Booking Holdings Reports Third Quarter 2026 Financial Results

NORWALK, CT - November 3, 2026…Booking Holdings Inc. (NASDAQ: BKNG) (the "Company," "we," "our," or "us") today reported its third quarter 2026 financial results.

- Room nights grew 7% compared to the third quarter of 2025.
- Gross bookings grew 10% compared to the third quarter of 2025, or approximately 11% on a constant currency basis.
- Revenue declined 1% compared to the third quarter of 2025, while Adjusted Revenue grew 9%, or approximately 10% on a constant currency basis.
- Net income declined 1% compared to the third quarter of 2025, while Adjusted Net income and Adjusted EBITDA grew 8% and 9%, respectively.
- GAAP EPS and Adjusted EPS grew 7% and 17%, respectively, compared to the third quarter of 2025.

"We are pleased with our third-quarter operating performance, as resilient travel demand and disciplined execution by our teams drove double-digit gross bookings growth, margin expansion, and 17% adjusted earnings per share growth (GAAP earnings per share growth of 7%)" said Glenn Fogel, Chief Executive Officer of Booking Holdings. "As AI transforms the ways to discover, plan, and book travel, we continue to make progress integrating AI across our brands, developing AI-native experiences, and collaborating with industry-leading AI platforms. While geopolitical and macroeconomic uncertainty may affect near-term travel trends, we remain focused on making travel easier, helping our partners succeed, and investing in our business for the long term."

	Q3 2026	
	(#)	(Δ Y/Y)
Room Nights	345M	7%
Gross Bookings	$54.5B	10%
Revenue	$8.9B	(1%)
Adjusted Revenue	$9.8B	9%
GAAP Net Income	$2.7B	(1%)
Adjusted Net Income	$3.5B	8%
GAAP EPS	$3.61	7%
Adjusted EPS	$4.66	17%
Adjusted EBITDA	$4.6B	9%
Net Cash Provided By Operating Activities [(1)]	$1.1B	(21%)
Free Cash Flow [(1)]	$1.1B	(22%)

[(1)] Net Cash Provided By Operating Activities and Free Cash Flow both increased 2% on a year-to-date basis as compared to 2025.

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 Revenue, Adjusted Net Income, Adjusted Net Income margin, Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, 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. Gross Bookings does not reflect the impact of a Federal Trade Commission ("FTC") matter. See the section in this press release under the heading "Additional Highlights - Discrete Items" for more information.

On April 2, 2026, the Company effected the 25-for-1 stock split of its common stock. All share and per share information has been retroactively adjusted to reflect the stock split.

Additional Highlights

Third Quarter 2026 vs. 2025

Top Line Metrics

- Alternative accommodation room nights at Booking.com increased by 7%
- CC ADRs increased by about 3%[1]
- Gross bookings increased 10% (approximately 11% on a CC basis) and revenue decreased 1% while adjusted revenue increased 9% (approximately 10% on a CC basis)

Marketing Metrics

- Marketing expense as a percentage of gross bookings was 4.8% (4.7% in Q3 2025)
- B2C marketing leverage[2] improved vs. Q3 2025
- Over the trailing four quarters, the mix of our total room nights booked through the direct channel was a mid-fifties percentage, similar to last year

GAAP EPS
+7%

Adjusted EPS
+17%

Fixed Costs

- Total operating expenses decreased 1%
- Disciplined cost management limited adjusted fixed operating expense growth to 6%, which included a slight reduction in personnel costs

Margins

- Net income margin of 30.6% (30.5% in Q3 2025)
- Adjusted Net income margin of 35.8% (36.0% in Q3 2025)
- Adjusted EBITDA margin of 47.0% (47.0% in Q3 2025)

Return of Capital to Shareholders

Fourth Quarter Dividend

- Our Board of Directors declared a cash dividend of $0.42 per share, payable on December 31, 2026 to stockholders of record as of the close of business on December 11, 2026.

Stock Repurchase Program

- We repurchased $2.1 billion (excluding excise taxes) of our common stock in the quarter ended September 30, 2026 with a total remaining authorization of $12.4 billion as of September 30, 2026.

Discrete Items

- The Company recorded a reduction in revenue of $900 million and accrued a loss of $100 million related to an FTC matter, which have been excluded from Adjusted Revenue, Adjusted Net income, and Adjusted EBITDA (and other related measures), as applicable. See footnote 13 to the financial statements included in the Company's Form 10-Q for the quarter ended September 30, 2026.

