

Booking Holdings Reports Third Quarter 2025 Financial Results



NORWALK, CT - October 28, 2025...Booking Holdings Inc. (NASDAQ: BKNG) (the "Company," "we," "our," or "us") today reported its third quarter 2025 financial results.

- Room nights grew 8% compared to the third quarter of 2024.
- Gross bookings grew 14% compared to the third quarter of 2024, or 10% on a constant currency basis.
- Revenue grew 13% compared to the third quarter of 2024, or 8% on a constant currency basis.
- Given the stronger-than-expected early results of the Transformation Program⁽¹⁾, we are raising our expectation for the ultimate annual run-rate savings to a range of \$500 to \$550 million from our previous guidance of \$400 to \$450 million, as compared to our 2024 expense base.

"We are pleased to report a strong third quarter, with 8% room night growth and double-digit gains in gross bookings and revenue, highlighting the strength of our platform, the discipline of our execution, and the momentum we're building for the future," said Glenn Fogel, Chief Executive Officer of Booking Holdings. "Through the Connected Trip, where more customers are choosing to book multiple travel elements with us, deeper engagement through our Genius loyalty program, and our innovations in GenAI, we are building offerings that enhance our value proposition for both customers and suppliers."

	Q3 2025	
	(#)	(Δ Y/Y)
Room Nights	323M	8%
Gross Bookings	\$49.7B	14%
Revenue	\$9.0B	13%
GAAP Net Income	\$2.7B	9%
GAAP EPS	\$84.41	14%
Adjusted EPS	\$99.50	19%
Adjusted EBITDA	\$4.2B	15%
Net Cash Provided By Operating Activities ⁽²⁾	\$1.4B	(40%)
Free Cash Flow ⁽²⁾	\$1.4B	(40%)

(1) See note (f) in the Reconciliation of GAAP to Non-GAAP Financial Information section at the end of this release.

(2) Net Cash Provided By Operating Activities and Free Cash Flow increased 4% and 6%, respectively, on a year-to-date basis as compared to 2024.

Refer to the "Non-GAAP Financial Measures" section at the end of this release for an explanation of constant currency and non-GAAP financial measures, including Adjusted Net income, Adjusted EPS, Adjusted EBITDA, Free Cash Flow, and Adjusted Fixed Operating Expenses, and reconciliations to the most directly comparable GAAP measures. Gross bookings is an operating and statistical metric that captures the total dollar value, generally inclusive of taxes and fees, of all travel services booked by our customers, net of cancellations.

Additional Highlights



Third Quarter 2025 vs. 2024

Top Line Metrics

- Alternative accommodation room nights at Booking.com increased by about 10%
- CC ADRs increased by about 1%⁽¹⁾
- Gross bookings increased 14% (10% on a CC basis) and revenue increased 13% (8% on a CC basis)

Marketing Metrics

- Marketing expense as a percentage of gross bookings was 4.7% (5.0% in Q3 2024)
- Over the trailing four quarters, the mix of our total room nights booked through the direct channel was a mid-fifties percentage and increased year-over-year

GAAP EPS
+14%
Adjusted EPS
+19%

Fixed Costs

- Total operating expenses increased 15%, faster than the 13% growth in revenue
- Adjusted fixed operating expenses increased 10% driven by adverse FX changes and higher cloud computing costs

Margins

- Net Income margin of 30.5% (31.5% in Q3 2024)
- Adjusted EBITDA margin of 47.0% (45.8% in Q3 2024)

Active Return of Capital to Shareholders

Fourth Quarter Dividend

- Our Board of Directors declared a cash dividend of \$9.60 per share, payable on December 31, 2025 to stockholders of record as of the close of business on December 5, 2025.

Stock Repurchase Program

- We repurchased \$0.7 billion of stock in the quarter ended September 30, 2025 with a total remaining authorization of \$23.9 billion as of September 30, 2025.

