

**Trip.com (Trip.com Group 2025 Q2 Earnings Conference Call)**  
**August 27, 2025**

**Corporate Speakers**

- Michelle Qi; Trip.com Group; Senior IR Director
- James Liang; Trip.com Group; Co-founder & Executive Chairman
- Jane Sun; Trip.com Group; CEO
- Cindy Wang; Trip.com Group; CFO

**Participants**

- Alex Yao; JPMorgan; Co-Head of Asia Technology, Media & Telecommunications
- Joyce Ju; BofA Securities; Vice President
- Thomas Chong; Jefferies; Managing Director, Regional Head of Internet and Media
- Brian Gong; Citi; Analyst
- Yang Liu; Morgan Stanley; Executive Director
- Wei Xiong; UBS; Analyst
- Parash Jain; HSBC; Director, Regional Transport Research
- Jiong Shao; Barclays; Analyst
- Simon Cheung; Goldman Sachs; Analyst
- Wei Xiong; Mizuho; Analyst
- John Choi; Daiwa; Executive Director
- Qiuting Wang; CICC; Analyst

**PRESENTATION**

Operator^ Good day, and thank you for standing by. Welcome to Trip.com Group 2025 Q2 Earnings Conference 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 would 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 second 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 second quarter of 2025 as well as some outlook for the third quarter of 2025.

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.

The travel market continues to demonstrate strong resilience in the 2025 with demand holding steady across regions and categories. In particular, China's inbound travel segment has shown outstanding momentum, reflecting growing international interest and confidence in the country as a world class destination.

During the quarter, Trip.com Group's inbound travel bookings increased by over 100% year-over-year, driven primarily by demand from Korea and Southeast Asia, two of our most active source markets. This growth underscores the broader potential of China's inbound travel sector, which remains an underdeveloped yet highly promising contributor to the national economy.

Today, inbound travel accounts for less than 0.5% of China's GDP, well below the one to 2% levels typically seen in developed markets, highlighting substantial room for growth. As a destination, China offers travelers exceptional value with its rich natural and cultural heritage, modern infrastructure, affordable prices, and increasingly open visa policies.

Together, these elements make the country an increasingly attractive and accessible choice for global visitors. We believe this positive trajectory will continue with strong potential to attract more visitors from not only Asia, but also from Europe and other Western markets. As global awareness of China's offerings grows, we expect inbound momentum to build steadily alongside improving travel sentiment.

Importantly, the growth of inbound travel creates opportunities beyond tourism itself, especially for small and medium sized enterprises. Spanning local hotels, restaurants, tour operators, and experienced providers, SMEs play a vital role in shaping the travel experience. We are committed to empowering these businesses with digital tools, marketing support, and platform access to help them grow and capture the benefits of rising global demand.

More broadly, technology plays a critical role across all segments of travel, and AI remains central to our business strategy. We believe OTAs are uniquely positioned to lead the development of travel-focused AI. With access to proprietary user insights, real time product

feeds, and verified inventories, OTAs can deliver more accurate, context aware, and trustworthy recommendations than general purpose AI agents. Combined with our strong service capabilities, we are well equipped to provide end-to-end solutions that support travelers from discovery to booking and beyond.

In line with this strategy, we recently upgraded our trip planner, delivering a highly personalized and intelligent planning experience. The journey begins with just three simple questions, destination, trip duration, and travel style. From there, the AI generates a customized itinerary tailored to the user's preferences. Real time transportation, accommodation, dining, and attraction options are seamlessly integrated into the plan, complete with pricing, availability, and detailed descriptions.

The trip planner ensures that every recommendation is practical and locally relevant. Suggestions are powered by millions of data points from Trip Best Top Picks, Trip Pulse, and Trip Events feeds, surfacing top rated and timely experiences trusted by our global user base. Attractions are checked for verified seasonal suitability and ease of access, while itineraries proactively avoid common issues such as long transfers. After the AI does the groundwork, users can also work directly with real travel consultants on app to fine tune their plans, providing an extra layer of expert assistance where needed.

Users can preview their full journey on an interactive map where they can freely adjust routes, swap attractions, or modify their schedule, either on their own or with AI's assistance. This combination of verified insights and flexible planning ensures each itinerary is both reliable and fun to explore. Whether planning for a family vacation, cultural adventure, or first time visit, the AI adapts to each traveler's style and needs, delivering a seamless, enjoyable, and efficient planning experience.

