



BOOKING HOLDINGS



CEO and CFO Prepared Remarks for 1st Quarter 2026

NORWALK, CT – April 28, 2026

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CEO Prepared Remarks - Glenn Fogel, Chief Executive Officer and President

Good afternoon, and thank you for joining us today.

We began 2026 with solid execution across our global business. Our results this quarter reflect the continued momentum of our long-term strategy and progress in advancing our mission: to make it easier for everyone to experience the world. Before turning to our results, I want to acknowledge the current macro environment, including the impact the Middle East conflict is having on travel, and recognize the resilience of our employees and partners in the region. Periods of uncertainty – whether driven by geopolitical developments or economic conditions – are not new to our industry. We have navigated similar moments many times before, including the global shutdown of travel during the Covid period, and more recently the Russia - Ukraine war which began in 2022, and the Israel - Hamas conflict which began in 2023. Each time, while the near-term environment can be difficult to predict, and there are immediate consequences to travel volumes, the fundamental drivers of travel demand – the desire to experience the world – do not change.

People have a deep and enduring desire to explore and connect, and that demand has proven resilient over time, generally growing faster than the broader global economy. So we remain focused on what we can control – delivering strong value, reliability, and service for both travelers and partners through differentiated, innovative

solutions. That focus earns trust: it is why customers choose us today and why we believe they will continue to choose us tomorrow, next quarter, next year, and over the long term. This disciplined approach was one of the drivers of our performance in the first quarter, and it remains the foundation of our long-term strategy.

Q1 2026 Financial Performance Highlights

Despite the start of the Middle East conflict at the end of February, our teams delivered a quarter with strong execution and solid results. We booked 338 million room nights, which was in line with our prior expectations and represented 6% year-over-year growth. We estimate that the Middle East conflict impacted our room night and gross bookings growth by approximately 2 percentage points, accounting for directly impacted countries in the region, as well as bookers whose travel was affected by the conflict. Excluding this impact, we believe our room nights would have been up by approximately 8%.

On a year-over-year basis, first quarter gross bookings of \$53.8 billion grew 15%, revenue of \$5.5 billion grew 16%, and adjusted EBITDA of approximately \$1.3 billion increased 19%. Finally, adjusted EPS of \$1.14 grew 14% year-over-year.

Ewout will provide more details on the impact of the conflict on our financial results, as well as specific assumptions and implications for our second quarter and full-year outlook. While near-term dynamics create some volatility, we view our overall position in the Middle East as a long-term strength and believe we are well positioned for when normal travel demand resumes.

Regardless of the current uncertainty, we remain focused on the long term and the factors within our control to drive value. This includes expanding our reach in key markets such as the U.S. and Asia, advancing our Connected Trip vision, and continuing to innovate across our GenAI capabilities, each of which I will speak to shortly.

Our confidence in these initiatives and our future growth profile is reflected in a capital allocation strategy that we have employed for well over a decade, including the record \$3.6 billion in share repurchases we completed in the first quarter. Since 2014, we have reduced our share count by over 40%, even after accounting for the dilutive impact of stock-based compensation by opportunistically investing in this long-term vision through our share buyback program. No one is better positioned than we are to understand what our long-term value can and should be relative to market fluctuations on any given day or quarter. As I just mentioned, we have reduced our share count by over 40% in 12 years. Importantly, we have done so at the average price per share of \$93, thereby generating significant incremental investment returns for our shareholders by betting on ourselves at the right times. And while always preserving and exercising the flexibility to invest in both the organic and inorganic growth of our business. It is a strategy that we are very committed to.

U.S. Growth

The U.S. is an area where we are increasingly seeing our intentional and targeted investments help drive growth. While we are a global leader, as we have mentioned in the past, we believe we have room to grow in this market. As a result of our continued disciplined execution, I am pleased to report that our U.S. room night growth accelerated for the fourth consecutive quarter to the low teens, driven primarily by strong domestic demand.

