



CEO and CFO Prepared Remarks for 3rd Quarter 2025

NORWALK, CT – October 28, 2025

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

Thank you, and welcome to our third quarter conference call. I'm joined this afternoon by Ewout, our CFO.

I'm pleased to report another strong quarter that underscores the power of our platform, the discipline of our execution, and the momentum we're building for the future. Our room nights, gross bookings, and revenue all exceeded our prior expectations.

Beyond the financial results, I am very encouraged by the progress we have made on our strategic priorities. We are at a moment where advances in AI are just beginning to create new ways that people plan and experience travel. With our history of innovation, scale, and data that helps us understand what customers want and when they want it, we are well positioned to harness these developments to drive more value for both our travelers and partners. I'll share specific examples from the quarter shortly, but before diving into those, let's review our third quarter financial highlights.

Q3 2025 Financial Performance Highlights

We delivered double-digit gross bookings and revenue growth, reflecting robust demand across our globally diversified business.

Our third quarter room nights reached 323 million, an 8% year-over-year increase. This exceeded the high end of our prior expectations, driven by healthy demand across all of our major regions. Of particular note was the U.S., where growth accelerated to high single digits, supported primarily by stronger outbound travel, and momentum in our B2B business.

The better than expected room night growth helped drive third quarter gross bookings, up 14%, and revenue, up 13%. Adjusted EBITDA reached \$4.2 billion, up 15% from the prior year quarter. All three metrics were above the high end of our prior guidance ranges. Finally, adjusted earnings per share in the quarter grew 19% year-over-year. Consistent with our prior earnings guidance, I want to note that FX benefited our growth rates by approximately 400 to 500 basis points.

As we enter the fourth quarter, we continue to observe stable levels of global leisure travel demand. Ewout will provide more detailed financial insights shortly, including our outlook for this quarter and for the full year.

Strategic Initiatives

Beyond the headline numbers, I'm excited about the meaningful progress we're making on key initiatives. We're advancing our Connected Trip vision, strengthening our loyalty programs, and building AI capabilities that create more value for both travelers and suppliers. Asia and alternative accommodations continue to remain growth drivers. Together, these efforts are reshaping how people plan, book, and experience travel, and how we are unlocking greater value for our partners.

Connected Trip

Let me start with the Connected Trip. We continue to advance on our long-term vision to make the planning, booking and traveling journey simpler, more personalized and with less friction, while providing new opportunities for our partners through data-driven insights.

Today at Booking.com, travelers can already book accommodations, flights, rental cars, pre-booked rides, and attractions on our platforms, and we continue to invest to expand these verticals and to deliver a more seamless experience. For example, we enhanced our home screen to adapt dynamically to each traveler's most recent search, making it easier to move across verticals and transition smoothly from planning into booking. And we continue to broaden our flight supply, most recently adding new partnerships with Ryanair in Europe and Southwest in the U.S., giving travelers even more choice.

These efforts are resonating. Connected Trip transactions—meaning a trip that includes more than one travel vertical—grew mid 20% year-over-year in the third quarter, and now represent a low double-digit percentage of Booking.com's total transactions. Our other verticals also continued to deliver strong growth, with flight tickets up 32% year-over-year and attractions up close to 90%, albeit from a relatively smaller base. Most importantly, travelers who choose to book multi-vertical trips with us also choose to come back to us for future bookings more often, which reinforces the long-term value proposition of the Connected Trip vision.

Genius Loyalty Program

Now I'd like to spend some time on Booking.com's Genius loyalty program, which plays an ever more important role in attracting and engaging travelers—and stands out as one of our core differentiators.

The purpose of Genius is straightforward: reward our most loyal customers with extra value, while delivering real benefits for our partners. Genius members book more often, convert at higher rates, book further in advance, cancel less, and choose to come back more consistently than non-Genius customers. In fact, in the third quarter, travelers in Genius levels 2 and 3 made up over 30% of our active base and accounted for a mid 50% range of our room nights over the last four quarters, increasing from last year's levels.

