

Trip.com Group 2026 Q1 Earnings Conference Call
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Corporate Speakers

- James Liang; Trip.com; Co-Founder, Executive Chairman
- Jane Sun; Trip.com; Chief Executive Officer, Director
- Xiaofan Wang; Trip.com; Chief Financial Officer, Executive Vice President

Participants

- Simon Cheung; Goldman Sachs; Analyst
- Yang Liu; Morgan Stanley; Analyst
- Thomas Chong; Jefferies; Analyst
- Wei Fang; Mizuho Securities USA; Analyst
- Joyce Ju; BofA Securities; Analyst
- Wei Xiong; UBS Investment Bank; Analyst
- Brian Gong; Citigroup; Analyst

PRESENTATION

Operator^ Good day, and thank you for standing by. Welcome to Trip.com Group 2026 Quarter 1 Earnings Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded. I would now like to hand the call over to your first speaker today, Ms. Michelle Qi, Senior IR Director. Thank you. Please go ahead.
Michelle Qi Senior IR Director

Thank you. Thank you, everyone, for standing by. Good morning, and welcome to Trip.com Group's First Quarter of 2026 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 the safe harbor provisions 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 our financial performance for the first quarter of 2026 as well as outlook for the second quarter of 2026. After the prepared remarks, we will have a Q&A session. With that, I will turn the call over to James. James, please.

James Liang^ Thank you, Michelle, and thanks, everyone, for joining us today. We started the year with strong momentum. Travel continues to drive consumption, create jobs and support broader industry growth. In this context, we are focused on unlocking the full potential of inbound travel as a key engine for local economies.

At the core of our approach is a simple idea, turning inbound travel into real on-the-ground opportunities for local partners. We have set an ambitious goal to serve 200 million inbound travelers over the next five years. This reflects both the scale of the opportunity and the potential to connect local destinations with global demand. As policies become more favorable, the inbound travel market is opening like never before.

Last year, Trip.com welcomed 20 million inbound travelers. In Q1 2026 alone, we have already served approximately 7 million travelers laying a strong foundation for long-term growth. Our role is to connect the ecosystem. We help partners understand international traveler expectations and translate that knowledge into products and services that capture incremental demand.

We are raising awareness and positioning China as an accessible and attractive destination through targeted marketing initiatives. These include offline promotions in key global transit hubs, joint campaigns with airline partners and collaborations with international content creators. In parallel, we are working closely with hotels, attractions and travel agencies to enhance their readiness for inbound demand.

During the quarter, we engaged over 110,000 local partners in inbound related services. For many, this was their first opportunity to connect with international travelers, expanding their reach and enabling more effective participation in the inbound market. Beyond generating demand, we are going deeper into key inbound destinations, supporting product development and long-term operations. We collaborate with local partners across 29 high-potential destinations to design and deliver integrated travel experience. By connecting attractions, accommodations and local services into seamless itineraries, we help create more cohesive and experience-driven offerings.

Initiatives such as Taste of China showcase how curated products can bring local culture to life for global travelers. To scale these efforts and help partners connect with international travelers more effectively, technology and AI, in particular, is becoming an increasingly important enabler across the travel ecosystem.

We are building and deploying our own suite of AI agents to support both travelers and supply partners. These capabilities already help suppliers overcome language barriers, enhance content quality and improve service responsiveness. Automated content tools enable suppliers to generate richer materials, including video, helping them showcase their offerings to a global audience.

In customer service, AI-driven systems deliver faster, more consistent responses, improving service quality while reducing operational burden. More broadly, AI is transforming how travel products are discovered, evaluated and purchased. We are actively opening our platform to third-party AI agents through skills, MCP interfaces and other AI native integrations. In recent months, we expanded our presence across leading AI ecosystems. Our goal is not only to be the go-to app for travelers, but also the trusted infrastructure for AI agents. Central to this strategy is the modularization of our proprietary travel capabilities.

