TRIPCOM80(DR)

TRIP.COM GROUP

Globlex Securities Co., Ltd.

26 July 2026

Fine Confirmed, Risk Halved

- SAMR fines Trip.com RMB5.18b, ~11% of China revenue
- Take rate, cross-sell pressure to persist as hotels gain leverage
- HOLD, TP THB1.44 (12x 2027E P/E), -2% downside

SAMR probe targets merchant exclusivity and pricing

We see SAMR's probe into Trip.com as more than a compliance headline: the six practices under scrutiny sit at the core of how Trip.com monetizes. SAMR, China's top antitrust regulator, opened the probe in Jan-26 for alleged abuse of dominant market position, following a complaint from a Yunnan homestay group citing forced merchant exclusivity, unilateral commission hikes, data-driven price discrimination, restrictive refund/change policies, traffic throttling, and forced add-ons.

Fine lands harsher than any precedent

SAMR closed the case on 25 July 2026, 6.4 months after opening it — longer than Meituan's 6 months and Alibaba's 3.5 months. We think the fine size signals SAMR viewed this case as unusually severe: the RMB5.18b penalty equals ~11% of China revenue, versus ~4% for Alibaba and ~3% for Meituan — the harshest ratio to date. Precedent case points to no repeat fine once rectification is completed, but Trip.com's own rectification scope remains unresolved.

2Q26 guidance already reflects a structural hit

We estimate the hit to take rate and cross-sell is structural, not one-off, for two reasons: 1) hotels can now list on rival platforms without penalty, strengthening their negotiating power; and 2) forced add-ons must now be genuine opt-in, shrinking that high-margin line. Management flagged this ahead of the ruling, guiding just 3-8% y-y 2Q26 revenue growth, down from 1Q26's 17%.

A strength that survives the ruling: product breadth

We think two things still work in Trip.com's favor, though neither offsets the hit above: 1) outbound and inbound travel demand remains genuinely strong, largely outside SAMR's remedies; and 2) Trip.com's product breadth — one of China's most complete travel apps — is untouched by the ruling. Domestic travel, Trip.com's largest segment, stays the soft spot as 2Q26 GDP growth slowed to 4.3% y-y, a three-year low.

HOLD: one overhang down, one to go

We rate Trip.com HOLD, TP HKD335 / THB1.44 (12x 2027E P/E), about -2% downside, for two reasons: 1) the fine overhang is resolved, and precedent from Alibaba and Meituan shows no repeat fine follows rectification; and 2) the rectification-scope overhang remains open and could still squeeze take rate and cross-sell further. We believe 43% drop in stock price and 14% peer discount already reflect much of this concern.

HOLD

Target Price 12M (THB)	**1.44**
VS. BB Consensus TP (%)	-26.5%
Share Price (THB)	1.47
Upside/Downside	-2.0%
Conversion Ratio (DR : Underlying)	1000 : 1

Underlying Share Data

Company Name	Trip.com (9961.HK)
Market Cap (HKD b)	217.00
Free Float (%)	86.93
Issued Shares (m shares)	629.7