Today, Genius is available in over 200 countries and territories. The program spans our range of supply—from large global hotel chains to independent properties, and increasingly, alternative accommodations and our other verticals. What sets Genius apart is that travelers get immediate, tangible benefits such as tiered discounts or perks like free breakfast or room upgrades. We're continuing to invest to make these benefits more personalized, data-driven, and relevant to each traveler's journey.

On the partner side, we carefully design Genius so that it provides incremental value rather than simply shifting existing demand. Our data shows that Genius members submit reviews more often, driving higher property visibility, and increasing occupancy rates for participating properties, particularly during off-peak periods. That helps partners optimize their revenue management. At the end of the third quarter, over 850,000 partners had chosen to participate in Genius.

Looking ahead, we see several opportunities to continue strengthening our Genius offering. We are already expanding our offering across verticals and exploring ways to provide additional benefits.

Loyalty programs remain a core pillar across our brands, not just at Booking.com. Most recently, OpenTable enhanced its program, which is now called OpenTable Regulars. The updated program offers new ways for diners to redeem points on experiences and introduces a new loyalty tier that provides enhanced benefits such as one named: Priority Notify Me, which will alert diners to last-minute tables earlier than others, with additional benefit launches planned over coming quarters. For restaurants, it helps encourage more repeat visits from high-value guests.

GenAI

Let me now turn to GenAI, which we continue to believe represents a major opportunity to enhance the traveler and partner experience. While there is certainly a lot of excitement in the industry, our approach has been disciplined and focused on where AI can make a real difference for our customers, our partners, and our business.

On the customer side, we saw encouraging developments this past quarter. At Agoda, for example, we launched an AI-powered chatbot that provides travelers with prompt, hotel-specific answers. By cutting through complexity and delivering precise information quickly, it helps travelers make timely and more confident booking decisions, reducing uncertainty and improving the overall experience. Another example is Kayak's AI mode, a natural-language search experience that combines Kayak and Large Language Model data to deliver smarter, contextual results, right from the home page.

And at Booking.com, we've begun integrating new features into our app to assist travelers earlier in their planning process. These include natural language search capabilities that offer more inspiration, such as destination highlights. As we further develop our agentic capabilities, combine them with our data-driven insights on when to offer relevant suggestions, and advance our Connected Trip vision, we believe travelers will increasingly recognize the value proposition of our platform.

We also see important opportunities for AI to create more benefits for our partners. By driving better personalization and conversion, AI helps generate incremental demand across our verticals. Just as importantly, we are applying AI to make partner-to-guest communication faster, more streamlined, and more intuitive. A core strength of our business has always been the unique value we bring to our supply partners, and AI is enhancing these capabilities.

As an example, Booking.com continued to add to its robust suite of GenAI tools for partners, including Smart Messenger and Auto-Reply. Smart Messenger uses intelligent response generation and automated workflows to bring together relevant partner, property, and reservation information, knowing when and what to suggest to support accommodation partners in their communications to guests. Auto-Reply takes this further, allowing partners to set custom reply topics that deliver instant, personalized responses to both common and unique guest questions. Early results have shown an increase in partner satisfaction compared with our prior messaging tools, underscoring how AI can provide tangible, differentiated value to our partners.

Beyond our internal efforts, we are also building relationships with leading AI organizations, reflecting our ambition to remain at the forefront of this rapidly developing field and to broaden our potential sources of customer traffic. We recognize that GenAI is transforming how travelers research and find inspiration for their trips, and we are committed to continuing to expand, evolve and meet them wherever they choose to search. Most recently, we were

one of the first wave of apps available in OpenAI's ChatGPT app store, after being one of the launch partners for their Operator platform earlier this year. Our strong relationships with companies such as OpenAI, Google, Amazon and Salesforce, combined with our disciplined approach, give us confidence that GenAI will be an important driver of long-term value for our travelers, as well as our partners.