[1] Constant Currency ("CC") and accommodation average daily rates ("ADRs")
[2] Business-to-consumer marketing as a percentage of business-to-consumer gross bookings

Outlook

Booking Holdings' guidance for the fourth quarter and full year of 2026 is as follows:
Global travel demand moderated somewhat toward the end of the third quarter, reflecting softer international travel trends, while domestic travel has remained resilient. In October, a number of external factors have also affected demand, including disruptions to travel to and from the Middle East, the conflict's broader indirect effects such as elevated airfares, and localized unrest in certain European cities. Our guidance reflects these near-term disruptions and assumes that both the direct and indirect impacts of the Middle East conflict on travel persist through the end of the year.

Refer to the "Information About Forward-Looking Statements" section of this release.

(growth is on a year-over-year basis)	Q4 2026	FY 2026
Room Nights Growth	1% - 3%	
Gross Bookings Growth	2% - 4%	High Single Digits
Constant Currency Gross Bookings Growth	*4% - 6%*	*High Single Digits*
Adjusted Revenue Growth [(1)(2)]	0% - 2%	High Single Digits
Constant Currency Adjusted Revenue Growth [(1)(2)]	*2% - 4%*	*High Single Digits*
Adjusted EBITDA Growth [(2)(3)(4)(5)]	About Flat	High Single Digits
Adjusted EPS Growth [(2)(3)(5)]		Low to Mid-Teens

(1) Adjusted Revenue Growth includes a negative impact of about 2% in Q4 2026 and a benefit of about 0.5% for FY 2026 due to foreign currency exchange rates.

(2) We are not able to provide a reconciliation between forward-looking Adjusted Revenue, Adjusted EBITDA, and Adjusted EPS, and their comparable GAAP measures as we cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP measures 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 Securities and Exchange Commission ("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 rate for Adjusted EBITDA by a similar amount of percentage points as Adjusted Revenue Growth for the fourth quarter.

(5) Changes in foreign currency exchange rates are expected to have a limited impact on our reported growth rates for Adjusted EBITDA and Adjusted EPS for the full year.

Consolidated Balance Sheets

(In millions, except per share data)

	September 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,814	$ 17,203
Accounts receivable, net (Allowance for expected credit losses of $153 and $137, respectively)	4,317	3,820
Prepaid expenses, net	572	611
Other current assets	889	630
Total current assets	21,592	22,264
Property and equipment, net	748	807
Operating lease assets	591	632
Intangible assets, net	759	918
Goodwill	2,671	2,669
Long-term investments	435	582
Other assets, net	1,468	1,392
Total assets	$ 28,264	$ 29,264
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 5,221	$ 5,094
Accrued expenses and other current liabilities	5,713	4,454
Deferred merchant bookings	6,450	5,270
Short-term debt	1,987	1,880
Total current liabilities	19,371	16,698
Operating lease liabilities	515	557
Other long-term liabilities	711	731
Long-term debt	18,074	16,856
Total liabilities	38,671	34,842
Commitments and contingencies		
Stockholders' deficit:		
Common stock, $0.008 par value, Authorized shares: 25,000 Issued shares: 1,618 and 1,613, respectively	13	13
Treasury stock: 872 and 816 shares, respectively	(64,249)	(54,315)
Additional paid-in capital	8,785	8,344
Retained earnings	45,446	40,670
Accumulated other comprehensive loss	(402)	(290)
Total stockholders' deficit	(10,407)	(5,578)
Total liabilities and stockholders' deficit	$ 28,264	$ 29,264

Unaudited Consolidated Statements of Operations

(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Merchant revenues	$ 6,998	$ 6,131	$ 15,823	$ 13,506
Agency revenues	2,463	2,569	5,894	6,177
Advertising and other revenues	332	308	960	885
FTC matter	(900)	—	(900)	—
Total revenues	8,893	9,008	21,777	20,568
Operating expenses:				
Marketing expenses	2,588	2,340	7,027	6,256
Sales and other expenses	1,097	1,022	2,843	2,623
Personnel, including stock-based compensation of $145, $150, $426, and $446, respectively	944	945	2,737	2,534
General and administrative	338	254	655	595
Information technology	302	242	805	661
Depreciation and amortization	183	160	443	472
Impairment	—	457	—	457
Transformation costs	23	105	78	175
Total operating expenses	5,475	5,525	14,588	13,773
Operating income	3,418	3,483	7,189	6,795
Interest expense	(311)	(301)	(864)	(1,368)
Interest and dividend income	221	248	609	723
Other income (expense), net	95	39	448	(1,181)
Income before income taxes	3,423	3,469	7,382	4,969
Income tax expense	706	721	1,632	993
Net income	$ 2,717	$ 2,748	$ 5,750	$ 3,976
Net income applicable to common stockholders per basic common share	$ 3.62	$ 3.39	$ 7.47	$ 4.88
Weighted-average number of basic common shares outstanding	750	810	769	814
Net income applicable to common stockholders per diluted common share	$ 3.61	$ 3.38	$ 7.45	$ 4.86
Weighted-average number of diluted common shares outstanding	753	814	772	819