Looking ahead, we remain highly optimistic about the long term prospects of the travel industry. Travel not only drives economic development, but also promotes cultural exchange, global understanding, and social vitality. We will continue to invest in innovation, support our partners, and champion the strategic value of travel as a pillar of national growth and global engagement.

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 Q2 increased by 16% year-over-year, reflecting healthy demand across our key markets and business segments. Adjusted EBITDA was also up 10% year-over-year supported by continued top line growth and operational efficiency. Leisure travel continues to gain momentum as more travelers seek meaningful, flexible, and personalized experiences.

Inbound travel continues to gain strong momentum. At the national level, inbound arrivals in the first half of 2025 grew by 30% year-over-year, with 71% coming from visa free regions. On our platform, inbound bookings in the same period increased by over 100%. China remains a highly attractive destination for international travelers, and we are well positioned to meet this growing

demand. With our scale, strong local partnerships, and extensive product coverage, we offer a seamless one stop travel experience in China, delivering compelling value that is hard to find elsewhere.

We also simplify key services to eliminate common pain points and make travel easier for international visitors. For example, travelers can easily book China's high speed rail directly through our mobile app, skipping the lines at the station. They can also purchase attraction tickets in-app and access them on-site simply by scanning their passport with no physical vouchers required.

In August, we launched the country's first inbound travel service center at Terminal 3 of Beijing Capital International Airport. Designed as a proactive service hub, the center offers multilingual one on one assistance, instant bookings with exclusive benefits, and integrated services such as tours, transport, currency exchange, and global shopping.

By simply scanning a QR code, visitors can instantly receive a personalized itinerary based on their length of stay. This initiative builds on our complimentary half-day Beijing tour, which launched in December 2024 and has served around 5,000 visitors from over 80 countries. Our goal is to turn half day visits into repeat in-depth journeys and replicate the model at more entry points.

Building on these capabilities, we aim to welcome a broader base of inbound travelers. As visa policies continue to ease and China's global appeal rises, we expect inbound travel to become a key growth engine for our business.

Following the momentum in inbound travel, our global business continues to deliver strong and sustained growth. International bookings on our platform increased by over 60% year-over-year with strong contributions from the APAC regions where we maintain both strategic focus and operational depth. Mobile remains a key growth driver now accounting for 70% of total bookings.

As travelers increasingly plan and manage their trips on the go, our app has become a vital channel for engagement, conversion, and repeat use. In addition to offering a wide range of travel products, we differentiate ourselves through reliable and high quality services, especially during critical moments.

Our global SOS service has become a cornerstone of trust and loyalty. Alongside 24/7 multilingual customer support, we activate a dedicated emergency response mechanism during major crises, proactively contacting travelers in affected areas to ensure their safety and assist with booking adjustments, all of which are fully covered by our disaster relief fund.

Since launching in 2017, the service has successfully resolved over 22,400 cases with a 98% success rate. We also work closely with airports, airlines, hotels, and local partners to provide timely updates and coordinated support. This includes assisting with flight rebooking in the event of cancellations and working with hotels to waive charges when flights are delayed.

Additional support includes coordinating medical transfers, replacing lost travel documents, helping with delayed baggage, and escorting minors home when needed. By being present when it matters most, we offer travelers not just service but real peace of mind.

Outbound travel from China also sustained steady growth during the quarter. In Q2, cross border flight capacity recovered to 84% of pre-pandemic levels. Our outbound hotel and air bookings have surpassed 120% of 2019 volumes, outpacing the broader market by 30 to 40 percentage points.

Japan remains the top destination for Chinese outbound travelers. Southeast Asia continues to see healthy demand despite short term shifts in travel patterns. Interest in long haul destinations is also on the rise, with western markets attracting increasing attention. To capture growing interest in global travel, we have strengthened partnerships across key regions.

In Oceania, we signed strategic cooperation MOUs with Tourism Australia and Tourism New Zealand, aiming to promote the regions as a top destination for travelers from China and across Asia.