Discrete Items

- During the three and nine months ended September 30, 2025, the Company recorded an impairment charge of \$457 million related to KAYAK's goodwill and certain intangible assets. The impairments were primarily driven by a reduction in the forecasted cash flows for KAYAK, reflecting its meta-search business being impacted by expected increases in customer acquisition costs. See the Consolidated Financial Statements included in the Company's September 30, 2025 Form 10-Q for additional information.

⁽¹⁾Constant Currency ("CC") and accommodation average daily rates ("ADR")



Booking Holdings' guidance for the fourth quarter and full year of 2025 is as follows:

While there remains some uncertainty in the macroeconomic and geopolitical backdrop, we are pleased to see continued momentum with steady travel demand trends in our business so far in the fourth quarter. Refer to the "Information About Forward-Looking Statements" section of this release.

<i>(growth is on a year-over-year basis)</i>	Q4 2025	FY 2025
Room Nights Growth	4% - 6%	About 7%
Gross Bookings Growth	11% - 13%	About 11% - 12%
<i>Constant Currency Gross Bookings Growth</i>	6% - 8%	<i>About 8% - 9%</i>
Revenue Growth ⁽¹⁾	10% - 12%	About 12%
<i>Constant Currency Revenue Growth ⁽¹⁾</i>	5% - 7%	<i>About 9%</i>
Adjusted EBITDA ⁽²⁾⁽³⁾⁽⁴⁾	\$2.0 billion - \$2.1 billion	
Adjusted EBITDA Growth ⁽²⁾⁽³⁾⁽⁴⁾	8% - 14%	About 17% - 18%

(1) Revenue Growth includes a benefit of about 5% in Q4 2025 and of about 3% for FY 2025 due to foreign currency exchange rates.

(2) We are not able to provide a reconciliation between forward-looking Adjusted EBITDA and GAAP Net income as we cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP Net Income and predict certain components of such reconciliation as they arise from events in future periods. This is due to the unpredictable nature of these reconciling items, which would require an unreasonable effort to forecast, and would result in a large range of projected values that would not be meaningful to investors. See Item 10(e)(1)(i)(B) of SEC Regulation S-K.

(3) Excludes certain costs expected to be incurred related to the Transformation Program. Refer to the "Non-GAAP Financial Measures" section of this release.

(4) Changes in foreign currency exchange rates are expected to impact our reported growth rates for Adjusted EBITDA by a similar amount of percentage points as Revenue Growth for the fourth quarter and by about one percentage point more than Revenue Growth for the full year.

Consolidated Balance Sheets

(In millions, except share and per share data)



	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16,509	\$ 16,164
Accounts receivable, net (Allowance for expected credit losses of \$152 and \$146, respectively)	4,013	3,199
Prepaid expenses, net	579	587
Other current assets	602	541
Total current assets	21,703	20,491
Property and equipment, net	817	832
Operating lease assets	605	559
Intangible assets, net	961	1,382
Goodwill	2,669	2,799
Long-term investments	651	536
Other assets, net	1,346	1,109
Total assets	\$ 28,752	\$ 27,708
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 4,025	\$ 3,824
Accrued expenses and other current liabilities	4,958	6,047
Deferred merchant bookings	6,283	4,031
Short-term debt	999	1,745
Total current liabilities	16,265	15,647
Deferred income taxes	14	289
Operating lease liabilities	533	483
Long-term U.S. transition tax liability	—	257
Other long-term liabilities	679	199
Long-term debt	15,997	14,853
Total liabilities	33,488	31,728
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.008 par value, Authorized shares: 1,000,000,000 Issued shares: 64,514,729 and 64,276,130, respectively	1	—
Treasury stock: 32,208,282 and 31,329,265 shares, respectively	(52,175)	(47,877)
Additional paid-in capital	8,186	7,707
Retained earnings	39,553	36,525
Accumulated other comprehensive loss	(301)	(375)
Total stockholders' deficit	(4,736)	(4,020)
Total liabilities and stockholders' deficit	\$ 28,752	\$ 27,708

Unaudited Consolidated Statements of Operations

(In millions, except share and per share data)



