

## Trip.com Group Limited Reports Unaudited Third Quarter of 2023 Financial Results

Shanghai, China, November 20, 2023 — Trip.com Group Limited (Nasdaq: TCOM; HKEX: 9961) (“Trip.com Group” or the “Company”), a leading one-stop travel service provider of accommodation reservation, transportation ticketing, packaged tours, and corporate travel management, today announced its unaudited financial results for the third quarter of 2023.

### Key Highlights for the Third Quarter of 2023

- **Domestic and international businesses continued to show robust recovery in the third quarter of 2023**
  - Domestic hotel bookings grew by over 90% year over year and increased by over 70% compared to the pre-COVID level for the same period in 2019.
  - Outbound hotel and air reservations recovered to around 80% of the pre-COVID level for the same period in 2019, compared to the industry-wide recovery rate of over 50% in terms of international air passenger volume for the same period.
  - Total bookings on the Company’s global OTA platform have increased by over 100% both year over year and compared to the pre-COVID level for the same period in 2019.
  
- **The Company delivered strong results in the third quarter of 2023**
  - Total net revenue for the third quarter grew by 99% year over year.
  - Net income for the third quarter was RMB4.6 billion (US\$637 million), which improved significantly from RMB245 million for the same period in 2022.
  - Adjusted EBITDA for the third quarter was RMB4.6 billion (US\$634 million). Adjusted EBITDA margin was 34%, compared to 21% for the same period in 2022 and 33% for the previous quarter.

“Throughout the third quarter of 2023, both domestic and international travel experienced a remarkable rebound, thanks to the robust summer travel demands. This shows just how eager travelers are to explore the world,” said James Liang, Executive Chairman. “Looking ahead, we will continue our efforts in expanding our global presence and cultivating AI-related initiatives, laying the foundation for continued growth of our company.”

“We are pleased to build upon the momentum and deliver solid results in the third quarter,” said Jane Sun, Chief Executive Officer. “To leverage the strong demand for travel and our investment in technology and product, we are committed to enhancing our supply chain capabilities and strengthening brand awareness to solidify our market position.”

### Third Quarter of 2023 Financial Results and Business Updates

With the coming of the summer peak season and the strong pent-up travel demand, the Company’s business continued to recover significantly, which led to an increasing volume of travel bookings.

For the third quarter of 2023, Trip.com Group reported net revenue of RMB13.7 billion (US\$1.9 billion), representing a 99% increase from the same period in 2022 primarily due to substantial recovery of travel

market. Net revenue for the third quarter of 2023 increased by 22% from the previous quarter, primarily due to seasonality.

Accommodation reservation revenue for the third quarter of 2023 was RMB5.6 billion (US\$766 million), representing a 92% increase from the same period in 2022 primarily due to substantial recovery of travel market. Accommodation reservation revenue for the third quarter of 2023 increased by 30% from the previous quarter, primarily due to seasonality.

Transportation ticketing revenue for the third quarter of 2023 was RMB5.4 billion (US\$736 million), representing a 105% increase from the same period in 2022 primarily due to substantial recovery of travel market. Transportation ticketing revenue for the third quarter of 2023 increased by 11% from the previous quarter, primarily due to seasonality.

Packaged-tour revenue for the third quarter of 2023 was RMB1.3 billion (US\$182 million), representing a 243% increase from the same period in 2022 primarily due to substantial recovery of travel market. Packaged-tour revenue for the third quarter of 2023 increased by 84% from the previous quarter, primarily due to seasonality.

Corporate travel revenue for the third quarter of 2023 was RMB591 million (US\$81 million), representing a 60% increase from the same period in 2022 and a 1% increase from the previous quarter, primarily due to substantial recovery of travel market.

Cost of revenue for the third quarter of 2023 increased by 94% to RMB2.5 billion (US\$338 million) from the same period in 2022 and increased by 23% from the previous quarter, which was in line with the increase in net revenue. Cost of revenue as a percentage of net revenue was 18% for the third quarter of 2023.

Product development expenses for the third quarter of 2023 increased by 44% to RMB3.6 billion (US\$490 million) from the same period in 2022 and increased by 21% from the previous quarter, primarily due to an increase in product development personnel related expenses. Product development expenses as a percentage of net revenue was 26% for the third quarter of 2023.

Sales and marketing expenses for the third quarter of 2023 increased by 93% to RMB2.8 billion (US\$378 million) from the same period in 2022 and increased by 17% from the previous quarter, primarily due to an increase in expenses relating to sales and marketing promotion activities. Sales and marketing expenses as a percentage of net revenue was 20% for the third quarter of 2023.

General and administrative expenses for the third quarter of 2023 increased by 22% to RMB1.0 billion (US\$141 million) from the same period in 2022 primarily due to an increase in general and administrative personnel related expenses and increased by 8% from the previous quarter. General and administrative expenses as a percentage of net revenue was 7% for the third quarter of 2023.

Income tax expense for the third quarter of 2023 was RMB448 million (US\$61 million), compared to RMB277 million for the same period in 2022 and RMB562 million for the previous quarter. The change in Trip.com Group's effective tax rate was primarily due to the combined impacts of changes in respective

profitability of its subsidiaries with different tax rates, certain non-taxable income or loss resulting from the fair value changes in equity securities investments and exchangeable senior notes, and changes in valuation allowance provided for deferred tax assets.

Net income for the third quarter of 2023 was RMB4.6 billion (US\$637 million), compared to RMB245 million for the same period in 2022 and RMB648 million for the previous quarter. Adjusted EBITDA for the third quarter of 2023 was RMB4.6 billion (US\$634 million), compared to RMB1.4 billion for the same period in 2022 and RMB3.7 billion for the previous quarter. Adjusted EBITDA margin was 34% for the third quarter of 2023, compared to 21% for the same period in 2022 and 33% for the previous quarter.

