

**Trip.com (2025 Q3 Earnings)**  
**November 17, 2025**

Corporate Speakers

- Michelle Qi; Trip.com; Senior Investor Relations Director
- James Liang; Trip.com; Executive Chairman of the Board
- Jane Sun; Trip.com; Chief Executive Officer
- Cindy Wang; Trip.com; Chief Financial Officer

Participants

- Joyce Ju; Bank of America; Analyst
- Alex Yao; JP Morgan; Analyst
- Thomas Chong; Jefferies; Analyst
- Yang Liu; Morgan Stanley; Analyst
- John Choi; Daiwa; Analyst
- Wei Xiong; UBS; Analyst
- Brian Gong; Citi; Analyst
- Wei Fang; Mizuho; Analyst
- Parash Jain; HSBC; Analyst
- Simon Cheung; Goldman Sachs; Analyst
- Ellie Jiang; Macquarie; Analyst
- Qiuting Wang; CICC; Analyst

**PRESENTATION**

Operator^ Good day and thank you for standing by. Welcome to Trip.com Group Third Quarter 2025 Earnings Call.

At this time, all participants are in a listen-only mode. After the speakers' presentation there will be a question-and-answer session. (Operator Instructions)

Please be advised that today's conference is being recorded.

I'd now like to hand the conference over to your first speaker today Michelle Qi, Senior IR Director.

Please go ahead.

Michelle Qi^ Thank you. Thank you, all. Good morning. And welcome to Trip.com Group's Third Quarter of 2025 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 financial performance for the third quarter of 2025 as well as outlook for the rest of the year.

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 on this call today.

Travel is thriving and the travel spirit shows no signs of slowing down.

In the third quarter, travel demand surged across markets, led by vibrant domestic travel in China and a steady rise in outbound journey.

Travelers are exploring with confidence seeking authentic experiences in new horizons, a reflection of their enduring passion for discovery. This growing enthusiasm is mirrored in the performance of our AI-powered tools such as Trip Planner, whose recent upgrade has fueled a 180% year-over-year surge in unique visits.

Inbound travel continues to play a vital role in fostering international exchange, trade and innovation, generating meaningful economic and cultural benefits. Expanded visa-free entry policies and broader coverage of the 240-hour transit visa exemption have made it easier than ever to visit, bringing the goal of raising inbound travel revenue to 1% to 2% of GDP increasingly within reach.

As part of our inbound initiative, Trip.com Group launched Taste of China, an immersive dining experience that allows international visitors to explore Chinese culture through its rich culinary tradition.

We remain optimistic about the future of travel.

By leveraging AI innovation and delivering world-class service, we continue to make travel easier, more personalized and more enjoyable for every traveler.

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

Jane Sun^ Thank you, James. Good morning, everyone.

As a quick overview, our net revenue in Q3 increased by 16% year-over-year, reflecting strong demand across segments during peak travel season. Travel consumption remained robust throughout the summer and the National Day holiday with both domestic and international travel markets showing healthy momentum. This performance underscores travelers' growing desire for diverse immersive and high quality experiences.

Outbound travel continued to post solid growth in Q3 with our outbound hotel and air bookings growing by close to 20% from last year and reaching about 140% of 2019 volume. South Korea and Southeast Asian destinations remain the most popular choices, supported by their proximity and visa convenience.

At the same time travelers' radius of exploration continued to expand as more people sought new adventures and richer cultural experiences. This trend was particularly evident during the Golden Week, which was one day longer than last year and sparked stronger demand for long-haul trip.

During the holiday outbound hotel and air bookings surged by around 30% year-over-over reflecting sustained travel enthusiasm.

Europe stood out as a key growth region driven by increased flight capacity and travelers appetite for in-depth experiences. Bookings to Iceland and Norway more than doubled year-over-year.

Spain, Italy and Germany also grew by approximately 70%. These trends show that travelers are increasingly willing to invest in high-quality travel experiences highlighting strong consumption power and continued confidence in outbound travel.

