

# BOOKING HOLDINGS

Q1 2025 Earnings Presentation  
April 29, 2025



# Disclaimer



## Disclosure Regarding Forward-Looking Statements

This presentation contains forward-looking statements. These forward-looking statements reflect the views of Booking Holdings Inc.'s (the "Company" or "Booking Holdings" or "BKNG") management regarding current expectations and projections about future events and conditions and are based on currently available information and current foreign currency exchange rates. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions that are difficult to predict such as:

- adverse changes in market conditions for travel services;
- the effects of competition;
- the Company's ability to successfully manage growth and expand its global business;
- adverse changes in third-party relationships;
- the Company's performance marketing efficiency and the effectiveness of its marketing efforts;
- the Company's ability to respond to and keep up with rapid technological or other market changes;
- the development and use of generative AI;
- the Company's ability to attract and retain qualified personnel;
- operational and technological infrastructure risks;
- data privacy and cyberattack risks;
- IT systems-related failures or security breaches;
- risks related to exposure to additional tax liabilities and maintaining tax benefits;
- legal and regulatory risks;
- risks associated with the facilitation of payments;
- fluctuations in foreign currency exchange rates and other risks associated with doing business in multiple currencies and jurisdictions;
- risks of increased debt levels and stock price volatility; and
- success of investments and acquisitions, including integration of acquired businesses.

For a detailed discussion of these and other factors that could cause the Company's actual results to differ materially from those described in this presentation, refer to the Company's most recent Annual Report on Form 10-K, any current reports on Form 8-K, and any subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (the "SEC"). Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation may contain industry market data, industry forecasts and other statistical information. Such information has been obtained from publicly available information, industry publications and other third-party sources, and the Company makes no representations as to the accuracy of such information. The Company has not independently verified any such information. Certain information in this presentation is based upon management forecasts and reflects prevailing conditions and management's views as of this date, all of which are subject to change.

## Adjusted Financial Measures:

While the Company reports financial results in accordance with accounting principles ("GAAP") generally accepted in the United States, this presentation includes certain Adjusted "Non-GAAP" measures, including Adjusted EBITDA, Free Cash Flow, Adjusted Net Income, and Adjusted Net Income per Diluted Common Share (Adjusted EPS), which are not presented in accordance with GAAP or intended to be substitutes for GAAP measures. The Company also uses information on (i) the impact of the adjustments required to compute Adjusted Net income and Adjusted EBITDA, on Sales and other expenses, and on Other income (expense), net, as reported in the Company's consolidated statements of operations, as applicable, and (ii) Adjusted fixed operating expenses, which is Total operating expenses, as reported in the Company's consolidated statements of operations, adjusted to exclude (a) certain operating expenses which are generally more likely to vary based on changes in business volumes and (b) amounts which are excluded in the computation of Adjusted EBITDA. The Company considers Adjusted EBITDA, Free Cash Flow, Adjusted Net Income, and Adjusted EPS as important supplemental measures of its performance and ability to service debt. Adjusted EBITDA, Free Cash Flow, Adjusted Net Income, and Adjusted EPS are used by the Company to assess its performance because they allow comparison of operating performance on a consistent basis across periods by removing the effects of various items. Adjusted EBITDA, Free Cash Flow, Adjusted Net Income, and Adjusted EPS have various limitations as analytical tools, and the Recipient should not consider them in isolation, or as a substitute for analysis of the Company's results as reported under GAAP. Further, because not all companies use identical calculations, the presentation of Adjusted measures may not be comparable to other similarly titled measures reported by other companies. For a reconciliation of Adjusted EBITDA, Free Cash Flow, Adjusted Net Income, and Adjusted EPS to the comparable GAAP measures, see the Appendix. We are not able to provide a reconciliation between forward-looking Adjusted EBITDA and GAAP Net income because we cannot predict certain components of such reconciliation without unreasonable effort as they arise from events in future periods.

# Q1 2025 Financial Summary



## Trailing Twelve Months “TTM” Revenue

(figures in billions)



TTM Adjusted EBITDA<sup>(1)</sup> as a percentage of Revenue



## Q1 2025 GAAP and Adjusted P&L

(in millions, except for EPS)

	GAAP	YoY%	Adjusted <sup>(1)</sup>	YoY%
Revenue	\$4,762	8%	\$4,762	8%
Marketing Expenses	\$1,777	10%	\$1,777	10%
Sales and Other Expenses	\$702	3%	\$702	3%
Adjusted Fixed Operating Expenses	NA	NA	\$1,164	(3%)
Other Income (Expense), Net	(\$258)	NM	(\$30)	0%
<b>Adjusted EBITDA</b>	<b>NA</b>	<b>NA</b>	<b>\$1,088</b>	<b>21%</b>
Net Income	\$333	(57%)	\$821	16%
<b>Diluted EPS</b>	<b>\$10.07</b>	<b>(55%)</b>	<b>\$24.81</b>	<b>22%</b>

(1) Refer to Appendix for reconciliation of Non-GAAP (“Adjusted”) measures Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share (“EPS”), Adjusted Fixed Operating Expenses, and Adjusted Other income (expense), Net. Revenue, Marketing Expenses, and Sales and Other Expenses are presented on a GAAP basis.

Note: Amounts may not total due to rounding.

