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Q3 2020 Trip.com Group Ltd Earnings Call

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PRESENTATION

Operator

Thank you for standing by, and welcome to the Trip.com Group Limited Q3 2020 Earnings Conference Call. (Operator Instructions)

I would now like to hand the conference over to Michelle Qi, Senior IR Director. Please go ahead.

Michelle Qi *Trip.com Group Limited - Senior IR Director*

Thank you, Kelly. Thank you all. Good morning, and welcome to Trip.com Group's Third Quarter 2020 Earnings Conference Call. Joining me today on the call are Mr. James Liang, Executive Chairman of the Board; Ms. Jane Sun, Chief Executive Officer; and Ms. Cindy Wang, Chief Financial Officer.

During this call, we will discuss our future outlook and performance, which are forward-looking statements made under safe harbor provision of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve inherent risks and uncertainties. As such, our results may be materially different from the views expressed today. A number of potential risks and uncertainties are outlined in Trip.com Group's public filings with the Securities and Exchange Commission. Trip.com Group does not undertake any obligation to update any forward-looking statements, except as required under applicable law.

James, Jane and Cindy will share our strategy and business updates, operating highlights and financial performance for the third quarter of 2020 as well as outlook for the fourth quarter of 2020. After the prepared remarks, we will have a Q&A session.

With that, I will turn the call over to James. James, please.

Jianzhang Liang *Trip.com Group Limited - Co-Founder & Executive Chairman*

Thank you, Michelle. And thank you, everyone, for joining us today. Trip.com Group turned 21 in October this year. We were delighted to have celebrated the anniversary with many of our suppliers, partners and customers.

As our China domestic business normalizes, I have taken some time to reflect on the learnings from the past year and what we will focus on as a company to drive future growth amidst the new environment. Today, I'd like to share a few points.

Firstly, we will focus on content. Our company will not only be a platform for transaction, but also a hub for travel inspiration. Secondly, we'll focus on products with a renewed focus on the mass markets by our customers. We will work on securing boutique and diversified inventory in addition to sourcing deals of mass popularity. Our customers' preference are evolving and their needs have become more and more personalized. Boutique products such as alternative combination and themed hotels and dining have become important elements of each memorable trip. Combining our strengths in platform sourcing and operational support, we are able to run a diversified product offering at scale. Only with competitive product supplies, we are able to attract and retain our customers for the long run.

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Thirdly, we will focus on supply chain empowerment building on existing connections. We will provide further support to suppliers in marketing, content creation, technology and financing in order to further improve their efficiency and conversion on our platform.

In addition, we will focus on quality. Earlier this year, our customer-first approach in processing COVID-related refunds received great compliments on multiple fronts. As a result, our net promotion score hit an all-time high. We are proud of the team's collective response during the pandemic, and we'll continue to identify and work on the new areas to improve our customer experience and product quality.

Lastly, I would like to touch on the topic of global vision. As a company, we need to have local focus and global vision. In the long run, the global market still presents a significant opportunity for growth. The pandemic has not changed that. However, in the near term, we have to lean on domestic markets for recovery and ensure our product lineup is perfected to capture such opportunities. At the same time, we'll be ever watchful of the prospects of global markets, ensuring that our technology architecture is easily fixable to incorporate international adaptations. Recent breakthroughs in vaccine for COVID-19 have been encouraging. With the continued hard work of the global community, we are hopeful that more meaningful recovery for international travel is on the way.

In summary, we will focus on domestic markets, including content, products, supply chain and quality. And at the same time, we'll retain our global vision for the long run.

With that, I will turn the call over to Jane.

Jie Sun Trip.com Group Limited - CEO & Director

Thanks, James. Good morning to everyone. I will start with a brief overview of our performance in the past quarter. Total net revenues in Q3 declined by 48% year-over-year and increased by 73% quarter-over-quarter, mainly driven by the continued strong sequential recovery of our China domestic businesses.

During the third quarter, the company remained lean on operations while starting to invest in resources to capture market to rebound. We are pleased to see the company achieved non-GAAP operating income of RMB 1.3 billion, representing 24% of net revenue. At the same time, our operating cash flow at the group level also turned positive for the quarter. Our domestic China business achieved a few key milestones during the third quarter. Most significantly, domestic air and hotel bookings, both turned positive starting August. Short-haul hotel reservation increased by around 20% for the third quarter and mid- to high-end hotel bookings grew at double digits year-over-year, exiting Q3. Strong recovery momentum extended into the fourth quarter.