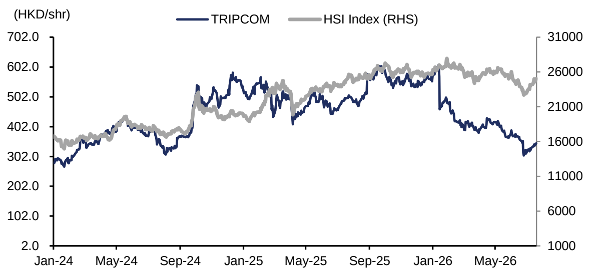
Financial forecast – Underlying share

Year ending Dec	2025	2026E	2027E	2028E
Revenue (RMB b)	62.4	67.1	71.9	77.8
Net profit (RMB b)	33.3	11.6	16.9	18.3
Core net profit (RMB b)	16.0	16.8	16.9	18.3
vs Consensus (%)		1.7	(11.4)	(14.0)
Net profit growth (%)	95.1	(65.2)	45.5	8.5
Core net profit growth (%)	0.1	4.7	0.5	8.5
EPS (RMB/share)	47.67	16.59	24.13	26.19
Core EPS (RMB/share)	22.92	24.01	24.13	26.19
Chg in core EPS (%)		4.7	0.5	8.5
DPS (RMB/share)	2.04	0.83	1.21	1.31
P/E (x)	0.32	17.83	12.26	11.30
P/BV (x)	0.06	1.14	1.04	0.96
Dividend yield (%)	13.49	0.28	0.41	0.44
ROE (%)	21.24	6.57	8.87	8.85

Source: Financial Statement and Globlex securities

DR Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(3.31)	(15.96)	(23.96)	(36.52)
Market	n/a	n/a	n/a	n/a
12M High/Low (THB)				1.28 / 2.56



Major Shareholders (%) as of 20 July 2026

Baidu Holdings Ltd	9.72
Blackrock Inc	5.19
T Rowe Price Group Inc	4.91

Company Profile

Trip.com Group limited operates as an online travel agency. The company offers mobile applications, hotel reservations, flight and train ticketing, packaged tours, and corporate travel management services. Trip.com Group provide services worldwide

Source: Bloomberg

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Fine Confirmed, Risk Halved

What SAMR is investigating, and why

In January 2026, China's top antitrust regulator, SAMR, opened a formal investigation into Trip.com for allegedly abusing its dominant position in the online travel market, breaking Article 17 of China's Anti-Monopoly Law.

The complaint came from a homestay industry group in Yunnan. It named six practices: forcing hotels to sell only on Trip.com and not on rival platforms; raising commission rates without warning; charging different customers different prices for the same room, based on their data; making it hard to cancel or change a booking; cutting traffic to hotels that push back; and adding paid extras, like insurance, to a booking without clear consent.

Local regulators followed with their own actions in Guizhou, Zhengzhou, Guiyang, and Beijing. SAMR's final ruling confirms the core of the complaint: it found Trip.com used its platform rules and technology to control traffic allocation, restricted hotels' ability to operate on competing platforms, and infringed on hotels' right to set their own prices.

Case status: outcome, and what the fine size signals

SAMR closed the case on 25 July 2026, 6.4 months after opening it — longer than Meituan's roughly 6-month case, and much longer than Alibaba's 3.5-month case, which closed quickly only because Alibaba chose not to contest it.

This is the harshest ratio among the major platform antitrust cases to date. Alibaba was fined RMB18.2b, about 4% of revenue. Meituan was fined RMB3.44b, about 3%. Trip.com's ratio is more than double Alibaba's and over three times Meituan's.

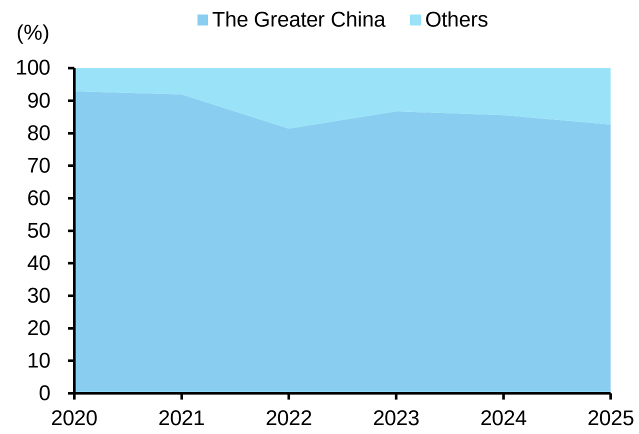
We read the size of the fine as a signal, not just a number. Landing at the legal ceiling means SAMR judged this conduct as more severe than what it found at Alibaba or Meituan — or wanted to send a stronger deterrence message to a platform holding roughly 56% of China's online travel market, the largest and most dominant of the three cases. Either reading points the same way: the accompanying rectification measures are more likely to be extensive than symbolic.

