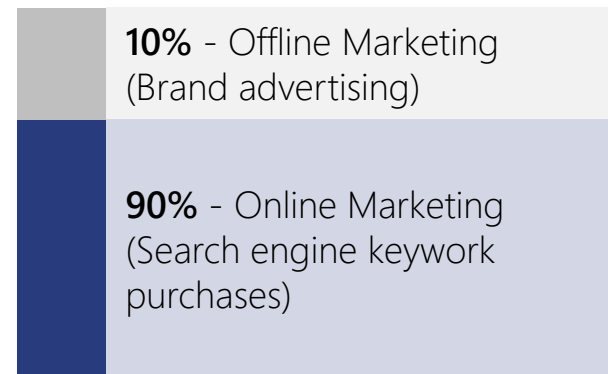
Competition Demystified Pg 56

Customer loyalty programs — frequent-flier miles, affinity credit cards, and other reward plans — have the same goal, keeping captive customers in the corral. [...] The common element in all these approaches is that they encourage repeated, virtually automatic and nonreflective purchases that discourage the customer from a careful consideration of alternatives.

Booking flywheel effect



Booking's Online and Offline Marketing Expenses [%]



User: benefits like lower rates, ease of access, rooms upgrade, priority support, add-ons for free

But why Genius makes sense?

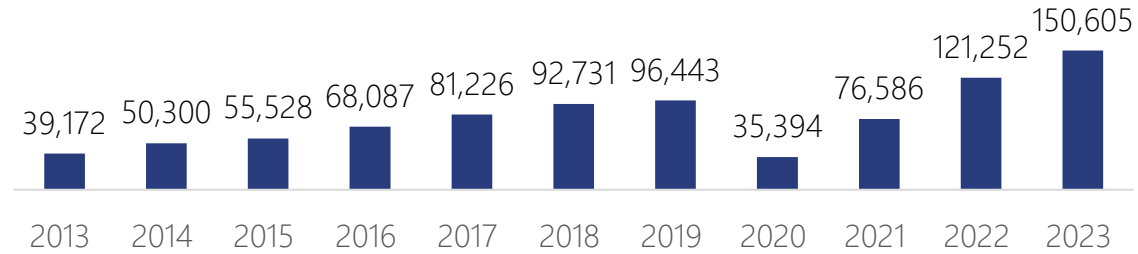
Booking: protection of the network effect, and creation of a customer captivity



Base Case vs historical

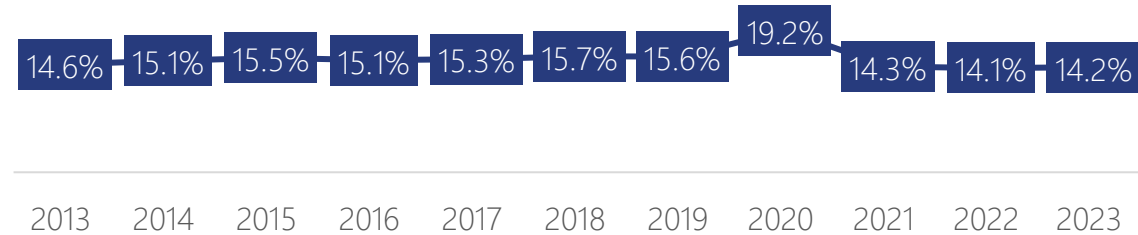
	Base
Gross Bookings CAGR	7.1%
Take Rate	14.3%
Mkt Expenses CAGR	5.9%
Upside	18.3%

Gross Bookings Evolution [USD mn]



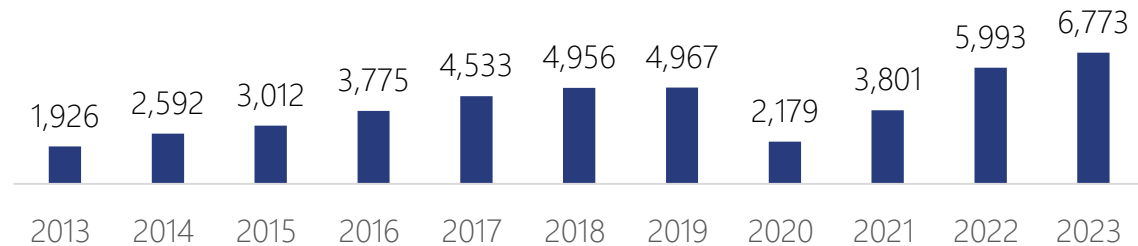
Cagr 13'-23'
14.4%

Take-Rate Evolution



Average 13'-23'
15.6%

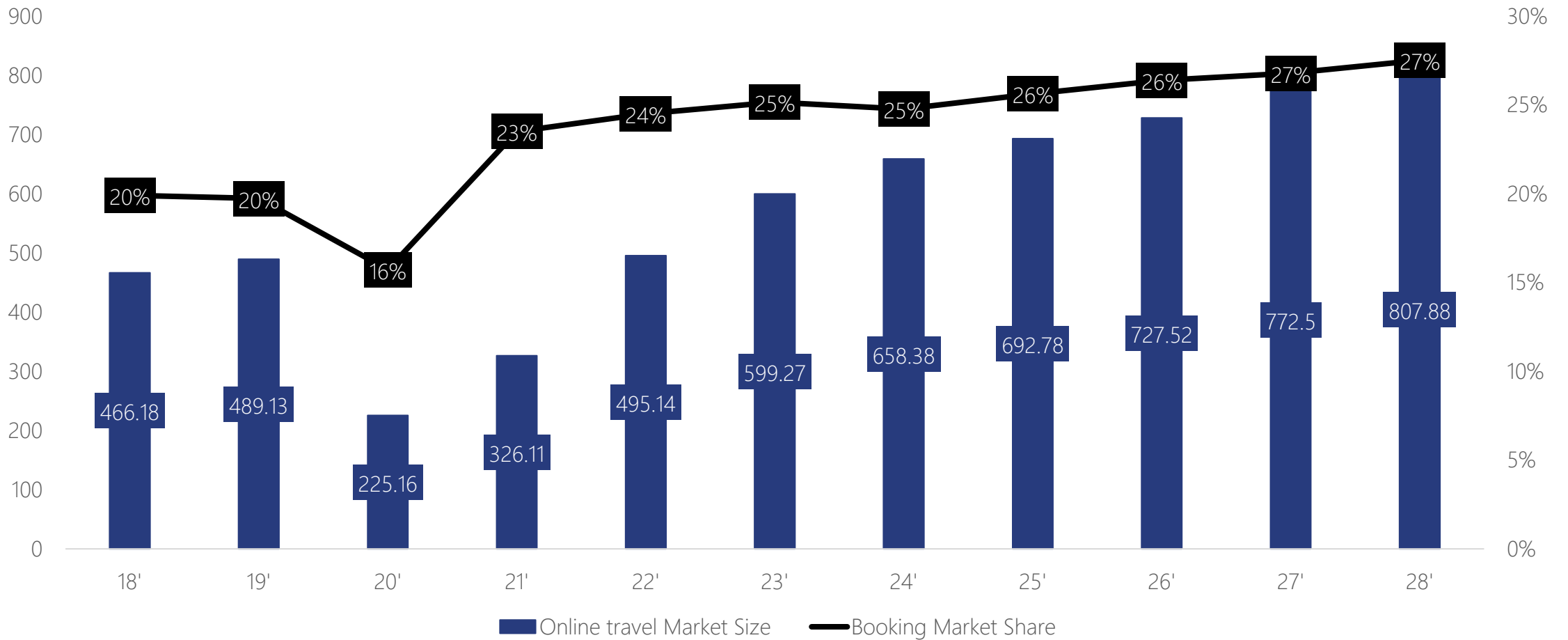
Marketing Expenses Evolution [USD mn]



Cagr 13'-23'
13.4%

Implied Market Share

Online travel Market Size [bn] x Booking Market Share [%]



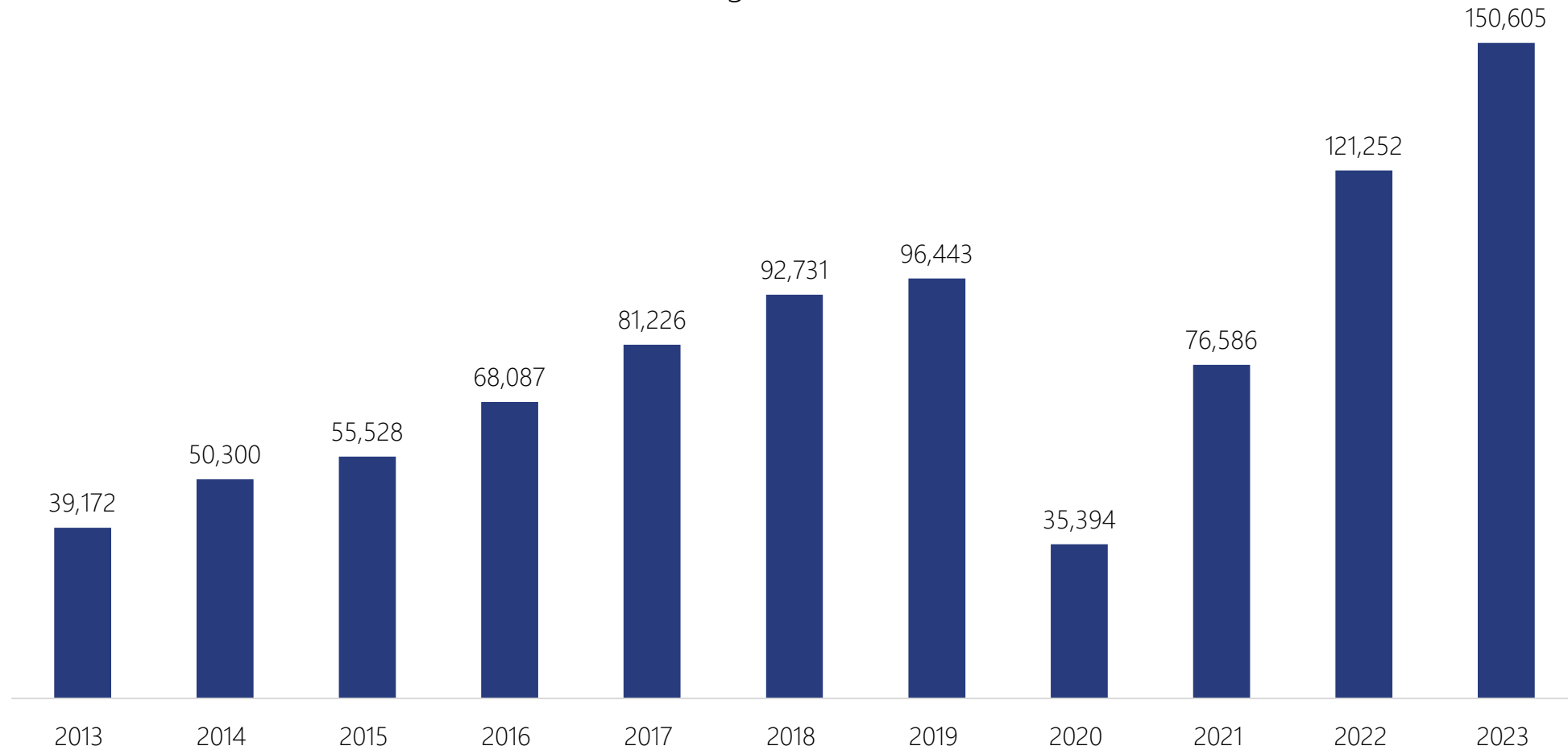
EPS x Dividends Analysis

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Shares outstanding	52.0	51.9	49.6	49.2	48.5	45.6	41.4	41.0	41.1	37.9	34.4
EPS	37.17	46.3	50.09	43.14	47.78	84.3	112.9	1.5	28.4	76.7	118.67
Net income						3998	4865	59	1165	3058	4289
Share price EoP						1633	2227	2227	2399	2015	3547
P/E						18.6	19.0	1547.6	84.6	25.0	28.4

IRR	Repurchase case	Cash flow					-1633	0	0	0	3547
	21.4%										
IRR	Non repurchase case	Cash flow					-1508	19	2	102	2834
	18.7%	Dividends					8153	1264	162	6621	10337
Shares	45.6	Dividends per share					179	28	4	145	227
Tax rate	30%	Tax rate					30%	30%	30%	30%	30%
		Dividends stock holder					125	19	2	102	159
		Share price EoP					2022	2002	2162	1675	2676
	Difference										
	2.7%										

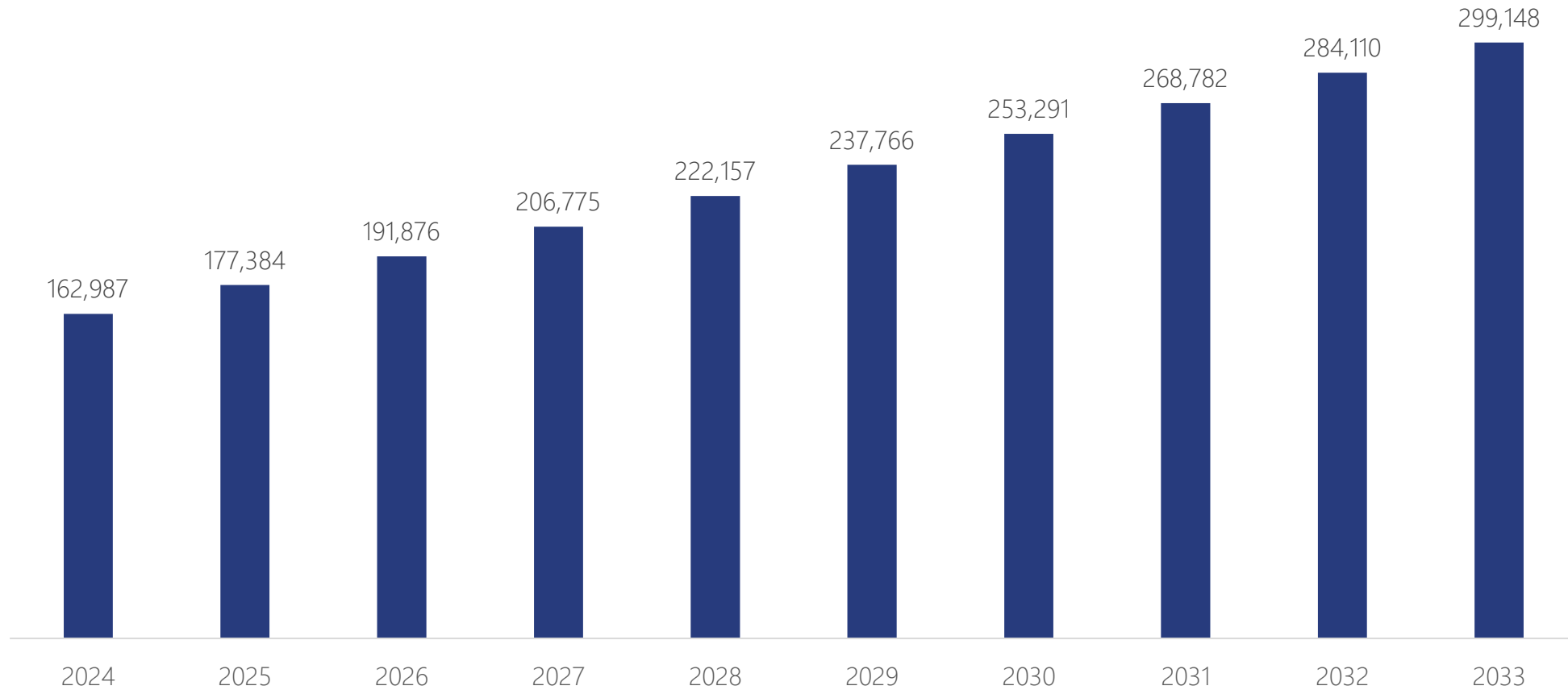
Gross Bookings Evolution

Gross Bookings Evolution [USD mn]



