

## Ctrip Reports Unaudited First Quarter of 2019 Financial Results

Shanghai, China, May 22, 2019 - Ctrip.com International, Ltd. (Nasdaq: CTRP) ("Ctrip" or the "Company"), a leading provider of online travel and related services, including accommodation reservation, transportation ticketing, packaged tours and in-destination services, corporate travel management, and other travel-related services, today announced its unaudited financial results for the first quarter ended March 31, 2019.

### Key Highlights for the First Quarter of 2019

- Ctrip reported strong financial results for the first quarter of 2019.
  - Net revenue increased by 21% year-over-year to RMB8.2 billion (US\$1.2 billion) in the first quarter of 2019.
  - Income from operations increased by 50% year-over-year to RMB885 million (US\$132 million). Excluding share-based compensation charges, non-GAAP income from operations increased by 42% year-over-year to RMB1.4 billion (US\$204 million) in the first quarter of 2019.
- Ctrip's international businesses sustained robust growth momentum.
  - Skyscanner's direct booking program continued its strong momentum, having achieved approximately 250% growth in bookings year-over-year in the first quarter of 2019.
  - The growth rate of the international hotel business and international air business (excluding the Skyscanner business) in the first quarter of 2019 more than doubled that of the China outbound traffic growth in the same period.
  - In the first quarter of 2019, revenue generated from international business accounted for approximately 35% of total revenue.
- Ctrip increased its presence in lower-tier cities in China.
  - Ctrip branded low-star hotel room-nights increased approximately 60% year-over-year in the first quarter of 2019.
  - Gross merchandise value, or GMV, of the offline stores experienced triple-digit year-over-year growth in the first quarter of 2019.

"Ctrip delivered solid results in the first quarter of 2019. We are seeing both healthy revenue growth and non-GAAP operating margin expansion," said Jane Sun, Chief Executive Officer. "Not only do we listen to our customers, we also lead the market as new opportunities emerge. We align our strategy in a prudent manner to suit the market. The great results reflect our determination to create the best travel experience through Ctrip's one-stop travel platform in the world."

"We are pleased that our first quarter results reflected our faith in the outlook of the travel industry in China as well as our own ability to execute and embrace the changes in this industry," said James Liang, Executive Chairman. "We primarily empower our growth organically and create long-term value to stakeholders, focusing on expanding customer base and deepening user engagement. We also have achieved an excellent record of global strategic investments and collaborations. We are excited about our recent MakeMyTrip investment and look forward to achieving greater success and creating more value to our shareholders in the future."

## First Quarter of 2019 Financial Results and Business Updates

For the first quarter of 2019, Ctrip reported net revenue of RMB8.2 billion (US\$1.2 billion), representing a 21% increase from the same period in 2018. Net revenue for the first quarter of 2019 increased by 8% from the previous quarter, primarily due to seasonality.

Accommodation reservation revenue for the first quarter of 2019 was RMB3.0 billion (US\$450 million), representing a 21% increase from the same period in 2018, primarily driven by an increase in accommodation reservation volume. Accommodation reservation revenue for the first quarter of 2019 increased by 14% from the previous quarter, primarily due to seasonality.

Transportation ticketing revenue for the first quarter of 2019 was RMB3.4 billion (US\$500 million), representing a 16% increase from the same period in 2018, primarily driven by an increase in ticketing volume. Transportation ticketing revenue for the first quarter of 2019 decreased by 2% from the previous quarter.

Packaged-tour revenue for the first quarter of 2019 was RMB1.0 billion (US\$156 million), representing a 25% increase from the same period in 2018, primarily driven by an increase in volume of organized tours and customized tours. Packaged-tour revenue for the first quarter of 2019 increased by 45% from the previous quarter, primarily due to seasonality.

Corporate travel revenue for the first quarter of 2019 was RMB238 million (US\$35 million), representing a 32% increase from the same period in 2018, primarily driven by expansion in travel product coverage. Corporate travel revenue for the first quarter of 2019 decreased by 15% from the previous quarter, primarily due to seasonality.

Gross margin was 79% for the first quarter of 2019, compared to 82% in the same period in 2018, and remained consistent with that for the previous quarter.