Alternative Accommodations

On alternative accommodations, we are continuing to strengthen our offering. In the most recent quarter, listings grew to over 8.6 million, up approximately 10% year-over-year, with double-digit room night growth. Travelers value choice, and the breadth of supply across hotels, homes, and unique properties differentiates us as a platform.

Alternative accommodations remain a long term growth opportunity. Customer demand for alternative accommodations is healthy across every region, and our ability to combine that breadth of supply with our marketing reach and payments capabilities makes us well positioned in this segment.

Asia

Finally, I want to touch on Asia, which remains a driver of growth for us and is one of our most exciting long-term opportunities. It is the fastest growing major travel market in the world, with industry growth expected to remain in the high single digits over the next several years. And our ambition is to grow even faster than the market.

Our offering in the region is built on the complementary strengths of Agoda and Booking.com. Agoda is a strong local player with consumer trust across Asia, while Booking.com brings global reach and brand recognition. Together, they create a combination that allows us to serve both local and outbound travelers across the region.

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Our Path Forward

As we look forward, we know we are operating in a period of rapid change—driven by geopolitical developments, macroeconomic uncertainty, and accelerating technological innovation. What gives us confidence, and makes me optimistic about the future is the strength of our value proposition. Through the Connected Trip, our Genius loyalty program, and our relationships and innovations in GenAI, we are building products that engage travelers, generate incremental demand and value for our partners, and create differentiators.

With that, I'll turn it over to Ewout to walk through the financial results in more detail. Ewout?

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

Thank you Glenn and good afternoon, everyone.

I'm pleased to walk you through our results for the third quarter and share our current outlook for the fourth 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 turn to our third quarter performance.

Q3 Topline Results

Our room nights in the third quarter grew 8%, a positive result versus a strong prior year comparison, and exceeded the high end of our guidance by nearly three percentage points. This outperformance was helped by an expansion of the booking window beyond our prior expectation and what we experienced in the second quarter, resulting in more room nights being pulled forward into the third quarter.

We saw broad-based strength in room night growth across all major regions, and each region exceeded our expectations. Europe and the U.S. were up high single digits, and Asia and Rest of World each delivered low double-digit growth.

Our globally diversified portfolio proved its value once again, as we continued to see robust growth in certain travel corridors, including Canada to Mexico and Europe to Asia, which effectively offset softer demand in certain inbound corridors to the U.S.

Notably, our U.S. booker room night growth accelerated meaningfully from the second quarter, driven by solid improvements in domestic and outbound growth, and we believe our growth once again outpaced the broader U.S. accommodations industry in a meaningful way. We are also encouraged by the growth in our direct channel in the U.S. We saw the booking window in the U.S. normalize in the third quarter, which is also an encouraging improvement from the second quarter. That said, in the U.S., we continued to see slightly lower ADRs and a shorter length of stay versus the prior year, which may indicate that some U.S. consumers are continuing to be thoughtful on their discretionary spending.

More broadly, global ADRs on a constant currency basis were up about 1% year-over-year, which was an improvement from the second quarter. And the global average length of stay remained similar to last year.

Strategic Initiatives

While we are pleased with our third quarter results, we remain focused on accelerating our long-term earnings potential, and are energized by the progress we are making across many key strategic initiatives.

We continue to strengthen our direct relationship with our travelers and see tangible progress with increases in our direct mix, mobile app mix, and loyalty mix.

Over the last four quarters, our B2C direct mix was in the mid 60% range, which was up versus the low 60% range one year ago.

The mobile app mix of our room nights was in the mid 50% range over the last four quarters, which was up from the low 50% range one year ago. We find that the significant majority of bookings received from our mobile apps come through the direct channel.

We continue to drive engagement in our Genius loyalty program that delivers value to both our travelers and partners. The mix of Booking.com room nights booked by travelers in the higher Genius tiers of Levels 2 and 3 was in the mid 50% range over the last four quarters, and this mix increased year-over-year. These Genius Level 2 and 3 travelers have a meaningfully higher direct booking rate than our other travelers which demonstrates the strength of the program's value proposition.