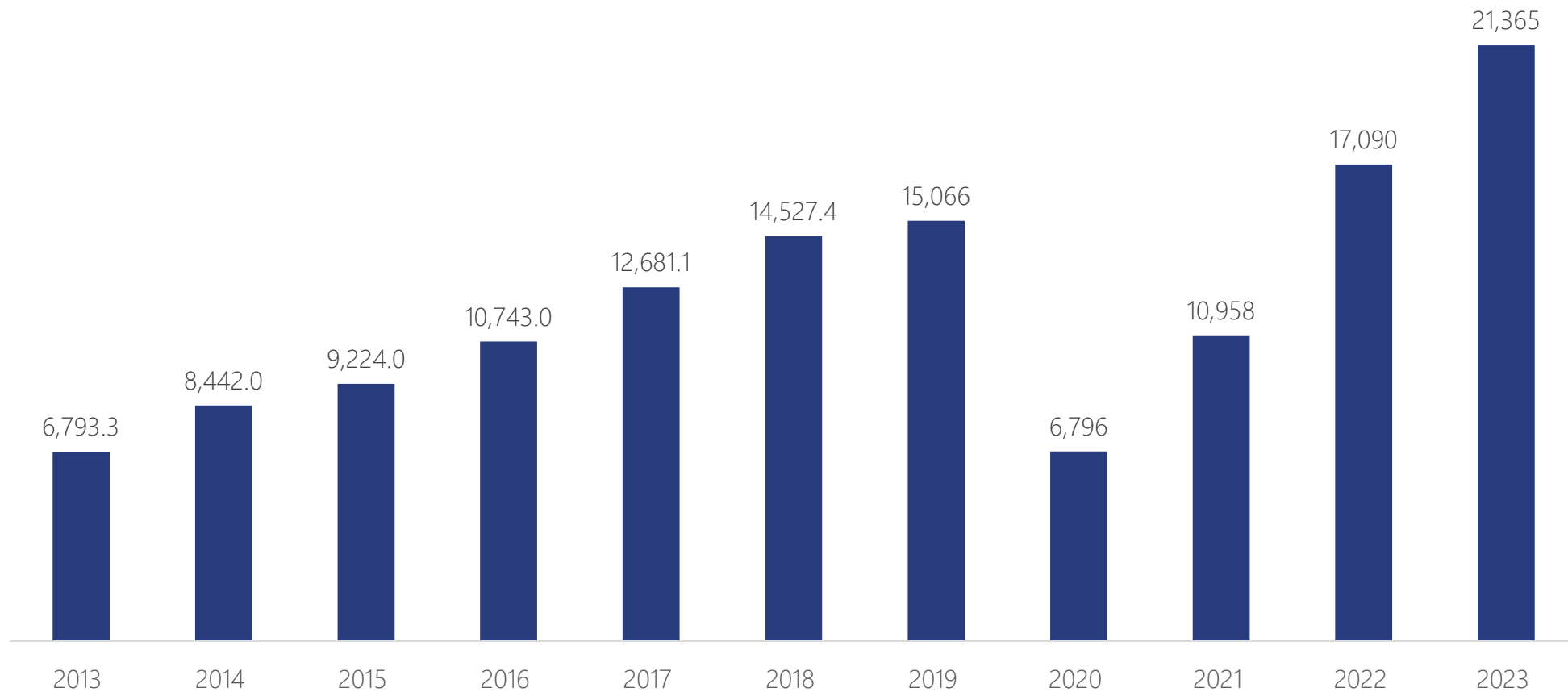
Gross Bookings Projection

Gross Bookings Projection [USD mn]



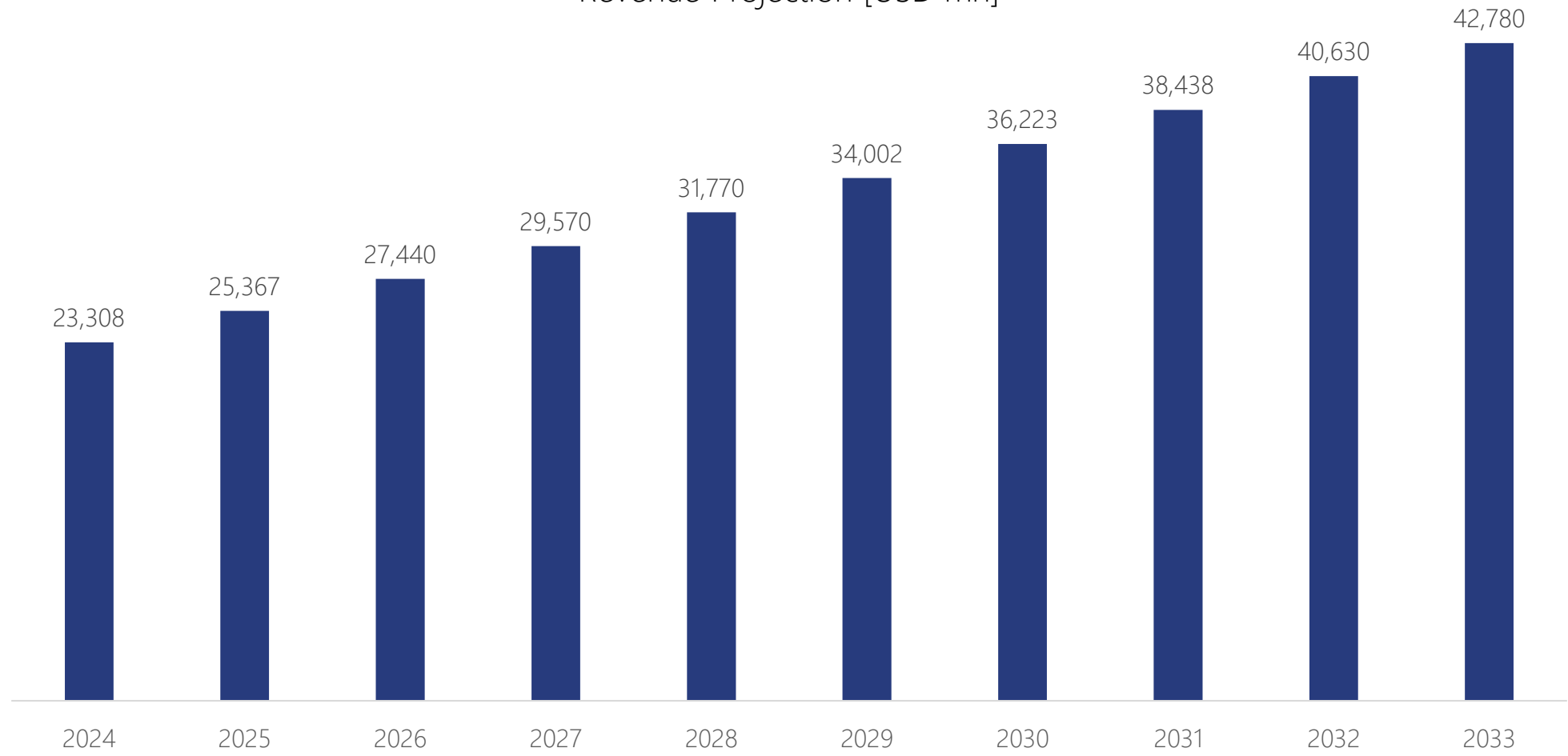
Revenue Evolution

Revenue Evolution [USD mn]



Revenue Projection

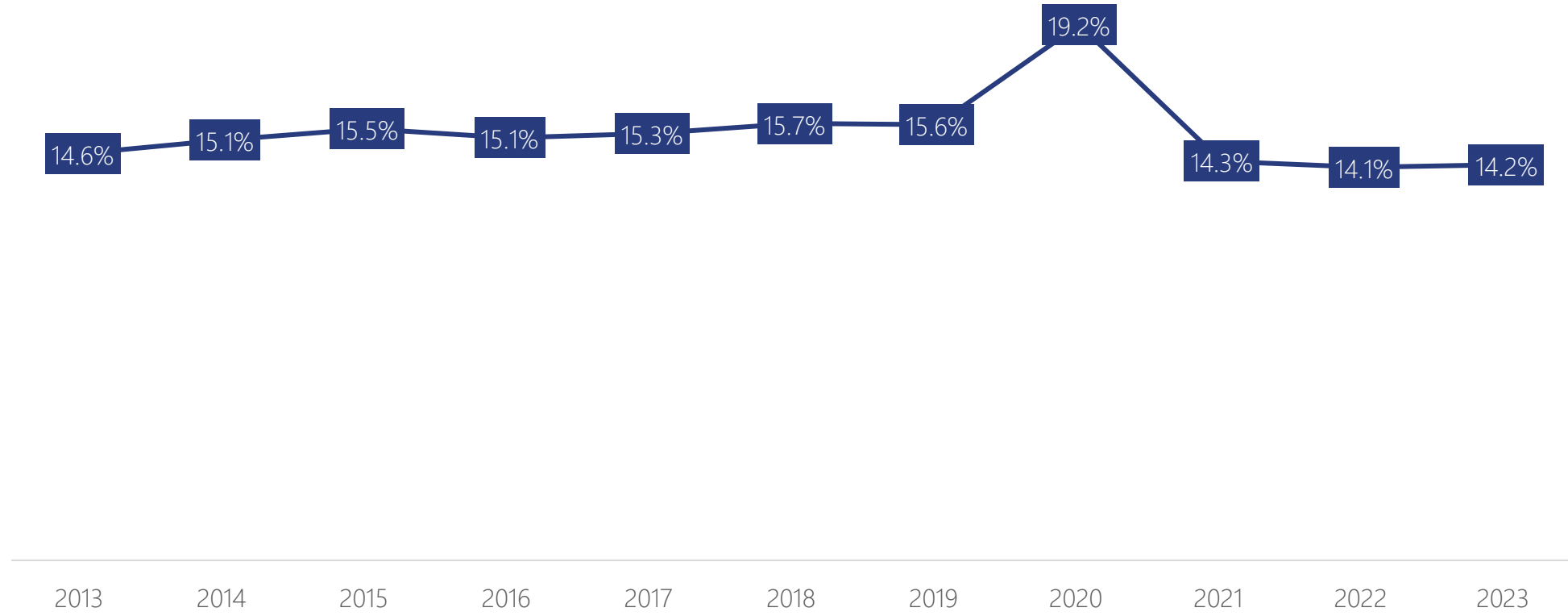
Revenue Projection [USD mn]



Take Rate Evolution

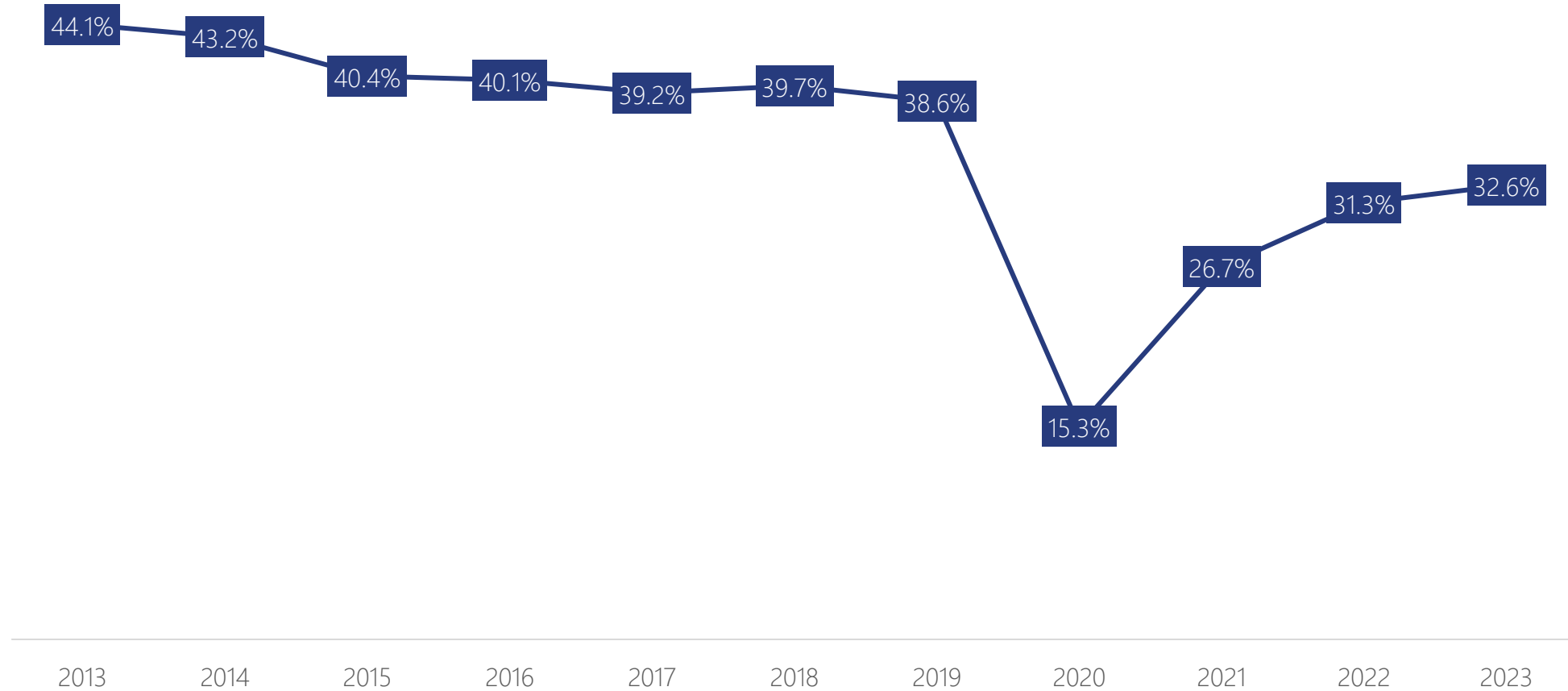
Take Rate Evolution [%]