We are also encouraged by the continued momentum of our direct channel in the U.S., which saw double-digit growth at Booking.com. Building a robust direct mix is not something that happens overnight. Growing our direct mix in the U.S. has been a multi-year effort, built on disciplined investments in our product, brand, and supply, which we believe is positioning us to drive continued progress over time.

Furthermore, we saw strength in the U.S. not only in accommodations but across flights, cars, and packages. This indicates that travelers are increasingly recognizing the full spectrum of our offerings as we continue to build out our Connected Trip vision.

Asia Growth

In Asia, we continue to see one of the most compelling structural growth opportunities in the global travel industry. During the first quarter, the region performed well, with room night growth in the high single digits, including low double digit growth for travel within the region.

What differentiates our position in Asia is our ability to operate effectively across a highly diverse and complex set of markets. Asia is not one unified region, but a collection of distinct countries and cultures, each with its own consumer behaviors, supply dynamics, and distribution channels. Our approach starts with a global playbook, informed by the reach and capabilities of Booking.com, combined with Agoda's deeply localized expertise across the region.

Building on that foundation, we have been investing in localization at the granular level – adapting our product, payments, and go-to-market strategies to meet the specific needs of each market. This includes building strong relationships with local supply partners, from traditional accommodations like ryokans in Japan to a wide variety of independent properties across markets such as Indonesia, India, and Vietnam, many of which sit outside major urban centers.

At the same time, our distribution strategy is designed to meet travelers where they are increasingly spending their time. In many of these markets, that means engaging through social and messaging platforms, where we are seeing encouraging traction across channels such as KakaoTalk in Korea, LINE in Thailand and Taiwan, and through WhatsApp in India.

By combining a global playbook with strong local execution, we believe we will continue to be well positioned for the growth opportunity in Asia over time.

Connected Trip and Genius Loyalty Program

Now, onto the Connected Trip, which is about making travel easier by bringing more of the journey together in a way that provides more value, lowers complexity, and ensures better customer service. We're seeing encouraging progress, with more travelers choosing to book multiple parts of their trip with us. In the first quarter, connected transactions, meaning trips that included bookings across more than one vertical, grew in the high teens range and represented a low double digit percentage of Booking.com's total transactions. This growth reinforces our belief that when we reduce friction, and provide more value, travelers choose to do more of their business with us.

Additionally, we are able to drive more incremental value for our partners as travelers increasingly engage with multiple verticals across our platform. And, working with our partners, our vision is to provide personalized benefits within a connected trip that provides more value to both the traveler and the partner.

Our Genius loyalty program is a key component of this strategy. Unlike traditional programs, Genius is built around immediate, relevant benefits – such as tiered discounts, free breakfast, or room upgrades – that apply at the point of booking. We continue to see strong engagement from our higher-tier Genius members, who book and return more frequently than non-Genius travelers. Over the last four quarters, Level 2 and Level 3 Genius members represented over 30% of our active base and accounted for a high-50% share of room nights, up from the prior year. Given the importance of loyalty and the success of the program to date, we see an opportunity to further strengthen Genius this year.

Innovation

Let me now turn to GenAI, which we continue to believe represents a significant opportunity to enhance both the traveler and partner experience. Our approach remains disciplined and focused on where AI can drive meaningful impact across our products and services - improving effectiveness for travelers and partners, driving internal efficiencies, and working closely with leading external partners to ensure we are well positioned in the event that current usage of frontier LLMs for travel discovery and planning becomes more closely tied to direct, immediate

booking execution. Even more so, I'm pleased to highlight some of the current progress we've made on AI initiatives across our brands today.

