CEO and CFO Prepared Remarks for 2nd Quarter 2026

NORWALK, CT – August 4, 2026

Information About Forward-Looking Statements

This transcript contains forward-looking statements, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed, implied, or forecasted in any such forward-looking statements.

Expressions of future goals or expectations and similar expressions reflecting something other than historical fact are intended to identify forward-looking statements. For a list of factors that could cause Booking Holdings' actual results to differ materially from those described in the forward-looking statements, please refer to the Booking Holdings' earnings press release as well as Booking Holdings' filings with the Securities and Exchange Commission.

Unless required by law, Booking Holdings undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. A copy of Booking Holdings' earnings press release is available in the For Investors section of Booking Holdings' website, bookingholdings.com.

Booking Holdings uses the Investor Relations page of its website (ir.bookingholdings.com) to disclose material information for purposes of the SEC's Regulation Fair Disclosure. Booking Holdings encourages investors to monitor this website in addition to other public announcements and SEC filings as information posted on that page could be deemed to be material information. Booking Holdings will be posting the prepared remarks and a summary earnings presentation to the Investor Relations page of its website after the conclusion of the earnings call.

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

Good afternoon, and thank you for joining us today.

I am pleased to report that our teams delivered another quarter of strong execution. We exceeded the high end of our guidance across all of our key financial metrics while continuing to invest in the strategic priorities that we believe will drive long-term value. These results reflect the strength of our diversified global platform, disciplined execution across our businesses, and our ability to deliver strong returns to our shareholders, while also investing for future growth.

As you know, the world remains an uncertain place, with the Middle East conflict and related macroeconomic developments continuing to affect travel demand, both directly and indirectly, through the impact on major Middle East transit corridors and higher travel costs. These dynamics create near-term volatility. Yet, we know from decades of experience that the underlying desire to explore, connect, and experience the world is remarkably resilient, and travel demand recovers once the underlying disruption subsides.

This resiliency was clearly evident during the second quarter. While long-haul international travel remained pressured by elevated airline prices and reduced capacity due to the conflict in the Middle East, domestic and intra-regional travel remained relatively healthy across many parts of the world.

As I have stated many times, we remain focused on creating long-term value and look beyond near-term uncertainty. During the quarter, we further increased our capacity to invest for future growth as the expected annual run-rate savings enabled by our Transformation Program continued to increase. These savings provide us with additional flexibility to accelerate innovation, enhance our products, and strengthen our business over the long run.

Our focus is on what we can control: delivering strong value, reliability, and great service through differentiated solutions for travelers and partners. This focus is reflected in the strategic investments we are making across our business, starting with our Connected Trip vision.

Connected Trip and Loyalty

Travel remains a fragmented experience, often requiring multiple providers, transactions, and customer service interactions. Our Connected Trip vision is about fundamentally improving that experience, making travel easier while creating greater value for travelers and partners. And we're encouraged by the progress we are making.

During the quarter, Connected Trip transactions—where travelers booked more than one travel vertical with us for the same trip—grew in the low double-digit range and represented a low double-digit percentage of Booking.com's total transactions. Importantly, these transactions continue to grow meaningfully faster than our overall transaction growth.

As travelers increasingly choose to book accommodations, flights, rental cars, attractions, and other travel services with us, we're creating a more seamless end-to-end journey which strengthens our offerings for both travelers and partners.

And our Genius loyalty program is a key enabler of this strategy.

We continue to see strong engagement from our higher-tier Genius members, who plan their trips further in advance, return more consistently, and have a higher direct booking rate than non-Genius travelers. During the second quarter, Level 2 and Level 3 Genius members represented more than 30% of our active customer base and accounted for a high-50% share of room nights, both up from the prior year.

Given the importance of loyalty and the success of Genius so far, we see additional opportunities to further strengthen the Genius offering going forward.

U.S. and Asia

Another important strategic priority is strengthening our presence in the U.S. and Asia.

The U.S. remains one of our largest long-term growth opportunities. Over the past several years, we've made disciplined investments across product, supply, brand, marketing, and technology, and we're encouraged by the progress we're seeing.

These investments continued to deliver encouraging results during the second quarter. U.S. room nights grew in the high single digits, supported by healthy domestic demand. We also saw continued growth in our direct channel and increasing engagement across multiple travel verticals. While we still see significant room for growth, some of which will come from further product improvement, we remain encouraged by our consistent progress and remain confident in our ability to continue strengthening our offering in this important market.