	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Merchant revenues	\$ 6,131	\$ 4,972	\$ 13,506	\$ 10,806
Agency revenues	2,569	2,753	6,177	6,660
Advertising and other revenues	308	269	885	802
Total revenues	9,008	7,994	20,568	18,268
Operating expenses:				
Marketing expenses	2,340	2,151	6,256	5,700
Sales and other expenses	1,022	872	2,623	2,370
Personnel, including stock-based compensation of \$150, \$148, \$446, and \$432, respectively	945	868	2,534	2,501
General and administrative	254	575	595	873
Information technology	242	194	661	564
Depreciation and amortization	160	155	472	434
Impairment	457	—	457	—
Transformation costs	105	—	175	—
Total operating expenses	5,525	4,815	13,773	12,442
Operating income	3,483	3,179	6,795	5,826
Interest expense	(301)	(305)	(1,368)	(788)
Interest and dividend income	248	327	723	863
Other income (expense), net	39	(332)	(1,181)	(173)
Income before income taxes	3,469	2,869	4,969	5,728
Income tax expense	721	352	993	914
Net income	\$ 2,748	\$ 2,517	\$ 3,976	\$ 4,814
Net income applicable to common stockholders per basic common share	\$ 84.86	\$ 75.37	\$ 122.07	\$ 142.38
Weighted-average number of basic common shares outstanding (in 000's)	32,384	33,401	32,573	33,814
Net income applicable to common stockholders per diluted common share	\$ 84.41	\$ 74.34	\$ 121.39	\$ 140.45
Weighted-average number of diluted common shares outstanding (in 000's)	32,558	33,864	32,755	34,278

Unaudited Consolidated Statements of Cash Flows

(In millions)



	Nine Months Ended September 30,	
	2025	2024
OPERATING ACTIVITIES:		
Net income	\$ 3,976	\$ 4,814
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	472	434
Provision for expected credit losses and chargebacks	323	292
Deferred income taxes	(483)	(75)
Stock-based compensation expense	450	432
Operating lease amortization	105	114
Unrealized foreign currency transaction losses related to Euro-denominated debt	1,407	108
Impairment	457	—
Amortization of debt discount and change in fair value of the conversion option related to the convertible senior notes	360	—
Other	(132)	(27)
Changes in assets and liabilities:		
Accounts receivable	(828)	(651)
Prepaid expenses and other current assets	104	12
Deferred merchant bookings and other current liabilities	1,377	2,308
Other	331	(159)
Net cash provided by operating activities	7,919	7,602
INVESTING ACTIVITIES:		
Proceeds from maturity of investments	—	590
Additions to property and equipment	(249)	(353)
Other investing activities	7	(33)
Net cash (used in) provided by investing activities	(242)	204
FINANCING ACTIVITIES:		
Proceeds from the issuance of long-term debt	1,955	2,959
Payments on maturity and redemption of debt	(4,970)	(1,114)
Payments for repurchase of common stock	(4,321)	(5,282)
Dividends paid	(941)	(885)
Other financing activities	29	(25)
Net cash used in financing activities	(8,248)	(4,347)
Effect of exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	905	214
Net increase in cash and cash equivalents and restricted cash and cash equivalents	334	3,673
Total cash and cash equivalents and restricted cash and cash equivalents, beginning of period	16,193	12,135
Total cash and cash equivalents and restricted cash and cash equivalents, end of period	\$ 16,527	\$ 15,808

Non-GAAP Financial Measures



The Unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include all normal and recurring adjustments that management of the Company considers necessary for a fair presentation of its financial position and operating results.