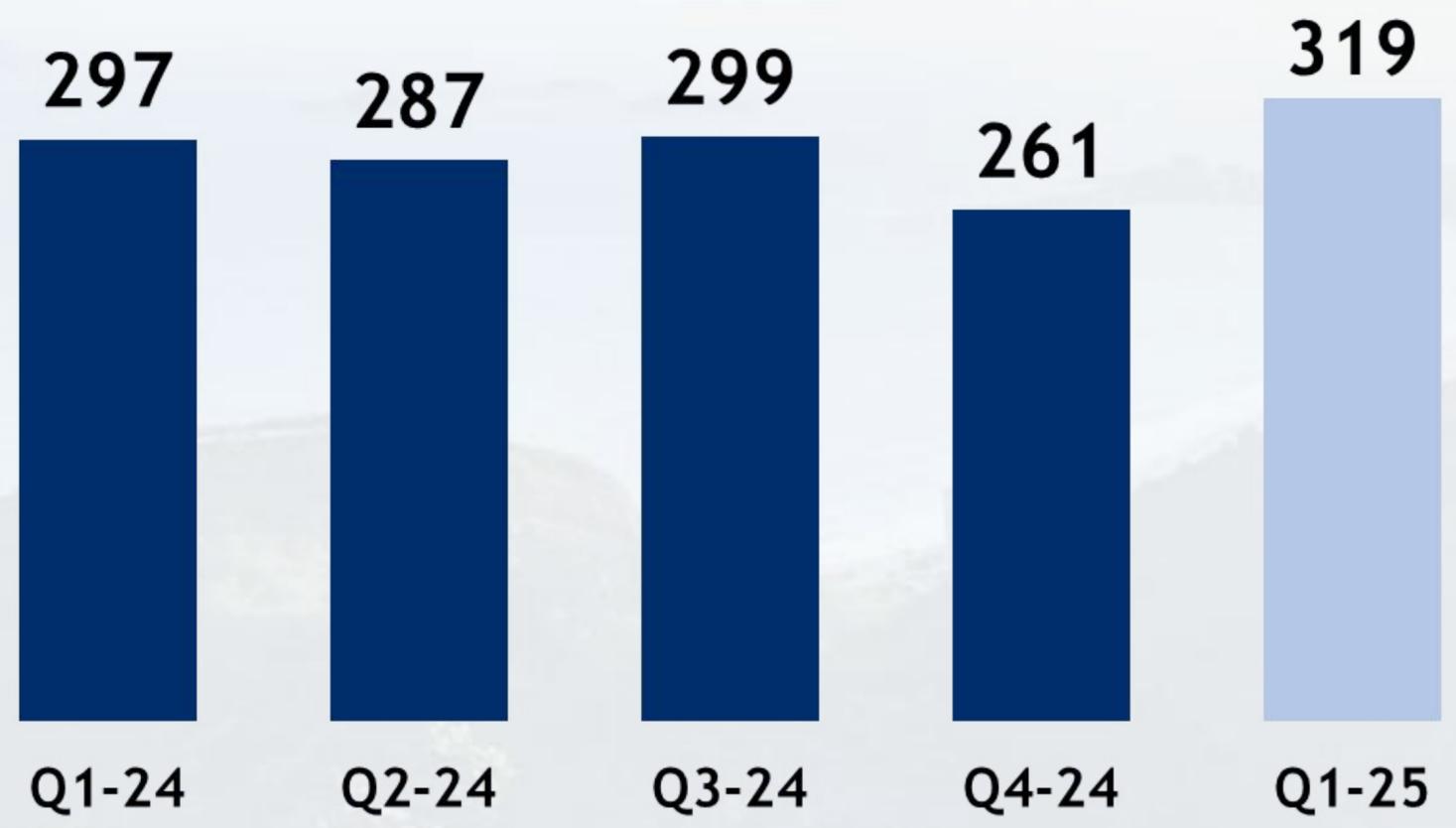
NM = Not meaningful.



# Q1 Room Night Growth was Slightly Above the High End of our Guidance Expectations

## Room Nights by Quarter

(figures in millions)



## Room Night Growth YoY



## Q1 Highlights

- ✓ Room Night Growth (“RNG”) was slightly above the high end of our guidance
- ✓ Room Night Growth by region<sup>(1)</sup>:
  - Europe: up high single digits
  - Asia: up high single digits
  - RoW: up low double digits
  - U.S.: up low single digits

(1) Regional Room Nights are based on the region of the traveler and are approximations based on the information provided or available to us.

# Key Highlights



## Booking.com Alternative Accommodations



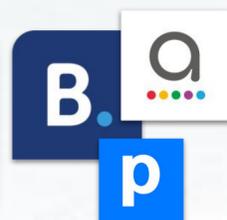
Q1 Alternative Accommodation (“AA”) Room Nights grew **12%** YoY with mix<sup>(1)</sup> increasing YoY to **37%**. Q1 AA listings up **9%** YoY.