Product development expenses for the first quarter of 2019 increased by 18% to RMB2.5 billion (US\$379 million) from the same period in 2018, primarily due to an increase in product development personnel related expenses. Product development expenses decreased by 6% from the previous quarter, primarily due to a decrease in product development personnel related expenses. Product development expenses for the first quarter of 2019 accounted for 31% of the net revenue for the same period. Excluding share-based compensation charges, non-GAAP product development expenses for the first quarter of 2019 accounted for 28% of the net revenue for the same period, which decreased from 29% for the same period of 2018 and 33% for the previous quarter.

Sales and marketing expenses for the first quarter of 2019 increased by 6% to RMB2.2 billion (US\$331 million) from the same period in 2018, primarily due to an increase in sales and marketing personnel related expenses. Sales and marketing expenses decreased by 15% from the previous quarter, primarily due to a decrease in sales and marketing related activities. Sales and marketing expenses for the first quarter of 2019 accounted for 27% of the net revenue for the same period. Excluding share-based compensation charges, non-GAAP sales and marketing expenses for the first quarter of

2019 accounted for 27% of the net revenue for the same period, which decreased from 31% in the same period in 2018 and 34% in the previous quarter.

General and administrative expenses for the first quarter of 2019 increased by 28% to RMB824 million (US\$123 million) from the same period in 2018, primarily due to an increase in general and administrative personnel related expenses, including share-based compensation charges. General and administrative expenses increased by 3% from the previous quarter. General and administrative expenses for the first quarter of 2019 accounted for 10% of the net revenue for the same period. Excluding share-based compensation charges, non-GAAP general and administrative expenses accounted for 8% of the net revenue for the same period, which remained consistent with those for the same period in 2018 and the previous quarter.

Income from operations for the first quarter of 2019 was RMB885 million (US\$132 million), compared to income from operations of RMB590 million in the same period in 2018 and loss from operations of RMB189 million in the previous quarter. Income from operations increased by 50% year-over-year in the first quarter of 2019. Excluding share-based compensation charges, non-GAAP income from operations was RMB1.4 billion (US\$204 million), compared to RMB966 million in the same period in 2018 and RMB261 million in the previous quarter. Non-GAAP income from operations increased by 42% year-over-year in the first quarter of 2019.

Operating margin was 11% for the first quarter of 2019, compared to 9% in the same period in 2018, and -3% in the previous quarter. Excluding share-based compensation charges, non-GAAP operating margin was 17%, compared to 14% in the same period in 2018 and 3% in the previous quarter.

Income tax expense for the first quarter of 2019 was RMB677 million (US\$101 million), compared to RMB179 million in the same period of 2018 and RMB35 million in the previous quarter. The change in our effective tax rate primarily reflected certain non-taxable income of the fair value changes in equity securities investments.

Net income attributable to Ctrip's shareholders for the first quarter of 2019 was RMB4.6 billion (US\$687 million), compared to net income attributable to Ctrip's shareholders of RMB1.1 billion in the same period in 2018 and net loss attributable to Ctrip's shareholders of RMB1.2 billion in the previous quarter, mainly due to the RMB3.3 billion gain from fair value changes in equity securities investments, gains recognized for several investing activities, and a reversal of an investment provision made in previous years. Excluding share-based compensation charges and fair value changes of equity securities investments, non-GAAP net income attributable to Ctrip's shareholders was RMB1.8 billion (US\$260 million), compared to RMB2.1 billion in the same period in 2018 and RMB513 million in the previous quarter.

Diluted earnings per ADS were RMB7.45 (US\$1.11) for the first quarter of 2019. Excluding share-based compensation charges and fair value changes of equity securities investments, non-GAAP diluted earnings per ADS were RMB2.93 (US\$0.44) for the first quarter of 2019.

As of March 31, 2019, the balance of cash and cash equivalents, restricted cash and short-term investment was RMB61.6 billion (US\$9.2 billion).

## **Business Outlook**

For the second quarter of 2019, the Company expects the net revenue growth to continue at a year-over-year rate of approximately 16~21%. This forecast reflects Ctrip's current and preliminary view, which is subject to change.

## **Conference Call**

Ctrip.com International, Ltd. (Nasdaq: CTRP), a leading provider of online travel and related services, including accommodation reservation, transportation ticketing, packaged tours and in-destination services, corporate travel management, and other travel-related services, will announce its first quarter of 2019 results on Wednesday, May 22, 2019, U.S. Time, after the market closes.

Ctrip's management team will host a conference call at 8:00PM U.S. Eastern Time on May 22, 2019 (or 8:00AM on May 23, 2019 in the Shanghai/Hong Kong Time) following the announcement.