At Priceline, Penny continues to evolve into a more interactive, end-to-end AI-driven journey with increasingly advanced shopping and discovery capabilities. It enables conversational search and brings a multi-product trip together in a single, integrated view, including a dynamic travel map. Penny is also becoming more personalized, with the ability for travelers to build trips with an understanding of their preferences, with recommendations that improve over time. In very early testing from a small sample set, we are seeing a noticeable uplift from users who engage with Penny compared to non-Penny users.

At Booking.com, we're introducing additional AI-driven capabilities to support travelers earlier in their journey, including enhanced natural language search and more dynamic, inspiration-led discovery features. Smart Filters have now been rolled out globally in accommodations, and we are beginning to extend and test these capabilities within the Cars vertical. A key factor in the Booking.com approach is optimizing the user experience through experimentation and data analysis, a process that we are known for. We are doing this now, bringing together these new AI capabilities in the upper funnel and doing so across verticals. We believe we are making meaningful progress in integrating these elements, and we expect to continue building on this foundation over the coming year.

As we advance these capabilities, AI is also enabling us to deliver greater value to our partners. By improving personalization and conversion, we can help drive incremental demand, while also making partner-to-guest communication more efficient and intuitive, streamlining operations. For example, at Booking.com, agentic service flows for complaints and cancellation capabilities are improving the post-booking experience, reducing customer service contacts and increasing self-service adoption, helping partners operate more efficiently.

At OpenTable, we are building on the launch of AI Concierge by expanding it beyond answering diner questions into a broader discovery tool, starting with natural language search. We're also developing capabilities to better support restaurant partners through more streamlined operations and actionable, revenue focused, insights, including voice-enabled reservation tools and table turnover data that help bring more offline tables online, and support higher utilization and revenue.

We continue to embed AI across our operations to drive efficiency, from automating customer service interactions and improving self-service rates to enhancing internal workflows that accelerate product development and decision-making. For example, in this quarter at Agoda we saw a double-digit year-over-year reduction in customer service costs per booking, driven by AI-assisted automation, helping us reduce costs and operate more effectively at scale. We continue to believe AI-enabled productivity and efficiencies are an area of notable opportunity.

Beyond our internal efforts, we are also partnering with leading AI organizations to remain at the forefront of this rapidly evolving landscape and to expand our sources of demand. As GenAI reshapes how travelers discover and plan trips, we are focused on meeting them wherever that journey begins. Our relationships with companies such as OpenAI, Google, Anthropic and Amazon, combined with our disciplined approach, positions us well to capture these emerging opportunities and drive long-term value for both travelers and partners.

Last, we believe the strength of our brands and the number of travelers who choose to come directly to our platforms will remain an important differentiator, as brand increasingly guides where travelers choose to engage. Our consistent ability to deliver value underpins this dynamic, and will continue to differentiate us over time, while also helping ensure our supply partners, especially our small and medium enterprise partners, are discoverable no matter how people begin their traveler exploration and planning process.

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Closing

In closing and taking a broader view, we are reminded that over the long term, we benefit greatly from our large, global travel platform, which has notable positions in Europe, the world's largest travel market, and Asia, the world's fastest growing travel market. Given this geographic footprint, our results naturally reflect the impact of the Middle East conflict. However, we believe our diversified global portfolio of leading brands and financial strength positions us well for the medium and long term.

Looking ahead, our focus remains clear. We are advancing the Connected Trip, accelerating innovation through AI, and continuing to invest in the areas we believe will drive long-term growth. While we recognize that geopolitical and macroeconomic uncertainty can create near-term volatility, we have seen time and again that the underlying demand for travel does not go away. With our global business, deep supplier relationships, and decades of experience leveraging data and technology, we believe that we are set up well to navigate these dynamics while continuing to execute our strategy and deliver attractive returns over time.

With that, I will turn the call over to Ewout to walk through our financial results in more detail.

CFO Prepared Remarks - Ewout Steenbergen, Chief Financial Officer and Executive Vice President

Thank you Glenn and good afternoon, everyone.