## Mobile App Mix



Q1 Mobile App mix<sup>(2)</sup> was in the **mid 50%’s** (up from the **low 50%’s** in Q1 2024)

## Direct Mix



TTM Business-to-Consumer (“B2C”) direct mix<sup>(3)</sup> was in the **mid 60%’s**

## Genius



Level 2 and Level 3 Genius member mix of Booking.com’s TTM total Room Nights was in the **mid 50%’s**

## Connected Trip



Q1 Connected Transactions<sup>(4)</sup> were up **35%+** YoY and represented a **high single digit %** of Booking.com’s total transactions

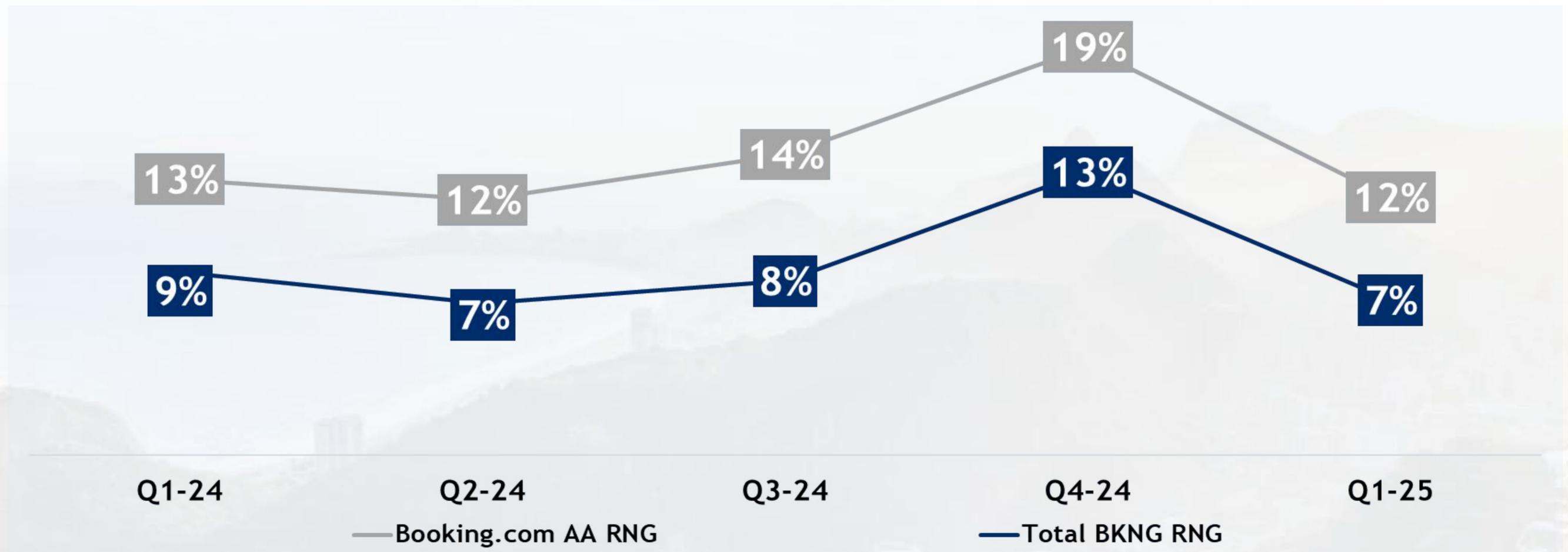
(1) Represents Booking.com AA Room Nights as a percentage of Booking.com’s total Room Nights. Q1’24 AA Room Nights mix was 36%.

(2) Represents BKNG Room Nights booked via a mobile app as a percentage of BKNG total Room Nights.

(3) Represents BKNG Room Nights booked via a direct channel as a percentage of BKNG B2C Room Nights (excluding Business-to-Business room nights) over the last twelve months.

(4) Connected Transactions are transactions that are booked by the same traveler across more than one travel vertical that will be experienced within a few days of each other (+/- 3 days of the start or end date of other transactions).

# Alternative Accommodations Room Night Growth at Booking.com Outpacing Total Growth



**Booking.com:**  
(figures in millions)

AA Listings  
AA Listings Growth YoY

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25
AA Listings	7.4	7.8	7.9	7.9	8.1
AA Listings Growth YoY	11%	11%	10%	8%	9%

# Mobile App Mix Continues to Steadily Increase Over Time





# Q1 Gross Bookings Growth Slightly Exceeded the High End of our Guidance

## Gross Bookings by Quarter

(figures in billions)



### ADR Growth Over Time

CC Accom. ADRs

Q1-24 Q2-24 Q3-24 Q4-24 Q1-25

1% (1%) (1%) 2% 1%

CC Accom. ADRs  
(excl. regional mix)

2% 0% <1% 3% 2%

## Q1 Highlights

- ✓ Gross Bookings growth slightly exceeded the high end of our guidance, driven by less than one percentage point of benefit from changes in FX relative to our expectations
- ✓ Gross Bookings growth of 7% was due to:
  - Room Night growth of 7%
  - Strong flight gross bookings driven by air ticket growth of 45%
  - Constant Currency (“CC”) Accommodation Average Daily Rates (“ADRs”) up approximately 1%
  - A negative impact from changes in FX of about 3 percentage points year-over-year
- ✓ CC Gross Bookings growth was 10%

# Q1 Revenue Growth Exceeded the High End of our Guidance Expectations



## Revenue by Quarter

(figures in billions)