We are packaging our travel data, verified inventory, real-time pricing and reliable transaction infrastructure into AI-ready services that can be integrated directly into agent workflows. This

enables users to move seamlessly from trip planning and product discovery to booking and fulfillment, reducing friction, shortening decision cycles and improving conversion.

We believe AI agents will emerge as a complementary gateway to travel demand. Our objective is simple, whenever a traveler turns to an AI assistant for help, our data, inventory, transaction capabilities and service infrastructure are ready to power and complete the journey. At our core, we believe our long-term success is closely tied to the health of the travel ecosystem. As travel evolves, we remain focused on improving accessibility, connectivity and service capabilities. Helping destinations, partners and travelers fully benefit from the opportunities ahead. With that, I will turn the call over to Jane for operational highlights.

Jane Sun^ Thank you, James. Good morning, everyone. For the first quarter of 2026, our core OTA business recorded gross bookings of approximately RMB 300 billion. Group net revenue totaled RMB 16.2 billion. Inbound travel continued to grow strongly during the quarter, with gross bookings increasing by approximately 90% year-on-year. Asia remained our largest source of inbound travelers. Visitors from Europe and U.S. also grew rapidly and now account for roughly 25% of total inbound traffic. This momentum reflects China's rich cultural and natural resources together with increasingly open inbound policy.

As accessibility continues to improve, we believe China has tremendous potential to become one of the world's leading travel destination. Since the start of the year, inbound visitors have stayed an average of 5.1 days, up 11% year-on-year, reflecting deeper engagement and a growing preference for more immersive travel experiences. Importantly, inbound travel is evolving beyond standardized sightseeing towards more content-rich and culture-focused experience. To support this shift, we help destinations present their products in over 20 languages making them easier for international travelers to discover, trust and enjoy.

During the quarter, around 14,000 partners received their first ever overseas orders through the Trip.com platform. This highlights our role in helping more local businesses participate in the global travel economy and capture incremental international demand. Ultimately, our goal is to help visitors experience China with both comfort and confidence while discovering the country's rich diversity and cultural depth.

On the international front, global travel demand remained resilient particularly across the APAC region, where cross-border travel activity continued to grow steadily. During the quarter, gross bookings on our international OTA platform increased by approximately 65% year-over-year, reflecting the continued expansion of global travel demand and the growing strength of our international platform capabilities.

As traveler behavior evolved, demand is increasingly extending beyond flights and hotels toward more integrated mobility experiences. To capture this opportunity, we continue to leverage our transportation expertise to broaden our offerings across airport express, airport transfers, bus services and other connected mobility solutions. At the same time, we are strengthening our digital infrastructure for all key markets helping create a more seamless booking and travel experience for users. This not only reflects vibrant growth in travel demand, but also highlights the growing importance of connected and flexible transportation experiences across global markets.

Outbound travel remained resilient during the quarter with travelers continuing to demonstrate a high degree of flexibility in their destination choices. Although regional geopolitical development created some fluctuations across certain travel corridors, the overall business impact remained limited as travelers actively adjusted their itineraries and shifted demand toward alternative destinations.

During the quarter, we observed outbound demand increasingly redirecting toward neighboring destinations such as Southeast Asia, reflecting travelers' continued preference for convenient and experience-rich journey. APAC remain among the most popular destination regions overall, supported by strong demand for more diverse and experience-driven travel experiences.

Domestically, travel continued to benefit from strong seasonal demand during the quarter particularly around the Spring Festival holiday period, which created meaningful opportunities for family travel and multigenerational travel experiences. Local cultural and tourism vouchers also continue to support consumption across multiple regions. Short distance travel maintained strong momentum, reflecting growing demand for high-quality and easily accessible experiences closer to home.

To capture these trends, we continue to strengthen our product offerings and service capabilities, helping travelers discover the right experiences more efficiently and enabling merchants and destinations to connect with demand more effectively.

Our silver generation initiatives are also gaining traction during the quarter. This was particularly reflected in accommodation demand from senior travelers. In Q1, hotel gross bookings for Old Friends Club increased by over 100% year-over-year, reflecting growing demand for more personalized and experience-oriented travel offering. To better serve this segment, we are combining both offline and digital capabilities.