In our valuation, we assumed a **14.3% take rate**



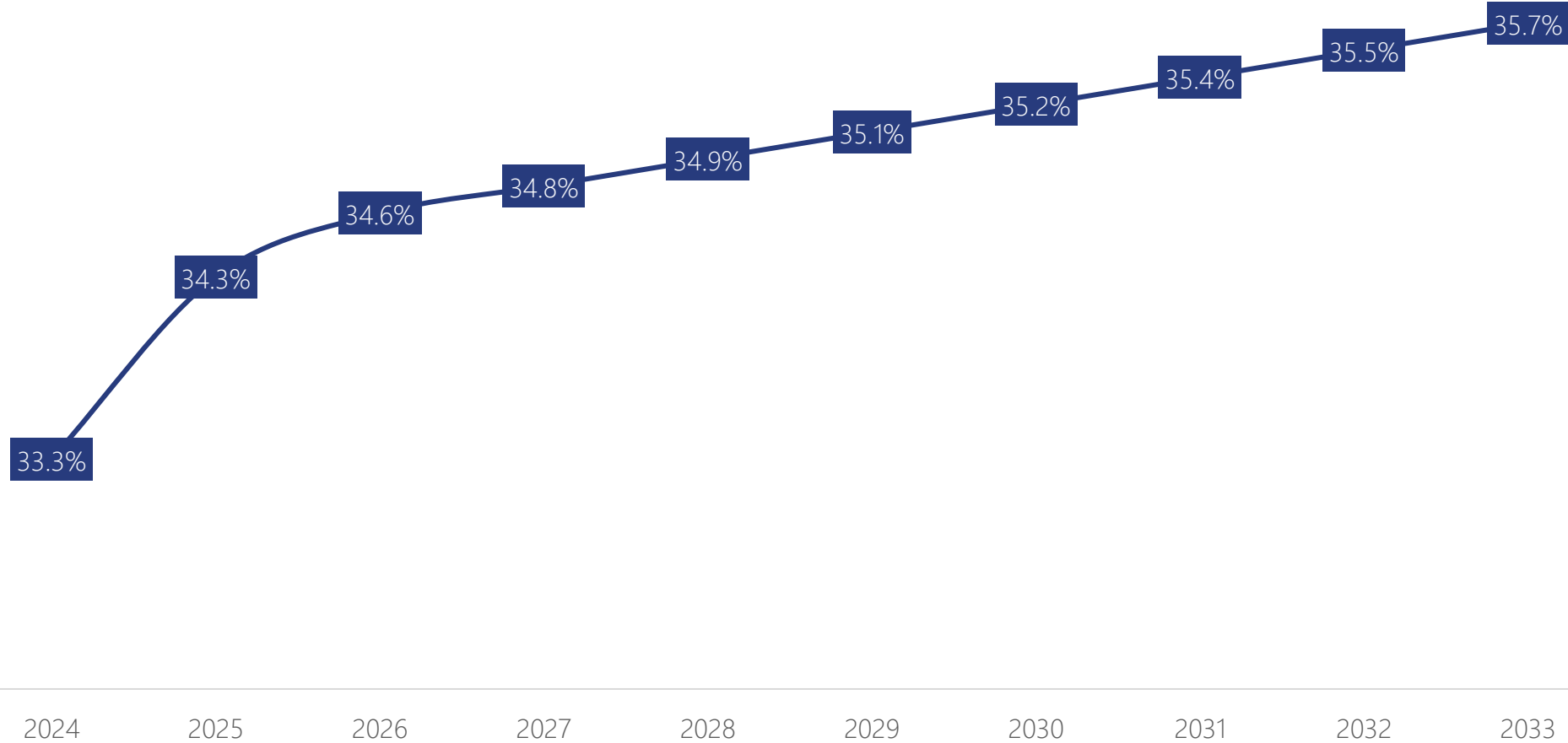
ADJ EBITDA Margin Evolution

Adj EBITDA Margin Evolution [%]



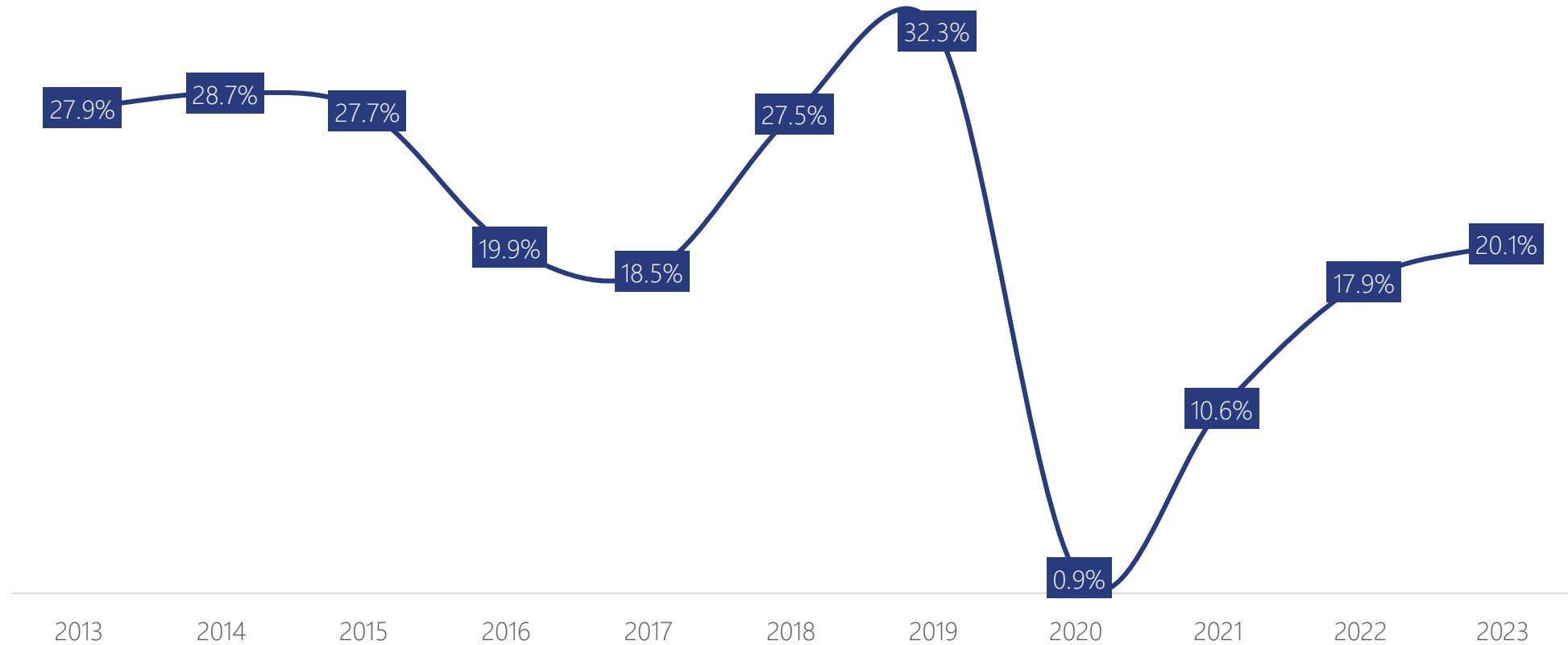
EBITDA Margin Projection

EBITDA Margin Projection [%]



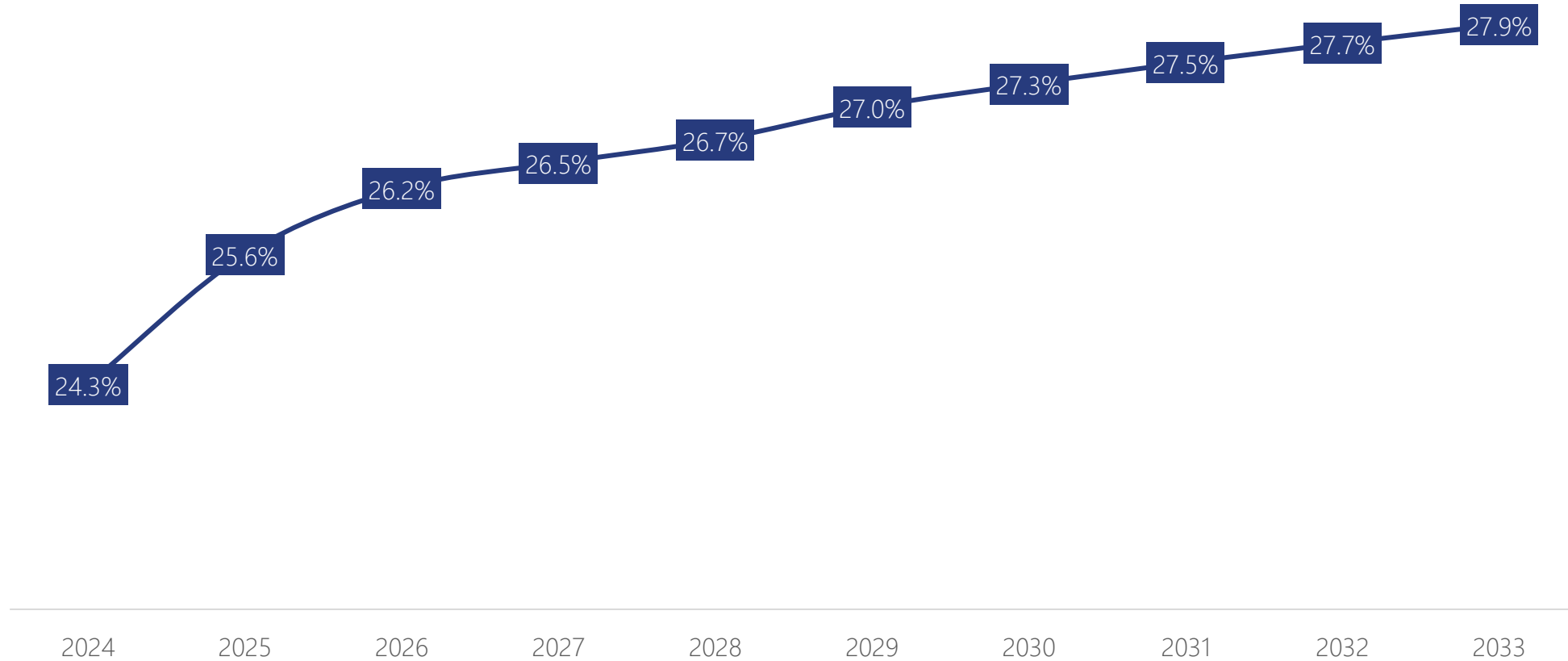
Net Margin Evolution (GAAP)

Net Margin Evolution [%]



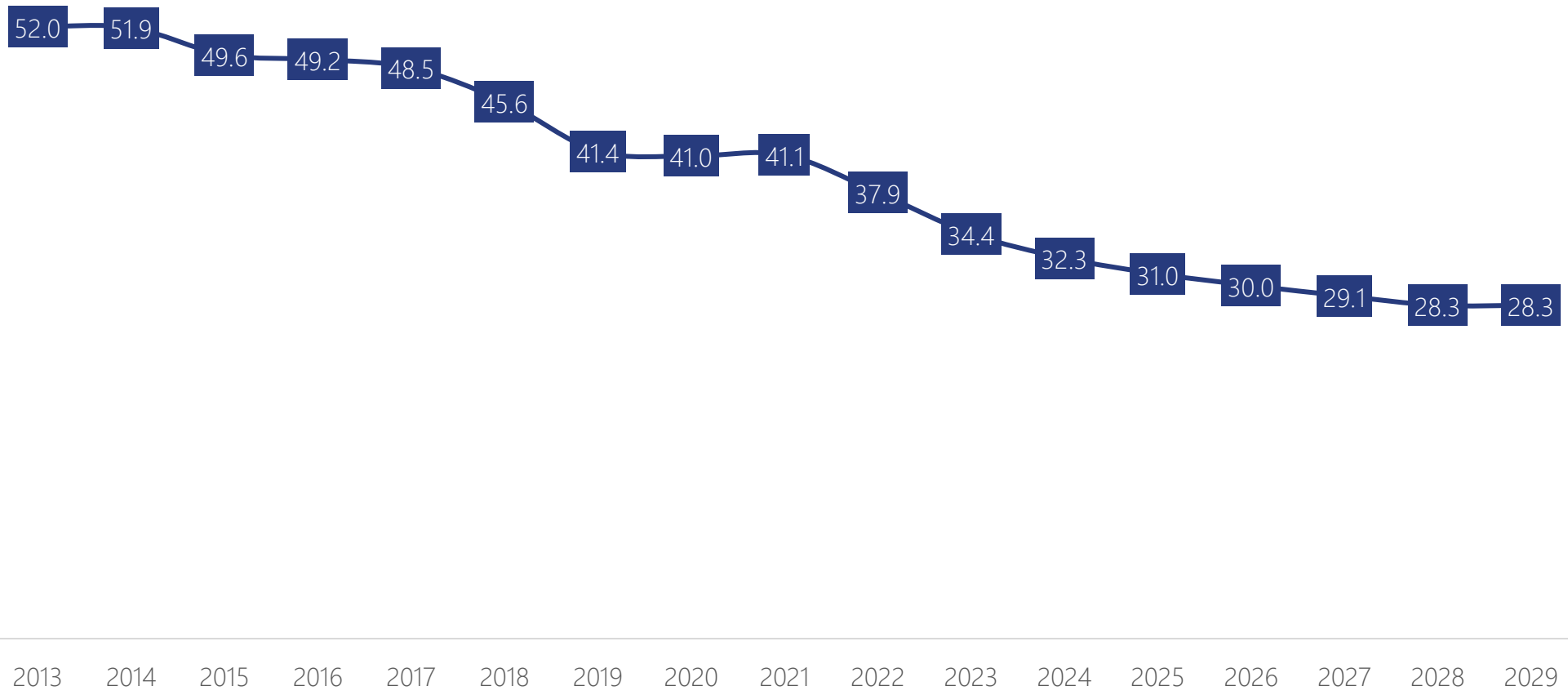
Net Margin Projection

Net Margin Projection [%]



Shares Outstanding

Shares Outstanding [mn]

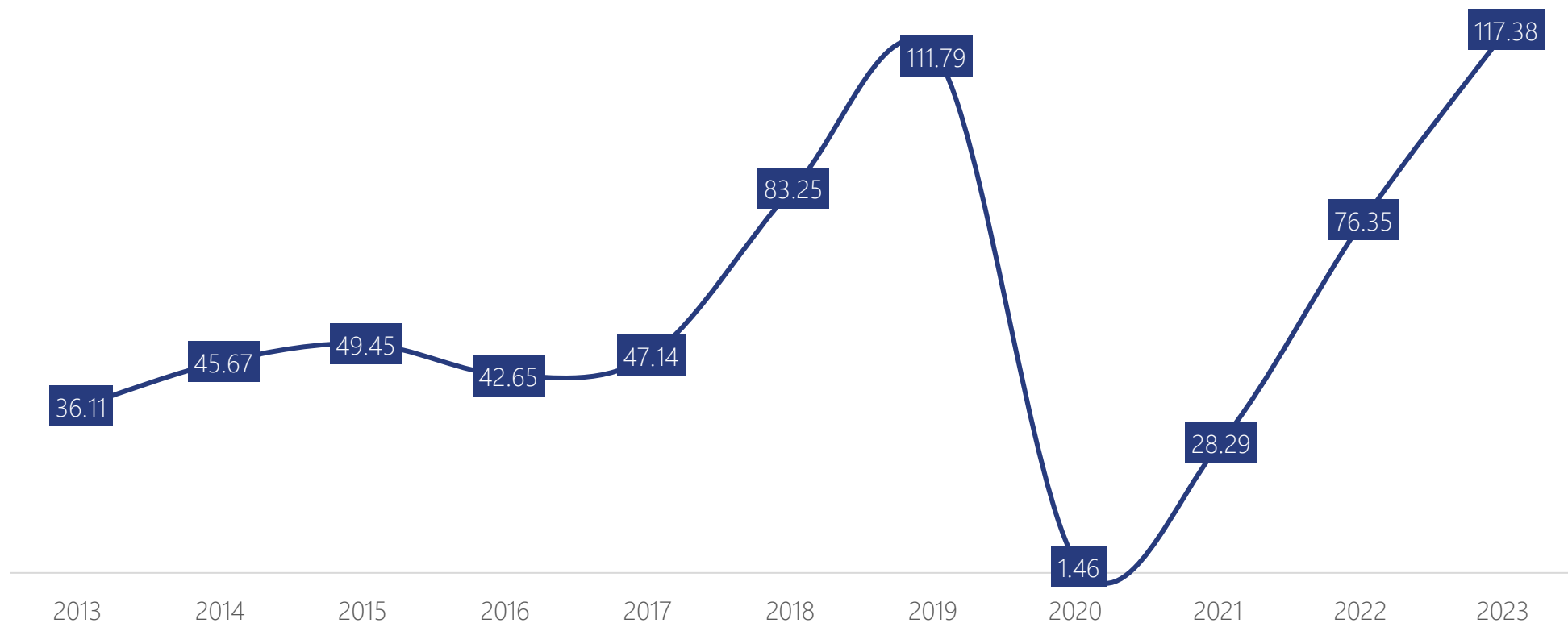


Number of Shares Outstanding

Number of shares	2024	2025	2026	2027	2028	2029
Shares outstanding BoP	33.9	32.3	31.0	30.0	29.1	28.3
Change in Shares [# mn]	1.6	1.3	1.0	0.9	0.8	0.0
Shares outstanding EoP	32.3	31.0	30.0	29.1	28.3	28.3
Market Cap EoP	129,668	143,900	156,586	169,678	183,864	197,557
P/E	20	20	20	20	20	20
Price per share	3,825	4,451	5,054	5,657	6,316	6,976
Shares reprurchase [USD mn]	6000	6000	5000	5000	5000	