Revenue Growth YoY

17%

7%

9%

14%

8%

## Q1 Highlights

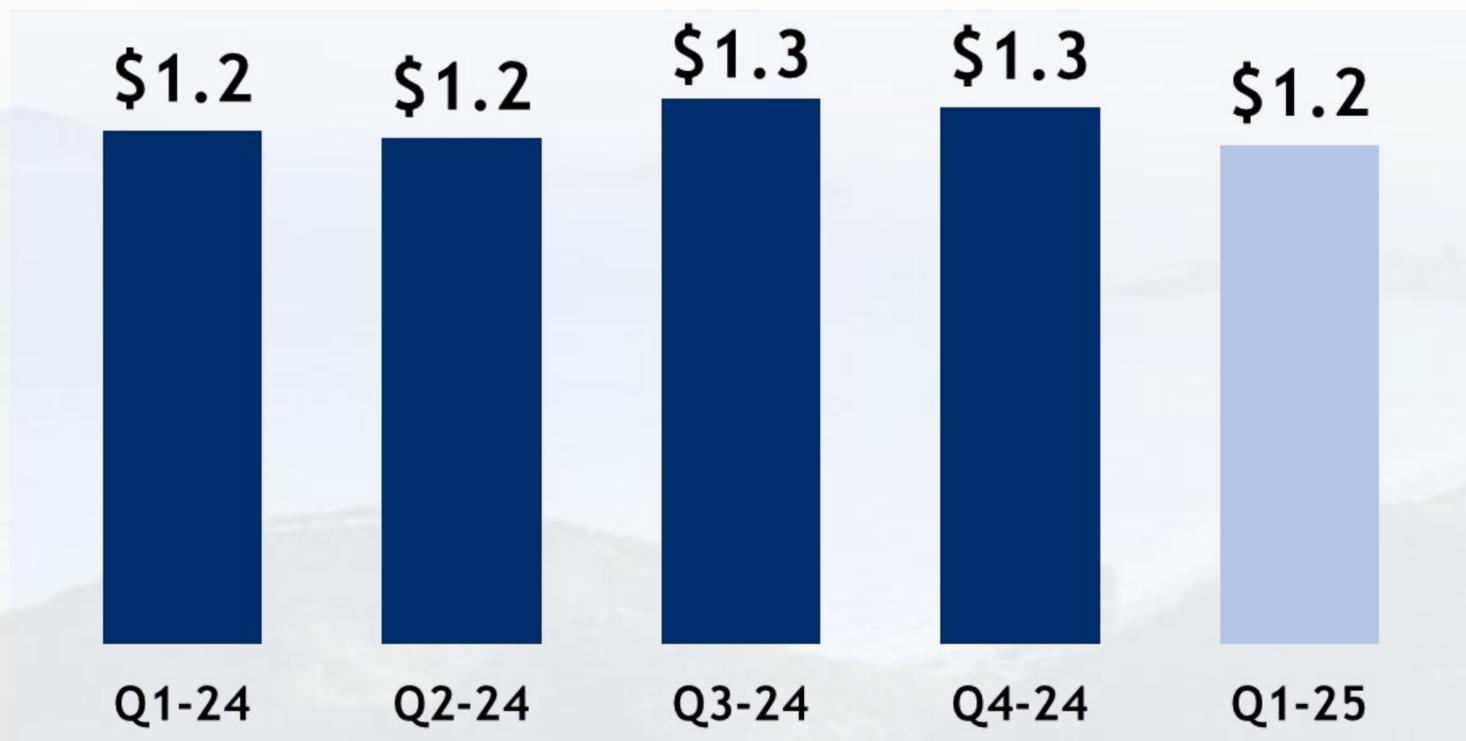
- ✓ Revenue growth exceeded the high end of our guidance by four percentage points due to higher payment revenues as well as less than one percentage point of benefit from changes in FX relative to our expectations
- ✓ Revenue growth was higher than Gross Bookings growth due to increased revenue from payments
- ✓ CC Revenue growth was 10%



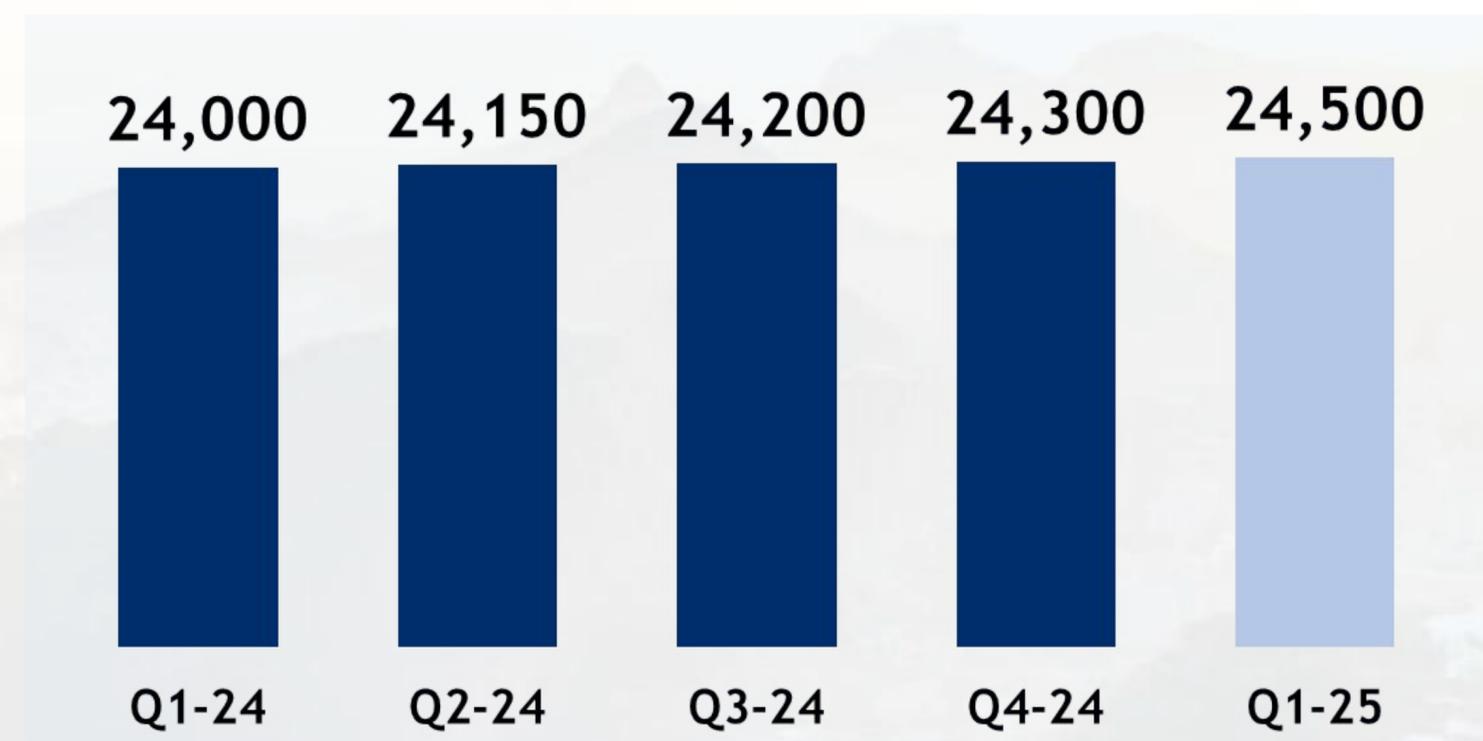
# Q1 Adjusted Fixed OpEx Growth was Below Expectations and Grew Slower than Revenue