Exhibit 1: SAMR precedent comparison

Case	Investigation opened	Closed	Duration	Fine (% of prior-yr revenue)
Alibaba	24-Dec-2020	10-Apr-2021	3.5 months	RMB 18.2b (4%)
Meituan	Apr-2021	8-Oct-2021	6 months	RMB 3.44b (3%)
Trip.com	14-Jan-2026	25-July-2026	6.4 months	RMB5.18b (11%)

Sources: Trip.com; Globlex Research

Exhibit 2: Revenue by geographic (%)



Sources: Trip.com; Globlex Research

2Q26 guidance already reflects the hit — and why it's structural

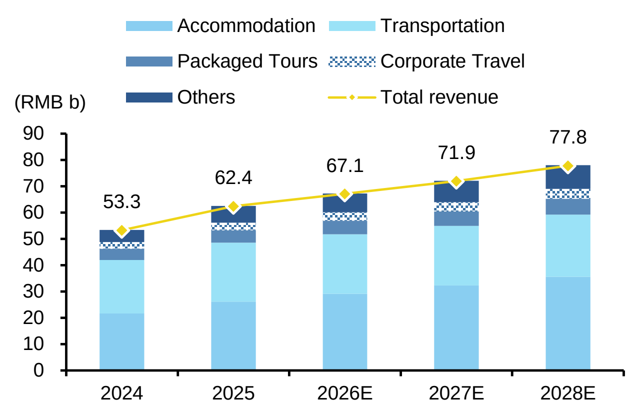
Trip.com guided 2Q26 revenue growth of just 3-8% y-y, a sharp step-down from 1Q26's 17%, citing "operational adjustments to align with evolving industry standards and compliance frameworks." That guidance came before the ruling was finalized, which tells us management was already pricing in a serious outcome.

We think the mechanism is straightforward. Trip.com's largest share of China's online travel market was itself part of why SAMR acted: dominance built partly on forced exclusivity, algorithmic traffic control, and restrictive refund terms. The ruling directly curbs those tools. Hotels can now list on Fliggy, Douyin, or Meituan without penalties from Trip.com, where before they largely couldn't.

That changes the competitive dynamic in a market which Trip.com has run with little real challenge. Two lines take the hit. Take rate: hotels now have credible alternative channels, which strengthen their hands in commission negotiations. Cross-sell: forced add-on sales, one of SAMR's specific findings, must now be genuine opt-in, which should shrink that high-margin revenue line. Domestic ticketing faces separate but related pressure from new distribution rules.

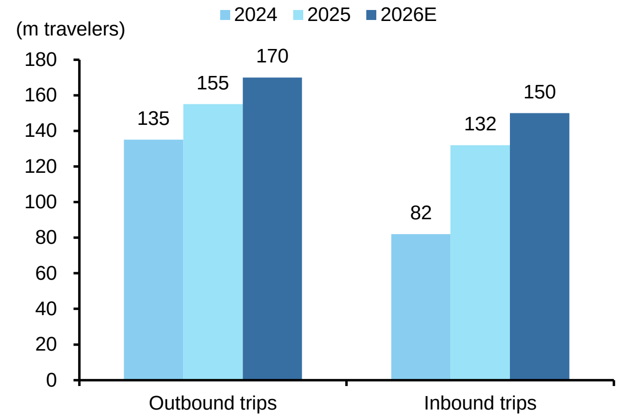
We treat this as a multi-year drag, not a one-time compliance cost. The fine is a single cash outflow; the loss of pricing power over hotel partners is not.