In The Middle East, we established a global partnership with the Saudi Tourism Authority and signed an MOU with Qatar Tourism. We also opened a new regional office in Dubai to enhance our local presence and better serve travelers in the region.

In the domestic market, our goal is to create value for the travel ecosystem and help our partners capture new demand and drive sustainable growth across the industry. To support this, we recently launched Intellitrip, an integrated initiative that brings together a suite of AI powered tools to help hotels capture inbound demand, differentiate their offerings, and improve efficiency.

Through Intellitrip, our multilingual AI system enables hotels to offer translation and customer service in 26 languages, and tools like the Hi China Tag help them stand out and attract more inbound travelers.

We also help hotels generate bookings through product innovation and targeted marketing. For example, our Hotel Plus X products showcase each property's unique features and can lift average revenue by more than 30%. By tailoring experiences for different user groups, we help hotels broaden their reach and unlock new opportunities.

On the technology front, the Intellitrip suite includes an AI business adviser that delivers real time operational insights and an AI content generator that enables hotels to create and distribute video content at minimal cost. Looking ahead, we plan to partner with 200,000 hotels over the next three years, targeting 100% growth in inbound bookings, new users, and efficiency as we drive stronger industry growth.

As we expand our reach globally, we are also seeing strong growth in the silver generation. This demographic is not only expanding but also becoming more active and influential in shaping travel trends.

In Q2, both the number of users in our old friends club and their total GMV grew by over 100% since year end 2024, reflecting rising engagement and purchasing power among senior travelers. To meet their evolving preferences beyond just sightseeing, we have developed a range of themed travel products tailored to their interests, including photography tours, live music and folk arts, heritage and cultural immersion, wellness retreats, and discovery oriented itineraries. All trips are designed as small group tours, allowing us to maintain service quality and provide a more comfortable, social, and personalized experience.

Our packages are also transparent and inclusive. Attraction tickets and transportation are fully covered with no hidden fees and no forced shopping during the journey, ensuring peace of mind and trust.

We recently launched our first Old Friends Club flagship offline store in Shanghai, aiming to meet seniors' strong preference for face to face interaction when making travel decisions. We plan to open more of these offline touch points in the future, particularly in major travel hubs to further expand accessibility and engagement.

At the same time, we are capturing strong momentum among younger travelers through our Travel Plus Entertainment products. In Q2, revenue from this segment grew by over 100% year-over-year, fueled by the rising popularity of concerts and live events. By bundling event tickets with accommodation and transportation, we provide travelers with a seamless one stop booking experience. These offerings not only enhance convenience for users, but also encourage overnight stays and boost spending, thereby contributing to the growth of local tourism and the broader economy.

We remain equally focused on our responsibility to build a more innovative, sustainable, and inclusive future. As part of this commitment, we announced the launch of a \$100 million tourism innovation fund at our Envision 2025 Global Partner Conference.

The fund aims to support commercial innovation and spark the next wave of breakthroughs in travel. We also established the tourism innovation award to recognize and inspire outstanding ideas across areas such as sustainability, technology, and cultural heritage.

On the sustainability front, we encouraged more than 100 million travelers to choose eco conscious travel options over the past year, a 39% year-over-year increase. Since the launch of our low carbon hotel standard initiative in 2023, participation has doubled to 3,000 partner hotels.

In transportation, 92% of flights on our platform now display carbon emission data to support more ecofriendly choices. Rental car users can also select from over 1,000 electric vehicle models with clear carbon footprint disclosure to encourage lower emission travel.

Our rural revitalization strategy has led to the opening of 34 country retreats across 14 provinces, creating 40,000 jobs with 80% filled by local hires. These efforts contribute to regional economic development and local talent cultivation and have been recognized by the UN Global Compact as a case study in inclusive growth.

Internally, we continue to promote a family friendly workplace through childcare subsidies, hybrid work arrangements, and fertility related benefits, supporting work-life balance and reinforcing team cohesion and innovation. Looking ahead, we are integrating sustainability into every aspect of our strategy and operations to build an ecofriendly, inclusive, and resilient future.

In conclusion, we are seeing strong momentum across multiple segments with a diversified user base, strong operational capabilities, and a commitment to sustainability, we are well-positioned to seize future opportunities and help shape a more connected travel ecosystem.