Unaudited Consolidated Statements of Cash Flows

(In millions)

	Nine Months Ended September 30,	
	2026	2025
OPERATING ACTIVITIES:		
Net income	$ 5,750	$ 3,976
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	443	472
Provision for expected credit losses and chargebacks	340	323
Deferred income taxes	(153)	(483)
Net losses (gains) on equity securities	153	(115)
Stock-based compensation expense	427	450
Operating lease amortization	102	105
Unrealized foreign currency transaction (gains) losses related to Euro-denominated debt	(655)	1,407
Impairment	—	457
Amortization of debt discount and change in fair value of the conversion option related to the convertible senior notes	—	360
Other	13	(17)
Changes in assets and liabilities:		
Accounts receivable	(907)	(828)
Prepaid expenses and other current assets	(22)	104
Deferred merchant bookings and other current liabilities	2,600	1,377
Other	(20)	331
Net cash provided by operating activities	8,071	7,919
INVESTING ACTIVITIES:		
Additions to property and equipment	(251)	(249)
Other investing activities	(15)	7
Net cash used in investing activities	(266)	(242)
FINANCING ACTIVITIES:		
Proceeds from the issuance of long-term debt	2,975	1,955
Payments on maturity and redemption of debt	(1,000)	(4,970)
Payments for repurchase of common stock	(9,900)	(4,321)
Dividends paid	(978)	(941)
Other financing activities	157	29
Net cash used in financing activities	(8,746)	(8,248)
Effect of exchange rate changes on cash and cash equivalents and restricted cash and cash equivalents	(284)	905
Net (decrease) increase in cash and cash equivalents and restricted cash and cash equivalents	(1,225)	334
Total cash and cash equivalents and restricted cash and cash equivalents, beginning of period	17,269	16,193
Total cash and cash equivalents and restricted cash and cash equivalents, end of period	$ 16,044	$ 16,527

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 Revenue, Adjusted Net income, Adjusted Net income margin, Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, 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) Total Revenues to Adjusted Revenue, (ii) Net income to Adjusted Net income and Adjusted EPS, (iii) Net income to Adjusted EBITDA, (iv) Net cash provided by operating activities to Free cash flow, and (v) 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 the impact of the adjustments to the respective line item in the Company's consolidated statements of operations.

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.

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, artificial intelligence trends, 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: the conflict in the Middle East; 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; rapid technological or other market changes; success of the Company's marketing efforts; 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 information security, cybersecurity, and data privacy; taxes; changes in, and compliance with, 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

Additional Information

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

About Booking Holdings Inc.

Booking Holdings (NASDAQ: BKNG) is the world leader in 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.

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#BKNG_Earnings

Reconciliation of GAAP to Non-GAAP Financial Information

(In millions, except per share data)[1]

(Unaudited)

	RECONCILIATION OF TOTAL REVENUES TO ADJUSTED REVENUE	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
	Total revenues	$ 8,893	$ 9,008	$ 21,777	$ 20,568
(a)	FTC matter	900	—	900	—
	Adjusted revenue	$ 9,793	$ 9,008	$ 22,677	$ 20,568

	RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND ADJUSTED EPS	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
	Net income	$ 2,717	$ 2,748	$ 5,750	$ 3,976
(a)	FTC matter	1,000	—	1,000	—
(b)	Adjustment related to the Netherlands pension fund matter	—	—	—	(123)
(c)	Gain related to settlement of litigation matters	—	—	(89)	—
(d)	Impact of certain indirect tax matters	—	45	—	45
(e)	Amortization of intangible assets	93	53	164	161
(f)	Impairment	—	457	—	457
(g)	Transformation costs	21	105	73	173
(h)	Net losses (gains) on equity securities	18	(92)	150	(116)
(i)	Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	(127)	9	(655)	1,359
(j)	Amortization of debt discount and change in fair value of the conversion option related to the convertible senior notes	—	—	—	360
(k)	Loss on early extinguishment of debt	—	25	—	25
(l)	Other	—	—	(14)	—
(m)	Discrete tax items	—	—	79	—
(n)	Tax impact of Non-GAAP adjustments	(210)	(112)	(88)	(449)
	Adjusted Net income	$ 3,509	$ 3,240	$ 6,369	$ 5,868
	GAAP and Non-GAAP weighted-average number of diluted common shares outstanding	753	814	772	819
	Net income applicable to common stockholders per diluted common share (GAAP EPS)	$ 3.61	$ 3.38	$ 7.45	$ 4.86
	Adjusted Net income applicable to common stockholders per diluted common share (Adjusted EPS)	$ 4.66	$ 3.98	$ 8.25	$ 7.17
	Net income as a % of Total Revenues (Net income margin)	*30.6 %*	*30.5 %*	*26.4 %*	*19.3 %*
	Adjusted Net income as a % of Adjusted Revenue (Adjusted Net income margin)	*35.8 %*	*36.0 %*	*28.1 %*	*28.5 %*
	Net income (decline) growth YoY	*(1)%*		*45 %*	
	Adjusted Net income growth YoY	*8 %*		*9 %*	
	Net income applicable to common stockholders per diluted common share (GAAP EPS) growth YoY	*7 %*		*53 %*	
	Adjusted Net income applicable to common stockholders per diluted common share (Adjusted EPS) growth YoY	*17 %*		*15 %*	

(Unaudited)

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA		Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
	Net income	$ 2,717	$ 2,748	$ 5,750	$ 3,976
(a)	FTC matter	1,000	—	1,000	—
(b)	Adjustment related to the Netherlands pension fund matter	—	—	—	(123)
(c)	Gain related to settlement of litigation matters	—	—	(89)	—
(d)	Impact of certain indirect tax matters	—	45	—	45
(o)	Depreciation and amortization	183	160	443	472
(f)	Impairment	—	457	—	457
(g)	Transformation costs	21	105	73	173
(o)	Interest and dividend income	(221)	(248)	(609)	(723)
(o)	Interest expense	311	301	864	1,368
(h)	Net losses (gains) on equity securities	18	(92)	150	(116)
(i)	Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	(127)	9	(655)	1,359
(j)	Change in fair value of the conversion option related to the convertible senior notes	—	—	—	(163)
(k)	Loss on early extinguishment of debt	—	25	—	25
(l)	Other	—	—	(14)	—
(o)	Income tax expense	706	721	1,632	993
	Adjusted EBITDA	$ 4,607	$ 4,231	$ 8,545	$ 7,742
	Net income as a % of Total Revenues (Net income margin)	*30.6 %*	*30.5 %*	*26.4 %*	*19.3 %*
	Net income (decline) growth YoY	*(1)%*		*45 %*	
	Adjusted EBITDA as a % of Adjusted Revenue (Adjusted EBITDA margin)	*47.0 %*	*47.0 %*	*37.7 %*	*37.6 %*
	Adjusted EBITDA growth YoY	*9 %*		*10 %*	

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW		Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
	Net cash provided by operating activities	$ 1,137	$ 1,435	$ 8,071	$ 7,919
(p)	Additions to property and equipment	(68)	(64)	(251)	(249)
	Free cash flow	$ 1,069	$ 1,371	$ 7,820	$ 7,670
	Net cash provided by operating activities as a % of Total Revenues	*12.8 %*	*15.9 %*	*37.1 %*	*38.5 %*
	Free cash flow as a % of Adjusted Revenue	*10.9 %*	*15.2 %*	*34.5 %*	*37.3 %*
	Net cash provided by operating activities (decline) growth YoY	*(21)%*		*2 %*	
	Free cash flow (decline) growth YoY	*(22)%*		*2 %*	

(1) Amounts may not total due to rounding.

Notes:

(a) See the section in this press release under the heading "Additional Highlights - Discrete Items" for more information.

(b) During the nine months ended September 30, 2025, the Netherlands pension fund matter related to 2023 and earlier years was resolved resulting in a $123 million reduction to the related accruals. 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.

(c) In the first quarter of 2026, the Company entered into favorable settlement agreements to resolve litigation matters in which it was a plaintiff, for which it received a benefit of $89 million.

(d) Adjustments for the impact of certain indirect tax matters.

(e) Amortization of intangible assets is excluded from Net income to calculate Adjusted Net income.

(f) Impairment of KAYAK's goodwill and certain intangible assets.