During October Golden Week holiday, our domestic hotel GMV reached double-digit growth year-over-year. Regional travel continued to lead with our local GMV growth over 50%. Attraction tickets increased over 100% compared to last year. And our car rental services saw more than 50% year-over-year growth. As we enter into the winter season, we are glad to see our domestic air and hotel booking have achieved a positive growth momentum quarter-to-date, despite the weak travel seasonality. In particular, mid- to high-end domestic hotel reservation have maintained double digits growth compared to the same period last year.

As our domestic business gradually turn to full capacity, I would like to recap a few important contributors that have propelled our company towards a speedy recovery. Firstly, our enhanced content strategy strengthened our multi-brand one-stop platform to attract and engage users across the spectrum. Our branded Ctrip continue to lead the recovery, especially at the mid- to high-end segment. Recent content efforts, such as our live stream platform improved trip moments and the revamped user interface have all contributed to positive user engagement. Our optimized information display has helped hotel partners to improve conversion rate by 5%.

China delivered multiple milestones despite of the pandemic with a focus on providing quality products and services for travelers budget. Among this year's new users, approximately 40% are under 25 and close to half from third tier cities and beyond. Millions of users booked their first flight tickets through China this year reaching a 5-year high. In addition, the one-stop shopping nature of our apps, also encompass content and transactions, led to a further increase of user retention and conversion. As a result, we saw a double-digit improvement in our cross-sell ratio from our air to a hotel compared to the same period last year. We are fully confident that our multi-brand one-stop platform will continue to drive further customer and market share gains in the future.

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Secondly, we further enhanced our product competitiveness, enriching domestic and boutique products such as themed trips and private tools. Our customer demand shifted from large group tour to smaller tours and from popular products to more customized products. We have also reinforced the promotion strategy in response to this trend. Many of these products have delivered high double-digit growth compared to the last year. With our wide product coverage and strong operational capability, we're able to target, promote and connect the products to our customers in the most accurate and efficient manner.

Thirdly, we continued to focus on supply chain empowerment. We have opened up our service capability to our hotel partners this year, who can then directly connect with our customers. Our hotel partners are able to monitor their ROI of each campaign by using our system in order to make informed decisions about their operations. Moreover, our Ctrip Hotel University have produced more than 150 free classes since the beginning of this year with over 1 million attendees for the hotel industry. Deep integration and a close partnership have produced meaningful improvement in traffic and conversion for our hotel partners and ensure a high-quality user experience for our customers. In Q3, we maintained our leadership in domestic hotel coverage and saw a further double digits quarter-over-quarter growth in the number of the hotels designating us as their preferred distributor.

Now turning to our international business. Despite the ongoing pressure faced by all the international travel, traffic to our brand, ctrip.com, has recovered to approximately 70% in the third quarter. This was primarily driven by the domestic travel demand, such as staycations and the local travel commit to the challenging international environment. We are glad to see many governments have taken targeted measures to revival the travel industry. Recently, we announced our cooperation with Singapore Tourism Board to launch their Singapore Rediscover vouchers. Moreover, we have also been able to work with different travel authorities globally on similar revival plans. Recent development in effective vaccine and treatment for COVID-19 have been encouraging. We believe a global rollout will be crucial to support further recovery in our international and cross-border business.

As James mentioned, due to pandemic, we have opted to focus primarily on China domestic market this year. However, our vision for long-term global expansion remain the same. We will work hard with our partners to well prepare ourselves for the global recovery.

With that, I will turn the call over to Cindy.

Xiaofan Wang **Trip.com Group Limited - CFO & Executive VP**

Thanks, Jane. Thanks, everyone. For the third quarter of 2020, Trip.com Group reported net revenue of RMB 5.5 billion, representing a 48% decrease from the same period in 2019. Net revenue for the third quarter of 2020 increased by 73% from the previous quarter, driven by a continued strong recovery of our China domestic business.

Accommodation reservation revenue for the third quarter of 2020 was RMB 2.5 billion, representing a 40% decrease from the same period in 2019 and a 98% increase from the previous quarter. Sequential increase of accommodation reservation revenue was mainly driven by the strong recovery momentum of domestic markets. Accommodation reservations for China domestic markets reached a positive year-over-year growth from the second half of August, with pricing down moderately from the same period last year. Short-haul reservations grew by more than 20% year-over-year.