We also see continued momentum in diversifying and expanding our businesses into growth areas such as alternative accommodations, payments, flights, and attractions.

For our alternative accommodations at Booking.com, our room night growth was about 10%, and growth outpaced our overall business in each of our major regions. The global mix of alternative accommodation room nights was 36%, which was up one percentage point from the third quarter of 2024.

Our total merchant gross bookings increased 26% year-over-year in the third quarter. Over the last four quarters, merchant gross bookings surpassed \$123 billion in total transaction value, representing about 68% of total gross bookings, an increase from about 61% one year ago. Our merchant payments business is foundational to the Connected Trip, offers more flexibility for our travelers and partners, and generates incremental revenue and contribution margin dollars for our business.

We marked another quarter of solid growth in our other travel verticals, reaffirming our strategic focus on building on our Connected Trip vision. During the third quarter, over 17 million airline tickets were booked across our

platforms, representing an increase of 32% year-over-year, driven by the continued growth of our flight offerings at Booking.com and Agoda. We also delivered another quarter of meaningful expansion of our attractions vertical, with tickets booked on our platforms growing nearly 90% year-over-year, from a relatively smaller base. As Glenn mentioned before, we are seeing healthy growth in Connected Trip transactions, and our data shows that travelers who book more than one travel vertical with us, more frequently choose to book directly with us in the future.

The progress across all these initiatives is interrelated, and the combined effect is helping us expand the number of customers who choose to come to us directly and book with higher frequency.

Q3 P&L Results

Before turning back to our third quarter results, it is important to note that the third quarter has historically been our seasonally highest absolute quarter in terms of revenue and earnings.

Gross bookings of \$50 billion increased 14% year-over-year or about 10% on a constant currency basis. The constant currency growth rate was approximately two percentage points higher than room night growth due to about one percentage point from higher bookings growth from flights and other travel verticals, as well as an increase in constant currency accommodation ADRs of about 1%.

The increase in gross bookings exceeded the high end of our guidance by about four percentage points, driven by the room night outperformance as well as about 2% higher accommodation ADRs versus our expectations. The impact from changes in FX was about in line with our expectations.

Third quarter revenue of \$9.0 billion grew 13% year-over-year, which exceeded the high end of our guidance by about four percentage points, in line with the outperformance on gross bookings. Constant currency revenue growth was about 8%.

Revenue as a percentage of gross bookings of 18.1% was lower by about 30 basis points year-over-year due to an increased mix of flight bookings as well as increased merchandising contra-revenue, some of which was tied to bookings made in prior quarters. This was partially offset by higher revenues from payments.

Marketing expense, which is a highly variable expense line, increased 9% year-over-year. Marketing expense as a percentage of gross bookings was a source of leverage, driven by changes in traffic mix and lower brand marketing expenses as a percentage of total gross bookings. We continue to make disciplined investments in social media channels at attractive ROIs.

On a combined basis, marketing and merchandising as a percentage of gross bookings also had leverage in the quarter.

As expected, third quarter sales and other expenses as a percentage of gross bookings was slightly higher compared to a year ago, driven by an increasing merchant mix resulting in higher payment expenses, partially offset by increased efficiencies in customer service.

Adjusted fixed operating expenses increased 10% year-over-year, or mid single digits after normalizing for changes in FX. The year-over-year increase was also impacted by increased cloud costs. We continue to drive efficiencies in our fixed expenses through our ongoing cost optimization initiatives, while at the same time reinvesting into the business to effectively drive long-term growth.

Adjusted EBITDA of approximately \$4.2 billion grew 15% year-over-year, which was about six percentage points faster than the high end of our guidance due primarily to stronger revenue growth.

Adjusted EPS of \$99.50 per share was up 19% year-over-year, faster than the growth in adjusted EBITDA, helped by the benefit of a 4% lower average share count.