Before discussing our financial results, I want to acknowledge the ongoing conflict in the Middle East. Our thoughts are with our colleagues, partners, travelers, and all who are affected, and we are hopeful for a swift and peaceful resolution.

I will now review our results for the first quarter and provide our current thinking for the second quarter and full year. All growth rates are on a year-over-year basis, and the reconciliation of Non-GAAP to GAAP financials can be found in our earnings release.

Now let's move to our first quarter results.

In the first quarter, our business was impacted by the ongoing situation in the Middle East, which led to elevated cancellations and a moderation in new bookings in March. The impact of the conflict was also felt outside the Middle East region as we saw changes in broader travel patterns particularly in transit corridors such as the one between Europe and Asia.

We estimate the situation in the Middle East impacted our room night growth by about two percentage points, and that the impact on gross bookings was similar to room night growth, with a slightly lower impact on revenue growth, and a higher impact on Adjusted EBITDA growth. Excluding these impacts, our first quarter growth rates would have exceeded the high end of our guidance ranges across all key metrics.

Q1 Topline Results

Our room nights in the first quarter grew 6%, or about 8% excluding the impact of the situation in the Middle East. This compares to our room night growth guidance of 5% to 7%. Immediately following the onset of the conflict we saw an increase in cancellation rates and lower travel demand resulting in March room night growth of 1%. We estimate that the impact of the conflict on March room night growth was about six percentage points, with about half the impact coming from reduced bookings, and the other half coming from increased cancellations, which have historically been the highest in the first month after the start of a conflict.

While room night growth was most impacted in the Middle East, we also saw an impact in other regions following the start of the conflict.

Looking at our room night growth by booker region in the first quarter:

Europe was up mid single digits including the impact from the conflict on bookers traveling to the Middle East and Asia. Within Europe, intra-regional demand from European bookers was up high single digits, consistent with the fourth quarter of 2025.

Asia was up high single digits including the impact from the conflict on bookers traveling to the Middle East and Europe. Within Asia, intra-regional demand from Asian bookers was up low double digits, similar to the fourth quarter of 2025.

Rest of World, which includes the Middle East, was down low single digits. Bookers in the Middle East, including Turkey and Egypt, represented approximately 4% of our global room nights booked in 2025. If we include inbound travel to the Middle East in addition to the bookers in the region, the Middle East represents approximately 7% of our 2025 global room nights.

The U.S. accelerated for the fourth consecutive quarter to low teens growth driven primarily by domestic travel. We are encouraged by the acceleration we saw in our U.S. direct channel.

Q1 Results

Our B2C direct mix remained resilient over the past four quarters, holding steady in the mid-60% range and consistent with prior-year levels. We maintained this performance due to continued growth in direct bookers, offset by the impact of the conflict, as the Middle East has traditionally had above average direct mix, and by continued declines in SEO traffic, which is a small contributor to our overall direct channel.

We continue to see a higher direct booking rate in room nights received through our mobile apps, as well as from travelers in our higher Genius tiers. The mobile app mix of our total room nights was in the high 50% range, and the mix of Booking.com room nights booked by travelers in the Genius tiers of Levels 2 and 3 was in the high 50% range. Both of these were up from the mid 50% range a year ago.

Our alternative accommodations room nights at Booking.com were also impacted by the situation in the Middle East and growth was about in line with our total room night growth. The global mix of alternative accommodation room nights was about 38% of Booking.com's room nights in the first quarter, which was up about one percentage point from last year. We believe that we offer a compelling experience for travelers by seamlessly integrating alternative accommodations, independent properties, global chains, and our other travel verticals.

Our total merchant gross bookings increased 24% year-over-year in the first quarter. Merchant gross bookings represented about 72% of total gross bookings, and this mix increased five percentage points versus last year. Our merchant payments platform is a core enabler of the Connected Trip vision, providing flexibility for both travelers and partners while adding incremental revenue and contribution margin dollars to our business.