## Adjusted Fixed OpEx<sup>(1)</sup> by Quarter

(figures in billions)



## Approximate Headcount at Quarter-End



### Adjusted Fixed OpEx Growth (Decline) YoY



### Headcount Growth YoY



(1) Refer to Appendix for reconciliation of Non-GAAP (“Adjusted”) measures.

# Q1 Adjusted EBITDA Exceeded Expectations and Grew Faster than Revenue



- Q1 Adjusted EBITDA of **\$1.1 billion** was **28% above** the high end of our guidance

## Adjusted EBITDA<sup>(1)</sup> by Quarter

(figures in billions)



### Adjusted EBITDA Growth YoY



## Adjusted EPS<sup>(1)</sup> by Quarter



### Adjusted EPS Growth YoY



(1) Refer to Appendix for reconciliation of Non-GAAP ("Adjusted") measures.

# Q1 Free Cash Flow and Capital Return



- Q1 Free Cash Flow of **\$3.2 billion** grew **23% YoY**

## Free Cash Flow<sup>(1)</sup> by Quarter

(figures in billions)

Q1 2025 TTM Free Cash Flow: \$8.5 billion, +25% YoY

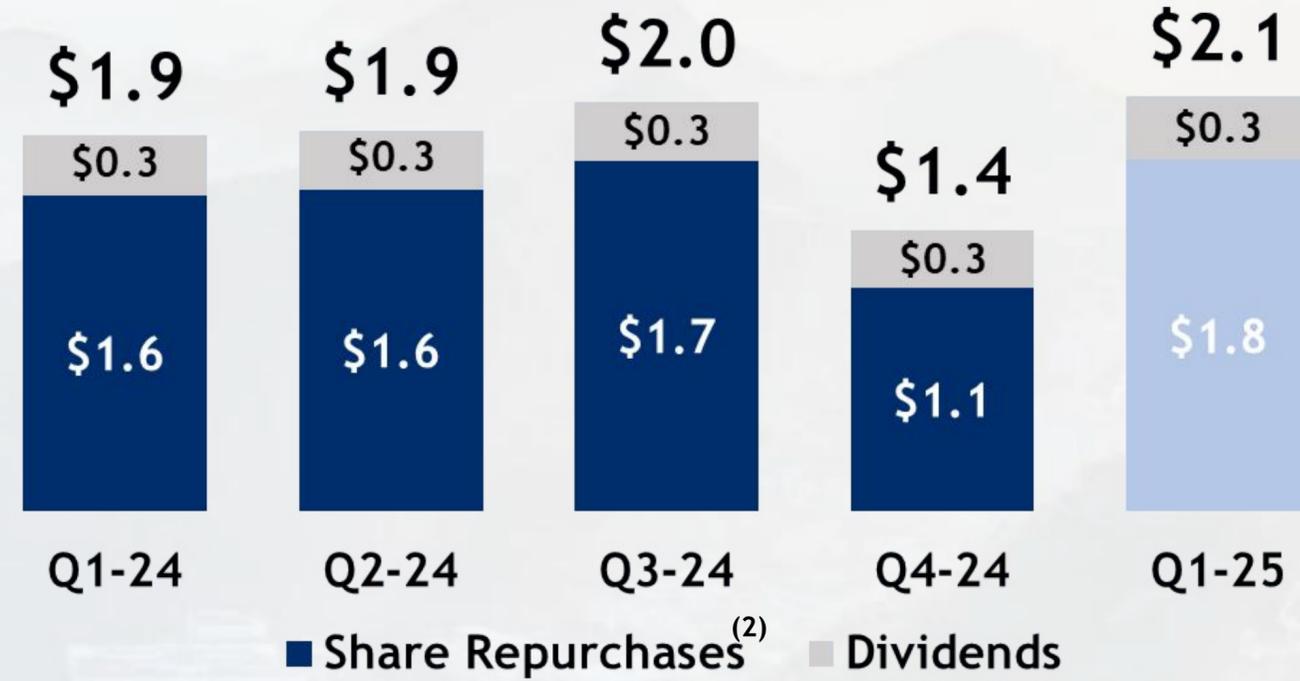


Free Cash Flow Growth (Decline) YoY

(8%)    45%    76%    (49%)    23%

## Capital Return by Quarter

(figures in billions)