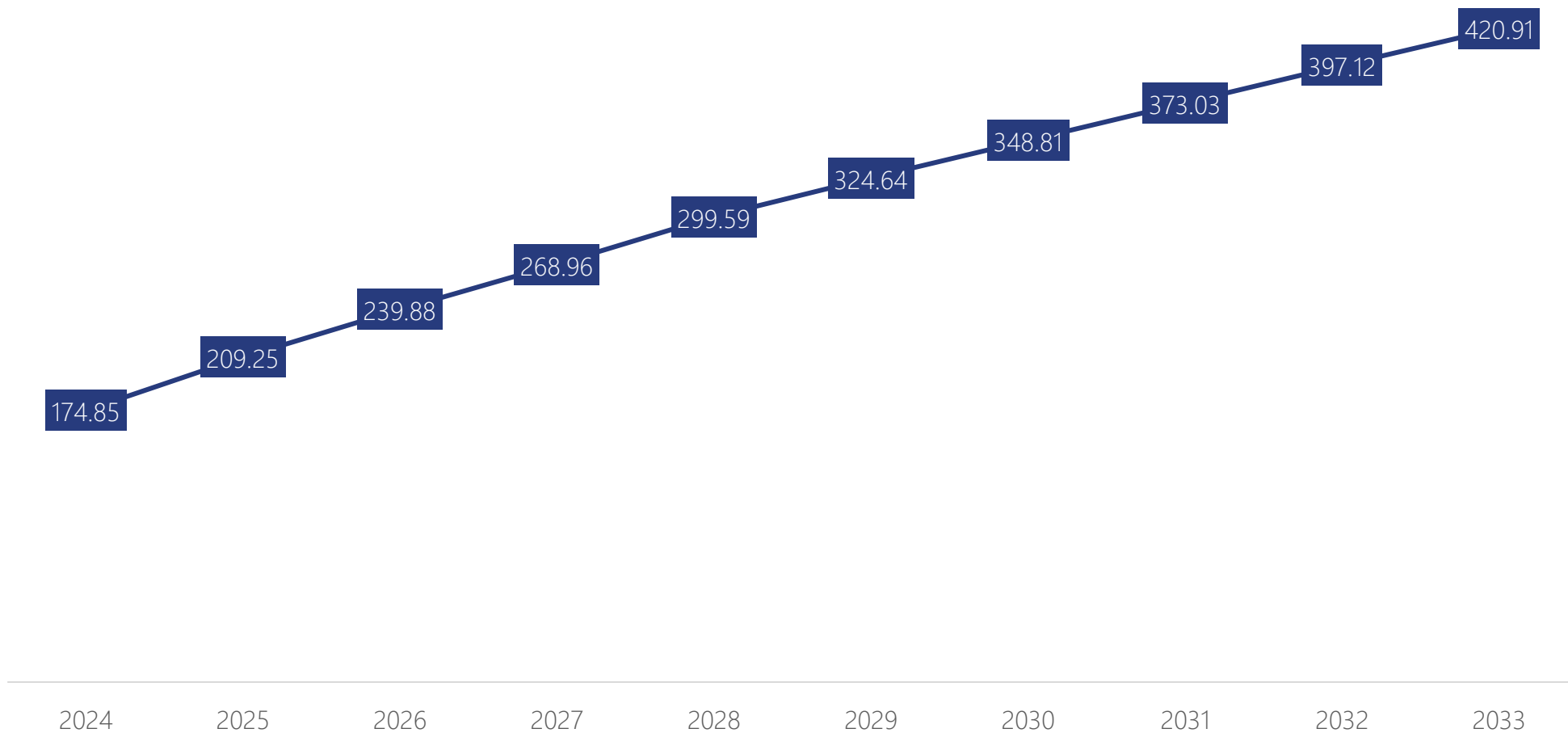
EPS Evolution

EPS Evolution [USD]



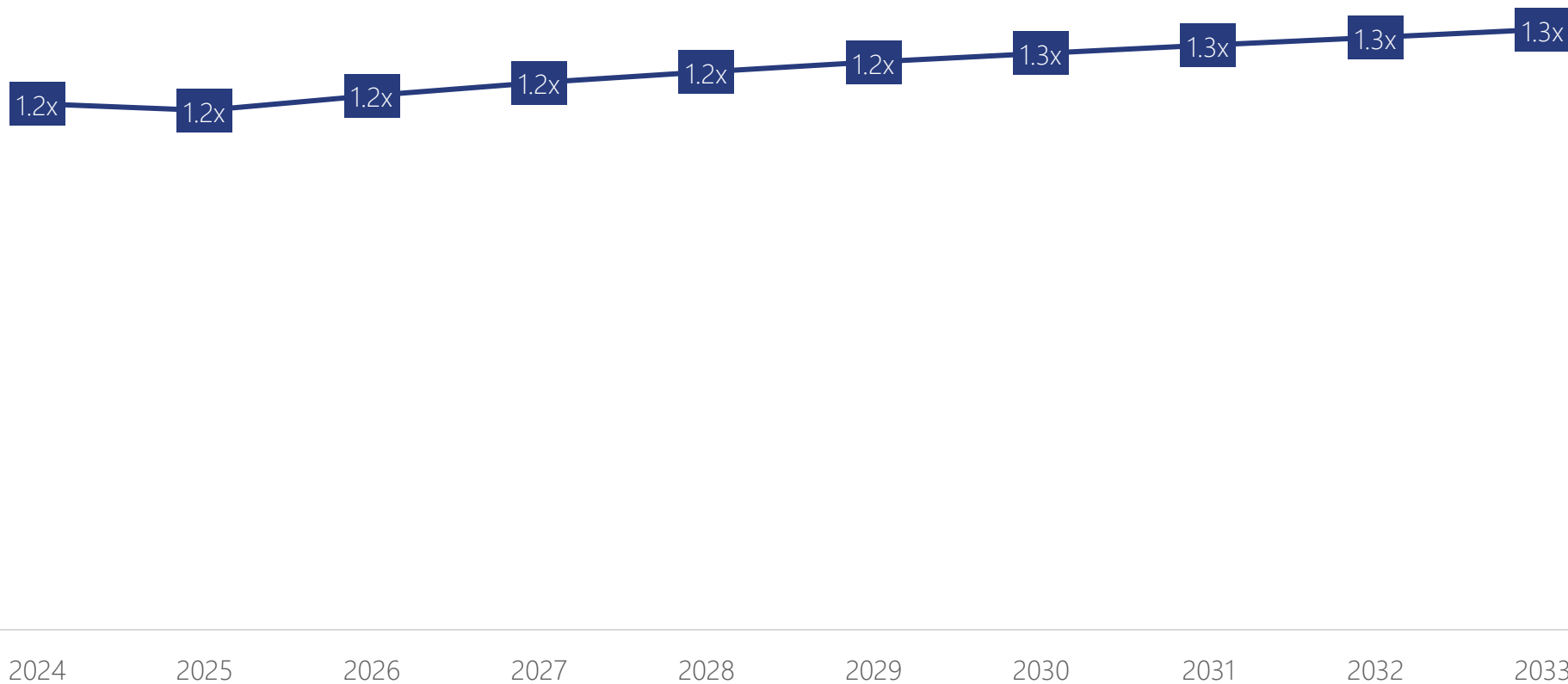
EPS Projection

EPS Projection [USD]



Quick Ratio Projection

Quick Ratio Projection [x]



Revenue Build-Up (1)

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net revenue		6,796	10,958	17,090	21,365	23,308	25,367	27,440	29,570	31,770	34,002	36,223	38,438	40,630	42,780
<i>Growth YoY</i>	[%]	-55%	61%	56%	25%	9.1%	8.8%	8.2%	7.8%	7.4%	7.0%	6.5%	6.1%	5.7%	5.3%
Take Rate	[%]	19.2%	14.3%	14.1%	14.2%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Merchant revenues	[mn]	2,117	3,696	7,193	10,936	12,607	13,974	15,390	16,881	18,455	20,091	21,766	23,481	25,226	26,989
growth YoY	[%]	-45%	75%	95%	52%	15%	11%	10%	10%	9%	9%	8%	8%	7%	7%
% of net revenue	[%]	31%	34%	42%	51%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%
Agency revenues	[mn]	4,314	6,663	9,003	9,414	9,594	10,188	10,746	11,284	11,806	12,296	12,736	13,131	13,473	13,759
growth YoY	[%]	-57%	54%	35%	5%	2%	6%	5%	5%	5%	4%	4%	3%	3%	2%
% of net revenue	[%]	63%	61%	53%	44%	41%	40%	39%	38%	37%	36%	35%	34%	33%	32%
Advertising and other revenues	[mn]	365	599	894	1,015	1,107	1,205	1,304	1,405	1,509	1,615	1,721	1,826	1,930	2,032
growth YoY	[%]	-67%	64%	49%	14%	9%	9%	8%	8%	7%	7%	7%	6%	6%	5%
% of net revenue	[%]	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Online travel market size	[bn USD]	225.2	326.1	495.1	599.3	658.4	692.8	727.5	772.5	807.9					
<i>Growth YoY</i>	[%]	-54%	45%	52%	21%	10%	5%	5%	6%	5%					

Revenue Build-Up (2)

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Gross Bookings	[mn USD]	35,394	76,586	121,253	150,627	162,987	177,384	191,876	206,775	222,157	237,766	253,291	268,782	284,110	299,148
<i>Growth YoY</i>	[%]	-63%	116%	58%	24%	8%	9%	8%	8%	7%	7%	7%	6%	6%	5%
Gross Bookings Hotels	[mn USD]	32,430	68,577	111,486	135,419	146,084	158,357	171,095	184,247	197,752	211,541	225,536	239,652	253,796	267,868
<i>Growth YoY</i>	[%]	-64%	111%	63%	21%	8%	8%	8%	8%	7%	7%	7%	6%	6%	6%
% of Gross Bookings	[%]	92%	90%	92%	90%	90%	89%	89%	89%	89%	89%	89%	89%	89%	90%
Rooms nights	[mn]	355	590	896	1,049	1,119	1,189	1,259	1,329	1,399	1,467	1,533	1,597	1,658	1,716
<i>Growth YoY</i>	[%]	-58%	66%	52%	17%	7%	6%	6%	6%	5%	5%	5%	4%	4%	3%
ADR	[mn]	91	116	124	129	131	133	136	139	141	144	147	150	153	156
<i>Growth YoY</i>	[%]	-14%	27%	7%	4%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Gross Bookings non-hotels	[mn]	2,964	8,009	9,767	15,208	16,902	19,027	20,781	22,529	24,405	26,225	27,756	29,130	30,315	31,280
<i>Growth YoY</i>	[%]	-59%	170%	22%	56%	11%	13%	9%	8%	8%	7%	6%	5%	4%	3%
% of Gross bookings	[%]	8%	10%	8%	10%	10%	11%	11%	11%	11%	11%	11%	11%	11%	10%
Rental car days booked	[mn]	31	47	62	74	80	87	93	99	106	112	118	124	130	135
<i>Growth YoY</i>	[%]	-59%	52%	32%	19%	8%	8%	7%	7%	6%	6%	5%	5%	4%	4%
Airlines tickets booked	[mn]	7	15	23	36	42	47	53	59	65	70	74	78	81	83
<i>Growth YoY</i>	[%]	-13%	114%	53%	57%	15%	14%	12%	11%	9%	8%	6%	5%	3%	2%
"ADR" non hotels		78	129	115	138	139	142	142	142	143	144	144	144	144	144
<i>Growth Yoy</i>		-9%	66%	-11%	17%	0%	2%	0%	0%	1%	1%	0%	0%	0%	0%

Balance Sheet

Balance Sheet	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Current Assets	[mn USD]	12,206	13,145	15,798	17,034	19,264	20,337	22,052	23,859	25,683	27,532	29,409	31,309	33,227	35,159
Cash and Equivalents	[mn USD]	10,562	11,127	12,221	12,107	14,016	14,727	16,073	17,499	18,928	20,379	21,860	23,364	24,891	26,439
Accounts receivable	[mn USD]	529	1,358	2,229	3,253	3,549	3,862	4,178	4,502	4,837	5,177	5,515	5,852	6,186	6,514
prepaid expenses	[mn USD]	337	404	477	644	669	718	771	828	887	945	1,004	1,062	1,120	1,176
Other current assets	[mn USD]	778	256	871	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030
Non Current Assets	[mn USD]	9,668	10,496	9,563	7,308	7,213	7,118	7,051	6,992	6,966	6,961	6,975	7,006	7,048	7,100
Property and Equipment	[mn USD]	756	822	669	784	906	1,020	1,128	1,234	1,372	1,466	1,566	1,667	1,770	1,873
Intangible assets	[mn USD]	1,812	2,057	1,829	1,613	1,396	1,187	1,012	847	683	583	499	427	367	316
other assets	[mn USD]	7,100	7,617	7,065	4,911	4,911	4,911	4,911	4,911	4,911	4,911	4,911	4,911	4,911	4,911
Current Liabilities	[mn USD]	3,425	6,246	8,474	13,330	15,787	16,799	17,886	19,050	20,239	21,450	22,682	23,923	25,164	26,393
Accounts payable	[mn USD]	735	1,586	2,507	3,480	3,600	3,859	4,144	4,453	4,761	5,071	5,386	5,699	6,008	6,310
Accrued expenses and other current liabilities	[mn USD]	1,382	1,765	3,244	4,635	4,794	5,140	5,520	5,932	6,345	6,759	7,178	7,595	8,007	8,410
Deferred merchant bookings	[mn USD]	323	906	2,223	3,254	3,751	4,158	4,579	5,023	5,491	5,978	6,476	6,987	7,506	8,031
Short-term debt	[mn USD]	985	1,989	500	1,961	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642
Non Current Liabilities	[mn USD]	13,556	11,217	14,105	13,756	14,971	15,643	16,348	17,089	17,867	18,684	19,541	20,442	21,387	22,380
Long-term debt	[mn USD]	11,029	8,937	11,985	12,223	13,438	14,110	14,815	15,556	16,334	17,151	18,008	18,909	19,854	20,847
Other non current liabilities	[mn USD]	2,527	2,280	2,120	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533
Equity	[mn USD]	4,893	6,178	2,782	(2,744)	(4,281)	(4,987)	(5,131)	(5,288)	(5,458)	(5,642)	(5,839)	(6,050)	(6,275)	(6,514)
Treasury stock	[mn USD]	(24,128)	(24,290)	(30,983)	(41,426)	(47,426)	(53,426)	(58,426)	(63,426)	(68,426)	(68,426)	(68,426)	(68,426)	(68,426)	(68,426)
retained earning	[mn USD]	23,288	24,453	27,541	31,830	36,293	41,587	46,443	51,286	56,116	55,932	55,735	55,524	55,299	55,060
Other in equity	[mn USD]	5,733	6,015	6,224	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852