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

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

For the 2025, Trip.com Group reported a net revenue of RMB 14.8 billion, representing a 16% increase from the same period last year and a 7% increase from the previous quarter, primarily due to strong travel demand across segments.

Accommodation reservation revenue for the second quarter was RMB 6.2 billion, representing a 21% increase year-over-year and a 12% increase quarter over quarter. Outbound and international hotel bookings remained robust, and domestic bookings continued to demonstrate resilience and outpacing market growth.

Transportation ticketing revenue for the second quarter was RMB 5.4 billion, representing an 11% increase year-over-year and remained flattish quarter over quarter. Outbound air bookings maintained strong momentum consistently outpacing overall market growth. Our international air bookings also continued to scale rapidly.

Packaged tour revenue for the second quarter was RMB 1.1 billion representing a 5% increase year-over-year and a 14% increase quarter over quarter, primarily driven by the expansion of our international tour offerings.

Corporate travel revenue for the second quarter was RMB 692 million representing a 9% increase year-over-year and a 21% increase quarter over quarter. The sequential increase was consistent with seasonal trends and supported by a growing number of companies adopting managed travel solutions.

Excluding share based compensation charges, adjusted product development expenses for the second quarter increased by 21% year-over-year. Adjusted G&A expenses for the second quarter increased by 8% year-over-year. These were mainly due to increase in personnel related expenses.

Adjusted sales and marketing expenses for the second quarter increased by 11% from the previous quarter and increased by 18% from the same period last year. The sequential increase was primarily due to elevated marketing and promotional investments, particularly in support of our international business expansion initiatives.

Adjusted EBITDA was RMB 4.9 billion for the second quarter compared with RMB 4.4 billion in the same period last year and RMB 4.2 billion in the previous quarter. Diluted earnings per ordinary share and per ADS were RMB 6.97 or \$0.97 for the second 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 RMB 7.20 or \$1.01 for the second quarter.

As of June 30, 2025, the balance of cash and cash equivalents, restricted cash, short term investment held to maturity time deposits, and financial products was RMB 94.1 billion or \$13.1 billion. As of the earnings announcement date, the company has completed share repurchases totaling approximately \$400 million fully utilizing the authorized quota for the year.

In August 2025, the board approved a new share repurchase program authorizing the company to repurchase up to an aggregate of \$5 billion of its outstanding shares. This reflects our continued commitment to enhancing shareholder returns and confidence in the company's long term value. We remain disciplined in evaluating future capital allocation opportunities in line with our strategic priorities.

In conclusion, we are encouraged by the continued strength in travel demand across both domestic and international markets. As we enter the second half of the year, we remain focused on cost discipline and operational efficiency, positioning the company to deliver sustainable growth and long term value.

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

## QUESTIONS AND ANSWERS

Operator^ Thank you. (Operator Instructions)

First question comes from the line of Alex Yao from JPMorgan. Please go ahead.

Alex Yao^ Hi, good morning management. Thank you for taking my question.

So AI and content has been highlighted as one of Trip.com's key strategies. Can you elaborate how the strategy will work in the next couple of years? Additionally, can you share more about the recent upgrade to Trip Planner? Thank you.

Michelle Qi^ Thank you.

James Liang^ Thank you for your question. The integration of AI and content creates powerful synergies across our platform. On the user side, AI enhances content by delivering personalized intelligent recommendations for travel planning. In turn, a rich content ecosystem strengthens our AI models.

For example, users can now generate content more easily, not only through text input, but even from a single image, allowing us to provide highly practical and reliable suggestions based on browsing behavior, bookings and reviews.

On the back end, we continue to build robust content infrastructure. AI significantly improves data processing efficiency and enhances the quality of automated content generation, which ultimately drives higher customer satisfaction and loyalty.

From a strategic perspective, we are deeply committed to exploring the full potential of AI. Every innovation in this space is valuable, and we continuously iterate to optimize how AI can serve travelers. As technologies evolve, our goal remains clear, to be the most efficient and reliable one stop travel service platform.

As for Trip Planner, our latest major upgrade allows user to initiate trip planning from any idea or inspiration. The tool now includes selectable options to help users better expressing their travel preferences. Powered by large language models and informed by millions of data points from Trip Best, Trip Pulse, and Trip Events, Trip Planner delivers highly personalized data driven suggestions that are easily editable. We remain committed to refining its capabilities and delivering even more enhanced experiences in future iterations.