To supplement the Unaudited Consolidated Financial Statements, the Company uses non-GAAP financial measures, including Adjusted Net income, Adjusted EPS, Adjusted EBITDA, and Free cash flow (Net cash provided by operating activities less capital expenditures). The Company also uses information on (i) the impact of the adjustments required to compute Adjusted Net income and Adjusted EBITDA on Sales and other expenses, Personnel expenses, General and administrative expenses, Depreciation and amortization expenses, Impairment expense, Transformation costs, Interest expense, Interest and dividend income, Other income (expense), net, and Income tax expense, as reported in the Company's consolidated statements of operations, as applicable, and (ii) Adjusted fixed operating expenses, which is Total operating expenses, as reported in the Company's consolidated statements of operations, adjusted to exclude (a) certain operating expenses which are generally more likely to vary based on changes in business volumes and (b) amounts which are excluded in the computation of Adjusted EBITDA. The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

The Company uses non-GAAP financial measures for financial and operational decision-making and as a basis to evaluate performance and set targets for employee compensation programs. The Company believes that these non-GAAP financial measures are useful for analysts and investors to evaluate the Company's ongoing operating performance because they facilitate comparison of the Company's results for the current period and projected next-period results to those of prior periods and to those of its competitors (though other companies may calculate similar non-GAAP financial measures differently from those calculated by the Company). These non-GAAP financial measures, in particular Adjusted Net income, Adjusted EBITDA, and Free cash flow, are not intended to represent funds available for Booking Holdings' discretionary use and are not intended to represent or to be used as a substitute for Operating income, Net income, or Net cash provided by operating activities as measured under GAAP. The items excluded from these non-GAAP measures, but included in the calculation of their closest GAAP equivalent, are significant components of the Company's consolidated statements of operations and cash flows and must be considered in performing a comprehensive assessment of overall financial performance.

Reconciliations of (i) Net income to Adjusted Net income and Adjusted EPS, (ii) Net income to Adjusted EBITDA, (iii) Net cash provided by operating activities to Free cash flow, and (iv) Total operating expenses to Adjusted fixed operating expenses are detailed in the *Reconciliation of GAAP to Non-GAAP Financial Information* and *Additional Information on the Impact of Non-GAAP Adjustments* sections below, including additional information on the items excluded from non-GAAP measures.

We evaluate certain operating and financial measures on both an as-reported and constant currency basis. We calculate constant currency measures based on the predominant transactional currency in each country, converting our current-year period results in currencies other than U.S. Dollars using the corresponding prior-year period monthly average exchange rates.

The attached financial and statistical supplement includes reconciliations of our financial results under GAAP to non-GAAP financial information.

Information About Forward-Looking Statements



This press release contains forward-looking statements, within the meaning of the U.S. securities laws, including regarding our outlook, travel demand trends, the geopolitical and macroeconomic environment and potential effects on consumer spending and behavior, travel patterns and our partners, and changes in foreign currency exchange rates. These forward-looking statements reflect the views of the Company's management regarding current expectations based on currently available information about future events. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, such as: adverse changes in market conditions for travel services; the effects of competition; the Company's ability to manage growth and expand; adverse changes in third-party relationships; success of the Company's marketing efforts; rapid technological or other market changes; the development and use of generative AI; the Company's ability to attract and retain qualified personnel; impacts of impairments and changes in accounting estimates; operational and technological infrastructure risks; and other business and industry changes. Other risks and uncertainties relate to data privacy, cyberattacks, and information security; taxes; laws and regulations; the Company's facilitation of payments; foreign currency exchange rates; the Company's debt levels and stock price volatility; and the success of the Company's investments and acquisition strategy. For a detailed discussion of these and other factors that could cause the Company's actual results to differ materially from those described in the forward-looking statements included in this press release, refer to the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequently filed Quarterly Reports on Form 10-Q. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

About Booking Holdings



We will be posting our prepared remarks and a summary earnings presentation to the Booking Holdings investor relations website after the conclusion of the earnings call.

About Booking Holdings Inc.

Booking Holdings (NASDAQ: BKNG) is the world's leading provider of online travel and related services, provided to consumers and local partners in more than 220 countries and territories through five primary consumer-facing brands: Booking.com, Priceline, Agoda, KAYAK and OpenTable. The mission of Booking Holdings is to make it easier for everyone to experience the world. For more information, visit [BookingHoldings.com](https://www.bookingholdings.com) and follow us on X [@BookingHoldings](https://twitter.com/BookingHoldings).