Domestic travel also remained vibrant fueled by travelers' passion for new and immersive experiences. From cultural discovery to outdoor exploration, the growing diversity of travel demand continues to drive solid market growth. Major cities such as Beijing, Shanghai, Chengdu and Xi'an remained the top choices for their accessibility and offering. Remote regions including Urumqi, Hohhot, and Lhasa also grew by nearly 30% as more travelers ventured West to discover unspoiled landscape and rich heritage.

At the same time smaller cities are emerging as new favorites for urban residents seeking peace and renewal.

Their local charms and slower pace offer refreshing escape from everyday life.

Inbound travel continues to connect the world, bringing travelers from across the globe to experience oriental culture, spark innovation and drive trade. The Asia Pacific region remains the largest source of inbound travelers, with Europe and the U.S. also seeing strong growth.

In Q3, inbound travel bookings on our platform grew by over 100%, reflecting robust international demand.

Building on the success of free layover tours in Beijing and Shanghai, we recently launched a free layover experience for travelers at Hong Kong International Airport. Transit travelers with seven hours or more can book in advance on the Trip.com app or website or on-site at the airport to explore Hong Kong's highlights.

For those seeking a deeper adventure, premium tours provide access to landmarks, such as Lantau Island and Victoria Peak.

We are making it easier than ever for international visitors to plan, book and enjoy these experiences, aiming to become the go-to platform and trusted hub for travelers from around the world.

On the international front, Trip.com Group continued to deliver strong performance.

International bookings on our platform grew by around 60% year-over-year. The Asia Pacific region remains the largest contributor, rising over 50% in Q3. Across all regions, Mobile continues to be a key growth driver, now accounting for over 70% of total bookings. Travelers increasingly rely on our app for one stop on-the-go experience, managing flights, hotels and tours seamlessly combined with high service standards and hassle-free bookings.

We offer users great convenience and excellent value, fueling continued growth across markets.

As travel demand expands across borders, it is also diversified across generation.

With spending power 3x that of younger travelers, affluent and active seniors are eager to explore and spend on quality travel, reshaping the market from price competition towards a true value creation.

In Q3 the number of Old Friends Club members and their total GMV rising over 70%. Trip.com Group is tailoring more products and services for this growing segment.

We launched our first Old Friends Club flagship store in Shanghai to connect with senior travelers face-to-face and introduced themed trips designed around their interest.

We also formed a dedicated service team of chiefmom and dad officers friendly travel buddies who travel alongside the seniors, offering support and thoughtful care for their needs. Younger travelers are also shaping new trends in travel, seeking experiences that go beyond the ordinary.

In Q3, revenue from this segment grew by triple digit, propelled by the rising craze for concerts and live experiences. To meet the growing demand, Trip.com Group announced multiyear strategic partnerships with the world's leading live entertainment companies.

The collaboration allows fans to plan entertainment trip seamlessly combining exclusive presale access to shows with flights, hotels and curated local experiences to our platform, as entertainment becomes an increasingly powerful driver of travel, these partnerships help fans follow the artists they love while supporting regional tourism and enhancing destination appeal across Asia.

We are also strengthening event booking capabilities through our partnership with Cityline Group, covering Hong Kong and Macau. Users can now effortlessly collect tickets via Cityline extensive self-service kiosk network by connecting online bookings with offline ticketing, the partnership delivers a smooth, hassle-free experience for travelers enjoying large-scale events.

Trip.com Group remains deeply committed to nurturing the broader travel ecosystem and supporting local economic development by promoting travel products around concerts, festivals, and major sports events.

We inspire more travelers to explore these destinations, driving overnight stays and spending and turning seasonal excitement into lasting economic impact for local communities.

At the same time we continue to tailor products and services to meet diverse traveler needs.

For example, offering Muslim-friendly options, and providing foreign currency exchange for inbound visitors. To further empower partners and elevate service standards across the industry, Trip.com Group is harnessing technology and AI to help the entire travel ecosystem move forward.