In addition to providing dedicated travel services through our offline flagship stores, we are also leveraging AI-powered conversational tools to lower the barriers to travel planning and make the overall booking experience more accessible and user friendly for senior travelers.

At the same time, we continue to encourage off-season travel among silver generation users, which helps improve capacity utilization and create incremental off-season revenue opportunities for hotels, travel agencies and other partners across the ecosystem. By emphasizing comfort, social interaction and culturally immersive experiences we are tapping into a growing segment with significant long-term potential.

More importantly, this is not just about travel, it is about creating connections, memories and meaningful experiences while bringing more inclusive and sustainable growth opportunities to the broader travel industry.

Entertainment-driven travel is rapidly emerging as one of the most dynamic growth opportunities in the travel industry. In Q1 2026, gross bookings increased by 74% year-on-year. Global events, including sports, concerts and cultural festivals are proving to be powerful catalysts for travel activity. Sporting events such as the Shanghai F1 not only stimulate the local economy but also attract inbound visitors from across the world. Music concerts similarly draw cross-regional travelers, creating vibrant demand across multiple cities.

Travel is a highly interconnected ecosystem. Destinations, hotels, attractions and service providers all depend on efficient demand connectivity, high service standards and innovative products to grow sustainably. As global travel becomes increasingly international digital and experience led, many travel companies face growing challenges in distribution, service standardization and technology adoption.

We believe platforms like Trip.com can play an important role in helping the broader travel ecosystem modernize and participate more effectively in global travel demand. At Trip.com, our mission extends beyond facilitating travel transactions. We are committed to empowering partners, strengthening industry capabilities and helping build a more connected, efficient and globally accessible travel ecosystem.

Our efforts this quarter focused on three key areas. First, we continue to strengthen global demand connectivity across the travel value chain. Today, our trip community connects more than 500,000 travel brands and suppliers with over 10,000 qualified creators, enabling the creation of localized user-driven content that resonates with travelers around the world. Our global KOL China exploration program has brought together creators from Argentina, South Korea, Japan, Thailand, Singapore, Kazakhstan and many other markets helping showcase China through diverse local perspective. In addition, our annual Envision Global Partner Summit further deepened collaboration by bringing international partners to experience China firsthand and fostering broader cooperation across the inbound travel ecosystem.

Second, we continue to upgrade travel infrastructure and service capabilities across the full traveler journey. From pre-trip planning to in-destination support and post-trip engagement, we are working to improve accessibility and service consistency for international travelers. Today, our globally accessible product offerings cover approximately 450,000 hotels and 180,000 local attraction products. In parallel, smart ticketing system and enhanced international service support are enabling smoother operations, improving coordination across destinations and enhancing the overall visitor experience.

AI plays an increasingly important role in accelerating these efforts. Our AI capability now supports personalized itinerary recommendation, real-time translation, product video generation and multi-language customer service. By lowering operational and content barriers, these tools help domestic travel products reach international audiences more efficiently while enabling more suppliers to participate in global travel demand.

Third, as travel demand continues to evolve towards more immersive and experience-driven journey, we are seeing a clear shift towards higher quality and more personalized consumption. Against this backdrop, we are driving continued product innovation to better match these evolving traveler expectations. By transforming traditional large group tours into smaller, more customized offerings, we are helping unlock new economic activity and supporting 50,000 travel-related jobs with additional employment opportunities created indirectly across the broader travel ecosystem.

As a result, domestic small group travel orders on our platform have increased by 27% year-on-year with 55% higher per capita spending and 11% longer stays compared to large group tours. This evolution is enabled by the broader infrastructure and ecosystem upgrades we discussed earlier, which allow us to better connect supply and demand and help partners participate in higher-value travel consumption.

Beyond product level innovation, we also support broader consumption and cultural development initiatives that strengthen the overall travel ecosystem. Through the coordinated deployment of government cultural and travel subsidies, we help stimulate local consumption.