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#BKNG_Earnings

Reconciliation of GAAP to Non-GAAP Financial Information

(In millions, except share and per share data)⁽¹⁾



(Unaudited)

RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND ADJUSTED EPS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 2,748	\$ 2,517	\$ 3,976	\$ 4,814
(a) Adjustment related to the Netherlands pension fund matter	—	—	(123)	—
(b) Adjustment to accruals related to the fine imposed by the Spanish competition authority	—	—	—	(78)
(c) Impact of certain indirect tax matters	45	365	45	365
(d) Amortization of intangible assets	53	55	161	166
(e) Impairment	457	—	457	—
(f) Transformation costs	105	—	173	—
(g) Net gains on equity securities	(92)	(32)	(116)	(27)
(h) Foreign currency transaction losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	9	329	1,359	94
(i) Amortization of debt discount and change in fair value of the conversion option related to the convertible senior notes	—	—	360	—
(j) Loss on early extinguishment of debt	25	—	25	—
(k) Adjustment to one-time deemed repatriation income tax liability resulting from the Tax Act and related net unrecognized tax benefit	—	(250)	—	(250)
(l) Other	—	—	—	17
(m) Tax impact of Non-GAAP adjustments	(112)	(144)	(449)	(117)
Adjusted Net income	<u>\$ 3,240</u>	<u>\$ 2,841</u>	<u>\$ 5,868</u>	<u>\$ 4,985</u>
GAAP and Non-GAAP weighted-average number of diluted common shares outstanding (in 000's)	<u>32,558</u>	<u>33,864</u>	<u>32,755</u>	<u>34,278</u>
Net income applicable to common stockholders per diluted common share (GAAP EPS)	<u>\$ 84.41</u>	<u>\$ 74.34</u>	<u>\$ 121.39</u>	<u>\$ 140.45</u>
Adjusted Net income applicable to common stockholders per diluted common share (Adjusted EPS)	<u>\$ 99.50</u>	<u>\$ 83.89</u>	<u>\$ 179.14</u>	<u>\$ 145.42</u>
Net income applicable to common stockholders per diluted common share (GAAP EPS) growth (decline) YoY	<u>14 %</u>		<u>(14)%</u>	
Adjusted Net income applicable to common stockholders per diluted common share (Adjusted EPS) growth YoY	<u>19 %</u>		<u>23 %</u>	

(Unaudited)

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 2,748	\$ 2,517	\$ 3,976	\$ 4,814
(a) Adjustment related to the Netherlands pension fund matter	—	—	(123)	—
(b) Adjustment to accruals related to the fine imposed by the Spanish competition authority	—	—	—	(78)
(c) Impact of certain indirect tax matters	45	365	45	365
(n) Depreciation and amortization	160	155	472	434
(e) Impairment	457	—	457	—
(f) Transformation costs	105	—	173	—
(n) Interest and dividend income	(248)	(327)	(723)	(863)
(n) Interest expense	301	305	1,368	788
(g) Net gains on equity securities	(92)	(32)	(116)	(27)
(h) Foreign currency transaction losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	9	329	1,359	94
(i) Change in fair value of the conversion option of the convertible senior notes	—	—	(163)	—
(j) Loss on early extinguishment of debt	25	—	25	—
(l) Other	—	—	—	17
(n) Income tax expense	721	352	993	914
Adjusted EBITDA	<u>\$ 4,231</u>	<u>\$ 3,665</u>	<u>\$ 7,742</u>	<u>\$ 6,458</u>
Net income as a % of Total Revenues (Net income margin)	<u>30.5 %</u>	<u>31.5 %</u>	<u>19.3 %</u>	<u>26.4 %</u>
Net income growth (decline) YoY	<u>9 %</u>		<u>(17)%</u>	
Adjusted EBITDA as a % of Total Revenues (Adjusted EBITDA margin)	<u>47.0 %</u>	<u>45.8 %</u>	<u>37.6 %</u>	<u>35.4 %</u>
Adjusted EBITDA growth YoY	<u>15 %</u>		<u>20 %</u>	