Hotels can now overcome language barriers with our AI communication tools that respond to guest inquiries in real time.

Our AI content generator and training tools also empower hoteliers to produce engaging content and sharpen their digital skills, helping them connect with international guests and with our updated hotel scoring and page ranking algorithms, we encourage hotels to focus on what truly matters, genuine service and lasting guest satisfaction instead of chasing ratings or ranking. Together, these efforts help partners stay competitive in a fast-changing landscape and create richer, smoother and more seamless travel experiences for travelers around the world. Travel is a fundamental part of the human experience, and we remain confident in the industry's long-term growth.

We will continue to enhance our services and empower the broader ecosystem, driving sustainable growth across the travel industry and the wider economy.

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

Cindy Wang^ Thanks, Jane. Good morning, everyone.

For the third quarter of 2025, Trip.com Group reported a net revenue of RMB18.3 billion, representing a 16% increase from the same period last year and a 24% increase from the previous quarter, reflecting robust travel demand throughout the summer and the Golden Week holiday. Accommodation reservation revenue for the third quarter was RMB8.0 billion representing an 18% increase year-over-year and a 29% increase quarter-over-quarter. This was mainly driven by strong momentum in outbound and international hotel bookings along with sustained strength in domestic demand.

Transportation ticketing revenue for the third quarter was RMB6.3 billion, representing a 12% increase year-over-year and a 17% increase quarter-over-quarter.

International air bookings showed robust growth with outbound air bookings continuing to outpace the market.

Packaged tour revenue for the third quarter was RMB1.6 billion, representing a 3% increase year-over-year and a 49% increase quarter-over-quarter, primarily driven by the expansion of our international offerings, our destination services delivered strong growth with international markets continuing to drive overall expansion.

Corporate travel revenue for the third quarter was RMB756 million representing a 15% increase year-over-year and a 9% increase quarter-over-quarter. This was driven by more companies adopting our managed corporate travel services. Excluding share-based compensation charges, adjusted product development expenses for the third quarter increased by 12% year-over-year.

Adjusted G&A expenses for the third quarter increased by 6% year-over-year. These were mainly due to increase in personnel-related expenses. Adjusted sales and marketing expenses for the third quarter increased by 26% from the previous quarter and increased by 23% from the same period last year. The sequential increase was primarily driven by broader marketing investments with incremental spend allocated to our international expansion.

Adjusted EBITDA was RMB6.3 billion for the third quarter compared with RMB5.7 billion in period last year and RMB4.9 billion in the previous quarter. Diluted earnings per ordinary share and per ADS were RMB28.61 or \$4.02 million for the third quarter of 2025. Excluding share-based compensation charges, and fair value changes of equity securities investments and exchangeable senior notes, non-GAAP diluted earnings per ordinary share and per ADS were RMB27.56 or \$3.87 million for the third quarter. Diluted earnings per ordinary share and per ADS for the quarter were elevated primarily due to a one-time gain from the divestment of one of our overseas investments.

As of September 30, 2025, the balance of cash and cash equivalents, restricted cash, short-term investment, held-to-maturity time deposits and financial products was and RMB107.7 billion or \$15.1 billion.

Looking ahead, we are confident in the continued strength of our business and future opportunities.

Our disciplined approach to investment and execution will remain central as we focus on sustainable growth and long-term value creation.

With that, Operator, please open the line for questions.

## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from the line of Joyce Ju from Bank of America.

Joyce Ju^ James, Jane, Cindy and Michelle, congratulations on another strong quarter. AI is clearly top of the mind for the market and a key pillar of Trip.com's strategy.

Can management please elaborate on where do you see AI heading on your platforms, specifically, how do you view the trajectory for AI agents? Do you see them going mainstream?

James Liang^ Thank you for the question. AI is a central pillar of Trip.com's strategy, and we are committed to unlocking its full potential for the travel industry. We believe we are at the forefront of this transformation.

On the user side, we are shifting more touch points to AI-driven tools, continuously iterating our AI plus content ecosystem.