We are also continuing to invest in building our presence in Asia, which we believe represents one of the most attractive long-term opportunities in global travel. Despite a dynamic competitive environment and indirect impacts from the conflict in the Middle East, underlying domestic demand remained healthy during the quarter. By combining Booking.com's global reach with Agoda's deep local expertise, we're continuing to invest in localized products, payments, and distribution capabilities that position us well for long-term growth across the region.

AI

The final strategic priority I'd like to discuss is AI.

AI's rapid and continuous development is having a profound impact on all areas of society. Our approach remains focused on deploying this technology in measurable ways and scaling when we see clear benefits.

The combination of trusted brands, proprietary travel data, broad supplier relationships, and global reach creates a differentiated foundation as AI reshapes how travelers discover, plan, and book travel. As travelers increasingly begin their journeys through AI-powered experiences, trusted brands will play an even more important role in where they ultimately choose to book. That's why we continue to work closely with leading AI organizations to ensure travelers can engage with our brands wherever their journey begins.

We are also encouraged by the early progress we're seeing in AI-powered discovery. While AI-driven referrals remain a relatively small contributor to our overall business today, we're seeing encouraging momentum that reinforces our belief that the strengths we've built over many years–helping travelers find the right travel options with confidence–position us well as travelers further gravitate towards AI-powered discovery.

At the same time, we're embedding AI across our own platforms to make every stage of the travel journey more personalized, seamless, and intuitive. During the quarter, we continued advancing AI capabilities across our portfolio, including:

- Beginning to roll out testing of Booking.com's new AI-powered discovery experience, which helps travelers in the early inspiration phase of planning a trip. For destination searches, the experience combines flight prices, real traveler reviews, and AI-generated insights—including the best time to visit, travel tips, and itinerary suggestions—to make it easier to move from inspiration to booking.
- We're also deploying the next generation of Priceline's agentic AI travel assistant, called "Penny;" and
- We're launching Agoda's new gallery view, which gives travelers a more visual way to browse search results by pairing hotel images with relevant guest reviews.

We're already seeing how AI can transform the customer experience. For example, initial testing of Penny's integrated hotel checkout experience has shown that bringing more of the booking journey into a single, seamless experience has the potential to improve traveler engagement while delivering stronger business outcomes. These innovations are just a few examples of how we're using AI to reduce friction throughout the travel journey while advancing our broader Connected Trip vision.

AI is also strengthening our partner value proposition. We're investing in tools that help partners better engage with guests, improve their property content, and operate more efficiently. For example, our AI-powered messaging capabilities enable accommodation partners to respond to guest inquiries more quickly and consistently, reducing operational friction and improving the traveler experience.

These partner innovations were a central focus of our recent Booking.com Click conference, where hospitality partners from around the world explored how AI, personalization, and data-driven insights can improve both guest experiences and business performance. This conference also reinforced our collaborative approach to innovation, including co-developing new AI capabilities using direct partner feedback.

Finally, we're increasingly applying AI across our own business to accelerate software development, enhance customer service, and streamline internal workflows.

One area where we continue to see meaningful benefits is in customer service. Our AI initiatives are reducing customer friction, lowering contact rates, and improving operational efficiency. We've now scaled Voice AI support across the majority of eligible inbound traveler calls while continuing to expand digital automation. At the same time, AI-powered analytics and real-time agent assistance are helping our teams resolve issues faster and more effectively. As a result of these combined AI and human capabilities, customer service cost per booking continues to decrease at a double-digit rate while overall customer satisfaction remains high.

We're also seeing promising early results in our technology organization, where AI is accelerating software development and improving developer productivity. These signals give us confidence that AI will continue to be an increasingly important driver of innovation, operational efficiency, and better experiences for both travelers and partners.

* * *

Closing

Looking ahead, we recognize that the external environment may remain dynamic. We believe consumer preferences will continue to evolve, technology will continue to advance, and competition will remain as it has always been - competitive!

Those changes create challenges, but they also create opportunities.

What gives us confidence is not the expectation that the world will become more predictable. Rather, it is our confidence in our ability to execute our strategy to address our customers' long-term needs.

Whether it's advancing the Connected Trip, strengthening our offering in the United States and Asia, deepening our partnerships, or harnessing AI across our business, we're making the investments that we believe will create better experiences for travelers, greater value for our partners, and a stronger company for the long term.