Operator^ Thank you. Just a moment for our next question, please.

Next, we have Joyce Ju from Bank of America, BOFA Securities. Please go ahead.

Joyce Ju^ Good morning, James, Jane, Cindy and Michelle. Congrats on another very solid quarter.

My question is related to summer vacation momentum just passed. Could management kindly share with us your observations on some of booking trends this year? Any colors and insights into cross border travel trends recently?

Jane Sun^ Sure. Thanks, Joyce. We have seen resilient demand from the market we are serving. For domestic travel, volume growth is very strong, which partially is offset by the decline of the ADR. But overall, we saw the domestic travel remain very resilient in terms of volume growth.

The second piece is outbound travel. On a national level, flight has recovered to about 80% to 90% of a pre COVID level. Our platform, we have already recovered to more than 120% compared to pre COVID level, which is very resilient as well.

The third piece is foreign to foreign. We have delivered more than 60% year-over-year growth for the areas outside of Mainland China and we'll keep up with a strong momentum.

And the last piece is from the rest of the world into Mainland China. That number on the national level is about 30% year-over-year growth. Our platform is more than 100% year-over-year growth.

So our focus is to take our service and a product at high quality level to ensure all of our customers are provided with excellent services with high quality. And meanwhile, we will also steadfast in globalizing our business. Thank you.

Operator^ The next question comes from Thomas Chong from Jefferies. Please go ahead.

Thomas Chong^ Hi, good morning. Thanks management for taking my question.

My question is about how have hotel and air ticket prices trend recently? And what projection do we have for the rest of the year? Thank you.

Cindy Wang^ Sure. In the second quarter, both the domestic hotel and air ticket prices continued to face pricing pressure despite healthy volume growth supported by resilient demand. On the supplier side, overall, the hotel availability increased by mid to high single digit year-over-year. And the recent data indicate that the domestic hotel price has been stabilizing with summer holiday declines narrowing to the mid to low single digit range.

With regard to the outbound travel, air ticket prices continued to be softening year-over-year due to increasing flight capacity recovery, but still higher than pre-pandemic levels, while the hotel prices remain quite stable. Thank you.

Operator^ Thank you. Next, we have Brian Gong from Citi. Please go ahead.

Brian Gong^ Good morning, James, James, Cindy and Michelle. Congratulations on solid results.

My question is about consumer sentiment. Given ongoing macroeconomic uncertainties in the second quarter, could the management share your insights on recent consumer sentiment trends? Thank you.

Jane Sun^ Yes, we have seen the market has shown resilience in terms of the volume growth, particularly after COVID people are focusing on more experiential products. Young people are very interested in events such as concerts, music festivals, sports and retired people also very active in the travel market. So we saw a strong volume growth across all over the markets. However, it's partially offset by slight decrease in ADR. But we have seen that sustainable growth in terms of volume increases in domestic, outbound and inbound travel. Thank you.

Brian Gong^ Thank you.

Operator^ Next, we have Yang Liu from Morgan Stanley. Please go ahead.

Yang Liu^ Thanks for the opportunity to ask a question. First, congratulation on the solid results. I have one question regarding the airline. Sorry. Can you hear me?

Okay. We saw that UMETrip or in Chinese (Spoken in Mandarin) recently launched a new feature supporting the direct airline sales. What impact could this have on your business? Thank you.

Jane Sun^ Yeah. I think travel is a very promising and lasting industry. Over the past 25 to 26 years, we have been in business. Every year, we have seen newcomers coming in. From our experience, the market is very big as long as we focus on providing the best product and excellent services to the customers, consumers will be willing to travel with us. So we have talked about to establish SOS program around the world. We also make sure our service level globally provides 24x7, 30 seconds, we'll be able to answer any calls from anywhere in the world.

All these services give confidence to our consumers when they travel with us. So we are confident to stick with our G2 strategy, which is great services and globalization. I think as long as we focus on these two items, we'll be able to provide the best service and excellent products to our consumers. Thank you.

Operator^ Next, we have Wei Xiong from UBS. Please go ahead.