In our other travel verticals, we delivered strong growth despite the impact of the Middle East conflict. During the first quarter, airline tickets increased 28% year-over-year and attractions tickets increased about 25%, both driven by continued growth at Booking.com and Agoda. Connected Trip transactions increased a high-teens percentage, or about three times faster than Booking.com's total transaction growth. Our data shows that travelers who book more than one travel vertical with us come back to us more frequently.

First quarter total gross bookings increased 15% year-over-year. On a constant currency basis gross bookings increased about 8%, benefiting from about 1% higher constant currency ADRs, as well as higher bookings growth from flights and other travel verticals. The increase in constant currency accommodation ADRs was driven by higher ADRs in Europe, and was higher than our expectations to be about in line with the prior year.

First quarter revenue grew 16% year-over-year, or about 10% on a constant currency basis, benefiting from higher payment revenues.

Revenue as a percentage of gross bookings was 10.3%, which was up about 10 basis points versus last year, driven by differences in the estimated impact of the situation in the Middle East on revenue versus gross bookings. Because we recognize revenues at the time of travel, we expect the associated impact on revenue from the conflict will not be fully realized until future quarters.

Marketing expense, which is a highly variable expense line, increased 16% year-over-year. Marketing expense as a percentage of gross bookings was 3.8%, which was four basis points higher year-over-year driven primarily by the situation in the Middle East as certain bookings sourced through paid channels were subsequently canceled. We estimate that excluding the impact of the conflict, we would have had marketing leverage year-over-year helped by improved marketing efficiencies.

First quarter adjusted sales and other expenses as a percentage of gross bookings was 1.5%, similar to last year despite an increasing merchant mix, as higher payment expenses were offset by increased efficiencies in customer service and a \$17 million one-time benefit due to the repeal of Canadian digital service taxes in March.

Adjusted fixed operating expenses increased 14% year-over-year and were a source of leverage as a percentage of revenue. When normalizing for both FX and the \$53 million in one-time benefits in the first quarter of 2025, constant currency adjusted fixed expenses grew in the low single digits.

We remain firmly on track to deliver our previously stated goal of \$500 to \$550 million of in-year savings from our transformation program for 2026. During the first quarter, we incurred \$25 million in transformation costs, which were almost entirely excluded from our adjusted results.

Adjusted EBITDA of approximately \$1.3 billion grew 19% year-over-year, which exceeded the high end of our guidance.

Adjusted EPS of \$1.14 per share was up 14% year-over-year, lower than the growth in adjusted EBITDA as a higher tax rate due to discrete items was partially offset by a 4% lower average share count. This adjusted EPS figure reflects the 25-for-1 stock split that took effect on April 2nd.

Cash & Liquidity

Now on to our cash and liquidity position. Our first quarter ending cash and investments balance of \$16.5 billion was down versus our fourth quarter ending balance of \$17.8 billion. This was primarily due to about \$4 billion of total capital return including \$3.6 billion of share repurchases, which was the highest amount of quarterly share repurchases in our company's history, and a quarterly cash dividend of \$343 million. We also repurchased an additional \$355 million in shares to satisfy employee withholding tax obligations. These uses of cash were offset by about \$3.1 billion in free cash flow generated in the quarter, which benefited by about \$1.9 billion from changes in working capital, driven primarily by the seasonal increase in our deferred merchant bookings balance.

We have ample liquidity and a strong free cash flow profile, and we plan to continue to return capital to our shareholders, as well as maintain our disciplined focus on optimizing our capital structure.

Q2 2026 Commentary

Moving to our thoughts for the second quarter.

For our second quarter guidance, we are assuming the direct and indirect impact from the conflict in the Middle East continues through the end of June. Specifically, our outlook accounts for continued fluctuations in travel demand across Middle Eastern inbound, outbound, and intra-region routes, as well as ongoing disruptions to major transit corridors, such as those between Europe and Asia. Given the uncertain macro backdrop, we have begun executing targeted cost management actions, including strictly managing discretionary spend and re-calibrating business-as-usual hiring. As we pull these levers, we remain focused on protecting our strategic investment spend.