With that, let me turn the call over to Ewout to walk through our financial results and outlook in more detail.

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

Thank you, Glenn, and good afternoon, everyone.

I will now review our results for the second quarter and provide our current thoughts for the third 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.

Room nights, gross bookings, revenue and adjusted EBITDA all exceeded the high end of our guidance for the second quarter. These results reflect the resilience of our global business in an uncertain travel environment, and the disciplined execution of our teams. Glenn covered many of the underlying travel trends, so I'll focus on what they meant for our financial results and our outlook.

Overall, consumer demand remained resilient in the quarter, although we observed some modest shifts in travel behavior. Constant currency ADRs increased approximately 2% year over year, demonstrating continued pricing strength, primarily driven by Europe and the U.S. Globally, we saw a modest contraction in booking windows and length of stay during the quarter, although both began to normalize in June. Importantly, in Europe, our largest region, both metrics were approximately flat for the quarter.

Q2 Results

Now let's turn to our second-quarter results.

Room nights grew 5%, exceeding the high end of our guidance by about one percentage point. Globally, domestic room nights, representing travel within the same country, grew high single digits. In contrast, international room nights increased slightly, reflecting continued pressure on long-haul travel due primarily to the indirect impacts of the situation in the Middle East.

Looking at room night growth by booker region:

- Europe grew mid single digits, with domestic room nights up high single digits
- Asia grew mid single digits, with domestic room nights up low double digits
- The U.S. grew high single digits, driven by domestic demand. We were also pleased to see another quarter of direct channel growth in the U.S.
- Rest of World grew mid single digits, improving from a low single digit decline in the first quarter due to stronger bookings from Middle East bookers

Over the past four quarters, our B2C direct mix remained stable in the mid-60% range, while direct room nights continued to grow. This performance came despite the continued pressure on SEO which we are seeing across much of consumer internet. SEO remains a small component of our overall room nights.

The mobile app mix of total room nights over the past four quarters remained in the high-50% range, while the mix of Booking.com room nights booked by travelers in Genius Levels 2 and 3 was also in the high-50% range. Both metrics increased year over year.

Alternative accommodation room nights at Booking.com were also affected in part by the Middle East conflict, growing 4%. This growth was slightly lower than our overall 5% room night growth due to brand and regional mix, as we saw higher growth from Agoda and Priceline, and also in the U.S. where our alternative accommodation offering is relatively smaller. Alternative accommodations represented approximately 37% of Booking.com's room nights, similar to the second quarter of 2025.

In our other travel verticals, attraction tickets grew double digits, while flight tickets increased 4% year-over-year, despite pressure from the Middle East conflict, including reduced capacity on certain international routes and higher flight ticket prices. We believe this growth continued to outpace the broader market. Connected Trip transactions grew low double digits, more than twice the rate of Booking.com's total transaction growth. This matters because our data shows that travelers who book with us across multiple travel verticals return more frequently.

Our total merchant gross bookings represented approximately 73% of total gross bookings, up about four percentage points year over year. Our merchant payments platform is foundational to our Connected Trip vision, enabling a more seamless customer experience while generating incremental value and contribution margin dollars.

Total gross bookings increased 9% year over year, or approximately 8% on a constant currency basis, exceeding the high end of our guidance by about three percentage points. Constant currency gross bookings growth was approximately three percentage points higher than room night growth, primarily reflecting the approximately 2% increase in constant currency ADRs and the contribution from flights and other verticals.

Revenue increased 8% year-over-year, or approximately 7% on a constant currency basis. Revenue growth was lower than gross bookings growth primarily due to elevated cancellations in March that affected second quarter revenue.

Marketing expense increased 11% year-over-year, modestly faster than gross bookings, driven by changes in traffic mix, incremental investments in paid marketing at attractive ROIs, and a shift of merchandising spend to performance marketing. As always, we aim to grow our topline metrics faster than marketing investments, but are willing to lean in when we see positive long term value for the business through both attractive ROIs and repeat rates.

Adjusted sales and other expenses were 1.9% of gross bookings and provided leverage despite the higher merchant mix, as higher payment expenses were more than offset by customer service efficiencies. Additionally, payment expenses grew less than merchant gross bookings due to a one-time benefit from processing fee reversals.