Income Statement

Income statement	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total revenues	[mn USD]	6,796	10,958	17,090	21,365	23,308	25,367	27,440	29,570	31,770	34,002	36,223	38,438	40,630	42,780
growth YoY	[%]		61%	56%	25%	9%	9%	8%	8%	7%	7%	7%	6%	6%	5%
Expenses	[mn USD]	6,969	8,041	11,537	15,026	15,556	16,676	17,943	19,292	20,680	22,082	23,470	24,848	26,205	27,528
growth YoY	[%]		15%	43%	30%	4%	7%	8%	8%	7%	7%	6%	6%	5%	5%
% of revenue	[%]	103%	73%	68%	70%	67%	66%	65%	65%	65%	65%	65%	65%	64%	64%
EBITDA	[mn USD]	(173)	2,917	5,553	6,339	7,753	8,691	9,497	10,278	11,090	11,920	12,753	13,590	14,425	15,253
growth YoY	[%]	-103%	-1786%	90%	14%	22%	12%	9%	8%	8%	7%	7%	7%	6%	6%
% of net revenue	[%]	-3%	27%	32%	30%	33%	34%	35%	35%	35%	35%	35%	35%	36%	36%
D&A	[mn USD]	458	421	451	504	508	545	552	582	620	606	625	648	675	703
growth YoY	[%]	-2%	-8%	7%	12%	1%	7%	1%	5%	6%	-2%	3%	4%	4%	4%
% of net revenue	[%]	7%	4%	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
EBIT	[mn USD]	(631)	2,496	5,102	5,835	7,244	8,146	8,944	9,696	10,470	11,314	12,127	12,941	13,751	14,550
growth YoY	[%]	-112%	-496%	104%	14%	24%	12%	10%	8%	8%	8%	7%	7%	6%	6%
% of net revenue	[%]	-9%	23%	30%	27%	31%	32%	33%	33%	33%	33%	33%	34%	34%	34%
Financial result + others	[mn USD]	1,198	(1,031)	(1,179)	(354)	(179)	(43)	48	89	133	175	218	261	304	347
growth YoY	[%]		-186%	14%	-70%	-49%	-76%	-211%	85%	50%	32%	24%	20%	17%	14%
% of net revenue	[%]	18%	-9%	-7%	-2%	-1%	0%	0%	0%	0%	1%	1%	1%	1%	1%
EBT	[mn USD]	567	1,465	3,923	5,481	7,065	8,103	8,992	9,785	10,603	11,490	12,345	13,202	14,055	14,897
growth YoY	[%]	-90%	158%	168%	40%	29%	15%	11%	9%	8%	8%	7%	7%	6%	6%
% of net revenue	[%]	8%	13%	23%	26%	30%	32%	33%	33%	33%	34%	34%	34%	35%	35%
Income tax expense	[mn USD]	(508)	(300)	(865)	(1,192)	(1,412)	(1,619)	(1,797)	(1,956)	(2,119)	(2,296)	(2,467)	(2,639)	(2,809)	(2,977)
growth YoY	[%]	-54%	-41%	188%	38%	18%	15%	11%	9%	8%	8%	7%	7%	6%	6%
% of net revenue	[%]	-7%	-3%	-5%	-6%	-6%	-6%	-7%	-7%	-7%	-7%	-7%	-7%	-7%	-7%
Tax rate	[%]	-90%	-20%	-22%	-22%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%
Net income	[mn USD]	59	1,165	3,058	4,289	5,653	6,483	7,195	7,829	8,484	9,193	9,878	10,564	11,246	11,920
growth YoY	[%]	-99%	1875%	162%	40%	32%	15%	11%	9%	8%	8%	7%	7%	6%	6%
% of net revenue	[%]	1%	11%	18%	20%	24%	26%	26%	26%	27%	27%	27%	27%	28%	28%



Expenses

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Marketing expenses	[mn USD]	2,179	3,801	5,993	6,773	7,156	7,598	8,109	8,679	9,261	9,844	10,414	10,975	11,519	12,043
growth YoY	[%]	-56%	74%	58%	13%	6%	6%	7%	7%	7%	6%	6%	5%	5%	5%
% of net revenue	[%]	32%	35%	35%	31.7%	30.7%	30.0%	29.6%	29.4%	29.2%	29.0%	28.8%	28.6%	28.4%	28.2%
Sales and other expense	[mn USD]	755	979	1,986	2,744	3,163	3,506	3,862	4,236	4,631	5,041	5,461	5,892	6,330	6,772
growth YoY	[%]	-21%	30%	103%	38%	15%	11%	10%	10%	9%	9%	8%	8%	7%	7%
% of net revenue	[%]	11%	9%	12%	13%	14%	14%	14%	14%	15%	15%	15%	15%	16%	16%
% of merchant revenue	[%]	36%	26%	28%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Personnel	[mn USD]	1,944	2,314	2,465	3,294	3,477	3,657	3,901	4,145	4,390	4,630	4,860	5,081	5,289	5,483
growth YoY	[%]	-14%	19%	7%	34%	6%	5%	7%	6%	6%	5%	5%	5%	4%	4%
% of net revenue	[%]	28.6%	21.1%	14.4%	15.4%	15%	14%	14%	14%	14%	14%	13%	13%	13%	13%
General and administrative	[mn USD]	581	522	766	1,555	1,045	1,137	1,230	1,325	1,424	1,524	1,624	1,723	1,821	1,917
growth YoY	[%]	-27%	-10%	47%	103%	-33%	9%	8%	8%	7%	7%	7%	6%	6%	5%
% of net revenue	[%]	8.5%	4.8%	4.5%	7.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Information technology	[mn USD]	299	412	526	655	715	778	841	907	974	1,042	1,110	1,178	1,246	1,312
growth YoY	[%]	5%	38%	28%	25%	9%	9%	8%	8%	7%	7%	7%	6%	6%	5%
% of net revenue	[%]	4.4%	3.8%	3.1%	3.1%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other Operating expenses	[mn USD]	1,211	13	(199)	5	0	0	0	0	0	0	0	0	0	0
growth YoY	[%]		-99%	-1631%	-103%	-100%									
% of net revenue	[%]	18%	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Financial Result

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Financial result	[mn USD]	(302)	(318)	(172)	123	25	179	289	348	411	473	536	598	660	723
Interest expenses	[mn USD]	(356)	(334)	(391)	(897)	(743)	(710)	(646)	(672)	(699)	(728)	(758)	(789)	(822)	(857)
Interest and dividend income	[mn USD]	54	16	219	1,020	768	890	935	1,020	1,111	1,201	1,293	1,387	1,483	1,580
growth YoY	[%]	165%	5%	-46%	-172%	-79%	607%	61%	21%	18%	15%	13%	12%	10%	9%
% of net revenue	[%]	-4%	-3%	-1%	1%	0%	1%	1%	1%	1%	1%	1%	2%	2%	2%
Other income expense	[mn USD]	1,500	(713)	(1,007)	(477)	(204)	(223)	(241)	(259)	(279)	(298)	(318)	(337)	(356)	(375)
growth YoY	[%]	106%	-148%	41%	-53%	-57%	9%	8%	8%	7%	7%	7%	6%	6%	5%
% of net revenue	[%]	22%	-7%	-6%	-2%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Financial revenues															
BoP Cash and Equivalents	[mn USD]	6,312	10,562	11,127	12,221	12,107	14,016	14,727	16,073	17,499	18,928	20,379	21,860	23,364	24,891
Financial revenues	[mn USD]	54	16	219	1,020	768	890	935	1,020	1,111	1,201	1,293	1,387	1,483	1,580
% of cash	[%]	1%	0%	2%	8%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%

Cash Flow Statement

Cash Flow Statement	[Units]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
CFO	[mn USD]	6,617	7,678	8,466	9,194	9,899	10,612	11,338	12,057	12,769	13,468
Net income	[mn USD]	5,653	6,483	7,195	7,829	8,484	9,193	9,878	10,564	11,246	11,920
(+) D&A	[mn USD]	508	545	552	582	620	606	625	648	675	703
(+/-) ΔWC	[mn USD]	455	650	718	782	795	813	835	845	849	846
CFI	[mn USD]	(413)	(450)	(486)	(523)	(593)	(601)	(640)	(679)	(717)	(755)
(-) Maintance Capex	[mn USD]	(413)	(450)	(486)	(523)	(593)	(606)	(625)	(648)	(675)	(703)
(-) Expansion Capex	[mn USD]	0	0	0	0	0	5	(15)	(30)	(42)	(52)
CFF	[mn USD]	(4,294)	(6,518)	(6,633)	(7,245)	(7,876)	(8,560)	(9,218)	(9,874)	(10,525)	(11,165)
(+/-)Δ change in debt	[mn USD]	2,896	672	705	741	778	817	858	900	945	993
(-)dividends and share repurchase	[mn USD]	(7,190)	(7,190)	(7,339)	(7,986)	(8,654)	(9,377)	(10,075)	(10,775)	(11,471)	(12,158)
Cash BoP	[mn USD]	12,107	14,016	14,727	16,073	17,499	18,928	20,379	21,860	23,364	24,891
Change in cash	[mn USD]	1,909	711	1,347	1,425	1,430	1,451	1,481	1,504	1,527	1,548
Cash EoP	[mn USD]	14,016	14,727	16,073	17,499	18,928	20,379	21,860	23,364	24,891	26,439



Revenue Breakdown

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net revenue	[mn USD]	6,796	10,958	17,090	21,365	23,308	25,367	27,440	29,570	31,770	34,002	36,223	38,438	40,630	42,780
Merchant revenues	[mn USD]	2,117	3,696	7,193	10,936	12,607	13,974	15,390	16,881	18,455	20,091	21,766	23,481	25,226	26,989
growth YoY	[%]	-45%	75%	95%	52%	15%	11%	10%	10%	9%	9%	8%	8%	7%	7%
% of net revenue	[%]	31%	34%	42%	51%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%
Agency revenues	[mn USD]	4,314	6,663	9,003	9,414	9,594	10,188	10,746	11,284	11,806	12,296	12,736	13,131	13,473	13,759
growth YoY	[%]	-57%	54%	35%	5%	2%	6%	5%	5%	5%	4%	4%	3%	3%	2%
% of net revenue	[%]	63%	61%	53%	44%	41%	40%	39%	38%	37%	36%	35%	34%	33%	32%
Advertising and other revenues	[mn USD]	365	599	894	1,015	1,107	1,205	1,304	1,405	1,509	1,615	1,721	1,826	1,930	2,032
growth YoY	[%]	-67%	64%	49%	14%	9%	9%	8%	8%	7%	7%	7%	6%	6%	5%
% of net revenue	[%]	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%

Depreciation and Amortization

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Depreciation PP&E	[mn USD]	291	259	227	282	286	331	372	412	451	501	536	572	609	647
growth YoY	[%]	-1%	-11%	-12%	24%	2%	16%	13%	11%	9%	11%	7%	7%	6%	6%
% of D&A	[%]	64%	62%	50%	56%	56%	61%	67%	71%	73%	83%	86%	88%	90%	92%
Amortization for intangible assets	[mn USD]	167	162	224	222	222	214	180	170	169	105	89	76	66	56
growth YoY	[%]	-5%	-3%	38%	-1%	0%	-4%	-16%	-6%	-1%	-38%	-15%	-14%	-14%	-14%
% of D&A	[%]	-26%	6%	4%	4%	3%	3%	2%	2%	2%	1%	1%	1%	0%	0%

PP&E and Intangibles

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BoP PP&E	[mn USD]	738	756	822	669	784	906	1,020	1,128	1,234	1,372	1,466	1,566	1,667	1,770
Capex	[mn USD]	309	325	74	397	408	445	481	518	588	596	635	674	712	750
% of net revenue	[%]	5%	3%	0%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Depreciation	[mn USD]	(291)	(259)	(227)	(282)	(286)	(331)	(372)	(412)	(451)	(501)	(536)	(572)	(609)	(647)
% of BOP PP&E	[%]	-39%	-34%	-28%	-42%	-37%	-37%	-37%	-37%	-37%	-37%	-37%	-37%	-37%	-37%
% of Capex	[%]	-94%	-80%	-307%	-71%	-70%	-74%	-77%	-80%	-77%	-84%	-84%	-85%	-86%	-86%
% of D&A	[%]	-64%	-62%	-50%	-56%	-56%	-61%	-67%	-71%	-73%	-83%	-86%	-88%	-90%	-92%
EoP PP&E	[mn USD]	756	822	669	784	906	1,020	1,128	1,234	1,372	1,466	1,566	1,667	1,770	1,873

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
BoP Intangible	[mn USD]	1,954	1,812	2,057	1,829	1,613	1,396	1,187	1,012	847	683	583	499	427	367
Capex	[mn USD]	25	407	(4)	6	5	5	5	5	5	5	5	5	5	5
% of net revenue	[%]	0%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Amortization	[mn USD]	(167)	(162)	(224)	(222)	(222)	(214)	(180)	(170)	(169)	(105)	(89)	(76)	(66)	(56)
% of BoP intangibles	[%]	-9%	-9%	-11%	-12%	-14%	-15%	-15%	-17%	-20%	-15%	-15%	-15%	-15%	-15%
% of Capex	[%]	-668%	-40%	5600%	-3700%	-4440%	-4280%	-3600%	-3400%	-3380%	-2094%	-1788%	-1530%	-1310%	-1125%
%D&A	[%]	-36%	-38%	-50%	-44%	-44%	-39%	-33%	-29%	-27%	-17%	-14%	-12%	-10%	-8%
EoP Intangible	[mn USD]	1,812	2,057	1,829	1,613	1,396	1,187	1,012	847	683	583	499	427	367	316

Working Capital

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Days in the period	[#]	360	360	360	360	360	360	360	360	360	360	360	360	360	360
Net revenue	[mn USD]	6,796	10,958	17,090	21,365	23,308	25,367	27,440	29,570	31,770	34,002	36,223	38,438	40,630	42,780
All expenses	[mn USD]	(7,427)	(8,462)	(11,988)	(15,530)	(16,064)	(17,221)	(18,495)	(19,874)	(21,300)	(22,688)	(24,095)	(25,497)	(26,879)	(28,231)
Change in WC	[mn USD]	281	(921)	(2,773)	(2,204)	(455)	(650)	(718)	(782)	(795)	(813)	(835)	(845)	(849)	(846)
WC	[mn USD]	(1,574)	(2,495)	(5,268)	(7,472)	(7,927)	(8,577)	(9,295)	(10,078)	(10,873)	(11,686)	(12,521)	(13,366)	(14,215)	(15,061)
Cash conversion cycle	[#]	(75)	(111)	(158)	(173)	(176)	(177)	(178)	(179)	(180)	(181)	(182)	(183)	(184)	(185)
Current Assets															
Accounts receivable	[mn USD]	529	1,358	2,229	3,253	3,549	3,862	4,178	4,502	4,837	5,177	5,515	5,852	6,186	6,514
% of net revenue	[%]	8%	12%	13%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Days receivable	[#]	28	45	47	55	55	55	55	55	55	55	55	55	55	55
prepaid expenses	[mn USD]	337	404	477	644	669	718	771	828	887	945	1,004	1,062	1,120	1,176
% of all expenses	[%]	5%	5%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Days of prepaid expenses	[#]	16	17	14	15	15	15	15	15	15	15	15	15	15	15
Current Liabilities															
Accounts payable	[mn USD]	735	1586	2507	3480	3600	3859	4144	4453	4761	5071	5386	5699	6008	6310
% of expenses	[%]	10%	19%	21%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%
Days of payable	[#]	36	67	75	81	81	81	81	81	80	80	80	80	80	80
Accrued expenses and other current liabilities	[mn USD]	1382	1765	3244	4635	4794	5140	5520	5932	6345	6759	7178	7595	8007	8410
% of expenses	[%]	19%	21%	27%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Days of accrued expenses	[#]	67	75	97	107	107	107	107	107	107	107	107	107	107	107
Deferred merchant bookings	[mn USD]	323	906	2223	3254	3751	4158	4579	5023	5491	5978	6476	6987	7506	8031
% of net revenue	[%]	5%	8%	13%	15%	16%	16%	17%	17%	17%	18%	18%	18%	18%	19%
% of merchant revenue	[%]	15%	25%	31%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Days of deferred merchant bookings	[#]	17	30	47	55	58	59	60	61	62	63	64	65	67	68