(g) In November 2024, the Company announced its intention to implement certain organizational changes 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 primarily consist of professional fees and employee termination benefits.

(h) Net losses (gains) on equity securities with readily determinable fair values.

(i) Foreign currency transaction (gains) 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.

(j) 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 that matured in May 2025.

(k) Loss on early extinguishment of debt.

(l) Benefit related to the Canadian digital services taxes for the years ended December 31, 2022 and 2023 as it was repealed in March 2026. When the retrospective liability related to these years was initially recorded in 2024, its impact was excluded from the Non-GAAP results for that year.

(m) Discrete tax items include a tax expense of $56 million related to the one-time deemed repatriation income tax liability resulting from the U.S. Tax Cuts and Jobs Act and the tax impacts of certain intercompany asset transfers.

(n) Reflects the tax impact of Non-GAAP adjustments above and changes in tax estimates, as applicable.

(o) Depreciation and amortization, Interest and dividend income, Interest expense, and Income tax expense are excluded from Net income to calculate Adjusted EBITDA.

(p) 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 to the respective line item in the Company's consolidated statements of operations 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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Sales and other expenses:				
Sales and other expenses	$ 1,097	$ 1,022	$ 2,843	$ 2,623
Benefit related to prior-period Canadian digital services taxes	—	—	14	—
Adjusted Sales and other expenses	$ 1,097	$ 1,022	$ 2,857	$ 2,623
Personnel expenses:				
Personnel expenses	$ 944	$ 945	$ 2,737	$ 2,534
Adjustment related to the Netherlands pension fund matter	—	—	—	128
Adjusted Personnel expenses	$ 944	$ 945	$ 2,737	$ 2,662
General and administrative expenses:				
General and administrative expenses	$ 338	$ 254	$ 655	$ 595
FTC matter	(100)	—	(100)	—
Adjustment related to the Netherlands pension fund matter	—	—	—	(5)
Gain related to settlement of litigation matters	—	—	89	—
Impact of certain indirect tax matters	—	(45)	—	(45)
Adjusted General and administrative expenses	$ 238	$ 209	$ 644	$ 545
Depreciation and amortization expenses:				
Depreciation and amortization expenses	$ 183	$ 160	$ 443	$ 472
Amortization of intangible assets	(93)	(53)	(164)	(161)
Depreciation expenses	$ 90	$ 107	$ 279	$ 311
Impairment expense:				
Impairment	$ —	$ 457	$ —	$ 457
Adjustment related to impairment of goodwill and intangible assets	—	(457)	—	(457)
Adjusted Impairment	$ —	$ —	$ —	$ —
Transformation costs:				
Transformation costs	$ 23	$ 105	$ 78	$ 175
Adjustment related to transformation costs	(21)	(105)	(73)	(173)
Adjusted Transformation costs	$ 2	$ —	$ 5	$ 2
Interest expense:				
Interest expense	$ (311)	$ (301)	$ (864)	$ (1,368)
Amortization of debt discount on convertible senior notes	—	—	—	523
Adjusted Interest expense	$ (311)	$ (301)	$ (864)	$ (845)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Other income (expense), net:				
Other income (expense), net	$ 95	$ 39	$ 448	$ (1,181)
Net losses (gains) on equity securities	18	(92)	150	(116)
Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and gains on debt-related foreign currency derivative instruments	(127)	9	(655)	1,359
Change in fair value of the conversion option related to the convertible senior notes	—	—	—	(163)
Loss on early extinguishment of debt	—	25	—	25
Adjusted Other income (expense), net	$ (14)	$ (19)	$ (57)	$ (76)
Income tax expense:				
Income tax expense	$ 706	$ 721	$ 1,632	$ 993
Discrete tax items	—	—	(79)	—
Tax impact of Non-GAAP adjustments	210	112	88	449
Adjusted Income tax expense	$ 916	$ 833	$ 1,641	$ 1,442
RECONCILIATION OF TOTAL OPERATING EXPENSES TO ADJUSTED FIXED OPERATING EXPENSES				
Total operating expenses	$ 5,475	$ 5,525	$ 14,588	$ 13,773
Marketing expenses	(2,588)	(2,340)	(7,027)	(6,256)
Sales and other expenses	(1,097)	(1,022)	(2,843)	(2,623)
Depreciation and amortization	(183)	(160)	(443)	(472)
Impairment	—	(457)	—	(457)
FTC matter	(100)	—	(100)	—
Adjustment related to the Netherlands pension fund matter	—	—	—	123
Gain related to settlement of litigation matters	—	—	89	—
Impact of certain indirect tax matters	—	(45)	—	(45)
Adjustment related to transformation costs	(21)	(105)	(73)	(173)
Adjusted fixed operating expenses	$ 1,486	$ 1,396	$ 4,191	$ 3,870
Total operating expenses (decline) growth YoY	*(1)%*		*6 %*	
Adjusted fixed operating expenses growth YoY	*6 %*		*8 %*	