In addition, initiatives such as Trip Music Award, integrate culture, performance and travel experiences, we also support intangible cultural heritage tourism, immersive cultural programs and world travel initiatives, helping create more meaningful journeys and contribute to local economic development. We believe our long-term value creation is closely tied to the long-term health of the industry. By improving accessibility, connectivity and service capabilities across the travel journey, our goal is to help make China one of the world's most welcoming destination for global travelers and to support sustainable growth across the ecosystem. With that, I will now turn the call over to Cindy.

Xiaofan Wang^ Thanks, Jane. Good morning, everyone. For the first quarter of 2026, Trip.com Group reported total net revenues of RMB 16.2 billion, representing a 17% increase from the same period last year. This was primarily due to solid travel consumption and resilient travel demand across segments during the quarter. Accommodation reservation revenue for the first quarter was RMB 6.5 billion, representing a 17% increase year-over-year. This was mainly attributable to the steady momentum in international hotel bookings.

Transportation ticketing revenue for the first quarter was RMB 6.1 billion, representing a 12% increase year-over-year. The growth was supported by our global expansion and strong demand for international air and ground transportation solutions. Packaged tour revenue for the first quarter was RMB 1.1 billion, representing a 19% increase year-over-year. This was mainly driven by the expansion of our international offerings and strong demand for small and customized tours, fueled by shifting traveler preferences towards more personalized experiences.

Corporate travel revenue for the first quarter was RMB 690 million, representing a 20% increase year-over-year. This reflected continued penetration of our managed Corporate travel services among corporate clients. Excluding share-based compensation charges, adjusted product development expenses for the first quarter increased by 12% year-over-year. Adjusted G&A expenses for the first quarter increased by 5% year-over-year. These were mainly due to increase in personnel-related expenses.

Adjusted sales and marketing expenses for the first quarter increased by 24% from the same period last year. The year-over-year increase was mainly driven by heightened marketing efforts aligned with our business expansion. Adjusted EBITDA was RMB 4.8 billion for the first quarter compared with RMB 4.2 billion in the same period last year.

Diluted earnings per ordinary share and per ADS were RMB 3.67 or \$0.53 for the first quarter of 2026. Excluding share-based compensation charges, fair value changes of equity securities investments and exchangeable senior notes recorded in other income and their tax effect. Non-GAAP diluted earnings per ordinary share and per ADS were RMB 5.73 or \$0.83 for the first quarter.

As of March 31, 2026, the balance of cash and cash equivalents restricted cash, short-term investment, held-to-maturity time deposits and financial products was RMB 104.0 billion or

\$15.1 billion. Looking into the second quarter, we expect net revenue growth of approximately 3% to 8% year-over-year compared with the exceptionally strong growth environment in Q1. Growth trends have moderated during the quarter.

Our outlook reflects 2 primary factors: First, rising energy prices and recent geopolitical tensions have led to higher airfares, tighter airline capacity and disruptions on certain international routes, particularly long-haul travel, contributing to a moderation in air travel demand and changes in booking patterns. Second, our guidance incorporates the near-term impact of upgrading our operational practices to align with updated industry standards and compliance framework. With that, operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from Simon Cheung of Goldman Sachs. Please ask your question.

Simon Cheung^ Thanks James and Jane for the presentation. I think at the beginning of the presentation, you touched on a bit on your AI strategies. Could you perhaps share a bit more on your long-term positioning and investment plan on this AI ecosystem that you're building on? And also as the AI agent increasing, share how customers discover on the travel booking brand, how will Trip.com leverage on your vertical strength to stay competitive? Thank you.

James Liang^ Thank you for the question. We believe AI will significantly improve how travelers discover, plan and book travel but it will not replace specialized travel platforms. Travel is a high consequence category where value lies not just in recommendations, but in reliable execution. This requires real-time inventory, deep supply connectivity and a robust global service infrastructure, capabilities we have built over decades. As travel AI shifts from information to fulfillment, it increasingly highlights our competitive advantages.