This disciplined approach ensures we protect our near-term profitability while continuing to fund the long-term innovations that drive our competitive positioning and the long-term value creation of the business.

Our guidance for the second quarter assumes recent FX rates for the remainder of the quarter, including the Euro-U.S. Dollar exchange rate at 1.16. We estimate changes in FX will positively impact our second quarter reported U.S. Dollar growth rates by about two percentage points.

We expect the impact of the situation in the Middle East will be higher in the second quarter than it was in the first quarter as the conflict spans the full quarter, though this is partially offset by our expectation that March had the highest concentration of cancellations which drove the first quarter marketing deleverage.

We currently expect second quarter room night growth to be between 2% and 4%, and for gross bookings, revenue, and adjusted EBITDA to each grow between 4% and 6%.

Full Year 2026 Commentary

Turning to the full year 2026, our planning assumption is that the direct and indirect impact from the conflict in the Middle East continues through the end of June, followed by a recovery in bookings in the second half of the year.

Reflecting the assumption that the direct and indirect impacts from the situation in the Middle East continues for four months, or one-third of the year, and this is followed by a recovery period, we are lowering our guidance ranges at the mid-point. The high end of the ranges for gross bookings and adjusted EPS remains in line with our prior expectations.

Despite the variability of the current environment, our full-year guidance reflects the resilience of our business model. On a reported basis, our expectation for the full year is as follows:

- gross bookings to be up high single digits to low double digits;
- revenue to be up high single digits;
- adjusted EBITDA to grow slightly faster than revenue and adjusted EBITDA margins to expand between 0 and 25 basis points year-over-year;
- adjusted EPS to be up low to mid-teens.

To support these targets, we aim to grow revenue faster than both marketing and adjusted fixed operating expenses, while maintaining sales and other expenses as a flat percentage of gross bookings year-over-year.

Assuming recent FX rates remain steady for the remainder of the year, we estimate changes in FX will positively impact these full year reported growth rates by about 2 percentage points for gross bookings, about 1.5 percentage points for revenue, and by about 1 percentage point for adjusted EBITDA and adjusted EPS.

We are mindful that a sustained disruption could introduce broader inflationary pressures, including fluctuations in jet fuel prices, airline capacity reductions, as well as weigh on traveler sentiment more broadly. These dynamics can create headwinds across the travel value chain, and we are monitoring them closely. However, since these extended impacts on the broader economy are harder to estimate, we have not included them in our guidance assumptions.

Our second quarter and full year guidance are based on estimates and the information available to us at this time, in an unusually unpredictable environment.

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In conclusion, we continue to demonstrate solid performance despite a dynamic geopolitical environment. We remain focused on what we can control and are managing the current situation with rigorous financial discipline. And we continue to make strategic investments and technological progress to build a more frictionless and integrated offering for our travelers and partners, particularly by leveraging the potential of generative AI enabled capabilities. While our 2026 outlook is impacted by the situation in the Middle East, we remain firmly committed to

our long-term constant currency growth ambition of at least 8% gross bookings growth, 8% revenue growth, and 15% adjusted EPS growth for future years. Thank you to my colleagues across the world for their dedication and hard work.

About Booking Holdings Inc.

Booking Holdings (NASDAQ: BKNG) is the world leader in providing online travel and services that support the entire travel journey. Our platforms - including [Booking.com](https://www.booking.com), [Priceline](https://www.priceline.com), [Agoda](https://www.agoda.com), [KAYAK](https://www.kayak.com) and [OpenTable](https://www.opentable.com) - utilize advanced AI, machine learning and other innovative technologies to simplify and personalize the travel experience for consumers and partners in over 220 countries and territories. Our mission 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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