Debt

	[Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
* Debt															
						1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Gross current debt BoP	[mn USD]	988	985	1,989	500	1,961	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642
Net add in gross current debt	[mn USD]	(3)	1,004	(1,489)	1,461	1,681	0	0	0	0	0	0	0	0	0
Gross current debt EoP	[mn USD]	985	1,989	500	1,961	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642	3,642
% short term	[%]	8%	18%	4%	14%	21%	21%	20%	19%	18%	18%	17%	16%	16%	15%
Gross non-current debt BoP	[mn USD]	7,640	11,029	8,937	11,985	12,223	13,438	14,110	14,815	15,556	16,334	17,151	18,008	18,909	19,854
Net add in gross non-current debt	[mn USD]	3,389	(2,092)	3,048	238	1,215	672	705	741	778	817	858	900	945	993
Gross non-current debt EoP	[mn USD]	11,029	8,937	11,985	12,223	13,438	14,110	14,815	15,556	16,334	17,151	18,008	18,909	19,854	20,847
% long term	[%]	92%	82%	96%	86%	79%	79%	80%	81%	82%	82%	83%	84%	84%	85%
Cash	[mn USD]	10,562	11,127	12,221	12,107	14,016	14,727	16,073	17,499	18,928	20,379	21,860	23,364	24,891	26,439
Net debt	[mn USD]	1,452	(201)	264	2,077	3,064	3,025	2,384	1,699	1,048	413	(210)	(814)	(1,395)	(1,951)
Gross Debt	[mn USD]	12,014	10,926	12,485	14,184	17,080	17,752	18,457	19,198	19,976	20,793	21,650	22,551	23,496	24,489
EBITDA	[mn USD]	(173)	2,917	5,553	6,339	7,753	8,691	9,497	10,278	11,090	11,920	12,753	13,590	14,425	15,253
Net debt / EBITDA	[x]	(8.4)	(0.1)	0.0	0.3	0.4	0.35	0.25	0.17	0.09	0.03	(0.02)	(0.06)	(0.10)	(0.13)
Gross debt / EBTDA	[x]	(69.4)	3.7	2.2	2.2	2.2	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.6	1.6
Financial expenses	[mn USD]	(356)	(334)	(391)	(897)	(743)	(710)	(646)	(672)	(699)	(728)	(758)	(789)	(822)	(857)
Implicit interest rate	[%]	-3.0%	-3.1%	-3.1%	-6.3%	-4.4%	-4.0%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%

Payout

* [Units]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net income [mn USD]	59	1,165	3,058	4,289	5,653	6,483	7,195	7,829	8,484	9,193	9,878	10,564	11,246	11,920
Dividend paid Payout [mn USD]	0	0	0	0	(1,190)	(1,190)	(2,339)	(2,986)	(3,654)	(9,377)	(10,075)	(10,775)	(11,471)	(12,158)
[%]	0%	0%	0%	0%	-21%	-18%	-33%	-38%	-43%	-102%	-102%	-102%	-102%	-102%
Repurchase of common stock Payout [mn USD]	(1,264)	(162)	(6,621)	(10,337)	(6,000)	(6,000)	(5,000)	(5,000)	(5,000)	0	0	0	0	0
[%]	-2142%	-14%	-217%	-241%	-106%	-93%	-69%	-64%	-58.9%	0%	0%	0%	0%	0%

Highlights

	Units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Margins																	
Marketing expenses	[%]	34.1%	33.0%	32.1%	34.7%	35.1%	31.7%	30.7%	30.0%	29.6%	29.4%	29.2%	29.0%	28.8%	28.6%	28.4%	28.2%
Sales and other expense	[%]	5.7%	6.3%	11.1%	8.9%	11.6%	12.8%	13.6%	13.8%	14.1%	14.3%	14.6%	14.8%	15.1%	15.3%	15.6%	15.8%
Personnel	[%]	14.1%	14.9%	28.6%	21.1%	14.4%	15.4%	14.9%	14.4%	14.2%	14.0%	13.8%	13.6%	13.4%	13.2%	13.0%	12.8%
General and administrative	[%]	4.8%	5.3%	8.5%	4.8%	4.5%	7.3%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Information technology	[%]	1.6%	1.9%	4.4%	3.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Other Operating expenses	[%]	0.0%	0.0%	17.8%	0.1%	-1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D&A	[%]	2.9%	3.1%	6.7%	3.8%	2.6%	2.4%	2.2%	2.1%	2.0%	2.0%	2.0%	1.8%	1.7%	1.7%	1.7%	1.6%
"Expenses Margin"	[%]	60.3%	61.4%	84.7%	73.3%	68.7%	70.3%	66.7%	65.7%	65.4%	65.2%	65.1%	64.9%	64.8%	64.6%	64.5%	64.3%
EBITDA	[%]	39.7%	38.6%	-2.5%	26.6%	32.5%	29.7%	33.3%	34.3%	34.6%	34.8%	34.9%	35.1%	35.2%	35.4%	35.5%	35.7%
EBIT	[%]	36.8%	35.5%	-9.3%	22.8%	29.9%	27.3%	31.1%	32.1%	32.6%	32.8%	33.0%	33.3%	33.5%	33.7%	33.8%	34.0%
EBT	[%]	33.3%	39.5%	8.3%	13.4%	23.0%	25.7%	30.3%	31.9%	32.8%	33.1%	33.4%	33.8%	34.1%	34.3%	34.6%	34.8%
Net income	[%]	27.5%	32.3%	0.9%	10.6%	17.9%	20.1%	24.3%	25.6%	26.2%	26.5%	26.7%	27.0%	27.3%	27.5%	27.7%	27.9%
Adj. EBITDA	[%]	39.7%	38.6%	15.3%	26.7%	31.3%	32.6%	33.3%	34.3%	34.6%	34.8%	34.9%	35.1%	35.2%	35.4%	35.5%	35.7%

Highlights (2)

	Units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Invested Capital	[mn USD]	16326	15,568	12,144	11,585	12,390	11,616	10,563	10,826	11,045	11,273	11,530	11,825	12,137	12,463	12,801	13,145
Nopat	[mn USD]	4,416	4,364	(66)	1,985	3,977	4,566	5,796	6,518	7,157	7,758	8,378	9,053	9,704	10,355	11,002	11,642
ROIC	[%]	27%	28%	-1%	17%	32%	39%	55%	60%	65%	69%	73%	77%	80%	83%	86%	89%
Nopat Margin	[%]	30%	29%	-1%	18%	23%	21%	25%	26%	26%	26%	26%	27%	27%	27%	27%	27%
IC turnover	[x]	0.89	0.97	0.56	0.95	1.38	1.84	2.21	2.34	2.48	2.62	2.76	2.88	2.98	3.08	3.17	3.25
Quick Ratio	[x]	2.20	1.68	3.47	2.04	1.81	1.23	1.18	1.17	1.19	1.21	1.23	1.24	1.25	1.26	1.28	1.29
CFO/EBITDA	[%]	93%	84%	8%	96%	122%	106%	85%	88%	89%	89%	89%	89%	89%	89%	89%	88%
EPS	[USD]	84	113	1	28	77	119	175	209	240	269	300	325	349	373	397	421
Net debt/Ebitda	[x]	1.0x	0.4x	-8.4x	-0.1x	0.0x	0.3x	0.4x	0.3x	0.3x	0.2x	0.1x	0.0x	0.0x	-0.1x	-0.1x	-0.1x
Leverage Free Cash Flow	[mn]	5463	4848	420	1014	6376	8140	7794	8891	9729	10537	11292	12132	12948	13757	14557	15344
Market Cap EoP	[bn]	78.5	85.96	91.218	98.521	78.171	123.8										
FCF Yield	[%]	7.0%	5.6%	0.5%	1.0%	8.2%	6.6%										

Ke, Kd and Wacc

using the market cap and debt fair value

		Carrying value	Cost	Cost * carrying value
Debt	15			
equity	129	1104	2.4%	26.22
D/E ratio	11.6%	499	3.7%	18.2135
Unleverage beta	0.98	1048	0.1%	1.048
Leverage beta	1.12	857	0.8%	6.4275
ERP	4.6%	998	3.6%	35.928
Beta * ERP	5.1%	825	4.0%	33
10y treasury bond	4.3%	1103	1.8%	19.854
CRP	0.5%	499	3.6%	17.7145
		825	0.5%	4.125
		549	3.6%	19.90125
		823	4.3%	34.9775
Tax rate	21.7%	1492	4.6%	69.005
D/D+E	10%	1098	4.5%	49.41
Kd	3.1%	1367	4.1%	56.38875
E/D+E	90%	1097	4.7%	51.9978
Ke	9.9%			444.2108
WACC	9.1%			

FCFF

Free Cash Flow to Firm	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Perpetuity
(=) EBIT	7,244	8,146	8,944	9,696	10,470	11,314	12,127	12,941	13,751	14,550	
(-) Tax rate	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	-20%	
(=) Nopat	5,796	6,518	7,157	7,758	8,378	9,053	9,704	10,355	11,002	11,642	
(+) D&A	508	545	552	582	620	606	625	648	675	703	
(-) ΔWC	455	650	718	782	795	813	835	845	849	846	
(-) Capex	(413)	(450)	(486)	(523)	(593)	(601)	(640)	(679)	(717)	(755)	
(=) FCFF	6,346	7,263	7,942	8,599	9,199	9,871	10,524	11,170	11,809	12,436	228,993

g
3.5%

WACC
9.1%

Cash for period	6,346	7,263	7,942	8,599	9,199	9,871	10,524	11,170	11,809	241,429
Periods	1	2	3	4	5	6	7	8	9	10
NVP	5,816	6,100	6,112	6,065	5,946	5,847	5,713	5,557	5,383	100,860

Enterprise Value	153,399
Net debt	1,170
Equity Value	152,229
Number of Shares	33.9
Target Price	4,491
Current Price	3,795
Upside	18.3%

10y 34%
p 66%

FCFE

FCFE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	P
(=) Net Income	5,653	6,483	7,195	7,829	8,484	9,193	9,878	10,564	11,246	11,920	
(+) D&A	508	545	552	582	620	606	625	648	675	703	
(-) Capex	(413)	(450)	(486)	(523)	(593)	(601)	(640)	(679)	(717)	(755)	
(+/-) WC	455	650	718	782	795	813	835	845	849	846	
(+/-) change in debt	2,896	672	705	741	778	817	858	900	945	993	
FCFE	9,099	7,901	8,686	9,411	10,083	10,828	11,556	12,279	12,998	13,706	221,786
Cash for period	9,099	7,901	8,686	9,411	10,083	10,828	11,556	12,279	12,998	235,492	
NPV	8,280	6,542	6,544	6,452	6,290	6,147	5,969	5,772	5,559	91,654	

Ke
10%
g
3.5%

Equity value	149,210
Number of shares	33.9
Target price	4401.461
Current price	3795
Upside	16%

IRR (5y)

	2024	2025	2026	2027	2028	2029
Net revenue	23,308	25,367	27,440	29,570	31,770	34,002
Net Income	5,653	6,483	7,195	7,829	8,484	9,193
Dividend Paid	1,190	1,190	2,339	2,986	3,654	
Number of Shares EoP	32	31	30	29	28	28
EPS	175	209	240	269	300	325
Dividends per share	35	37	75	100	126	
Tax rate on dividends	30%	30%	30%	30%	30%	
Cash flow	(3,771)	26	53	70	6,581	
IRR	15.8%					

EXIT P/E
20

Entry P/E
23

IRR (3y)

	2024	2025	2026	2027
Net revenue	23,308	25,367	27,440	29,570
Net Income	5,653	6,483	7,195	7,829
Dividend Paid	1,190	1,190	2,339	
Number of Shares EoP	32	31	30	29
EPS	175	209	240	269
Dividends per share	35	37	75	
Tax rate on dividends	30%	30%	30%	

Cash flow (3,771) 26 5,432

irr 20%

Comp Table

Company	Stock listed	Country	Market Cap mn USD	Net debt mn USD	EV mn USD	EV/EBITDA			P/E			PEG			P/B 23	Revenue CAGR 23-26E	EBITDA CAGR 23-26E	EPS		ROE 23
						24E	25E	26E	24E	25E	26E	24E	25E	26E				Growth 23-26E	EPS CAGR	
Booking	Nasdaq	Netherlands	127,224	1,170	128,394	17	15	14	23	20	18	-	-	-	-	9%	14%	-	-	-
Booking (consensus)	Nasdaq	Netherlands	127,224	1,170	128,394	16.2	14.4	12.8	21.0	17.8	15.5	1.08	0.91	0.80	-	9%	12%	57%	16%	-
Expedia	Nasdaq	USA	15,103	270	15,373	5.8	5.2	4.8	9.7	7.8	6.5	0.48	0.39	0.32	13.7	7%	9%	82%	22%	74%
Airbnb	Nasdaq	USA	92,471	(8,803)	83,668	21	18	16	32	29	25	2.2	2.0	1.7	12.4	12%	13%	-15%	-5%	70%
TUI AG	XTRA	Germany	3,603	5,209	8,812	4	4	4	6	5	5	0.3	0.2	0.2	6.2	6%	9%	100%	26%	62%
Hyatt	NYSE	USA	15,081	2,550	17,631	15	14	13	41	33	25	-	-	-	4.5	5%	10%	129%	32%	7%
Accor	ENXTPA	France	10,684	2,271	12,955	11	10	9	16	16	14	-	-	-	2.6	6%	9%	21%	7%	10%
Global Business Travel Group	NYSE	USA	2,840	963	3,803	8	7	6	-	-	16	-	-	-	2.4	7%	18%	66%	18%	-
IHG	LSE	UK	16,203	2,888	19,091	16	14	13	24	21	18	2	1	1	-	6%	9%	26%	8%	-
Hilton	NYSE	USA	51,116	9,891	61,007	18	16	16	29	25	21	2	2	1	-	9%	9%	112%	29%	-
Marriot	Nasdaq	USA	68,059	13,079	81,138	16	15	14	25	22	19	4	4	3	-	6%	2%	19%	6%	-

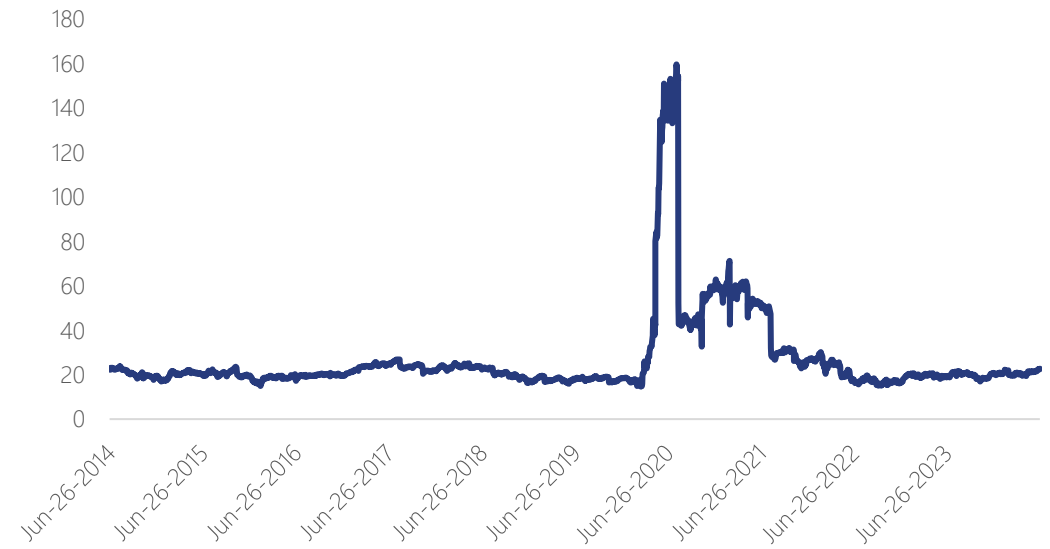
Booking Historical Multiple

Booking historical P/E



Average 28.9	Median 27.1	DesvP 7.3	Last 29.8
------------------------	-----------------------	---------------------	---------------------

