

Expedia, Inc. (EXPE)

\$285.02 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$315.00**

Long Term: 6-12 Months

Zacks Recommendation:

Outperform

(Since: 11/17/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

Zacks Rank: (1-5)

1-Strong Buy

Zacks Style Scores:

VGM: F

Value: C

Growth: F

Momentum: F

Summary

Expedia operates a strong platform that connects travelers and suppliers, creating a cycle that supports stable demand, thus driving stable increase in gross bookings. Its broad and well-recognised brand portfolio allows the company to address diverse traveler needs across regions, supporting strong traffic, higher booking volumes and effective monetization. Expedia's extensive global supply base enhances its competitive positioning, while continuing investments in technology and partnerships are helping strengthen its international footprint. A solid balance sheet, healthy liquidity further support long-term stability. However, intense competition from global online travel players and rising pressure from Google's expanding travel offerings, regulatory and tax-related litigation and uneven cash flow generation remain key risks.

Data Overview

| | |
|----------------------------|-------------------------------------|
| 52 Week High-Low | \$289.99 - \$130.01 |
| 20 Day Average Volume (sh) | 2,021,281 |
| Market Cap | \$34.7 B |
| YTD Price Change | 52.1% |
| Beta | 1.44 |
| Dividend / Div Yld | \$1.60 / 0.6% |
| Industry | Internet - Commerce |
| Zacks Industry Rank | Top 32% (78 out of 243) |

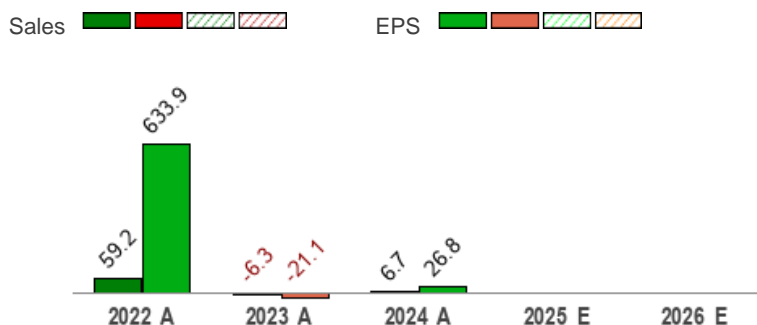
| | |
|---------------------------|------------|
| Last EPS Surprise | 5.0% |
| Last Sales Surprise | 2.6% |
| EPS F1 Est- 4 week change | 0.0% |
| Expected Report Date | 02/05/2026 |
| Earnings ESP | 0.0% |

| | |
|---------|------|
| P/E TTM | 19.4 |
| P/E F1 | 29.9 |
| PEG F1 | 1.3 |
| P/S TTM | 2.4 |

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|---------|---------|---------|---------|----------|
| 2026 | | | | | 15,520 E |
| 2025 | 2,988 A | 3,786 A | 4,412 A | | 14,499 E |
| 2024 | 2,889 A | 3,558 A | 4,060 A | 3,184 A | 13,691 A |

EPS Estimates⁽¹⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | | | | | 18.23 E |
| 2025 | 0.40 A | 4.24 A | 7.57 A | | 15.09 E |
| 2024 | 0.21 A | 3.51 A | 6.13 A | 2.39 A | 12.11 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/16/2025.

(2) The report's text and the price target are as of 12/15/2025.

Overview

Bellevue, Washington-based Expedia Group, Inc. is one of the largest online travel companies in the world. The company's web portals focus on travel planning, travel purchases and travel experience sharing thus bringing suppliers and consumers of travel-related services together.

Along with destination and flight plan choices, the websites also provide details of the places to be visited, maps, local restaurants, things to do, cruises, special offers and consumer reviews so prospective customers can view their options, partake in offers, check reviews and book according to their preferences.

The company generated \$13.6 billion of revenues in 2024, of which 67.7% was from the B2C segment. B2B and trivago accounted for 29.96% and 2.3%, respectively.

Around 61.1% of total revenues were generated domestically, with the international locations contributing 38.9%.

Expedia operates under two models. Merchant model (57.05% of gross bookings), in which the company takes over the marketing functions of its supplier and directly sells to customers.

Agency model (42.94% of gross bookings) in which the company acts as an agent accepting bookings from customers and transferring them to the relevant airline, hotel, car rental company or cruise line for a commission.