International hotel recovery remains minimal. However, domestic bookings on brand Trip.com have seen strong growth momentum in the third quarter. Transportation ticketing revenue for the third quarter of 2020 was RMB 1.9 billion, representing a 49% decrease from the same period in 2019 and a 66% increase from the previous quarter. The sequential increase of transportation ticketing revenue from the second quarter of 2020 was mainly due to continued strong recovery of domestic markets.

Air ticketing business for China domestic market reached a positive year-over-year growth for the third quarter, although pricing remains discounted compared with last year. Packaged tour revenue for the third quarter of 2020 was RMB 326 million, representing an 80% decrease from the same period in 2019 and a 151% increase from the previous quarter. The sequential increase of packaged tour revenue was mainly driven by China domestic cross-region packaged product being resumed since July. International packaged products are still not permitted to operate.

Corporate travel revenue for the third quarter of 2020 was RMB 282 million, representing a 16% decrease from the same period in 2019

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and a 74% increase from the previous quarter. Revenue from other businesses declined by 31% year-over-year for the third quarter of 2020 and increased to 2% from the previous quarter. The year-over-year decline was mainly driven by a decline in overseas advertising revenue.

Gross margin was 81% for the third quarter of 2020, which increased from 79% for the same period in 2019 and 72% for the previous quarter. Excluding share-based compensation charges, total non-GAAP operating expenses decreased by 45% year-over-year, thanks to our generally flexible cost structure and efficient operational management.

Total non-GAAP operating expenses increased by 25% quarter-over-quarter in response to the improving domestic business. Sales and marketing expenses for the third quarter of 2020 decreased by 54% to RMB 1.1 billion from the same period in 2019 and increased by 71% from the previous quarter. Sequential increase from the second quarter is primarily driven by increase in marketing spending in domestic China market as demand rebounded strongly. We may choose to increase marketing spending in coming quarters to stimulate further growth as market demand continues to recover.

Product development expenses for the third quarter of 2020 decreased by 28% to RMB 2 billion from the same period in 2019 and increased by 11% from the previous quarter, primarily due to fluctuations in expenses related to product development personnel. A significant portion of the expenses can be considered variable.

G&A expenses for the third quarter of 2020 decreased by 38% to RMB 505 million from the same period in 2019 and decreased by 2% from the previous quarter. The year-over-year decline was mainly due to a reversal of bad debt provision for our travel suppliers, offset partially by personnel restructuring costs related to certain overseas subsidiaries. Excluding the factors mentioned above, G&A expenses for the third quarter of 2020 decreased modestly from the same period in 2019.

Excluding share-based compensation charges, non-GAAP income from operations was RMB 1.3 billion. Non-GAAP operating margin reached 24% compared to 25% in the same period in 2019 and negative 6% in the previous quarter. Diluted earnings per ADS was RMB 2.61 or USD 0.38 for the third quarter of 2020. Excluding share-based compensation charges and fair value changes of equity securities investments and exchangeable senior notes, non-GAAP diluted earnings per ADS was RMB 2.32 or USD 0.34 for the same quarter of 2020.

Now turning to the fourth quarter of 2020. We expect a sustained year-over-year recovery in China domestic business. For our international business, it continues to be under pressure due to the ongoing pandemic worldwide. For the fourth quarter of 2020, company currently expects net revenues to decrease by 37% to 42% year-over-year. Excluding share-based compensation charges, the company expects non-GAAP operating income will be between RMB 300 million to RMB 400 million. This forecast reflects Trip.com Group's current and preliminary view, which is subject to change. The increasing uncertainties due to the coronavirus outbreak has further restricted our visibility. We will continue to monitor the market and provide more details to investors in time.

With that, we will open up for Q&A. Operator, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from Joyce Ju with Bank of America.

Lixin Ju BofA Merrill Lynch, Research Division - VP & Research Analyst

Congrats on the solid quarter. I have two questions. First, could you share some recent trends in China's domestic business recover? Second, given the latest good news on the COVID-19 vaccine, when do you think the international travel could start to recover and when it could fully recover?