Our AI agent, TripGenie, is now used in over 200 countries and regions, with users growing over 200% year-over-year in the first half of 2025.

We are also refining the balance between advanced AI search and conventional search to better serve user intent.

For hotels, search results now evolve from standardized information to real-time recommendations tailored to individual preferences.

On the operational side, AI helps detect issues and provide intelligent solutions for complex cases. This enhances employee productivity, improves customer service efficiency, increases satisfaction and conversion rates and can help reduce cancellations through smarter, more responsive service.

Looking ahead, we see AI as a tremendous opportunity to make travel more accessible, reliable and enjoyable. Trip.com is committed to investing in AI to enhance every step of the traveler's journey.

By combining cutting-edge technology with 26 years of travel expertise, we ensure seamless experiences that go beyond AI alone.

We will continue to explore how AI can make every step of the traveler's journey better and enrich the travel experience. Ultimately, travel is about exploration and experience, and we are focused on delivering the best for our customers today and in the future.

Operator^ We will now take our next question from Alex Yao from JP Morgan.

Alex Yao^ I would like to ask some of the near-term consumer behavior and also travel trends during national holiday and also mid-autumn festival.

In addition, I think with the current geopolitical tension between Japan and China, can you talk about Japan's revenue contribution to our company, and also the financial impact that you could expect over the next, let's say couple of quarters?

Jane Sun^ Sure. I'd be happy to take this question, Alex.

So, first of all, for the National Holiday combined with mid-autumn holiday we have seen very strong trend. The trend we call is 3Ls, which is long stay, long distance and long tail.

Because it's a longer holiday most people go long haul, which is the strength for Trip.com.

And also, because people are going so far away, we are able to promote many long-tail travel destinations for sophisticated travelers, and the stay is longer.

So if you look at the industry, the domestic market posted a very healthy single-digit growth. Cross-border, it was even stronger. The international capacity recovered even further compared to previous quarter at around 88% pre-COVID level.

If you look at our platform, our long-haul, long stay drives strong growth, both domestically and internationally.

For outbound hotel and air bookings, it jumped to more than 30% year-over-year growth. And also for inbound travel, we surged by more than 100% year-over-year for Golden Week holidays. So we are very positive for these holiday seasons.

Regarding Japan, I think as long as consumers have the buying power, they will travel to different travel destinations.

What we've seen a couple of factors impacting traveler's behavior.

First of all, the travel destination needs to be safe and welcoming.

Secondly, the visa application needs to be eased.

Thirdly, the direct flight also is a very important consideration for travelers.

So over the years, we have seen -- if certain destination is impacted, travelers as long as they have time they have money, they can choose different travel destinations to go to.

So overall, on our platform, we haven't seen major impact so far, yes.

Operator^ We will now take our next question from Thomas Chong from Jefferies.

Thomas Chong^ And congratulations on a strong set of results. My question is about how have hotel and air ticket price trend recently?

And what's the outlook for next year?

Cindy Wang^ In Q3, the year-on-year decline in hotel and air ticket prices narrowed to the low single digits.

During the Golden Week, both domestic hotel and airfares trended higher, reflecting strong travel demand before easing sequentially after the holiday on the supply side, domestic hotel capacity continues to expand at a mid- to high single-digit pace year-over-year, which is likely to keep some pressure on room prices going forward.

Internationally, flight capacity has now recovered to about 88% of 2019 levels.

As a result, cross-border air ticket prices have softened compared with last year but remain above pre-pandemic levels while hotel prices have stayed largely stable.

Operator^ We will now take our next question from Yang Liu from Morgan Stanley.

Yang Liu^ Congratulations on the solid results first.

I have one question that -- yes, could you please hear me?

Michelle Qi^ Yes. We can.

Yang Liu^ My question is that could management share some insight on the recent consumer sentiment and more importantly, your early thoughts for the coming year?

Jane Sun^ So we have seen the travel industry remain very strong. People's desire to explore the world continues to grow across culture, reflecting travelers' desire for good products.