Statistical Data

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

(Unaudited)

	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
Units Sold									
Room Nights	299	261	319	309	323	285	338	325	345
Year/Year Growth	*8.1 %*	*13.2 %*	*7.2 %*	*7.7 %*	*8.2 %*	*9.0 %*	*5.9 %*	*5.3 %*	*6.7 %*
Rental Car Days	23	17	22	24	23	18	21	23	23
Year/Year Growth (Decline)	*16.2 %*	*12.1 %*	*7.7 %*	*9.0 %*	*2.1 %*	*4.2 %*	*(4.9)%*	*(6.5)%*	*(0.7)%*
Flight Tickets	13	14	16	16	17	18	21	17	21
Year/Year Growth	*38.7 %*	*52.3 %*	*44.8 %*	*44.2 %*	*32.3 %*	*27.7 %*	*28.5 %*	*3.7 %*	*19.4 %*
Gross Bookings [2]									
Merchant	$ 28.4	$ 24.2	$ 31.2	$ 32.3	$ 35.7	$ 30.8	$ 38.7	$ 37.0	$ 40.7
Year/Year Growth	*27.3 %*	*31.7 %*	*21.0 %*	*25.1 %*	*26.0 %*	*27.2 %*	*24.3 %*	*14.5 %*	*13.9 %*
Agency	$ 15.1	$ 12.9	$ 15.5	$ 14.4	$ 13.9	$ 12.2	$ 15.0	$ 14.0	$ 13.7
Year/Year Decline	*(14.0)%*	*(2.7)%*	*(12.8)%*	*(7.5)%*	*(7.6)%*	*(5.6)%*	*(3.1)%*	*(3.3)%*	*(1.3)%*
Total Gross Bookings	$ 43.4	$ 37.2	$ 46.7	$ 46.7	$ 49.7	$ 43.0	$ 53.8	$ 51.0	$ 54.5
Year/Year Growth	*9.1 %*	*17.3 %*	*7.2 %*	*12.8 %*	*14.3 %*	*15.8 %*	*15.2 %*	*9.0 %*	*9.6 %*
Constant currency Basis [3]	*9 %*	*18 %*	*10 %*	*9 %*	*10 %*	*11 %*	*8 %*	*8 %*	*11 %*
Total Revenues	$ 8.0	$ 5.5	$ 4.8	$ 6.8	$ 9.0	$ 6.3	$ 5.5	$ 7.4	$ 8.9
Year/Year Growth (Decline)	*8.9 %*	*14.4 %*	*7.9 %*	*16.0 %*	*12.7 %*	*16.1 %*	*16.2 %*	*8.1 %*	*(1.3)%*
Adjusted Revenue	$ 8.0	$ 5.5	$ 4.8	$ 6.8	$ 9.0	$ 6.3	$ 5.5	$ 7.4	$ 9.8
Year/Year Growth	*8.9 %*	*14.4 %*	*7.9 %*	*16.0 %*	*12.7 %*	*16.1 %*	*16.2 %*	*8.1 %*	*8.7 %*
Constant currency Basis [3]	*9 %*	*15 %*	*10 %*	*12 %*	*8 %*	*11 %*	*10 %*	*7 %*	*10 %*
Reconciliation of As Reported Total Revenues Growth (Decline) to Constant Currency Adjusted Revenue Growth									
As reported Total revenues growth (decline) YoY	*9 %*	*14 %*	*8 %*	*16 %*	*13 %*	*16 %*	*16 %*	*8 %*	*(1)%*
FTC matter	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*— %*	*10 %*
Foreign currency impact [3]	*— %*	*1 %*	*2 %*	*(4)%*	*(4)%*	*(5)%*	*(6)%*	*(1)%*	*1 %*
Constant currency Adjusted revenue growth YoY	*9 %*	*15 %*	*10 %*	*12 %*	*8 %*	*11 %*	*10 %*	*7 %*	*10 %*

[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. Gross bookings does not reflect the impact of an FTC matter. See the section in this press release under the heading "Additional Highlights - Discrete Items" for more information.

[3] Approximate values.