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Jianzhang Liang *Trip.com Group Limited - Co-Founder & Executive Chairman*

China domestic travel has mostly reached full recovery, as we shared earlier. Domestic hotel and air booking have both turned positive growth since August, and especially the high-end business and short-haul travels have recovered well. International travel, especially outbound business will remain low in the next few months. It takes time for the vaccine to reach general population. And a full recovery of international travel, it will take at least a year or even longer considering that it's not just the transportation of vaccine, but also a political and international arrangement and in the cooperation from between different governments. So it takes a while for the international community to fully, again, embrace it's international travel. So we are definitely prepared for the next year to take full advantage of the gradual, but I think steady recovery of the international travel market.

Operator

Your next question comes from Jialong Shi with Nomura.

Jialong Shi *Nomura Securities Co. Ltd., Research Division - Head of China Internet and Media Research & VP*

Congratulations on a very solid quarter. Back in November, China's authority released a drop antitrust guideline for the Internet platforms. Could you provide some colors on how this new regulation will impact China's OTA landscape? And more specifically, how this regulation will impact Trip.com's operation and financials?

Jie Sun *Trip.com Group Limited - CEO & Director*

Thank you your question. We always support government's initiatives to prepare -- to protect the market. So our team is working very hard to make sure all the rules and regulations are carefully studied, and we're staying compliant with the rules and the regulations to be published and finalized.

Operator

Your next question comes from Thomas Chong with Jefferies.

Thomas Chong *Jefferies LLC, Research Division - Equity Analyst*

Can the management provide some guidance about the Q4 revenue by segment? And my second question is about how we should think about the competitive landscape in the hotel business in lower-tier cities as well as high-end hotels as we go into 2021?

Xiaofan Wang *Trip.com Group Limited - CFO & Executive VP*

Sure. The recovery of our domestic business will sustain the fourth quarter. Despite weaker winter seasonality, we expect total revenue to decrease 37% to 42% year-on-year in Q4. In general, we expect a full recovery of domestic hotel and air ticketing reservations despite the unfavorable winter seasonality. In terms of revenue guidance for each revenue items, we expect revenue for accommodation reservations to decrease 25% to 30% year-on-year. Our China domestic hotel reservations achieved a double-digit GMV growth during Golden Week holiday and maintained positive year-on-year growth quarter to date, and especially our high-end hotel grow at double-digit. Our recovery on the domestic hotel business significantly outperformed the industry average, especially in the mid- to high-end hotel segment. While our international hotel revenue remained at very low level compared to 20% to 25% revenue contribution in fourth quarter last year.

With regard to the transportation reservations, we expect the revenues will decrease 47% to 52% year-on-year. Our domestic air ticket reservations achieved a double-digit year-on-year growth during the Golden Week holiday and maintained positive year-on-year growth quarter-to-date. International business remain compared -- same as the hotel business. Our international business remain at very low level compared to 40% to 50% revenue contribution in fourth quarter last year. Our -- we expect revenue for package tour business to decrease 55% to 60% year-on-year. Domestic package tour business continued to recover gradually, leading by the local activities and customized tour packages. International package tour business have not yet restarted due to the travel restriction and the international -- the pandemic, which accounted for 40% to 50% of our total packaged tour revenue in fourth quarter last year. We expect revenue for corporate travel business to decrease 15%, 1-5, to 20%.

Yes. In terms of the competition, let's address it in a couple of layers. First of all, in terms of the product offering, we want to make sure our product offer is comprehensive to provide the best product for high-end middle care and also new markets. So as Jane said, one of

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the initiatives that we are taking to capitalize on the domestic market is to make sure we go deep on product offering. Secondly, on the supply chain, also, we're not only focusing on the first tier, second tier cities, we are also going wider and more comprehensive to make sure wherever our customers are, we have the product to cover that. And thirdly, as we discussed before, when we look at our new customer acquisition, the majority of our customer acquisition focuses on new and young customers, not only centered around the first tier and second-tier cities but also go beyond these city hubs. And in terms of our sales and marketing strategy, not only we are well exposed in the first tier, second tier cities, we also utilize our cross-sell opportunities to further penetrate into the third tier and beyond cities to reach out to our customers. And also our offline stores were -- more than 8,000 offline stores are also located in the cities outside of first tier cities -- third tier cities, which give us a very good exposure to further reach out to these markets, which is very new to us. So going forward, we will be very aggressive in terms of expanding in product line, sales channel and also our reach for our brand exposure. Thank you.

Operator

Our next question comes from Alex Poon with Morgan Stanley.