Against this backdrop, our strategy has two pillars: First, we are strengthening our own AI capabilities. We recently integrated our core search function with our AI assistant, enabling seamless natural language and voice-based search. Travelers can now submit highly complex requests involving multiple variables such as dates, budgets, locations and accommodation preferences and receive instantly filtered bookable results.

This helps simplify decision-making and reduces friction across the customer journey. Beyond user experience, we are leveraging AI across the company to drive efficiency from improving productivity and corporate functions to expanding automation and customer service and lowering operating costs.

Second, we are connecting into broader AI ecosystems through APIs, MCPs and agent frameworks. We are exploring collaborations with leading platforms globally to enable integrated travel planning and fulfillment within next-generation AI experiences. By embedding our robust supply into the world's leading AI platforms we can tap into emerging AI-driven demand channels, expand our global footprint and capture new overseas demand more efficiently.

Our goal is simple wherever travel planning starts, Trip.com should be well positioned to participate and deliver trusted execution. AI may evolve the entry point into travel, but the long-term winners will be those who reliably turn complexity into confidence. With our deep

supply network, operational capabilities and service infrastructure, we believe we are well positioned to do so.

Simon Cheung^ Thank you.

Operator^ (Operator Instructions) Our next question comes from the line of Yang Liu from Morgan Stanley. Please go ahead.

Yang Liu^ Thanks for the opportunity. My question is related to the inbound travel. Trip.com aims to attract 200 million inbound travelers over the next five years. What are the key initiatives to drive this high growth? And what do they support international expansion? Thank you.

Jane Sun^ Thank you. Thank you for your question. Our nation's policy for inbound has opened up very favorably. As of now, more than 80 countries have received visa-free treatment. And on top of it, we also allow free in-transit treatment for people who have not got the free Visa treatment by staying within the country for 10 days. And also payments such as Alipay and WeChat Pay has enabled foreign credit card to be used in China, which is a major improvement. So with that background, our team has also worked very hard to welcome people from all over the world.

First of all, we invited more than 1,000 KOLs to come and see the country, shoot videos and post their videos on social media to tell a true story of what they have experienced within China. Secondly, travelers when are interested in coming and visit us when they call Trip.com call center, we offer more than 30 languages, 24x7 to support them, which will enable them to understand the details for travel within China. Thirdly, we also connected with more than 110,000 suppliers.

And among these suppliers, 14,000 were the first time suppliers, which receive inbound customers. With that, we are able to increase the demand for hotels, for attractions and improve their service level to welcome global customers.

Lastly, we also offer one-stop shopping platform by offering hotels, flights, attractions, transportations to our global travelers, which make it very easy for them, particularly for the newcomers who have never been to this country before. So as a result, we hosted about 20 million visitors last year. And going forward, we will work hard to host and invite and host 200 million customers in the next five years. Thank you.

Yang Liu^ Thank you.

Operator^ (Operator Instructions) The next question will come from the line of Thomas Chong of Jefferies. Please ask your question.

Thomas Chong^ Hi good morning. Thanks management for taking my question. How would you characterize the recent competitive landscape in the China OTA market including the impact of regulatory developments as well as the emerging AI-driven platforms? Thank you.

Jane Sun^ Thank you. Thank you for your question. Yes, in China market, we are seeing evolving competitive landscape shaped by both compliance framework development and the emergence of AI native interfaces. So first, on the competition, the domestic OTA market

remains structurally rational. Competition continues to center on quality of the service, supply coverage and user experience rather than aggressive price war.

Second, on compliance enhancements, we see a clear and a consistent focus on platform, governance, transparent pricing and fair competition. We fully support this direction and have proactively strengthened our compliance and operational discipline. While this has caused some short-term pressure on our metrics, we see this purely as an ordinary normalization in the long term.

Lastly, for AI, AI platforms are reshaping how users discover and plan trips. Instead of clicking through traditional search results, users are increasingly turning to use conversational tools to brainstorm and plan their trips. We also embrace these new interactions. However, travel remains to be a very complex and service-intensive transactions where supply integration, fulfillment reliability and after-sales service are critical.