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 1,435	\$ 2,373	\$ 7,919	\$ 7,602
(o) Additions to property and equipment	(64)	(77)	(249)	(353)
Free cash flow	<u>\$ 1,371</u>	<u>\$ 2,296</u>	<u>\$ 7,670</u>	<u>\$ 7,249</u>
Net cash provided by operating activities as a % of Total Revenues	<u>15.9 %</u>	<u>29.7 %</u>	<u>38.5 %</u>	<u>41.6 %</u>
Free cash flow as a % of Total Revenues	<u>15.2 %</u>	<u>28.7 %</u>	<u>37.3 %</u>	<u>39.7 %</u>
Net cash provided by operating activities (decline) growth YoY	<u>(40)%</u>		<u>4 %</u>	
Free cash flow (decline) growth YoY	<u>(40)%</u>		<u>6 %</u>	

⁽¹⁾ Amounts may not total due to rounding.

Notes:

- (a) Adjustments to the accruals related to the Netherlands pension fund matter are recorded in Personnel expenses and General and administrative expenses, as applicable, and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA. During the quarter ended March 31, 2025, the Netherlands pension fund matter was resolved resulting in a reduction to the related accruals. The impact of the reduction related to 2023 and earlier years, of \$123 million, has been excluded from Adjusted Net Income and Adjusted EBITDA for the nine months ended September 30, 2025. When the liability related to these years was initially recorded in the Company's Consolidated Financial Statements for 2023, its impact was excluded from the Non-GAAP results for that year.
- (b) Adjustment to accruals related to the fine imposed by the Spanish competition authority are recorded in General and administrative expenses and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (c) Adjustments for the impact of certain indirect tax matters are recorded in General and administrative expenses and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (d) Amortization of intangible assets is recorded in Depreciation and amortization expenses and excluded from Net income to calculate Adjusted Net income.
- (e) Impairment of KAYAK's goodwill and certain intangible assets is recorded in Impairment and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (f) In November 2024, the Company announced its intention to implement certain organizational changes that are expected to improve operating expense efficiency, increase organizational agility, free up resources that can be reinvested into further improving its offering to travelers and partners, and better position the Company for the long-term (the "Transformation Program"). Certain costs incurred in connection with this transformation program, which are not considered normal operating expenses, are excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA. These costs are recorded in Transformation costs and primarily consist of employee termination benefits and professional fees.
- (g) Net gains on equity securities with readily determinable fair values are recorded in Other income (expense), net and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (h) Foreign currency transaction losses on the remeasurement of Euro-denominated debt and accrued interest that are not designated as hedging instruments for accounting purposes and gains on debt-related foreign currency derivative instruments used as economic hedges are recorded in Other income (expense), net and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (i) Adjustment for the amortization of the debt discount of \$523 million and the change in fair value of the conversion option of \$163 million for the nine months ended September 30, 2025, both related to the convertible senior notes, which are recorded in Interest expense and Other income (expense), net, as applicable, and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (j) Loss on early extinguishment of debt is recorded in Other income (expense), net and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (k) Adjustment to one-time deemed repatriation income tax liability resulting from the U.S. Tax Cuts and Jobs Act ("Tax Act") and related net unrecognized tax benefit are recorded in Income tax expense and excluded from Net income to calculate Adjusted Net income. During 2024, the Company recorded a reduction of \$250 million to income tax expense based upon a U.S. Tax Court decision.
- (l) Accrual related to the Canadian digital services taxes for the years ended December 31, 2022 and 2023 enacted in June 2024 with retrospective effect, which is recorded in Sales and other expenses, and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (m) Reflects the tax impact of Non-GAAP adjustments above and changes in tax estimates, as applicable, which are excluded from Net income to calculate Adjusted Net income.
- (n) Depreciation and amortization, Interest and dividend income, Interest expense, and Income tax expense are excluded from Net income to calculate Adjusted EBITDA.
- (o) Cash used for additions to property and equipment is included in the calculation of Free cash flow.