Net income attributable to Trip.com Group's shareholders for the third quarter of 2023 was RMB4.6 billion (US\$634 million), compared to RMB266 million for the same period in 2022 and RMB631 million for the previous quarter. Excluding share-based compensation charges, fair value changes of equity securities investments and exchangeable senior notes recorded in other income/(expense), and their tax effects, non-GAAP net income attributable to Trip.com Group's shareholders for the third quarter of 2023 was RMB4.9 billion (US\$673 million), compared to RMB1.0 billion for the same period in 2022 and RMB3.4 billion for the previous quarter.

Diluted earnings per ordinary share and per ADS was RMB6.84 (US\$0.94) for the third quarter of 2023. Excluding share-based compensation charges, fair value changes of equity securities investments and exchangeable senior notes, and their tax effects, non-GAAP diluted earnings per ordinary share and per ADS was RMB7.26 (US\$1.00) for the third quarter of 2023. Each ADS currently represents one ordinary share of the Company.

As of September 30, 2023, the balance of cash and cash equivalents, restricted cash, short-term investment, and held to maturity time deposit and financial products was RMB79.0 billion (US\$10.8 billion).

### **Recent Development**

From September 2023 to the date of this press release, the Company purchased 3.6 million ADSs in aggregate with a total gross consideration of US\$120 million pursuant to its existing share repurchase plan.

The board of directors has recently approved a regular capital return policy to benefit the Company's shareholders and ADS holders in the form of discretionary annual share repurchases, discretionary annual cash dividend declarations, or a combination thereof, commencing from the year of 2024. Under the policy, the board of directors reserves the discretion relating to the determination of the form, timing, and amount of the capital return measures in any particular year, depending on the Company's financial condition, results of operations, cash flow, capital requirements, and other relevant factors.

### **Conference Call**

Trip.com Group's management team will host a conference call at 7:00 PM EST on November 20, 2023

(or 8:00 AM CST on November 21, 2023) following this announcement.

The conference call will be available live on Webcast and for replay at: <https://investors.trip.com>. The call will be archived for twelve months on our website.

All participants must pre-register to join this conference call using the Participant Registration link below: <https://register.vevent.com/register/BI570196cd01794d8298b96e3dd8d9fd65>

Upon registration, each participant will receive details for this conference call, including dial-in numbers and a unique access PIN. To join the conference, please dial the number provided, enter your PIN, and you will join the conference instantly.

### **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "may," "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "is/are likely to," "confident" or other similar statements. Among other things, quotations from management in this press release, as well as Trip.com Group's strategic and operational plans, contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, severe or prolonged downturn in the global or Chinese economy, general declines or disruptions in the travel industry, volatility in the trading price of Trip.com Group's ADSs or shares, Trip.com Group's reliance on its relationships and contractual arrangements with travel suppliers and strategic alliances, failure to compete against new and existing competitors, failure to successfully manage current growth and potential future growth, risks associated with any strategic investments or acquisitions, seasonality in the travel industry in the relevant jurisdictions where Trip.com Group operates, failure to successfully develop Trip.com Group's existing or future business lines, damage to or failure of Trip.com Group's infrastructure and technology, loss of services of Trip.com Group's key executives, the impact of COVID-19 to Trip.com Group's business operations, adverse changes in economic and political policies of the PRC government, inflation in China, risks and uncertainties associated with PRC laws and regulations with respect to the ownership structure of the variable interest entities and the contractual arrangements among Trip.com Group, the variable interest entities and their shareholders, and other risks outlined in Trip.com Group's filings with the U.S. Securities and Exchange Commission or the Stock Exchange of Hong Kong Limited. All information provided in this press release and in the attachments is as of the date of the issuance, and Trip.com Group does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

### **About Non-GAAP Financial Measures**

To supplement Trip.com Group's consolidated financial statements, which are prepared and presented in accordance with United States Generally Accepted Accounting Principles ("GAAP"), Trip.com Group uses non-GAAP financial information related to adjusted net income attributable to Trip.com Group Limited,

adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted earnings per ordinary share and per ADS, each of which is adjusted from the most comparable GAAP result to exclude the share-based compensation charges that are not tax deductible, fair value changes of equity securities investments and exchangeable senior notes, net of tax, and other applicable items. Trip.com Group's management believes the non-GAAP financial measures facilitate better understanding of operating results from quarter to quarter and provide management with a better capability to plan and forecast future periods.

Non-GAAP information is not prepared in accordance with GAAP, does not have a standardized meaning under GAAP, and may be different from non-GAAP methods of accounting and reporting used by other companies. The presentation of this additional information should not be considered a substitute for GAAP results. A limitation of using non-GAAP financial measures is that non-GAAP measures exclude share-based compensation charges, fair value changes of equity securities investments and exchangeable senior notes, and their tax effects that have been and will continue to be significant recurring expenses in Trip.com Group's business for the foreseeable future.

Reconciliations of Trip.com Group's non-GAAP financial data to the most comparable GAAP data included in the consolidated statement of operations are included at the end of this press release.

#### **About Trip.com Group Limited**

Trip.com Group Limited (Nasdaq: TCOM; HKEX: 9961) is a leading global one-stop travel platform, integrating a comprehensive suite of travel products and services and differentiated travel content. It is the go-to destination for travelers in China, and increasingly for travelers around the world, to explore travel, get inspired, make informed and cost-effective travel bookings, enjoy hassle-free on-the-go support, and share travel experience. Founded in 1999 and listed on Nasdaq in 2003 and HKEX in 2021, the Company currently operates under a portfolio of brands, including Ctrip, Qunar, Trip.com, and Skyscanner, with the mission "to pursue the perfect trip for a better world."

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