Wei Xiong^ Great. Good morning, management. Thank you for taking my question.

I want to get your latest thoughts on the competition side. So now with JD trying to enter the market and other OTAs making strategic moves as well, how would you assess the current competition landscape? And what impact do you anticipate for the business? Thank you.

Jane Sun^ Yes, I think we again focus our strengths and what our consumers are looking for. Travel is industry that really need service provider to provide excellent services on a timely basis. We are not supportive of pure price competition because without high quality pure price competition doesn't serve our customers when they travel around the world. So our strategy has always been focusing on excellent of the services, focusing on comprehensive of the product offerings, win customer hearts and give them peace in mind when they travel around the world.

That strategy has served us well ever since we established our business for the past 25 years and we will put all our resources to further extend our leadership in providing high quality of the service and excellent products to our global consumers. Thank you.

Alex Yao^ Thank you.

Operator^ Thank you. Next we have Parash Jain from HSBC.

Parash Jain^ Hi. Thank you for taking my question.

My question is more around some of the themes, whether it's old friends club or travel plus entertainment. We have heard from you over the past several calls around the exciting opportunities in these areas. Is it possible to quantify, how big that market is, let's say, over

the next few years? And, what kind of share are you expecting from that? And any recent trend in terms of growth as well as the absolute contribution to your top line? Thank you.

Jane Sun^ Sure. I think these are the two initiatives established by our teams identifying the different segments. First of all, for Old Friend Club, in China, the retirement age is quite young between 50 to 55 people can start to get retired. And this group is the first group which makes money after the open door policy in China. So they have saved enough money and at that age, they're very healthy, very energetic and very curious to explore the world.

So our forecast is in the next three to five years, that market can grow into RMB1 trillion plus markets, which is very significant. In addition, this group is not time sensitive. They do not have to travel during the school break or national holiday or summer break when families are trying to take their children to travel. So when we work with our destination partners, they really like this group to fill in the gaps during the slow season. And in return, our customers are also going to get very good value for their money. So we forecast that segment is going to grow very significantly.

The second piece is for young people. As you can see, Taylor Swift shows Olympic Games, F1 car races, those tickets are very well demanded and sold instantly on our platform. The demand is very strong. So we feel the demand is exceeding the supply as of now, which is a strong indication, it's a robust business.

So we will continuously put our investment behind it to put engine in the travel market. Thank you.

Parash Jain^ Thank you so much, and have a good day.

Operator^ Thank you. Next, we have Jiong Shao from Barclays. Please go ahead.

Jiong Shao^ Thank you so much for taking my question, and good morning to you all.

I think James started call talking about, highlighting the potential for inbound travel. I think Jane also touched on that as well in your prepared remarks. I was just hoping given it seems to be a pretty significant and relatively newer opportunity for you. So could you perhaps share, with us a little bit more insights to help us better understand the potential here. Thank you.

Jane Sun^ Thank you, Jiong Shao.

When we look at the global markets, developing country as well as developed country can get somewhere between 1% to 5% of the GDP from inbound business. Pre-COVID, the inbound business only accounted for 0.3% for China inbound business. So there is a great potential if we do a very good job to promote that business.

And we invited more than 3,000 global partners in May and the feedback we got from our partners are China has a very good infrastructure, very rich history, friendly people, very

delicious food. And on top of it, you can stay in a five star hotel for only \$100 to \$200, which offers affordable luxury.

So I think if we put the right efforts in promoting the inbound travel, more and more people will be able to see the real China and it's very good for international exchange and a cultural understanding. So we believe this is a huge opportunity if we put the right emphasis on it. Thank you.

Operator^ Next, we have Simon Cheung from GS.

Simon Cheung^ Thanks James, Jane, and Cindy for the detailed presentation.

I think you touched on a lot about foreign to foreign, so called Trip.com international platforms performance, which seems to show some accelerations this quarter versus last quarter. Wondering whether you can also provide a bit more details on the operational as well as the financial performance. And perhaps how you envision this group would contribute to the group over the longer run? Thank you.