For a more detailed discussion of the adjustments described above, please see the section in this press release under the heading "Non-GAAP Financial Measures" which provides information about the use of non-GAAP financial measures. Additional information on the impact of the adjustments above are presented in the following pages. The reconciliation of Total operating expenses to Adjusted fixed operating expenses is also provided.

Additional Information on the Impact of Non-GAAP Adjustments

(In millions)



(Unaudited)

Sales and other expenses:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Sales and other expenses	\$ 1,022	\$ 872	\$ 2,623	\$ 2,370
Accruals related to prior-period Canadian digital services taxes	—	—	—	(17)
Adjusted Sales and other expenses	<u>\$ 1,022</u>	<u>\$ 872</u>	<u>\$ 2,623</u>	<u>\$ 2,353</u>
Personnel expenses:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Personnel expenses	\$ 945	\$ 868	\$ 2,534	\$ 2,501
Adjustment related to the Netherlands pension fund matter	—	—	128	—
Adjusted Personnel expenses	<u>\$ 945</u>	<u>\$ 868</u>	<u>\$ 2,662</u>	<u>\$ 2,501</u>
General and administrative expenses:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
General and administrative expenses	\$ 254	\$ 575	\$ 595	\$ 873
Adjustment to accruals related to the fine imposed by the Spanish competition authority	—	—	—	78
Adjustment related to the Netherlands pension fund matter	—	—	(5)	—
Impact of certain indirect tax matters	(45)	(365)	(45)	(365)
Adjusted General and administrative expenses	<u>\$ 209</u>	<u>\$ 210</u>	<u>\$ 545</u>	<u>\$ 586</u>
Depreciation and amortization expenses:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Depreciation and amortization expenses	\$ 160	\$ 155	\$ 472	\$ 434
Amortization of intangible assets	(53)	(55)	(161)	(166)
Depreciation expenses	<u>\$ 107</u>	<u>\$ 100</u>	<u>\$ 311</u>	<u>\$ 268</u>
Impairment expense:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Impairment	\$ 457	\$ —	\$ 457	\$ —
Adjustment related to impairment of goodwill and intangible assets	(457)	—	(457)	—
Adjusted Impairment	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Transformation costs:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Transformation costs	\$ 105	\$ —	\$ 175	\$ —
Adjustment related to transformation costs	(105)	—	(173)	—
Adjusted Transformation costs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ —</u>

(Unaudited)

Interest expense:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense	\$ (301)	\$ (305)	\$ (1,368)	\$ (788)
Amortization of debt discount on convertible senior notes	—	—	523	—
Adjusted Interest expense	<u>\$ (301)</u>	<u>\$ (305)</u>	<u>\$ (845)</u>	<u>\$ (788)</u>

Other income (expense), net:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Other income (expense), net	\$ 39	\$ (332)	\$ (1,181)	\$ (173)
Net gains on equity securities	(92)	(32)	(116)	(27)
Foreign currency transaction losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	9	329	1,359	94
Change in fair value of the conversion option of the convertible senior notes	—	—	(163)	—
Loss on early extinguishment of debt	25	—	25	—
Adjusted Other income (expense), net	<u>\$ (19)</u>	<u>\$ (35)</u>	<u>\$ (76)</u>	<u>\$ (106)</u>

Income tax expense:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income tax expense	\$ 721	\$ 352	\$ 993	\$ 914
Adjustment to one-time deemed repatriation income tax liability resulting from the Tax Act and related net unrecognized tax benefit	—	250	—	250
Tax impact of Non-GAAP adjustments	112	144	449	117
Adjusted Income tax expense	<u>\$ 833</u>	<u>\$ 746</u>	<u>\$ 1,442</u>	<u>\$ 1,281</u>