Adjusted fixed operating expenses increased 6% year-over-year, including 1% higher adjusted personnel expenses, and were a source of leverage as a percentage of revenue, reflecting the targeted cost management actions we implemented last quarter and our continued focus on managing our fixed expense base while investing in key strategic priorities to drive long-term growth.

Adjusted EBITDA of approximately $2.6 billion grew 9% year-over-year, exceeding the high end of our guidance. Adjusted EBITDA margin expanded nearly 40 basis points, reflecting disciplined execution and cost management.

Adjusted EPS of $2.54 per share increased 15% year over year, faster than adjusted EBITDA growth, helped by a 6% reduction in average share count.

Beyond the quarter's financial performance, we also continued to make meaningful progress improving the efficiency of our business. As we continued to execute on the Transformation Program, we identified additional opportunities, increasing our expected annual run-rate savings from approximately $550 million to approximately $650 million. We expect the approximately $100 million of incremental annual run-rate savings to be realized primarily in 2027. We incurred approximately $30 million of transformation costs in the second quarter, the majority of which were excluded from our adjusted results.

Cash & Liquidity

Now on to our cash and liquidity position. Our second quarter ending cash and investments balance increased sequentially by $1.2 billion to $17.7 billion. During the quarter, we generated strong free cash flow of $3.6 billion, raised $3.0 billion of debt, paid down $1.0 billion of debt, and returned $4.1 billion to shareholders including $3.7 billion of share repurchases, marking another record quarter of capital returns. During the first half of 2026, we repurchased $7.4 billion of our common stock at an average price of approximately $173 per share. We remain committed to a disciplined capital allocation framework - first investing behind the highest-return growth opportunities across our business while also returning meaningful capital to shareholders and maintaining a strong balance sheet.

Q3 2026 Commentary

Moving to our thoughts for the third quarter.

Global travel demand has remained resilient so far in the third quarter, supported by healthy domestic travel trends. As we look ahead, we remain mindful of the situation in the Middle East and continue to monitor the direct and indirect impacts on travel demand.

Our guidance assumes stability in the broader travel environment in line with recent trends. It also assumes that the indirect impacts of the conflict—including elevated flight ticket prices, reduced flight capacity on certain routes, and softer long-haul international travel demand—persist through the third quarter. In terms of the direct impact of the conflict, we continue to assume some pressure on inbound travel to the Middle East, while travel demand from Middle East bookers remains largely normalized.

Our guidance also assumes recent FX rates for the remainder of the quarter and year, including the Euro-U.S. Dollar exchange rate at 1.15. We estimate changes in FX will weigh on our third quarter reported U.S. Dollar growth rates by about 1 percentage point for gross bookings and revenue. For the full year, we estimate changes in FX will positively impact full year reported growth rates by about 1.5 percentage points for gross bookings and about 1 percentage point for revenue.

We currently expect third quarter room nights to increase between 3% and 5%, and for gross bookings, revenue, and adjusted EBITDA to each increase between 4% and 6%.

On a reported basis, our full year expectation is for gross bookings, revenue, and adjusted EBITDA to each be up high single digits, and for adjusted EPS to be up low to mid-teens. Our expectation for gross bookings is lower than our prior expectation primarily due to lower flight ticket growth, while our accommodation outlook remains largely unchanged.

*   *   *

In conclusion, our second quarter results demonstrate both the resilience of our global platform and the disciplined execution of our teams. Despite the external environment, we delivered robust results and exceeded the high end of our guidance across our key financial metrics while continuing to invest in the strategic initiatives that we believe will drive long-term growth.

Our strategy remains unchanged. We are continuing to invest in the Connected Trip, expanding our presence in key markets, advancing our AI capabilities, and strengthening the value we create for both travelers and partners. At the same time, we remain disciplined in how we allocate capital, balancing these investments with strong operational execution, solid free cash flow generation and meaningful capital returns to shareholders. Together, these strengths give us confidence in our ability to continue creating long-term value.

Finally, I would like to thank my colleagues across the world for their continued dedication, passion and execution throughout the quarter. Their commitment to serving our travelers and partners in such a dynamic environment is what continues to strengthen our business and positions us well for the future.

With that, we will now take your questions. Operator, will you please open the lines.

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, Priceline, Agoda, KAYAK and OpenTable - 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 and follow us on X @BookingHoldings.

For Press Information: Leslie Cafferty communications@bookingholdings.com

For Investor Relations: Grace Lee ir@bookingholdings.com