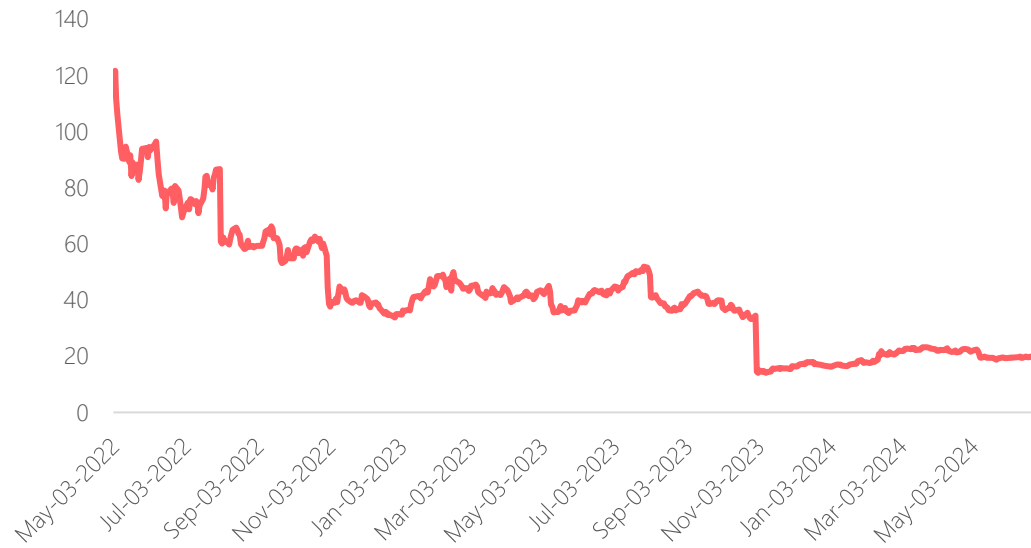
Booking historical P/E FWD



Average 20.8	Median 20.2	DesvP 3.2	Last 22.6
------------------------	-----------------------	---------------------	---------------------

Airbnb Historical Multiple

Airbnb historical P/E



Average
31.7

Median
36.2

Desv.p
11.6

Last
20.0

Airbnb historical P/E FWD



Average
34.9

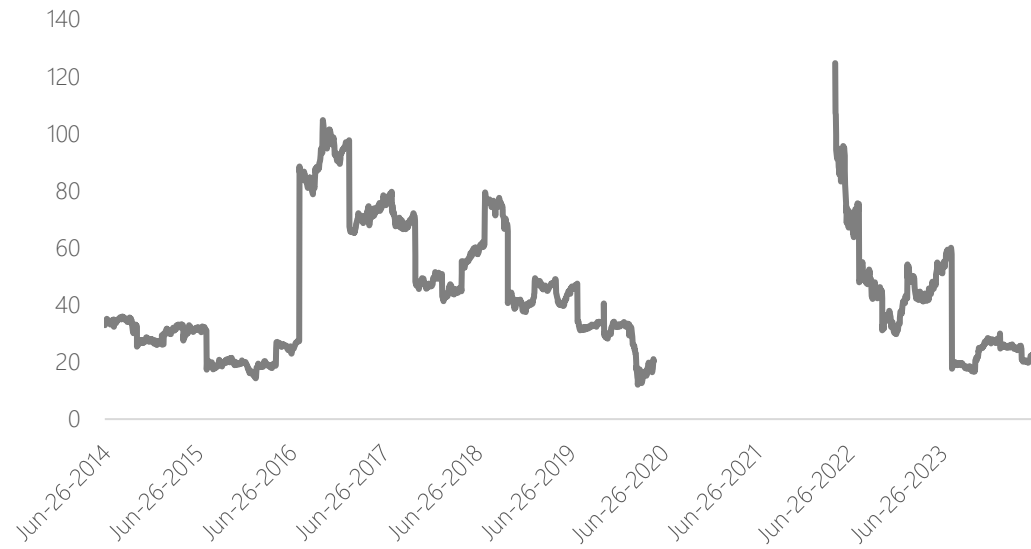
Median
34.4

Desv.p
3.3

Last
33.5

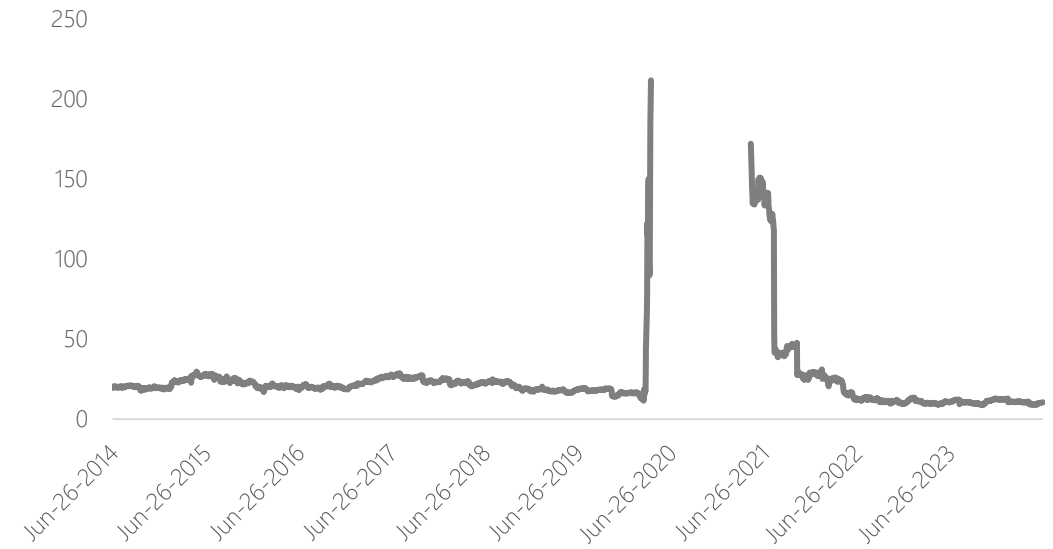
Expedia Historical Multiple

Expedia historical P/E



Average	Median	Desv.p	Last
42.9	35.7	21.2	23.4

Expedia historical P/E FWD



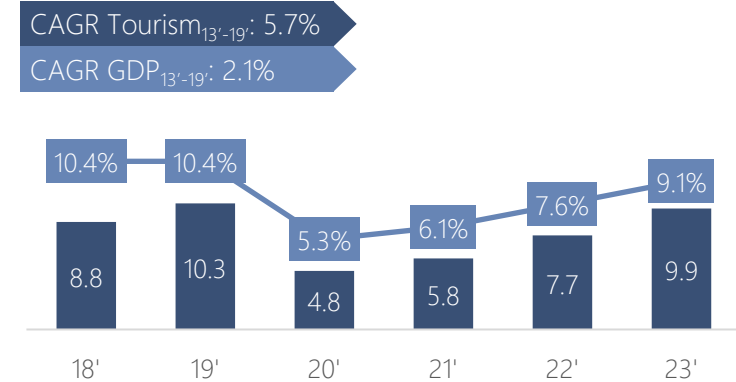
Average	Median	Desv.p	Last
18.7	19.6	5.3	10.6

Deep dive into tourism

Tourism was deeply affected by the pandemic but is almost completely recovered... with some changes

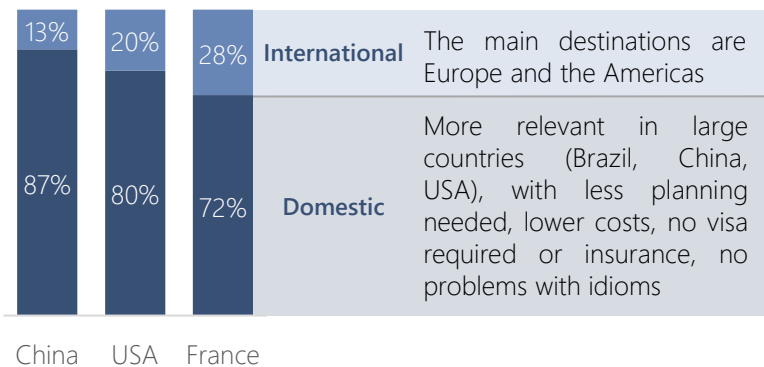
An industry **relevant in the world's GDP**, with **consistent growth**...

Tourism GDP and relevance over total GDP [USD tn; %]



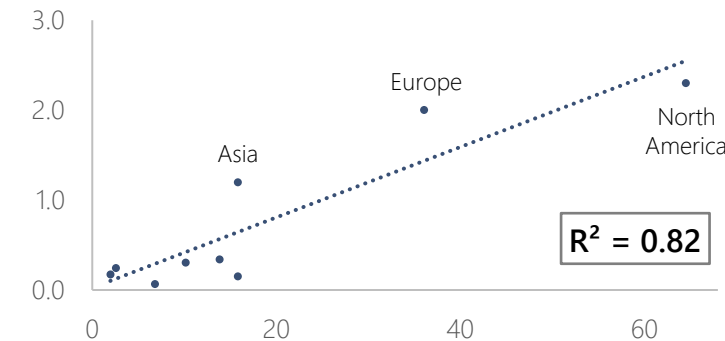
...that is mainly driven by **domestic activities**, even though international has its relevance,...

Tourism breakdown [%]



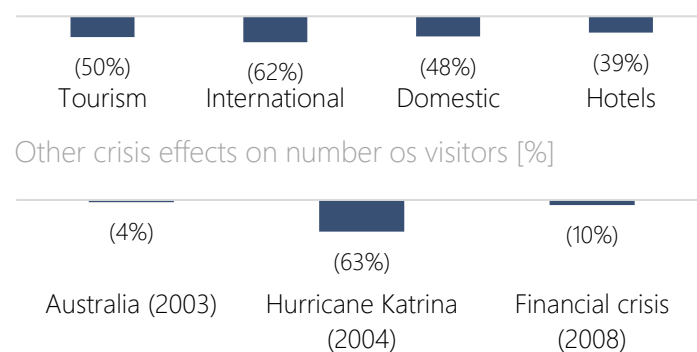
...and in both, regions with **more disposable income** show an **outstanding performance**

Correlation between GDP per capita [USD th] and tourism GDP per region [USD tn]



The industry **suffered from COVID**, since it is very sensible to crisis, but is almost back on track

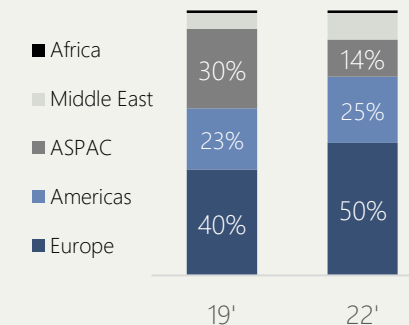
Tourism GDP variation 2019 vs 2020 [%]



Why COVID matters?

The pandemic made **structural changes** in T&T markets, like passenger flow and regional importance,...

Regional international tourism share [%]



Even with an almost complete recovery in 2023 to pre-pandemic levels, **Asia is still struggling** to return to its performance. **Europe**, on the other hand, has made a **faster recovery**, managing to capture even more share

...and for the next years, **trends are headed in favor of the sector's results**, which may retake pre-pandemic levels, but a bit different

Conversation happened April 22nd

"COVID boosted trends that were becoming clear: people give preference to experiences over goods and are willing to spend more. All of this benefits tourism"



João Annibale - Former Regional CEO at LHW

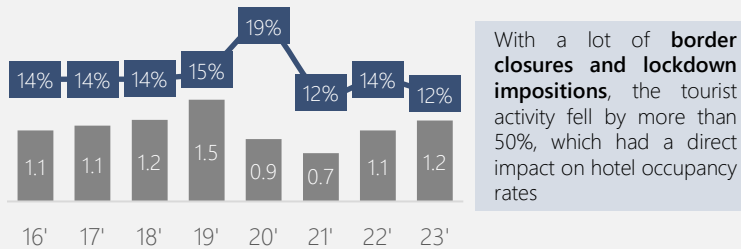


In travel we trust

Following tourism, the hotel sector has positive prospects for the next years

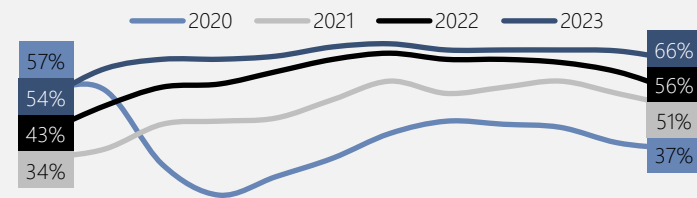
After a complicated crisis, hotels see **better times** coming with a **fast recovery**

Hotel TAM and relevance in tourism [USD tn, %]

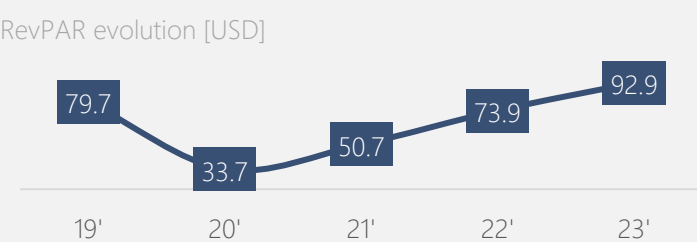


The recovery was driven by a retake in pre-pandemic **occupancy rates** and **RevPAR** levels

Monthly occupancy rate of hotels [%]

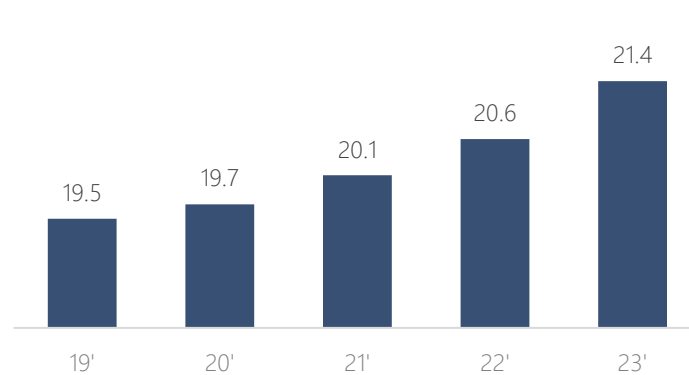


RevPAR evolution [USD]



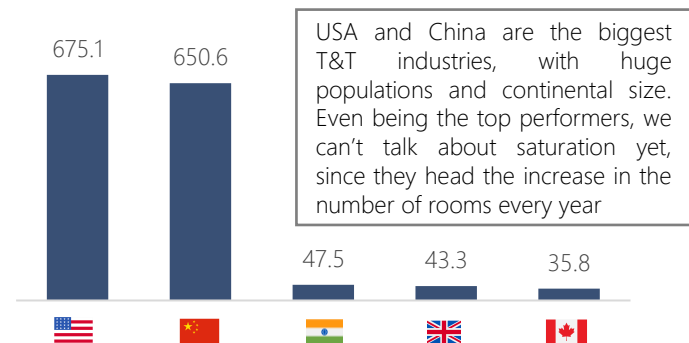
With a **growing number of rooms**, even with the same occupancy, the industry grows...