Those remain the core strength for our platform. So overall, we are responding through disciplined execution, strengthening compliance, embedding AI into our products and improving efficiency and service quality. We believe these dynamics ultimately reinforce the importance of trusted large-scale OTAs whose value lies in broad supplies, reliable fulfillment and excellent end-to-end service. Thank you.

Operator^ (Operator Instructions) Our next question will come from the line of Wei Fang from Mizuho. Please ask your question.

Wei Fang^ Hi thank you James, Jane, Cindy and Michelle, congrats on the very strong results. I have a question regarding the ongoing regulatory review. Could you provide some updates that from your perspective right now, like, how are you addressing the potential impact on both of your near-term performance and mid- to longer-term operating outlook? Thank you.

Xiaofan Wang^ Sure, we are fully cooperating with the relevant authorities and maintaining very constructive communication throughout the process. As the matter remains ongoing, it will be premature for us to speculate on the potential time line or outcome at this stage. That said, over the past several months, we have proactively reviewed and refined certain business practices to further strengthen our internal compliance and governance framework.

We remain committed to continuously enhancing our operational capabilities to align with evolving industry standards and compliance frameworks. These adjustments may introduce the near-term impact on our business and financial performance. But we believe we are -- but we believe they are constructive for the longer-term period, healthy development of both of our business and the broader travel industry.

More broadly, we recognize that regulatory frameworks for large platform companies continue to evolve globally. We believe a transparent, fair and well-regulated market environment will ultimately benefit consumers support healthy competition and enhance longer-term industry sustainability. From an operational perspective, we remain focused on serving our travelers as well as our partners, executing our strategic priorities and creating sustainable long-term value for all our stakeholders. Thank you.

Wei Fang^ Thank you.

Operator^ (Operator Instructions) Our next question comes from the line of Joyce Ju of Bank of America. Please go ahead.

Joyce Ju^ Good morning James, Jane, Cindy and Michelle thanks for taking my question. I noticed that the recent regulatory announcement regarding the train ticketing practice. Just given the value-added services are closely linked to the monetization of rail ticketing, how should we understand the potential financial impact on this regulatory guidance? Thank you very much.

Xiaofan Wang^ Thank you, Joyce, for the question. We fully support the latest regulatory guidance about train ticketing practices and are working closely with the relevant authorities. Consumer trust and user experience remains central to our platform, and we will continue ensuring our products and operations are aligned with evolving requirements. From a strategic perspective, train ticketing remain an important user acquisition and engagement channel. Our focus is not only kit fulfillment but enabling users to complete the full travel journal, including transportation, accommodation and destination services.

From a financial standpoint, our business has become increasingly diversified over time with continued growth across accommodation, international travel and other segments. Consequently, domestic train ticketing's direct contribution to overall revenue and earnings has meaningfully declined over the years. As the industry adjusts to the new requirement optimization of certain rail-related products and value-added services may create some near-term headwinds.

These impacts are already reflected in our current expectation and are partially incorporated into our Q2 outlook. More broadly, we remain confident in the resilience of our business. We continue to leverage AI and automation to improve operational efficiency and reducing servicing costs across our platform.

Over the longer-term period, our diversified business mix, robust cross-selling capabilities, ongoing efficiency gains and disciplined cost management will support sustainable growth and a resilient profitability profile. Thank you.

Operator^ (Operator Instructions) Your next question comes from the line of Wei Xiong of UBS. Please go ahead.

Wei Xiong^ Yes sure hi good morning management thank you for taking my question. Could you please provide an update on the recent booking trends and elaborate on the second quarter guidance. And also what are we seeing for the summer travel season? And how should we think about the demand trends into the second half of this year? Thank you.

Jane Sun^ Sure. Thank you for the question. With regard to the Q2 guidance, in general, the travel demand got off to a solid start in 2026, and we delivered very strong performance across our business segments. For the second quarter, we expect net revenue growth of approximately 3% to 8% year-over-year.