Chun Man Poon *Morgan Stanley, Research Division - Equity Analyst*

My first question is related to your 4 focus in 2021 on quality, content, products and supply chain. If we have to quantify these, how should we think about the domestic revenue growth between 2019 and 2021, considering there is also outbound demand returning to being converted into domestic demand? My second question is related to your operating margin level in 2021. Is it possible to maintain a 20% non-GAAP operating margin in 2021 without outbound business? And also considering the competition and some of the cost savings could reverse and also the user acquisition -- new user acquisition strategy not only in Tier 1, 2 cities, but also lower-tier cities.

Xiaofan Wang *Trip.com Group Limited - CFO & Executive VP*

With regard to the 2021 guidance, due to the very short booking window, it's very difficult for us to provide a full guidance. However, the general picture will be we believe there's still uncertainties as we get into the new year, assuming COVID-19 will still be under good control in China and our domestic business shall sustain that recovery trend next year. But the international travel environment at this moment is very challenging. However, with the effective vaccine and the treatment for the COVID-19 on the way, hopefully, there will be some picking up on the international travel business toward the second half, starting from -- towards the second half of next year.

With regard to our margins. Our company will stick to a very lean and efficient operations. But at the same time, we always -- we strongly believe that continuously, given the huge market potential globally in the travel space, there's huge growth opportunities. So we -- our first priority is to continuously gaining market share. We will keep investing in the key business fundamentals, as James and Jane explained earlier. For example, the product, the technology as well as the service -- global service capabilities to make sure that we are in the best position to capture the opportunities in the travel market globally.

Therefore, of course, we have a very healthy margin is the target we are going continuously to focus, but gaining market share at this moment, we still think is a more important priority. Thank you.

Operator

Your next question comes from Tianxiao Hou with T.H. Capital LLC.

Tianxiao Hou *T.H. Capital, LLC - Founder, CEO & Senior Analyst*

Congratulations on a good quarter. So one thing is really about the outlook, it's not near term, but rather, if you look up to 2021. So a lot of Chinese people start to plan their international trip. So one thing, I haven't read some news about the search inquiries and has been -- travel for compared with before. So I wonder from your data, how do you see -- what do you see about people's enthusiasm about the traveling in the middle or second half of next year? How many people are starting to plan their trip? So maybe that can give us some indication about how big the international travel recover can be? That's my question.

Jie Sun *Trip.com Group Limited - CEO & Director*

Thanks for your question. First of all, for domestic travel, we are quite confident because in Q3, China led the recovery economically by delivering a full 1% plus GDP growth. As long as our economy is in a recovering trend, the domestic travel will keep up with a very healthy

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growth. Secondly, in 2021, we are hopeful that every government will put the concerted efforts to make sure the vaccine is being injected and the improvement for the control of pandemic will be an improving trend. When we look at our search results, the international search for our sites have already recovered 100% year-over-year. So I think people have been locking down within the borders and the desire to travel abroad is very strong.

However, we really need to make sure two things: one is the healthiness of the population is ascertained. So until the vaccine is taken, many people will be careful to make sure wherever they travel, they're protected. Secondly, also the scientists and we should make consensus as to when and where quarantine is required for the countries that have demonstrated their ability to control the pandemic, there are high hope for these countries to start with travel bubble. But for the countries that have not demonstrated their ability to control the pandemic, customers will be very careful in terms of whether they travel into these regions.

And also lastly, weather, when they return to their home country, whether the quarantine is required. If the quarantine is required. Then again, a lot of people will not have such a long time to stay at home. So all these factors need to be taken into consideration when we really take people aboard. But so far, we expect good news on the science field with the government's concerted efforts to contain this virus. We are hopeful to see recovery gradually under the way.

Operator

Your next question comes from James Lee with Mizuho.

James Lee Mizuho Securities USA LLC, Research Division - MD of Americas Research & Senior Internet Sector Analyst

My first question is for Jane. Maybe can you talk about some of the government policy that you're seeing that will be driving domestic travel demand? And maybe international travel demand, you seem to be pretty enthusiastic about Green Lane for international travel last quarter. I was wondering just any update from that perspective? And also for Cindy, it seems like the OPI guidance is a little bit lower than what we've seen from the Street consensus here. And can you talk about maybe some of the investments that you plan to step-up in 4Q?