Exhibit 3: Revenue by segment



Sources: Trip.com; Globlex Research

Exhibit 4: China Inbound & Outbound Travel



Sources: Globlex Research

A strength that survives the ruling

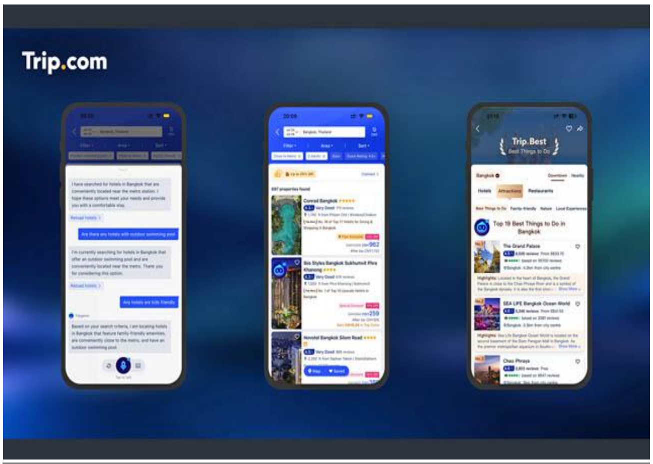
Beyond the operational hit, two things still work in Trip.com's favor: broader travel demand, and the breadth of what it offers travelers.

The macro backdrop is mixed, but net supportive. Outbound Chinese trips are projected to reach 165-175m in 2026, up from ~155m in 2025, with spending up 22.5% y-y to US$280b. Inbound travel is supported by the 30-day visa-free policy covering 55 countries, plus China's largely untapped regional destinations, which give repeat inbound visitors reason to keep coming back. However, Domestic travel — Trip.com's largest segment — is the soft spot: China's 2Q26 GDP growth slowed to 4.3% y-y, a three-year low, and H1 retail sales grew just 1.3% y-y on a weak job market and property slump.

Moreover, Trip.com remains one of the more complete travel apps in China — flights, hotels, trains, packaged tours, car rentals, and corporate travel booking, backed by real-time flight data, AI trip planning, and 24/7 multilingual support. SAMR's remedies target how Trip.com deals with hotel partners — exclusivity, pricing, traffic allocation. They don't touch product breadth or technology. That's one thing still working in the company's favor even as the ruling reshapes its power with hotels.

We do not think this offsets the structural hit to take rate and cross-sell. On balance, we still forecast revenue growth (+17% y-y in 2025 vs. +7.5%/+7.2% y-y in 2026E/2027E respectively) but at a slower pace than before the ruling.

Exhibit 5: Trip.com product edge



Sources: Trip.com

Exhibit 6: China hidden gems

Sources: Thetravelintern.com

Valuation and our view

One overhang has lifted: the fine is confirmed, and precedent from Alibaba and Meituan shows no repeat fine follows once a company completes rectification. A second overhang remains: the scope and duration of Trip.com's own rectification measures, and how much further take rate and cross-sell get squeezed while it complies.

We think the stock's 43% drop from its 12-month high, and its current 14% discount to peer average, already reflect much of this concern — the market has been pricing in the risk of a severe outcome since the investigation opened in January. But we don't think it fully reflects the confirmed numbers yet. Consensus estimates, though, still look light: the fine assumption implied in Street numbers is about RMB2.6b, roughly 5% of revenue, versus the actual RMB5.18b, about 11%.

We expect 2026E net profit at RMB11.59b, down sharply from 2025's RMB33.3b, which included a RMB17.4b one-off disposal gain. We expect net profit to rebound to RMB16.85b in 2027E — a slight increase from 2025's core base of RMB16.0b — reflecting continued pressure on take rate and cross-sell..

Given one overhang is resolved and one is not, we hold our multiple at 12x applied to 2027E EPS of RMB24.13 — a discount to the 14.3x peer average, consistent with the unresolved operational risk, but no deeper than where the market already prices the stock now that the fine-size overhang is behind it.

We rate Trip.com **HOLD**. Our target price is HKD335.3 / THB1.44, about -2% downside.