The conference call will be available on Webcast live and replay at: <http://ir.ctrip.com>. The call will be archived for twelve months at this website.

Listeners may access the call by dialing the following numbers:

US: +1-855-8219-305 or +1-240-254-3156

Hong Kong: +852- 3077-3569

China: 800-820-8527 or 400-612-6501

International: +65-6653-5870

Passcode: 58826333#

For pre-registration, please click

<http://event.onlineseminarsolutions.com/wcc/r/2001877-1/19BF2B975BF8CBC6854754734CF3D6BD>

A telephone replay of the call will be available after the conclusion of the conference call until May 31, 2019. The dial-in details for the replay:

International dial-in number: +65-6653-5846

Passcode: 515102406#

## **Safe Harbor Statement**

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "may," "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "is/are likely to," "confident" or other similar statements. Among other things, quotations from management and the Business Outlook section in this press release, as

well as Ctrip's strategic and operational plans, contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, severe or prolonged downturn in the global or Chinese economy, general declines or disruptions in the travel industry, volatility in the trading price of Ctrip's ADSs, Ctrip's reliance on its relationships and contractual arrangements with travel suppliers and strategic alliances, failure to compete against new and existing competitors, failure to successfully manage current growth and potential future growth, risks associated with any strategic investments or acquisitions, seasonality in the travel industry in the relevant jurisdictions where Ctrip operates, failure to successfully develop Ctrip's existing or future business lines, damage to or failure of Ctrip's infrastructure and technology, loss of services of Ctrip's key executives, adverse changes in economic and political policies of the PRC government, inflation in China, risks and uncertainties associated with PRC laws and regulations with respect to the ownership structure of Ctrip's affiliated Chinese entities and the contractual arrangements among Ctrip, its affiliated Chinese entities and their shareholders, and other risks outlined in Ctrip's filings with the U.S. Securities and Exchange Commission. All information provided in this press release and in the attachments is as of the date of the issuance, and Ctrip does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

#### **About Non-GAAP Financial Measures**

To supplement Ctrip's unaudited condensed consolidated financial statements presented in accordance with United States Generally Accepted Accounting Principles ("GAAP"), Ctrip uses Non-GAAP financial information related to product development expenses, sales and marketing expenses, general and administrative expenses, income from operations, operating margin, net income attributable to Ctrip's shareholders, and diluted earnings per ordinary share and per ADS, each of which (except for net commission earned) is adjusted from the most comparable GAAP result to exclude the share-based compensation charges recorded under ASC 718, "Compensation-Stock Compensation" and its share-based compensation charges are not tax deductible, and fair value changes of equity securities investments, net of tax, recorded under ASU 2016-1. Ctrip's management believes the Non-GAAP financial measures facilitate better understanding of operating results from quarter to quarter and provide management with a better capability to plan and forecast future periods.

Non-GAAP information is not prepared in accordance with GAAP and may be different from Non-GAAP methods of accounting and reporting used by other companies. The presentation of this additional information should not be considered a substitute for GAAP results. A limitation of using Non-GAAP financial measures is that Non-GAAP measures exclude share-based compensation charges and fair value changes of equity securities investments that have been and will continue to be significant recurring expenses in Ctrip's business for the foreseeable future.

Reconciliations of Ctrip's Non-GAAP financial data to the most comparable GAAP data included in the consolidated statement of operations are included at the end of this press release.

#### **About Ctrip.com International, Ltd.**

Ctrip.com International, Ltd. is a leading provider of online travel and related services, including accommodation reservation, transportation ticketing, packaged tours and in-destination services, corporate travel management, and other travel related services. It enables business and leisure travelers to make informed and cost-effective bookings by aggregating comprehensive travel related information and offering its services through an advanced transaction and service platform consisting of its mobile apps, Internet websites and centralized, toll-free, 24-hour customer service center. The family of travel brands mainly includes: Ctrip, the largest online travel agency in terms of gross merchandise value and best-known travel brand in China; Qunar, a leading online travel agency in China; Trip.com, an online travel agency for global consumers; and Skyscanner, a leading global travel search site. Since its inception in 1999, Ctrip Group has experienced substantial growth and become one of the largest travel service providers in the world.

**For further information, please contact:**

Investor Relations

Ctrip.com International, Ltd.

Tel: (+86) 21 3406 4880 X 12229

Email: [iremail@ctrip.com](mailto:iremail@ctrip.com)