RECONCILIATION OF TOTAL OPERATING EXPENSES TO ADJUSTED FIXED OPERATING EXPENSES	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total operating expenses	\$ 5,525	\$ 4,815	\$ 13,773	\$ 12,442
Marketing expenses	(2,340)	(2,151)	(6,256)	(5,700)
Sales and other expenses	(1,022)	(872)	(2,623)	(2,370)
Depreciation and amortization	(160)	(155)	(472)	(434)
Impairment	(457)	—	(457)	—
Adjustment related to the Netherlands pension fund matter	—	—	123	—
Adjustment to accruals related to the fine imposed by the Spanish competition authority	—	—	—	78
Impact of certain indirect tax matters	(45)	(365)	(45)	(365)
Adjustment related to transformation costs	(105)	—	(173)	—
Adjusted fixed operating expenses	<u>\$ 1,396</u>	<u>\$ 1,272</u>	<u>\$ 3,870</u>	<u>\$ 3,651</u>
Total operating expenses growth YoY	<u>15 %</u>		<u>11 %</u>	
Adjusted fixed operating expenses growth YoY	<u>10 %</u>		<u>6 %</u>	

Statistical Data

(Units Sold in millions and Gross Bookings and Total Revenues in billions)⁽¹⁾



(Unaudited)

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Units Sold									
Room Nights	276	231	297	287	299	261	319	309	323
Year/Year Growth	14.9 %	9.2 %	8.5 %	7.1 %	8.1 %	13.2 %	7.2 %	7.7 %	8.2 %
Rental Car Days	20	15	21	22	23	17	22	24	23
Year/Year Growth	20.0 %	10.7 %	10.7 %	10.0 %	16.2 %	12.1 %	7.7 %	9.0 %	2.1 %
Airline Tickets	9	9	11	11	13	14	16	16	17
Year/Year Growth	56.6 %	45.8 %	33.1 %	27.7 %	38.7 %	52.3 %	44.8 %	44.2 %	32.3 %
Gross Bookings⁽²⁾									
Merchant	\$ 22.3	\$ 18.4	\$ 25.8	\$ 25.8	\$ 28.4	\$ 24.2	\$ 31.2	\$ 32.3	\$ 35.7
Year/Year Growth	53.5 %	38.7 %	29.3 %	22.3 %	27.3 %	31.7 %	21.0 %	25.1 %	26.0 %
Agency	\$ 17.5	\$ 13.3	\$ 17.8	\$ 15.6	\$ 15.1	\$ 12.9	\$ 15.5	\$ 14.4	\$ 13.9
Year/Year Decline	(0.4)%	(5.3)%	(8.9)%	(16.0)%	(14.0)%	(2.7)%	(12.8)%	(7.5)%	(7.6)%
Total Gross Bookings	\$ 39.8	\$ 31.7	\$ 43.5	\$ 41.4	\$ 43.4	\$ 37.2	\$ 46.7	\$ 46.7	\$ 49.7
Year/Year Growth	24.0 %	16.1 %	10.4 %	4.4 %	9.1 %	17.3 %	7.2 %	12.8 %	14.3 %
Constant currency Basis	20 %	13 %	10 %	6 %	9 %	18 %	10 %	9 %	10 %
Total Revenues	\$ 7.3	\$ 4.8	\$ 4.4	\$ 5.9	\$ 8.0	\$ 5.5	\$ 4.8	\$ 6.8	\$ 9.0
Year/Year Growth	21.3 %	18.1 %	16.9 %	7.3 %	8.9 %	14.4 %	7.9 %	16.0 %	12.7 %
Constant currency Basis	16 %	15 %	17 %	9 %	9 %	15 %	10 %	12 %	8 %
Reconciliation of As Reported Total Revenues Growth to Constant Currency Total Revenues Growth									
As reported Total revenues growth YoY	21 %	18 %	17 %	7 %	9 %	14 %	8 %	16 %	13 %
Foreign currency impact	(5)%	(3)%	— %	2 %	— %	1 %	2 %	(4)%	(4)%
Constant currency Total revenues growth YoY	16 %	15 %	17 %	9 %	9 %	15 %	10 %	12 %	8 %

⁽¹⁾ Amounts may not total due to rounding.

⁽²⁾ Gross bookings is an operating and statistical metric that captures the total dollar value, generally inclusive of taxes and fees, of all travel services booked by our customers, net of cancellations.