During the third quarter, we realized approximately \$70 million of in-quarter savings from the Transformation Program, primarily in sales and other expenses and in personnel expenses. We also took further actions during the

quarter to advance certain efficiency initiatives into the implementation phase, and as a result, we now estimate in-year savings for 2025 will exceed \$225 million, and we have enabled approximately \$450 million in annual run-rate savings, surpassing our prior expectations. For the full program, we now expect to deliver about \$500 to \$550 million in run-rate savings, and we estimate the aggregate transformation costs will be approximately one time the run-rate savings. In the third quarter, we incurred \$105 million in transformation costs, which were excluded from our adjusted results.

As a reminder, we are reinvesting approximately \$170 million above our baseline investments in 2025 to support our strategic priorities for long-term value creation. This reinvestment is funded by the savings generated from the Transformation Program, combined with additional operational efficiencies in our ongoing operations.

Cash & Liquidity

Now turning to our cash and liquidity position. Our third quarter ending cash and investments balance was \$17.2 billion compared to our second quarter ending balance of \$18.2 billion, due to a reduction of \$2.4 billion from Deferred Merchant Bookings and Other Current Liabilities. We generated \$1.4 billion in free cash flow, offset by capital return activities including about \$700 million in share repurchases and about \$300 million in dividends. Additionally, we paid \$1.5 billion to redeem high-coupon debt that was originally due in 2030.

Q4 2025 Commentary

As we look ahead to the fourth quarter, 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. As always, we'll continue to closely monitor the travel environment for any changes.

Our guidance for the fourth quarter assumes recent FX rates for the remainder of the quarter, including the Euro-US Dollar at 1.17. We estimate changes in FX will positively impact our fourth quarter US Dollar reported growth rates by about 5 percentage points.

We currently expect fourth quarter room night growth to be between 4% and 6%. We expect growth to moderate from the third quarter as we expect the booking window to be less expanded in the fourth quarter.

We currently expect fourth quarter gross bookings to increase between 11% and 13%, including about two percentage points of positive impact from higher flight ticket growth. We expect constant currency accommodation ADRs to be about in line with last year.

We currently expect fourth quarter revenue growth to be between 10% and 12%, lower than the increase in gross bookings due to a higher mix of flight bookings.

We currently expect fourth quarter adjusted EBITDA to be between \$2.0 billion and \$2.1 billion, or about 14% growth at the high end.

We currently expect fourth quarter adjusted EBITDA margins to be slightly higher than last year driven by leverage on adjusted fixed operating expenses.

Full Year 2025 Commentary

Turning to the full year 2025.

With a strong third quarter on the books, steady trends to date, along with improved visibility for the fourth quarter, we are increasing our full year guidance.

Assuming recent FX rates remain steady for the remainder of the year, we estimate changes in FX will positively impact our full year reported growth rates by about 3 percentage points for gross bookings and revenue, and by about 4 percentage points for adjusted EBITDA and adjusted EPS. On a constant currency basis, our latest

expectations are above our long-term growth ambition of at least 8% gross bookings and revenue growth, and 15% adjusted EPS growth.

On a reported basis, for the full year we now expect:

- room nights to be up about 7%;
- gross bookings to be up about 11% to 12%;
- revenue to be up about 12%;
- adjusted EBITDA to be up about 17% to 18%;
- adjusted EBITDA margins to expand year-over-year by about 180 basis points, higher than our prior expectation of about 125 basis points;
- revenue to grow faster than both marketing and adjusted fixed operating expenses;
- sales and other expenses to grow similar to revenue; and
- adjusted EPS to be up slightly more than 20%.

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In conclusion, we are energized and highly motivated by the clear momentum in the business. Our continued progress reinforces our confidence that our loyal customers and global supply, along with our technology and data, all powered by our people, are industry-defining assets that will fuel our long-term success.

Thank you to all of my colleagues across the company for their shared commitment and extraordinary work.

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](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). 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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