Cindy Wang^ Sure. In the second quarter, the bookings on the Trip.com increased by over 60% year-over-year, highlighting strong growth despite macroeconomic headwinds in certain markets. The APAC region remain to be our operational focus and continue to contribute the majority of our international revenue. We are also seeing encouraging momentum in the newer market such as The Middle East, even at an early stage of development. The triple digit growth in the inbound booking highlights in the vast potential of the inbound travel segment.

This business also creates very strong synergies as there's significant overlap between Trip.com's targeted APAC user bases and inbound travelers into China, many of whom also come from the APAC countries. Our ongoing enhancement to the Trip.com rewards royalty program have effectively strengthened user retention and created a flywheel effect that reinforces customer loyalty. With exclusive membership benefits, users are incentivized to upgrade their tier and unlock potential perks. Thank you.

Operator^ Next, we have Wei Song from Mizuho. Please go ahead.

Wei Xiong^ Hey, good morning, James, Jane, Cindy and Michelle. Congrats on the solid number.

My question is a follow-up on the international expansion. More specifically, could you provide an update on your marketing progress for Trip.com in 2Q? And hopefully, if you can also help us with your marketing strategy and plans for the rest of 2025. Thank you.

Cindy Wang^ In the second quarter, our rapid growth reflected the effectiveness of our marketing strategy. By maintaining disciplined ROI driven marketing investment, we continue to focus on acquiring app users who represent our most valuable channel for the long term growth. In the second quarter, our native mobile app accounted for approximately 70% of our

global orders. In several key markets, we are already seeing that the increased scale is improving the efficiency of daily operations with further gains expected as we continue to expand.

Through ongoing experimentation and dynamic budget allocation, we concentrate resources on the high performing strategies for less efficient channels. Close monitoring enable us to pivot earlier while also gaining insight into user behavior to inform future campaign.

Looking ahead, with the summer travel season underway and more global holidays approaching, we will continue to run signature campaigns and invest in proven marketing opportunities. At the same time, we will maintain disciplined spending to ensure alignment with our long term strategic goals. Thank you.

Operator^ Thank you. Next we have John Choi from Daiwa. Please go ahead.

John Choi^ Thanks for taking my question. Just a quick follow-up here.

I think on your international markets, we've noticed that some global players have, launched a pretty aggressive marketing in certain markets. How will this impact your business, particularly Trip.com, and your marketing spending, and towards the second half of this year and next year? Thank you.

Cindy Wang^ Sure. The APAC market offers vast potential due to its very fragmented, while huge, travel resources, low online penetration, and resilient user demand. This will certainly attract many of the players. That said, the market's substantial size enables all online players, including Trip.com to continue grow and capture opportunities even in the highly competitive areas. Trip.com leverage our one stop travel offerings, comprehensive inventory offerings and competitive pricing, mobile first strategy as well as the excellent customer services to maintain a strong growth across key markets in this region.

We are also focused our scale our business through targeted and localized marketing investment. By implementing demand driven strategy tailored to each market, we aim to expand our presence in the APAC region and accelerate our growth. Thank you.

Operator^ Thank you. Our last question comes from Qiuting Huang from CICC. Please go ahead.

Qiuting Huang^ Hi. Thanks management for taking my question. Congratulations on a strong result.

I have one question on your shareholder return. Could you please update on your buyback process on previous annual capital return program? And could you share more color on your newly announced \$5 billion capital return program? Thanks.

Cindy Wang^ Sure. Over the past quarter, we have repurchased around 7 million ADRs from the market, fully utilized the authorized quota for this year. As of now, our capital yield for this year is around 1.5%.

With regard to the new program, this quarter, we announced a new share repurchase program of \$5 billion funded by proceeds from the recent deal and our cash position. This will be a multiyear program without a set expiration date where we will strategically purchase shares from the NASDAQ and Hong Kong Exchange from time to time.

Our objective is to at least mitigate the potential dilution from our ESOP program and potentially reduce our overall share count. Looking ahead, we remain committed to driving our long-term shareholder value through sustainable business growth and disciplined capital return initiative. Thank you.

Operator^ Thank you. This concludes the Q&A session. I will now hand the call back to Michelle.

Michelle Qi^ Thank you. Thank you, everyone, for joining us today. You can find the transcript and the webcast of today's call on investors.Trip.com. We look forward to speaking with you on our Third Quarter of 2025 Earnings Call.

Thank you and have a good day.