In terms of the leisure travel, it has stayed robust supported by extra holidays this year.

Our platform, long-haul trips show strong momentum.

Outbound hotel and flights rose over 30%, with Europe emerging as a key driving force.

Domestically, travelers are also seeking deeper and more immersive experiences and explore less-known destinations. Year-to-date, per capital spending on our platform remains in line with last year.

For business travelers, it has remained stable.

We continue to attract new corporate clients, with average business travel spending on our platform has increased year-over-year, supported by Chinese companies expanding its global footprint.

Looking forward in 2026 at Trip.com Group we view challenges as opportunities to strengthen our foundation.

Our focus remains on enhancing our product, service and to better meet the evolving needs of our global travelers.

For international business, our strategy at Trip.com has proven to be very effective driving rapid market share gain outside of domestic market in recent quarter.

We will also continue to invest globally, particularly across Asia Pacific to accelerate our growth and expand our presence. Domestically, we are focusing on capturing more demand and providing excellent services to our customers.

In particular, we tap into the great opportunity for inbound travel and silver generation and young travelers.

We aim to deep the collaboration with our partners when we bring inbound customers to domestic market, it drives huge job opportunities. and also drives huge incremental opportunities for our hotel partners, flight partners, destination partners, rental cars, et cetera.

So we are very positive for the growth in 2026.

Operator^ Our next question comes from John Choi from Daiwa.

John Choi^ Congratulations on another great quarter. Just quickly, with new strategies from your industry peers in the China market, what kind of impact could this have on your business going forward?

Jane Sun^ Sure.

First of all, I think the travel market brings joy and happiness to people.

Secondly, we invest heavily in our technology and AI, try to improve the efficiency for the whole industry, that will benefit all the players in the market.

And thirdly, as you can see, we have a couple of offerings, which is very much liked by the consumers.

First of all, we provide one-stop shop solution.

So when you make a reservation for flight, customers automatically will book a nice hotel with us, and we offer airport transfer.

We also have a trusted list for destinations, for attractions.

And when you are traveling, if you run into any issues, for example, if a certain area has a tsunami or earthquake or if there is a war happened during your trip within two minutes, our team will reach out to the customers in the destination, making sure they are moved to the safe area. The very next day if our customers choose to fly back to their home countries, we will make prioritized arrangement for our customers.

So that capacity and ability to help the customers in destination, pre-trip, post-trip give the confidence for our consumers that when they travel with Trip.com, they have peace in mind.

So we continuously improve our customer service level to make sure we offer the best product, best technology and best service to our customers. And we'll continuously do that.

I think as long as we make the right investment in this area, our customers will trust our team for our service and product. We will continue to grow.

Operator^ Our next question comes from Wei Xiong from UBS.

Wei Xiong^ Sure. Congrats on a solid quarter.

On the international side, it's encouraging to see Trip.com continue to maintain strong growth in the third quarter.

So could management maybe share more on our international performance and any regional operational highlights?

Jane Sun^ Sure. (Multiple speakers) --

In Q3, booking on Trip.com increased by around 60% year-over-year, with APAC growing more than 50%, demonstrating robust growth despite macroeconomic uncertainties.

In particular, Asia Pacific remains our operational focus and the largest contributor for our international business growth. Through localizing our products and tailor our marketing strategy, our brand recognition and market presence continue to strengthen across key markets. Trip.com was named as the Best Online Travel Agency in Asia at 2025 Travel Weekly Asia Readers' Choice Award.

We are now a leading OTA in several key markets, reflecting our growing and solid footprint.

For the new markets, emerging markets such as Middle East and Europe also show encouraging momentum signaling expanding global opportunities.

For inbound booking, we surged more than 100% year-over-year in Q3 by continuously innovating our offerings such as half-day tour in the Bund or at the Great Wall and Taste of China immersive dining experiences we reinforced our position as the pioneer in inbound travel market.

So our international business will continue to grow, and we will make strong investment in this field.