Growth has moderated from the exceptional strong Q1 environment, reflecting a combination of macro and operational factors. For our Chinese base -- China business, air travel demand

has softened versus the Q1 as higher airfares are influencing travel behaviors. Consumers are increasingly optimizing destinations, trip plans, and transportation choices.

Domestic hotel ADR has also turned modestly positive year-over-year, reflecting resilient lodging demand and a more balanced supply-demand environment. Additionally, our Q2 guidance also includes the near-term impact of our proactive product and compliance-related adjustments across certain business lines in response to evolving compliance frameworks. These introduced some sequential normalization to our financials, but we view them as constructive steps that strengthen our long-term platform quality, user experience as well as the sustainable growth.

With regard to our international business, higher airfare has reduced the demand for certain long-haul routes. However, part of the volume impact is offset by higher ticketing price. On the hotel side, international accommodation demand remained healthy, support in part by local demand and short-haul travel flows. Inbound travel continued to be one of our strongest segment, driven by Asia source markets, favorable visa policy, improving -- improved the connectivity and growing recognition of China as destinations.

Looking forward, for the second half of this year, visibility remains very limited given the short booking window. We maintain a prudent outlook expecting many current dynamics to persist with periodic fluctuations across specific markets and travel segments. To navigate this uneven landscape, we stay focused on disciplined execution, cost control and continued investment in longer-term growth drivers, including our Trip.com expansion, inbound travel as well as the AI capabilities. We are balancing near-term operational discipline with multiyear strategic investment to stay resilient today and stronger tomorrow. Thank you.

Operator^ (Operator Instructions) Our next question comes from the line of Brian Gong of Citi. Please ask your question.

Brian Gong^ Good morning James, Jane, Cindy and Michelle thanks for taking my question. I would like to know more details about our international business. So Trip.com delivered another strong quarter of growth, could you share the key operational highlights of your international business and how you are thinking about the outlook for overseas markets in 2026? Thank you.

Xiaofan Wang^ Sure. Our international business continued to deliver very strong growth in the first quarter. Gross bookings of our international OTA platform increased by approximately 65% year-over-year, with inbound travel remaining a key driver, growing approximately 90% year-over-year. This growth was underpinned by robust broad-based demand across key source markets in APAC, Europe, and U.S.

From an operational perspective, we continue to make steady progress across key areas. Mobile bookings through our app reached a new record high, reflecting success in strengthening direct traffic and user engagement. At the same time, we improved product capabilities, localized offerings and enhanced service quality across key markets to deepen user trust and drive repeat usage. APAC remains the cornerstone for our international business and continue to offer significant longer-term growth opportunities.

Despite periods of macroeconomic volatility in certain markets, we remain focused on providing timely assistance and emergency support to travelers during disruptions,

strengthening local operations and investing in long-term capability for sustainable growth. As our business scale, these achievements are translating into strong operational efficiencies. Year-to-date, Trip.com has significantly improved its margin profile. The compounding effect of expanding direct traffic, rising global brand awareness and ongoing product innovations collectively support a structurally stronger profitability profile for our international segment.

Looking ahead through the rest of the year, we remain optimistic about the longer-term opportunity in the global travel space. In 2026, our focus to further expand across APAC, enhance user experience through AI and product innovation and continue strengthening our service infrastructure.

At the same time, we will maintain a disciplined ROI-driven approach in other international markets. While macroeconomics and geopolitical conditions may create periodic fluctuations in global travel demand, our focus remain unchanged. We will continue to deliver a reliable travel experience, strengthen our market position and build a sustainable and profitable international business over the longer-term period. Thank you.

Operator^ (Operator Instructions) That concludes the Q&A session today. I would now like to hand the call back to Michelle for closing remarks.

Michelle Qi^ Thank you. Thanks, everyone, for joining us today. You can find the transcript and webcast of today's call on investors.trip.com. We look forward to speaking with you on our second quarter of 2026 earnings call. Thank you, and have a good day.

Jane Sun^ Thank you.

Xiaofan Wang^ Thank you.

Michelle Qi^ Thank you. Bye-bye.