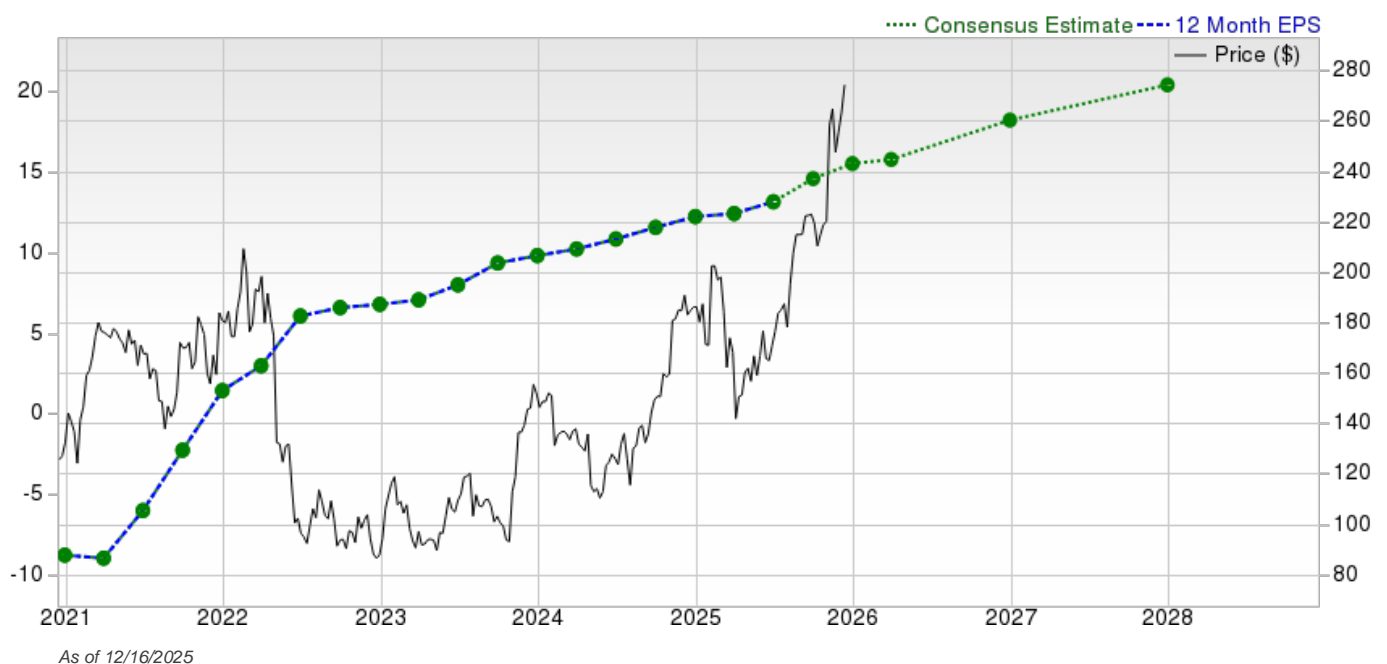
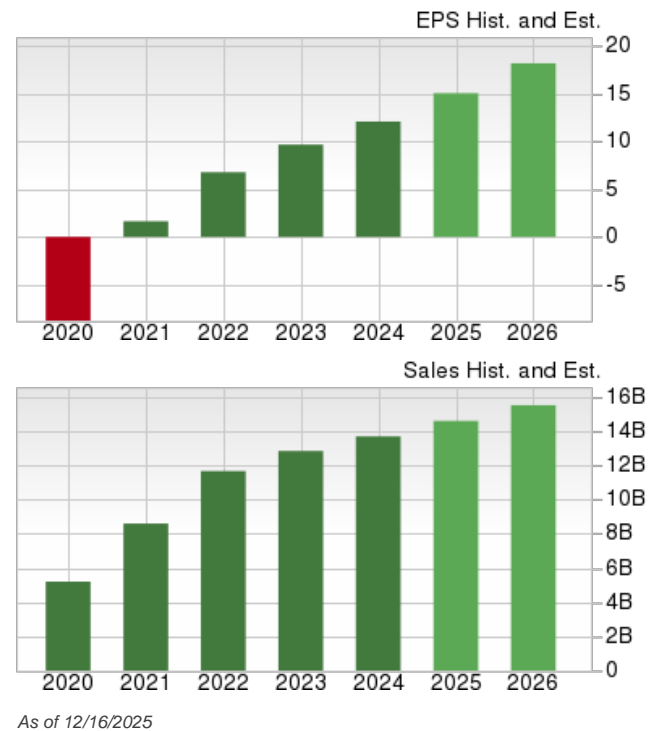
The most popular brands of the company include Expedia.com, Hotels.com, Hotwire.com, TripAdvisor.com, trivago, HomeAway, Expedia Cruises and Vrbo, to name a few.