Jie Sun Trip.com Group Limited - CEO & Director

Sure. Thanks for your question. Let me address your question in two parts. First of all, for domestic China, I think travel represents 10% of the GDP growth and approximately 10% of the job opportunity. So our government is very supportive to revital the travel industry. Policies have been put in place. And the domestic infrastructure is also there for people to travel to not only for the top popular -- most popular travel destinations, but also have lots of exploration in the new travel destinations, which is very good in the long run for domestic travel. Secondly, for international government, I think every government we have talked to are very eager to receive Chinese tourists. Because not only they bring the buying power into the region, but also it creates job opportunities at the local level. So every travel bureau, we have worked with also very much like to market their countries and for their popular travel destinations. And recently, we launched the campaign with the Singapore government to rediscover Singapore. And we work with them on different initiatives to stimulate the interest so that when the vaccine is ready, we will be able to promote different destinations to address the increasing demand for the Chinese outbound customers.

So again, we are positive in terms of working with the government around the world and promote these travel destinations when the vaccine is ready, when the safety for our customers is ascertained.

Xiaofan Wang Trip.com Group Limited - CFO & Executive VP

Yes. For the second question, the fourth quarter is normally a low season, slow season for the travel industry. Especially this year, we noticed some cases in some of the cities, including major cities like Shanghai, which will also have some negative impact on our business in the fourth quarter. And on the other hand, starting from the second half of third quarter, we noticed very strong rebound nationally, led by the government. So as James and Jane explained, we will continuously to make investment in our core competencies to make sure that we are in the best position to capture the market growth opportunity.

Operator

Your next question comes from Brian Gong with Citi.

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Brian Gong *Citigroup Inc., Research Division - Assistant VP & Equity Research Analyst*

Congratulations on solid results. So I have another question for competition. We are also seeing some content platforms like (inaudible) and (inaudible) Some travel products are being sold via their content. Given their specialization on contents, do you see them as a stride to OTA industry?

Jie Sun *Trip.com Group Limited - CEO & Director*

Thanks for your questions. With all these partners, we are very open to collaborate with all the partners in the ecosystem. For (inaudible), our product is inserted in their platform. So where you see you have booking capability, a lot of them is linked to our website and empowered by us. So again, we want to make sure the quality of our product and the service of the product is the best in the industry. And when customers see these content, whether on our side or whether it's in the other ecosystem, they will come back to Trip.com to make their reservation because our service is the best in the industry.

Operator

Your next question comes from Binnie Wong with HSBC.

Wai Yan Wong *HSBC, Research Division - Head of Internet Research of Asia Pacific & Analyst*

Congrats on a strong quarter and excited to see the positive growth in your domestic business. Can you share the structural cost savings that Ctrip has achieved for this year? And how these can be extended into future years? In other words, every year, the business is -- I mean, the industry is recovering, how do you think like our margins and what are the structural cost savings that can be locked into 2021?

Xiaofan Wang *Trip.com Group Limited - CFO & Executive VP*

Thank you, Binnie. In the third quarter, with the continued recovery of our domestic business, we adjusted the spending across all the major expense line items accordingly. Therefore, our non-GAAP costs and operating expenses decreased 47% year-over-year, thanks to our largely flexible cost and expenses structure and efficient operating management. Total non-GAAP costs and operating expenses increased 23% from the second quarter as a result of our recovery customer demand. The non-GAAP sales and marketing expenses increased 75% Q-on-Q as our domestic travel demand rebounded and non-GAAP product development expenses increased 12% Q-on-Q as our personnel expenses normalized with the recovery of domestic business. And non-GAAP G&A expenses decreased 9% sequentially, mainly due to a decrease in our bad debt provision, which was partially offset by restructuring costs in certain subsidiaries.

Going forward, as I explained before, we -- to achieve a very healthy margin definitely is one of the key goals for the management team. However, we still see with the strong recovery, starting from China domestic business, we still see huge growth opportunities, both domestic as well as international markets. So our top priority is to further investment in our core competencies to make sure that we'll capture the growth opportunities.

Operator

That does conclude the question-and-answer session. I'll now hand back to Michelle Qi for closing remarks.

Michelle Qi *Trip.com Group Limited - Senior IR Director*

Thanks to everyone for joining us today. You can find the transcript and webcast for today's call on investors.trip.com. We look forward to speaking with you on our fourth quarter 2020 earnings call. Thank you, and have a good day.

Xiaofan Wang *Trip.com Group Limited - CFO & Executive VP*

Thank you very much.

Operator

That does conclude our conference for today. Thank you for participating. You may now disconnect.

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