Operator^ We will now take our next question from Brian Gong from Citi.

Brian Gong^ James, Jane, Cindy and Michelle, congratulations on a solid quarter. My question is regarding the inbound travel, you just mentioned, which is the fastest-growing segment for Trip.com.

Could you provide updates on your inbound business and the key catalysts for the growth ahead?

Jane Sun^ Sure. When we surveyed the inbound customers, we got very positive feedback. People told us the country is very safe, particularly for women travelers. They can run, they can jog in the middle of the night, where they cannot do even in some major cities in their home countries. People are very friendly, very hospitable, the food is delicious, the history is very rich and the infrastructure is very new and effective.

And on top of it, they find affordable luxury in inbound travel.

By paying \$100, \$200, they can stay in a very nice five-star hotel with excellent services.

So that gives a very good foundation for us to build upon these preconditions.

And also the free visa gave more than 50 countries, convenience for these people to come for inbound travel. And also, the extension for in transit travel from three days to 10 days also make it easier for business travelers to come.

So we see great opportunity to capitalize on these opportunities. And from our end, because our inventory in China is the most comprehensive one. And our service is also very good.

And we offer multi-language services when a customer come in, we offer 24-hour service. if you call our call center within 30 seconds, a live person will answer the call to help them to solve the issues on the ground. And we remain very alert when they enter into the country.

So all that, combined together, which enable us to drive the volume for inbound travel very strongly, and we will continuously do so.

By winning these inbound customers into the country, we also offer very good job opportunities for young people.

We also bring new revenue opportunities for our hotel partners for our airline partners, for the local tour operators, for major travel destination partners and also for famous landmarks attractions.

So overall, I think we bring happiness for the consumers who are traveling inbound.

We also bring great job opportunities for young people as well as great opportunities for our partners for inbound travelers.

So a very positive move in this field.

Operator^ (Operator Instructions) Our next question comes from Wei Fang from Mizuho.

Wei Fang^ James, Jane, Cindy and Michelle, congrats on the good numbers.

I think I heard there were additional marketing spend allocated to the international business, right, in the quarter?

I was wondering, can management give us some more updates on your Trip.com's marketing progress in the quarter?

And what's your plan for the next quarter and beyond like 2026?

Jane Sun^ Sure.

Our marketing strategy on Trip.com delivered solid results in Q3. The scalable nature of our business is now directly improving marketing efficiency in our key targeted markets.

In Q3, our mega sale in major markets, such as Korea, Thailand, Malaysia reached historical heights for the quarter.

Internally, we also empower our execution team to set ROI targets aligned with long-term growth objectives.

This approach drives motivation and ensure disciplined control over the key levers of marketing efficiency.

Looking ahead, upcoming global holidays will continue to execute our signature campaigns using a proven play book while staying agile to capitalize on the emerging market trends by combining these opportunities with our long-term strategy, we aim to accelerate revenue growth and strengthen our market position, including expanding our organic mobile use base.

Operator^ Our next question comes from Parash Jain from HSBC.

Parash Jain^ I have a question more on the recent dynamics in the global market and how they will impact your business.

And the dynamics on two fronts.

Firstly, on probably with your deeper penetration in the region, as you rightly mentioned, are you seeing intensifying competition with the global OTAs like Agoda?

And my second question is, I mean another trend we have noticed is where Google is pushing the paid search instead of SEOs, and does it impact your metasearch platform?

Jane Sun^ Sure. Thanks for your question.

Asia Pacific market offers huge potential representing around 60% of world's total population and benefiting from a strong economic growth rate. The middle-income population is rising very fast and the GDP growth in this region is the fastest compared to the rest of the world. The region combined rich -- very rich travel resources from majestic nature to vibrant cities with a fragmented market and relatively low online penetration, highlighting opportunities for consolidation and digital expansion.

So we invest heavily to expand into this market. These market dynamics create a very favorable environment for online travel companies.

We focus on delivering one-stop travel solution for our customers, with localized product and exceptional customer service for APAC travelers worldwide.