To support these brands, the company operates many technology platforms. Its Brand Expedia platform supports Orbitz, Travelocity, Wotif Group, CheapTickets, ebookers, and certain parts of Hotwire.

The Hotels.com technology platform supports Hotels.com and EAN, the hotel-only offerings of the company.

The company launched One Key in the United States and the U.K., which serves as the unified loyalty program under Brand Expedia, Hotels.com and Vrbo. This enables travelers to cross-earn and cross-redeem rewards across these brands and their range of products, such as air, hotels and alternative accommodations.

Expedia faces significant competition from Booking Holdings, as well as international players like MakeMyTrip and Airbnb.



Reasons To Buy:

- ▲ Expedia has an effective platform operating model which holds promise. It helps to study customer behavior and spending patterns, as well as the company's success rates. These success rates are used for winning suppliers which in turn strengthens the Expedia's offering to the customers. These offerings help in attracting more customers, which in turn generates revenues for the company. It is this platform that hotels and other travel providers are attracted to. Expedia has a strong position in the domestic market and continues to consolidate its footprint here, making it all the more important for hotels to share inventory with it.
- ▲ Expedia's strong brand portfolio, comprising Brand Expedia, Hotels.com, Vrbo, Orbitz, Travelocity, ebookers and Wotif Group, to name a few, offers a full range of travel and advertising services to travelers, suppliers and business partners. The company's consistent efforts toward the advancement of these brands, along with its supply strength and global scale, have been driving value to supply partners. The differentiated brand portfolio helps in targeting a wide range of travelers with various needs across the world. This, in turn, is consistently boosting traffic on the company's platform and driving growth in its bookings by accelerating the total retail value of transactions booked for agency and merchant transactions. In the third quarter of 2025, Expedia (EXPE) reported a 12% year-over-year increase in gross bookings. Looking ahead, the company projects gross bookings growth of 6-8% in the fourth quarter of 2025 and around 7% for the full year.
- ▲ Leisure travel space, which contributes almost 80% to global travel and tourism expenditure, is expected to witness a CAGR of 7% over the 2025-2034 period, per a report from Expert Market Research. Growing demand for international inbound travel is positive. Expedia is capitalizing on this opportunity by adding inventory, collaborating with local players, offering advanced technologies backed services and stepping up its own marketing efforts. All these factors are helping the company to make the most of travel opportunities worldwide, which in turn are strengthening its international footprint. Expedia holds a broad multi-product supply portfolio, with nearly 3.5 million lodging properties, including Vrbo's over 2.5 million online bookable alternative accommodations listings, approximately 1 million hotels and alternative accommodations through its other brands, over 500 airlines, packages, rental cars, cruises, and insurance.
- ▲ Expedia has a strong balance sheet with an ample liquidity position. As of Sept. 30, 2025, cash and cash equivalents and short-term investments were \$6.17 billion, while long-term debt stood at \$4.468 billion. The company also repurchased \$451 million of shares and declared a dividend of \$0.40 per share.

Expedia's strong platform, diverse brand portfolio and expanding global supply network continue to drive bookings, strengthen partnerships and enhance long-term growth.