Global rooms supply [# mn]



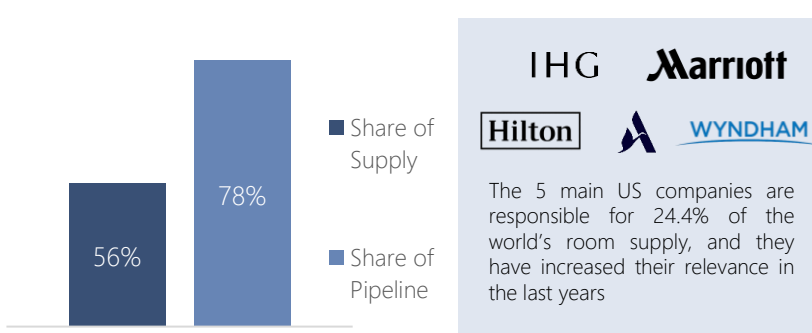
...and the **growth** is focused in countries with a **strong hospitality industry**...

Hotel rooms in construction pipeline in 2022 [# th]



...with **branded hotels as catalysts of this expansion**, dominating the pipeline of room construction

Branded hotels share of global industry and pipeline [%]



Customer captivity

The guarantee of **brand standards** attracts customers who trust in quality and already know what to expect in that brand's hotel. This, together with **strong loyalty programs**, makes **large chains the top choice** for guests independent of the destination

Scale

By having more hotels, large chains can **reduce their cost structure** and boost margins, as well as have better **bargaining power with suppliers and OTAs**. Independent hotels have the massive disadvantage of not being able to scale up to the big brands

But how branded hotels can have a huge scale if having hotels is so expensive and asset-heavy?

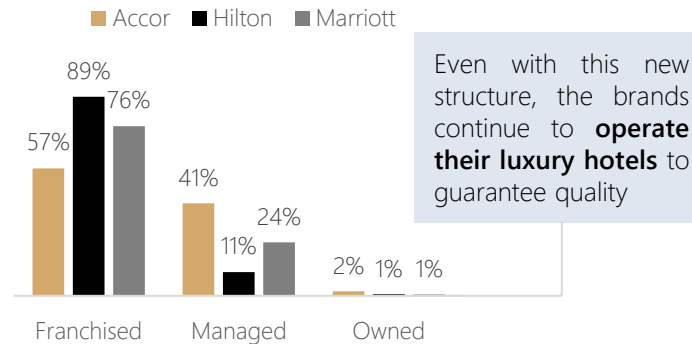


Not a real estate business anymore

Once a real estate business, hotels changed its course to the franchise business, but was it worth it?

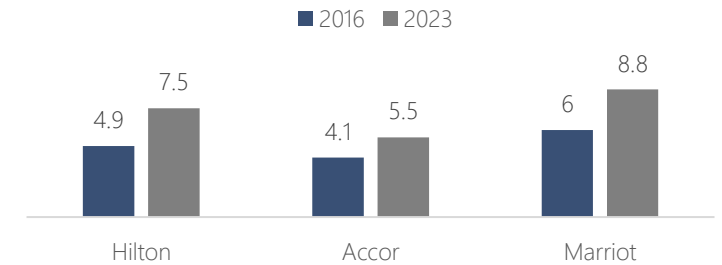
	Responsibility	Revenue	Risks
Owner	Owns the real estate	Hotel's revenue	Financial and operational
Manager	Manages the daily operation	Fee from the owner (management agreement)	Operational
Brand	Manages marketing and guests attraction	Fee from the owner (franchise fee)	Reputation and standard

Moving away from dependence on the real estate market, companies have migrated to **franchises**,...
Hotel business model breakdown in 2023 [%]



Even with this new structure, the brands continue to **operate their luxury hotels** to guarantee quality

...a strategy that has proved **assertive**, leveraging the **expansion of the large chains**
Number of hotels by brand [# th]

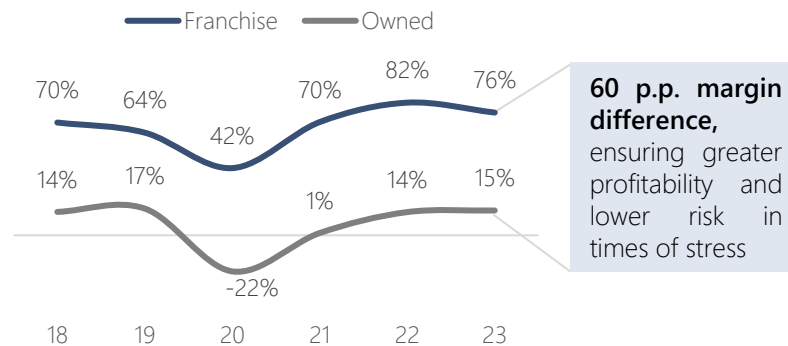


Why does the focus was, and it will continue to be in the franchise model?

The **traditional** model of building and managing hotels requires a **large capital allocation**...
Hotel opening cost breakdown [USD mn]



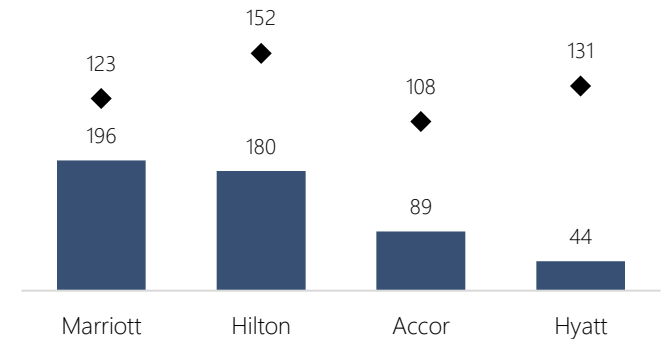
...in addition to scalability, the **franchise** model brings **better margins** compared to the old model
EBITDA margins [%]



60 p.p. margin difference, ensuring greater profitability and lower risk in times of stress

But there is no point in increasing capacity without demand, so **loyalty plans support this growth**

Loyalty members and members per room [# mn; #]



The entrance of new players

Airbnb and Booking were created as platforms that could change the sector dynamics, but did they?



2007
Airbnb was created as a platform of short-term house rental



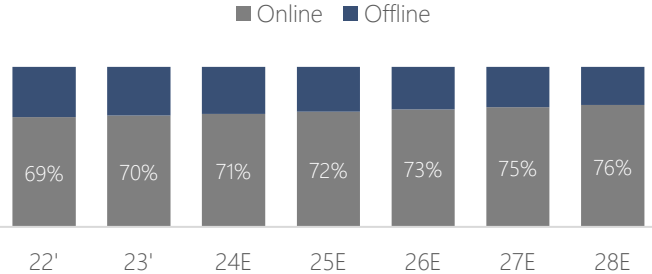
The franchise model allows hotels to earn money just by mediation of their brand between the client and the hotel owner

Is Airbnb a threat to the hotels?

Airbnb uses an asset-light structure to connect the owner and the client, **but isn't that just what the hotels have been doing for years?** Disruption can't happen if the new firm and the old incumbents are operating in the same way...

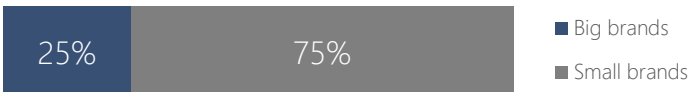
What about OTAs? Can they affect the hotels?

Sales channels in the travel and tourism [%]



The vast majority still need help getting clients, what is made essentially by OTAs

Hotels division by brands worldwide [%]



Visit happened on April 19th

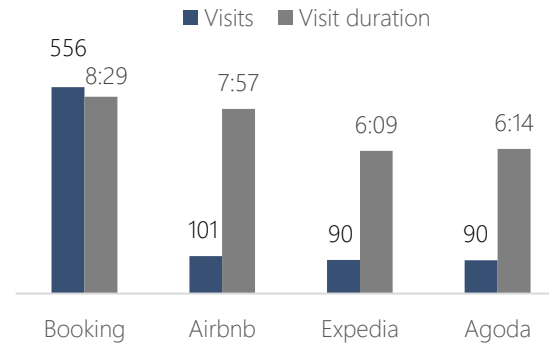


"OTAs are essential for the guest's first contact with the hotel. Afterwards, the ideal is for them to return through the loyalty program, but this doesn't always happen."

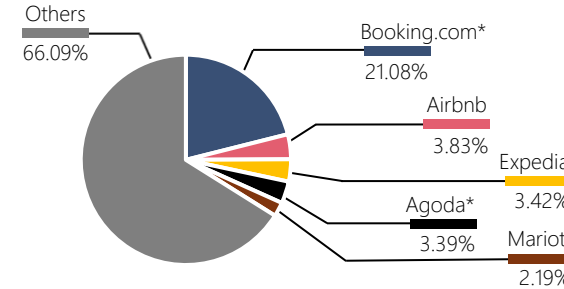
- Guilherme Batista, General Manager at DoubleTree by Hilton

Entering the **OTAs** sector, we see **Booking winning** against its peers with **more visits and time spent** on the website

Monthly visits and average time spent [# mn; min]



Traffic market share [%]



Network effects

Booking.com has a **clear traffic advantage** and by the substantial difference, the company can benefit from **network effects**

Hotels want to be seen by the higher number of visitors possible



Customers wants to see all offers of available hotels

In markets where network effects are present, the tendency is for the market **to concentrate on the best players**. We believe that company can be Booking in some years

What can we conclude?

We do not see house rentals as a big threat to the hotels. Moreover, we believe that, looking at OTAs, Booking can be a key to creating a **mutualism relation between platform and hotel brands**

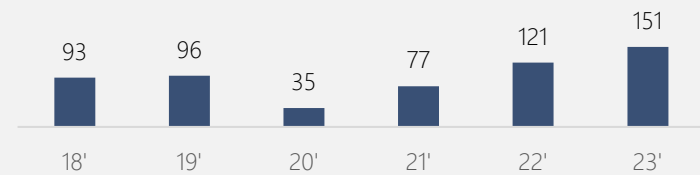


Booking at a glance

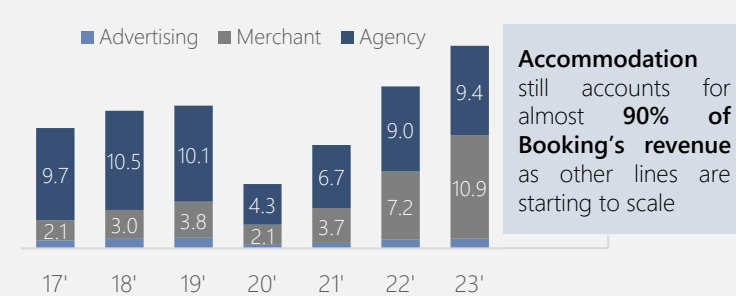
We are seeing a transformation in the sector, with the growth of OTAs. That's why **we chose Booking**

After the Covid crisis, **Booking has already recovered its pre-pandemic numbers**

Gross Bookings [USD bn]

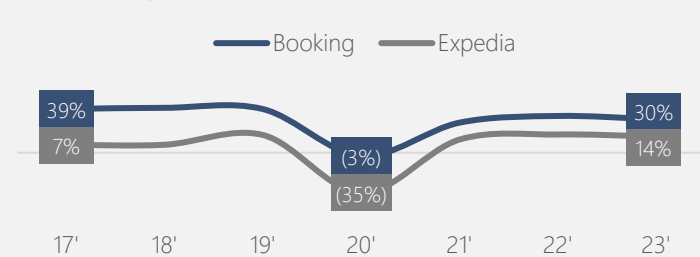


Revenue breakdown [USD bn]



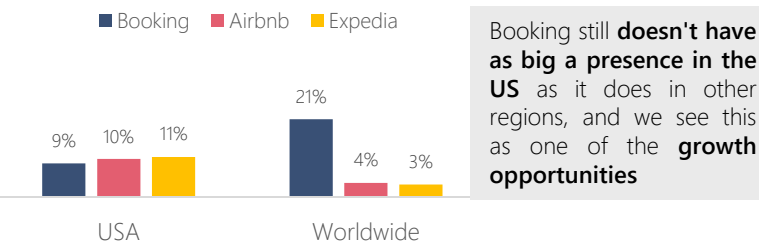
And the company managed **to recover its revenue** while keeping **almost the same margins** after the crisis

EBITDA margin [%]



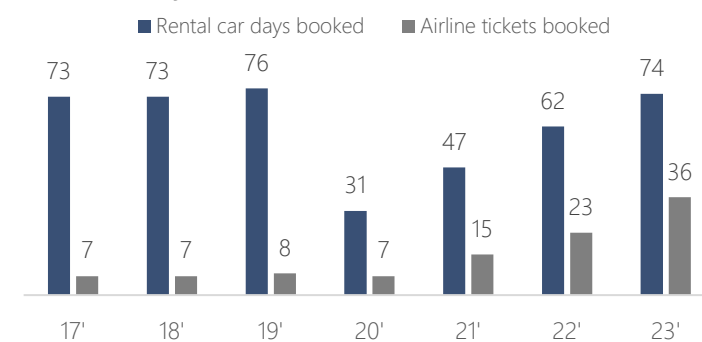
Despite past growth, we still believe in new **levers for generating value**

Market share [%]



We see the connected trip strategy as a great opportunity to **expand TAM** without leaving tourism

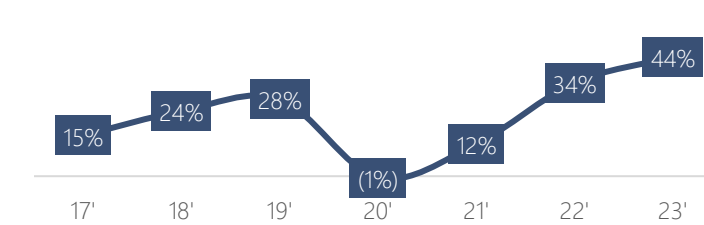
Rental car days booked and Airline ticket booked [# mn]



We see Booking expanding its businesses to complete the travel ecosystem. To maintain its competitive advantages for the long-term and consolidate as the winner in this winner-takes-all sector, **we believe the key factor is to create this interaction between the services in a simple and efficient way to the customer**

Above all, we see a consolidated company with **high returns** and investment know-how...

Booking ROIC [%]

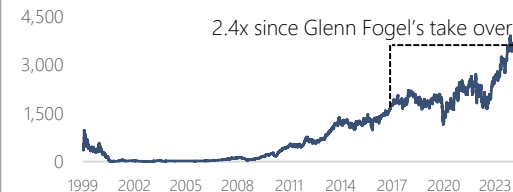


...with an **aligned and proved management** focused on expanding the company's business

CEO 2023 compensation mix [%]



BKNG stock price evolution [USD]



"AI should be able to recreate how you get to the airport; the flight; how you get from the airport when you land to where you're staying... all the things you want to do there."
- **Glenn Fogel, Booking's CEO**



Our Board

Current Directors	Age (as of 3-31-24)	Director Since	Independent	Committee and Subcommittee Memberships			Other Public Directorships	
				Audit	Corporate Governance	Talent and Compensation		Cybersecurity
Glenn D. Fogel	62	2017					0	
Mirian M. Graddick-Weir	69	2018	✓	M		C	1	
Kelly Grier	54	2023	✓	M			2	
Wei Hopeman	54	2019	✓		M		0	
Robert J. Mylod, Jr. <i>(Chair)</i>	57	2017	✓			M	1	
Charles H. Noski <i>(Lead Independent Director)</i>	71	2015	✓	M	C		1	
Larry Quinlan	61	2022	✓				C	2
Nicholas J. Read	59	2018	✓	M			M	0
Thomas E. Rothman	69	2013	✓		M			0
Sumit Singh	44	2022	✓			M		1
Lynn Vojvodich Radakovich	56	2016	✓		M	M		2
Vanessa A. Wittman	56	2019	✓	C			M	2
Number of Meetings in 2023				9	5	6	3	

M Member C Chair