Weighted Average Diluted Share Count Growth (Decline) YoY

(9%)    (7%)    (6%)    (5%)    (5%)

(1) Refer to Appendix for reconciliation of Non-GAAP ("Adjusted") measures.

(2) Share repurchases only include repurchases that reduce our authorization and exclude repurchases related to employee tax withholding and excise taxes on share repurchases.



	Reported YoY Growth <sup>(1)</sup>
Room Nights	4% to 6%
Gross Bookings	10% to 12%
Revenue	10% to 12%
Adjusted EBITDA <sup>(2)</sup>	13% to 16%

✓ We have continued to see stable travel demand trends in our business so far in the second quarter and our guidance for the quarter assumes a continuation of those trends

✓ However, we recognize the possibility that these trends could be impacted by the increased uncertainty in the geopolitical and macroeconomic environment and the subsequent potential effect on consumer spending and behavior, travel patterns, or our partners

(1) Our expectation for Q2 2025 Guidance reported YoY growth rates includes the following impacts:

- Reported room night growth will have a slightly negative impact from the shift in timing of the Easter holiday.
- Reported gross bookings growth will be positively impacted by about 4% from year-over-year changes in FX, partially offset by a slightly negative impact from the shift in timing of the Easter holiday.
- Reported revenue growth will be positively impacted by about 4% from year-over-year changes in FX and about 3% from the shift in timing of the Easter holiday.
- Reported adjusted EBITDA growth will be positively impacted by about 7% from the shift in timing of the Easter holiday and about 4% from year-over-year changes in FX.

(2) Excludes certain costs expected to be incurred related to the Transformation Program.



**Gross Bookings**

**Revenue**

**Adjusted EBITDA<sup>(2)</sup>**

**Adjusted EPS<sup>(2)</sup>**

**Constant Currency  
YoY Growth<sup>(1)</sup>**

**Mid to High Single Digits**

**Mid to High Single Digits**

**High Single Digits to Low  
Double Digits**

**Low to Mid-teens**

- ✓ Although we continue to see stable trends globally so far in the second quarter, we recognize that our business could be impacted by the increased uncertainty in the geopolitical and macroeconomic environment. Therefore we are widening the range of our full year expectations for constant currency growth.
- ✓ The high end of each of these ranges remains in line with our prior expectations and our long-term growth ambition

*(1) Constant currency YoY growth adjusts our FY 2025 Guidance reported YoY growth rates to account for our expectation that reported growth rates will both be positively impacted by about 2% from year-over-year changes in FX.*

*(2) Excludes certain costs expected to be incurred related to the Transformation Program.*

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



(figures in millions)

## RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Net income	\$ 776	\$ 1,521	\$ 2,517	\$ 1,068	\$ 333
(a) Accruals related to the Netherlands pension fund matter	-	-	-	-	(129)
(b) Accruals related to the fine imposed by the Spanish competition authority	-	(78)	-	-	-
(c) Accruals related to settlements of indirect tax matters	-	-	365	(28)	-
(d) Depreciation and amortization	137	142	155	157	154
(e) Transformation costs	-	-	-	34	32
(d) Interest and dividend income	(243)	(293)	(327)	(251)	(241)
(d) Interest expense	219	264	305	507	649
(f) Net losses (gains) on equity securities	16	(11)	(32)	(36)	(3)
(g) Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and debt-related foreign currency derivative instruments	(167)	(68)	329	(633)	389
(h) Adjustment related to convertible senior notes	-	-	-	535	(158)
(i) Other	-	17	-	-	-
(d) Income tax expense	161	401	352	496	63
Adjusted EBITDA	\$ 898	\$ 1,895	\$ 3,665	\$ 1,848	\$ 1,088
<i>Net income as a % of Total Revenues</i>	<i>17.6%</i>	<i>26.0%</i>	<i>31.5%</i>	<i>19.5%</i>	<i>7.0%</i>
<i>Adjusted EBITDA as a % of Total Revenues</i>	<i>20.3%</i>	<i>32.4%</i>	<i>45.8%</i>	<i>33.8%</i>	<i>22.9%</i>
<i>Net income growth (decline) YoY</i>	<i>192%</i>	<i>18%</i>	<i>0%</i>	<i>383%</i>	<i>(57%)</i>
<i>Adjusted EBITDA growth YoY</i>	<i>53%</i>	<i>7%</i>	<i>12%</i>	<i>26%</i>	<i>21%</i>

Note: Amounts may not total due to rounding.