Reasons To Sell:

- ▼ Since the proliferation of smartphones and app usage to search for travel information have reduced dependence on search engines, Expedia's relationship with Google has turned problematic. Google's venture into the online travel market has increased competition and costs for Expedia. Google allows users to compare airline tickets across various travel sites on its search platform, thus putting online travel agencies, such as Expedia at risk. Google Travel, which combines Google Flights, Google Hotels, vacation packages and a variety of trip-planning tools and recommendations under one umbrella, remains a major headwind for Expedia.
- ▼ Expedia operates in the highly competitive online travel booking space with its participants such as Booking Holdings, Tripadvisor, Airbnb and MakeMyTrip, to name a few. Expedia faces competitive pressure from both online and physical travel agencies, tour operators, consolidators, wholesalers of travel products and providers of travel search engines.
- ▼ Expedia continues to face a significant amount of litigation. This is mainly because there seems to be a doubt about whether its revenue is taxable under the tax ordinances applicable to hotels. It has been argued that had the hotels charged customers directly, they would have charged higher rates than the online travel companies who acquire inventory at wholesale prices. Therefore, a higher amount would have come under the ambit of occupancy tax. Additionally, it appears that the online travel companies have been collecting cash from customers in the name of occupancy taxes on the retail value of rooms sold, but remitting taxes on wholesale prices to hotels. Online travel companies have been winning some cases and losing some, but they have paid significant amount of taxes in some states.
- ▼ Expedia's ongoing cash flow weakness raises red flags despite robust top-line and earnings growth. In the third quarter of 2025, the company reported a negative free cash flow of \$686 million, compared with \$1.69 billion a year earlier, underscoring weak conversion of profits into cash. This shortfall limits Expedia's ability to reinvest in growth initiatives, manage leverage effectively and enhance shareholder returns through buybacks.

Intensifying competition, legal disputes and cash flow weakness undermine Expedia's long-term stability and limit its financial and strategic flexibility.

Last Earnings Report

Expedia Q3 Earnings & Revenues Beat Estimates, FY25 Guidance Raised

Expedia Group reported third-quarter 2025 adjusted earnings of \$7.57 per share, which surpassed the Zacks Consensus Estimate by 4.99%. The figure increased 23.5% year over year.

Revenues of \$4.41 billion rose 8.7% year over year. The figure beat the Zacks Consensus Estimate by 2.61%.

B2B revenues increased 18.2% year over year to \$1.39 billion. B2C increased 3.7% year over year to \$2.88 billion.

Advertising revenues jumped 16% year over year.

EXPE's Gross Bookings Rise Y/Y

Total gross bookings were \$30.73 billion, which increased 12% year over year, including a 1-point benefit from foreign exchange. B2C gross bookings grew 7% and B2B gross bookings rose 26% year over year, delivering the 17th consecutive quarter of double-digit growth.

Lodging gross bookings grew 13% year over year to \$22.71 billion, with hotel bookings climbing 15%, driven by resilience at B2B and Expedia.

Strength in booked room nights, which rose 11% from the year-ago quarter to 108.2 million, reflecting the strongest U.S. growth in over three years and sequential acceleration across all major regions and core brands.

EXPE's Operating Details

Adjusted EBITDA was \$1.45 billion in the reported quarter, up 15.9% year over year, representing an adjusted EBITDA margin of 32.8%, which expanded 210 basis points (bps).

Direct sales and marketing expenses were \$1.98 billion, representing 44.8% of revenues, up 6.5% year over year.

Overhead expenses were \$620 million, representing 14.1% of revenues, up 3% year over year.

Adjusted EBIT increased 27.1% year over year to \$1.13 billion. Adjusted EBIT margin improved 370 bps year over year to 25.7%.

EXPE's Balance Sheet

As of Sept. 30, 2025, cash and cash equivalents and short-term investments were \$6.17 billion, down from \$6.67 billion as of June 30, 2025.

Long-term debt was \$4.468 billion as of Sept. 30, 2025, compared with \$4.466 billion as of June 30, 2025. The gross leverage ratio stands at 1.9x, representing adjusted debt divided by TTM Adjusted EBITDA.

Net cash provided by operating activities was negative \$497 million in the reported quarter, while free cash flow stood at a negative \$686 million, reflecting continued cash outflows during the period.

Expedia Initiates Q4 & Raises 2025 Guidance

EXPE expects gross bookings to be in the 6-8% range for the fourth quarter of 2025. Revenue growth is expected to be in the band of 6-8%.

It expects fourth-quarter adjusted EBITDA margins to increase 2% year over year.

For 2025, Expedia now expects gross bookings to grow around 7%, up from its prior guidance of 3%-5%. Revenue growth is also projected at 6%-7%, compared with the earlier outlook of 3%-5%.

Expedia expects adjusted EBITDA margin to expand by approximately 2% (200 basis points) year over year, doubling its earlier projection of 1% (100 basis points) growth.