Our globalization strategy involves the insights from each market, driving significant growth in our presence by taking the dynamic and market-specific approach we are confident in our continuous growth trajectory. Thank you.

Operator^ Our next question comes from Simon Cheung from Goldman Sachs.

Simon Cheung^ James, Jane, Cindy and Michelle, I just have one quick question.

So I think you touched on when you discussed about your packaged tour business.

One of the segments that I'm interested in your destination service business and the so-called experience markets. Wondering whether you can share some thoughts about your long-term positioning and the opportunity over there, especially given -- reported there's some IPO going on in that segment?

Jane Sun^ Sure. Destination service business is quite small compared to the overall pie.

We expect our group to deliver around \$5 billion in GMV for destination service, which represents only 2% to 3% of our total GMV.

We drive our volume and the growth is more than 130% Trip.com growth year-to-date, and the rising demand from the APAC is strong.

We cover about 300,000 offering worldwide, and we continuously cover more and more products in our platform.

For us, our strength is one stop travel platform covering activity, attraction, transportation to better match users' demand and enhance overall travel experience.

Leverage our large APAC user base, along with the loyalty program and AI tool, we're deepening engagement and driving repeated booking.

Over the next three to five years, our focus is broadening product coverage and market share.

So for us, the traffic for destination service is free because our customers already make the air flight and hotel bookings.

So we don't need to spend money to acquire these customers. So the acquisition of these customers is free.

And on top of it, we don't intend to make any money for destination marketing because it's very small. It's mainly to enhance users experience and making sure our customers love our product, love our platform.

So we intend to expand aggressively in this field, aiming to increase the loyalty and customer satisfaction to better serve our customers on the flight, hotel.

So the one-stop ecosystem gives us the advantage from a traffic acquisition also take away the pressure for making profit for this very small segment.

Operator^ Our next question comes from Ellie Jiang from Macquarie.

Ellie Jiang^ Congrats on the solid print.

I have a question on the cost side. The operating expenditure came in at slightly lower end of expectations during the third quarter. How should we think about the outlook for the coming quarter, fourth quarter as well as for 2026?

Cindy Wang^ We continue to manage our investments with discipline on sales and marketing side, we adjust spending based on each market's maturity and the characteristics of different channels.

As a result, the overall expense mix may in line with business priorities.

On the personnel front, as more markets grow rapidly, we are expanding our global presence while maintaining high standards for new hires to ensure strong marginal cost efficiency.

The quarter-over-quarter increase in operating expenses mainly reflected seasonal factors in China.

With the global holiday season approaching, we plan to step up marketing investments as planned. While the marketing ratio may rise sequentially, it will vary year-over-year depending on regional and channel mix.

Over the longer term, we remain focused on improving efficiency by growing direct mobile traffic enhancing cross-selling and strengthening customer loyalty.

Operator^ We will now take our last question from the line of Qiuting Wang from CICC.

Qiuting Wang^ My question is about Trip.com's margin as our international business grows rapidly, how should we expand margin out of Trip.com next year and in the longer term?

Cindy Wang^ It is still too early to provide specific commentary on the margin outlook for 2026.

In general, we view margin as a natural result of a dynamic business mix and ongoing improvements in operating efficiency across each business segment.

In the long run, we do not see any structural limitations to our profit margins, supported by our innovative strategies global expansion and forward-looking investments, our margins could be comparable to both of our international peers.

Operator^ We have now come to the end of the question-and-answer session. Thank you, all very much for your questions.

I'll now turn the conference back to Michelle for closing comments.

Michelle Qi^ Thank you. Thank you, everyone, for joining us today. You can find the transcript and webcast of today's call on [investors.trip.com](https://investors.trip.com).

We look forward to speaking with you on our fourth quarter of 2025 earnings call. Thank you. And have a good day.

Jane Sun^ Thank you very much.

See you next quarter.

Operator^ Thank you for your participation in today's conference. This does conclude the program.

You may now disconnect your lines.