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



(figures in millions)

## RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

	Trailing Twelve Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Net income	\$ 4,799	\$ 5,030	\$ 5,036	\$ 5,882	\$ 5,439
(a) Accruals related to the Netherlands pension fund matter	276	276	276	-	(129)
(b) Accruals related to the fine imposed by the Spanish competition authority	530	452	452	(78)	(78)
(c) Accruals related to settlements of indirect tax matters	23	-	365	337	337
(d) Depreciation and amortization	521	542	568	591	608
(e) Transformation costs	-	-	-	34	66
(d) Interest and dividend income	(1,035)	(1,062)	(1,100)	(1,114)	(1,112)
(d) Interest expense	922	945	996	1,295	1,725
(f) Net losses (gains) on equity securities	14	(31)	(47)	(63)	(82)
(g) Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and debt-related foreign currency derivative instruments	(30)	(106)	259	(539)	17
(h) Adjustment related to convertible senior notes	-	-	-	535	377
(i) Other	-	17	17	17	17
(j) Termination fee related to an acquisition agreement	90	90	-	-	-
(d) Income tax expense	1,316	1,389	1,103	1,410	1,312
Adjusted EBITDA	\$ 7,424	\$ 7,541	\$ 7,922	\$ 8,306	\$ 8,497
Net income as a % of Total Revenues	21.8%	22.5%	21.8%	24.8%	22.6%
Adjusted EBITDA as a % of Total Revenues	33.7%	33.7%	34.4%	35.0%	35.3%

Note: Amounts may not total due to rounding.

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



(figures in millions, except share and per share data)

	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND ADJUSTED EPS					
Net income	\$ 776	\$ 1,521	\$ 2,517	\$ 1,068	\$ 333
(a) Accruals related to the Netherlands pension fund matter	-	-	-	-	(129)
(b) Accruals related to the fine imposed by the Spanish competition authority	-	(78)	-	-	-
(c) Accruals related to settlements of indirect tax matters	-	-	365	(28)	-
(k) Amortization of intangible assets	55	56	55	55	54
(e) Transformation costs	-	-	-	34	32
(f) Net losses (gains) on equity securities	16	(11)	(32)	(36)	(3)
(g) Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and debt-related foreign currency derivative instruments	(167)	(68)	329	(633)	389
(h) Adjustment related to convertible senior notes	-	-	-	796	234
(l) Adjustment to one-time deemed repatriation income tax liability resulting from the Tax Act and related net unrecognized tax benefit	-	-	(250)	-	-
(i) Other	-	17	-	-	-
(m) Tax impact of Non-GAAP adjustments	27	-	(144)	133	(89)
Adjusted net income	\$ 708	\$ 1,436	\$ 2,841	\$ 1,389	\$ 821
GAAP and Non-GAAP weighted-average number of diluted common shares outstanding (in 000's)	34,706	34,267	33,864	33,426	33,093
Net income applicable to common stockholders per diluted common share (EPS)	\$ 22.37	\$ 44.38	\$ 74.34	\$ 31.95	\$ 10.07
EPS growth (decline) YoY	220%	27%	7%	409%	(55%)
Adjusted net income applicable to common stockholders per diluted common share (Adjusted EPS)	\$ 20.39	\$ 41.90	\$ 83.89	\$ 41.55	\$ 24.81
Adjusted EPS growth YoY	76%	11%	16%	30%	22%

Note: Amounts may not total due to rounding.  
Tax Act: U.S. Tax Cuts and Jobs Act enacted in December 2017.

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



(figures in millions)

## RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Net cash provided by operating activities	\$ 2,704	\$ 2,525	\$ 2,373	\$ 721	\$ 3,283
(n) Additions to property and equipment	(130)	(146)	(77)	(76)	(121)
Free cash flow	\$ 2,574	\$ 2,379	\$ 2,296	\$ 644	\$ 3,162
<i>Net cash provided by operating activities (decline) growth YoY</i>	(6%)	45%	73%	(46%)	21%
<i>Free cash flow (decline) growth YoY</i>	(8%)	45%	76%	(49%)	23%

## RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

	Trailing Twelve Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Net cash provided by operating activities	\$ 7,159	\$ 7,947	\$ 8,948	\$ 8,323	\$ 8,902
(n) Additions to property and equipment	(387)	(441)	(447)	(429)	(420)
Free cash flow	\$ 6,772	\$ 7,506	\$ 8,501	\$ 7,893	\$ 8,482
<i>Net cash provided by operating activities growth YoY</i>					24%
<i>Free cash flow growth YoY</i>					25%

Note: Amounts may not total due to rounding.