FY Quarter Ending **12/31/2024**

| Earnings Reporting Date | Nov 06, 2025 |
|-------------------------|--------------|
| Sales Surprise | 2.61% |
| EPS Surprise | 4.99% |
| Quarterly EPS | 7.57 |
| Annual EPS (TTM) | 14.60 |

Recent News

On Dec. 10, Expedia Group announced it has agreed to acquire Amsterdam-based Tiqets, a global activities and experiences platform, to expand its travel offerings and deliver more comprehensive full-trip solutions worldwide.

On Oct. 28, Expedia Group unveiled a study showing video content drives bookings nearly three times more than static images, and that travelers value AI-enhanced content with human input.

On Oct. 15, Expedia Group released its “Unpack ’26” report, revealing 2026 travel trends such as hotel-hopping, set-jetting, literary escapes and farm stays through Hotels.com and Vrbo.

On Oct. 9, Expedia Group unveiled a new AI-powered trip planner, Smart Trip AI, and multiple APIs, including a Lodging Sponsored Listings API, to accelerate partner growth and boost personalization.

Valuation

Expedia Group shares have gained 66.6% in the past six-month period and gained 50.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Retail-Wholesale sector have returned 5.5% and 6.3% in the past six-month period, respectively. Over the past year, both the Zacks sub-industry and the sector have increased 2.3%.

The S&P 500 index is up 15.7% in the past six-month period and up 14.3% in the past year.

The stock is currently trading at 2.17X forward 12-month sales, which compares to 2.11X for the Zacks sub-industry, 1.64X for the Zacks sector and 5.28X for the S&P 500 index.

Over the past five years, the stock has traded as high as 3.33X and as low as 0.94X, with a five-year median of 1.45X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$315 price target reflects 2.50X forward 12-month sales.

The table below shows the summary valuation data for EXPE.

| Valuation Multiples - EXPE | | | | | |
|----------------------------|---------------|-------|--------------|--------|---------|
| | | Stock | Sub-Industry | Sector | S&P 500 |
| P/S F12M | Current | 2.17 | 2.11 | 1.64 | 5.28 |
| | 5-Year High | 3.33 | 3.75 | 2.04 | 5.50 |
| | 5-Year Low | 0.94 | 1.34 | 1.20 | 3.83 |
| | 5-Year Median | 1.45 | 2.02 | 1.53 | 5.05 |
| P/B TTM | Current | 12.96 | 4.35 | 4.97 | 8.49 |
| | 5-Year High | 13.54 | 15.24 | 11.14 | 9.16 |
| | 5-Year Low | 3.52 | 4.09 | 4.69 | 6.60 |
| | 5-Year Median | 7.84 | 5.50 | 6.13 | 8.05 |
| EV/Sales TTM | Current | 2.12 | 2.31 | 1.81 | 5.72 |
| | 5-Year High | 6.93 | 4.77 | 2.39 | 5.81 |
| | 5-Year Low | 0.86 | 1.38 | 1.30 | 3.78 |
| | 5-Year Median | 1.52 | 2.22 | 1.68 | 5.12 |

As of 12/12/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 32% (78 out of 243)



Top Peers⁽¹⁾

| Company (Ticker) | Rec | Rank |
|-------------------------------|---------|------|
| Airbnb, Inc. (ABNB) | Neutral | 3 |
| ASOS PLS (ASOMY) | Neutral | 4 |
| Booking Holdings Inc. (BKNG) | Neutral | 3 |
| Carvana Co. (CVNA) | Neutral | 3 |
| eBay Inc. (EBAY) | Neutral | 3 |
| Just Eat Takeaway.co. (JTKWY) | Neutral | |
| MercadoLibre, Inc. (MELI) | Neutral | 3 |
| Zalando (ZLNDY) | Neutral | 3 |

| Industry Comparison ⁽¹⁾ Industry: Internet - Commerce | | | | Industry Peers | | |
|------------------------------------------------------------------|------------|------------|-----------|----------------|-----------|---------|
| | EXPE | X Industry | S&P 500 | BKNG | EBAY | MELI |
| Zacks Recommendation (Long Term) | Outperform | - | - | Neutral | Neutral | Neutral |
| Zacks Rank (Short Term) | 1 | - | - | 3 | 3 | 3 |
| VGM Score | F | - | - | B | C | B |
| Market Cap | 34.73 B | 634.55 M | 39.20 B | 175.92 B | 37.33 B | 99.71 B |
| # of Analysts | 6 | 3 | 22 | 12 | 9 | 6 |
| Dividend Yield | 0.56% | 0.00% | 1.4% | 0.70% | 1.40% | 0.00% |
| Value Score | C | - | - | C | C | C |
| Cash/Price | 0.23 | 0.23 | 0.04 | 0.10 | 0.09 | 0.13 |
| EV/EBITDA | 9.78 | 3.02 | 14.73 | 19.11 | 13.62 | 28.07 |
| PEG Ratio | 1.33 | 1.46 | 2.24 | 1.38 | 1.68 | 1.46 |
| Price/Book (P/B) | 13.39 | 3.08 | 3.35 | NA | 7.91 | 16.04 |
| Price/Cash Flow (P/CF) | 13.50 | 18.17 | 15.24 | 25.93 | 17.25 | 39.44 |
| P/E (F1) | 30.18 | 18.79 | 19.90 | 24.05 | 15.14 | 49.29 |
| Price/Sales (P/S) | 2.42 | 1.30 | 3.09 | 6.76 | 3.48 | 3.81 |
| Earnings Yield | 5.32% | 3.83% | 5.01% | 4.16% | 6.61% | 2.03% |
| Debt/Equity | 1.72 | 0.08 | 0.57 | -3.38 | 1.06 | 0.55 |
| Cash Flow (\$/share) | 21.00 | 0.04 | 8.99 | 210.44 | 4.79 | 49.87 |
| Growth Score | F | - | - | A | C | A |
| Hist. EPS Growth (3-5 yrs) | 60.33% | 20.47% | 8.16% | 101.07% | 4.90% | 141.47% |
| Proj. EPS Growth (F1/F0) | -21.14% | 25.00% | 8.57% | 21.29% | 11.89% | 5.86% |
| Curr. Cash Flow Growth | -1.18% | 4.90% | 6.75% | 14.84% | 10.47% | 67.31% |
| Hist. Cash Flow Growth (3-5 yrs) | 7.31% | 12.84% | 7.43% | 6.90% | -2.31% | 937.83% |
| Current Ratio | 0.74 | 1.33 | 1.18 | 1.33 | 0.92 | 1.17 |
| Debt/Capital | 63.28% | 14.90% | 38.01% | NA | 51.46% | 35.41% |
| Net Margin | 9.66% | 1.41% | 12.78% | 19.37% | 20.37% | 7.93% |
| Return on Equity | 64.15% | 6.38% | 17.00% | -134.86% | 41.94% | 39.03% |
| Sales/Assets | 0.57 | 1.03 | 0.53 | 0.91 | 0.58 | 0.86 |
| Proj. Sales Growth (F1/F0) | -6.30% | 0.96% | 5.77% | 12.30% | 7.10% | 37.60% |
| Momentum Score | F | - | - | D | B | D |
| Daily Price Chg | 3.37% | -1.26% | -0.16% | 2.94% | -3.25% | -2.44% |
| 1 Week Price Chg | 4.09% | -0.49% | -0.44% | 2.01% | 3.50% | -2.45% |
| 4 Week Price Chg | 16.09% | 0.00% | 2.16% | 13.61% | 0.52% | -4.42% |
| 12 Week Price Chg | 26.82% | -13.85% | 1.83% | 0.01% | -8.83% | -20.07% |
| 52 Week Price Chg | 55.24% | -13.76% | 12.22% | 5.93% | 29.78% | 9.46% |
| 20 Day Average Volume | 2,021,281 | 424,575 | 2,744,252 | 297,867 | 3,787,531 | 542,873 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -0.93% |
| (F1) EPS Est 4 week change | 0.00% | 0.00% | 0.00% | -0.01% | 0.00% | -0.93% |
| (F1) EPS Est 12 week change | 9.31% | 0.47% | 0.69% | 2.75% | 0.39% | -10.19% |
| (Q1) EPS Est Mthly Chg | 0.00% | 0.00% | 0.00% | 0.44% | 0.00% | 0.00% |

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|----------------|---|
| Value Score | C |
| Growth Score | F |
| Momentum Score | F |
| VGM Score | F |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.