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



## Notes:

- (a) Accruals related to the Netherlands pension fund matter are recorded in Personnel expenses and General and administrative expenses, as applicable. During the quarter ended March 31, 2025, the Netherlands pension fund matter was resolved resulting in a reduction to the related accruals. The impact of the reduction related to 2023 and earlier years, of \$129 million, has been excluded from Adjusted Net income and Adjusted EBITDA for the quarter ended March 31, 2025. When the liability of \$276 million related to these years was initially recorded in the Company's Consolidated Financial Statements for 2023, its impact was excluded from the Non-GAAP results for that year.
- (b) Accruals related to the fine imposed by the Spanish competition authority are recorded in General and administrative expenses and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (c) Accruals related to settlements of certain indirect tax matters are recorded in General and administrative expenses and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA. During 2024, the Company paid \$332 million related to the settlement of certain Italian indirect tax matters.
- (d) Depreciation and amortization, Interest and dividend income, Interest expense, and Income tax expense are excluded from Net income to calculate Adjusted EBITDA.
- (e) In November 2024, the Company announced its intention to implement certain organizational changes that are expected to improve operating expense efficiency, increase organizational agility, free up resources that can be reinvested into further improving its offering to travelers and partners, and better position the Company for the long-term. Certain costs incurred in connection with this transformation program, primarily professional fees, are recorded in Transformation costs and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (f) Net losses (gains) on equity securities with readily determinable fair values and impairments of investments in equity securities are recorded in Other income (expense), net and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (g) Foreign currency transaction (gains) losses on the remeasurement of Euro-denominated debt and accrued interest that are not designated as hedging instruments for accounting purposes and debt-related foreign currency derivative instruments used as economic hedges are recorded in Other income (expense), net and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (h) For the quarters ended December 31, 2024 and March 31, 2025, the Company recorded a loss of \$796 million and \$234 million related to the conversion option on the convertible senior notes due in May 2025, which primarily represents the changes in the fair value of an embedded derivative and amortization of debt discount. Under U.S. GAAP, the conversion option is required to be accounted separately as an embedded derivative as, during the quarter ended December 31, 2024, the Company irrevocably elected cash as the settlement method for the conversion premium on the maturity of the notes. Adjustments related to the convertible senior notes, primarily for the amortization of the debt discount and the change in fair value of the conversion option, are recorded in Interest expense and Other income (expense), net, as applicable, and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (i) For the three months ended June 30, 2024, includes an accrual related to the Canadian digital services taxes for the years ended December 31, 2022 and 2023 enacted in June 2024 with retrospective effect, which is recorded in Sales and other expenses.
- (j) Termination fee related to the acquisition agreement for the Etraveli Group is recorded in General and administrative expenses and excluded from Net income to calculate Adjusted Net income and Adjusted EBITDA.
- (k) Amortization of intangible assets is recorded in Depreciation and amortization expenses and excluded from Net income to calculate Adjusted Net income.
- (l) Adjustment to one-time deemed repatriation income tax liability resulting from the Tax Act and related net unrecognized tax benefit are recorded in Income tax expense and excluded from Net income to calculate Adjusted Net income. During 2024, the Company recorded a reduction of \$250 million to income tax expense based upon a recent U.S. Tax Court decision.
- (m) Reflects the tax impact of Non-GAAP adjustments above and changes in tax estimates which are excluded from Net income to calculate Adjusted Net income.
- (n) Cash used for additions to property and equipment is included in the calculation of Free cash flow.

For (a) - (n) above, Net income, Sales and other expenses, Personnel expenses, General and administrative expenses, Transformation costs, Other income (expense), net, Depreciation and amortization expenses, Interest expense, and Income tax expense, as applicable, refers to the respective line item in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, or in the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2025, as applicable. For a more detailed discussion of the adjustments described above, please see our earnings press release for the relevant period, including the section under the heading "Non-GAAP Financial Measures" which provides definitions and information about the use of non-GAAP financial measures. Additional information on the impact of the adjustments above on Other income (expense), net, are presented in the following page. The reconciliation of Total operating expenses to Adjusted fixed operating expenses is also provided.

# Appendix: Reconciliation of GAAP to Adjusted Financial Information



(figures in millions)

Other income (expense), net:	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Other income (expense), net	\$ 122	\$ 37	\$ (332)	\$ 91	\$ (258)
(f) Net losses (gains) on equity securities	16	(11)	(32)	(36)	(3)
(g) Foreign currency transaction (gains) losses on the remeasurement of certain Euro-denominated debt and accrued interest and debt-related foreign currency derivative instruments	(167)	(68)	329	(633)	389
(h) Adjustment related to convertible senior notes	-	-	-	535	(158)
Adjusted Other income (expense), net	\$ (29)	\$ (42)	\$ (35)	\$ (43)	\$ (30)
<i>Other income (expense), net growth (decline) YoY</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>	<i>NM</i>
<i>Adjusted Other income (expense), net growth (decline) YoY</i>	<i>31%</i>	<i>6%</i>	<i>(11%)</i>	<i>(49%)</i>	<i>0%</i>

## RECONCILIATION OF TOTAL OPERATING EXPENSES TO ADJUSTED FIXED OPERATING EXPENSES

	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Total operating expenses	\$ 3,624	\$ 4,003	\$ 4,815	\$ 3,742	\$ 3,700
Marketing expenses	(1,610)	(1,939)	(2,151)	(1,578)	(1,777)
Sales and other expenses	(678)	(820)	(872)	(750)	(702)
Depreciation and amortization	(137)	(142)	(155)	(157)	(154)
(a) Accruals related to the Netherlands pension fund matter	-	-	-	-	129
(b) Accruals related to the fine imposed by the Spanish competition authority	-	78	-	-	-
(c) Accruals related to settlements of indirect tax matters	-	-	(365)	28	-
(e) Transformation costs	-	-	-	(34)	(32)
Adjusted fixed operating expenses	\$ 1,199	\$ 1,180	\$ 1,272	\$ 1,251	\$ 1,164
<i>Total operating expenses growth (decline) YoY</i>	<i>9%</i>	<i>6%</i>	<i>14%</i>	<i>(10%)</i>	<i>2%</i>
<i>Adjusted fixed operating expenses growth (decline) YoY</i>	<i>11%</i>	<i>5%</i>	<i>7%</i>	<i>9%</i>	<i>(3%)</i>

Note: Amounts may not total due to rounding.  
 NM: Not meaningful.