Exhibit 7: P/E-based valuation sensitivity (anchor: 2027E EPS RMB24.13, HKDTHB 4.29)

Target price	P/E	9x	10x	11x	12x	13x	14x	15x
TRIPCOM	(HKD/share)	251.5	279.4	307.4	335.3	363.3	391.2	419.2
TRIPCOM80 (DR)	(THB/share)	1.08	1.20	1.32	**1.44**	1.56	1.68	1.80
Upside/(Downside)	(%)	-26.5%	-18.4%	-10.2%	-2.0%	6.1%	14.3%	22.4%

Sources: Trip.com; Globlex Research

Balance sheet (RMB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
Cash & ST investment	48,439	39,848	46,000	58,592	70,492
Account receivable	18,121	22,408	24,090	25,829	27,941
Inventories	0	0	0	0	0
Others	45,560	58,794	62,405	66,164	70,454
Non-current assets					
Net fixed assets	5,808	6,326	6,322	6,322	6,335
Others	124,653	140,011	143,243	146,631	150,181
Total Assets	**242,581**	**267,387**	**282,059**	**303,537**	**325,403**
Current liabilities					
Account payable	16,578	19,150	21,410	25,229	27,292
ST borrowing	19,627	19,599	19,207	18,823	18,446
Others	37,805	39,420	42,378	45,437	49,154
Long-term liabilities					
Long-term debts	20,695	12,015	10,814	9,732	8,759
Others	4,394	4,603	4,603	4,603	4,603
Total liabilities	**99,099**	**94,787**	**98,412**	**103,824**	**108,254**
Paid-up capital	6	6	6	6	6
Retained earnings	45,251	76,597	87,605	103,616	120,993
Others	97,293	94,346	94,346	94,346	94,346
Minority interest	932	1,651	1,691	1,745	1,804
Shareholders' equity	**143,482**	**172,600**	**183,647**	**199,712**	**217,149**

Profit & loss (RMB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Revenue	**53,294**	**62,409**	**67,093**	**71,936**	**77,820**
Cost of goods sold	(9,990)	(12,122)	(13,553)	(15,970)	(17,276)
Gross profit	**43,304**	**50,287**	**53,540**	**55,966**	**60,544**
Operating expenses	(29,127)	(34,514)	(36,936)	(39,459)	(42,531)
Operating profit	**14,177**	**15,773**	**16,603**	**16,507**	**18,013**
EBIT	**14,177**	**15,773**	**16,603**	**16,507**	**18,013**
Depreciation	(851)	(845)	(876)	(935)	(998)
EBITDA	**15,028**	**16,618**	**17,480**	**17,442**	**19,011**
Non-operating income	**4,561**	**23,924**	**(1,590)**	**3,795**	**3,960**
Other incomes	0	(5)	(3)	(3)	(3)
Other non-op income	4,561	23,929	(1,587)	3,798	3,963
Non-operating expense	**(1,735)**	**(849)**	**(727)**	**(691)**	**(658)**
Interest expense	(1,735)	(849)	(727)	(691)	(658)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	2,828	353	300	300	300
Pre-tax Profit	**19,831**	**39,201**	**14,586**	**19,911**	**21,615**
Extraordinary items					
Current taxation	(2,604)	(5,815)	(2,920)	(2,942)	(3,197)
Minorities	(160)	(92)	(79)	(116)	(125)
Net Profit	**17,067**	**33,294**	**11,587**	**16,854**	**18,292**
Core net profit	**15,999**	**16,008**	**16,767**	**16,854**	**18,292**
EPS (RMB)	**24.78**	**47.67**	**16.59**	**24.13**	**26.19**
Core EPS (RMB)	**23.23**	**22.92**	**24.01**	**24.13**	**26.19**

Key ratios					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Growth (%YoY)					
Sales	19.7	17.1	7.5	7.2	8.2
Operating profit	25.2	11.3	5.3	(0.6)	9.1
EBITDA	23.8	10.6	5.2	(0.2)	9.0
Net profit	72.1	95.1	(65.2)	45.5	8.5
Core net profit	42.2	0.1	4.7	0.5	8.5
EPS	68	92	(65.2)	45.5	8.5
Core EPS	39	(1)	4.7	0.5	8.5
Profitability (%)					
Gross margin	81.3	80.6	79.8	77.8	77.8
Operation margin	26.6	25.3	24.7	22.9	23.1
EBITDA margin	28.2	26.6	26.1	24.2	24.4
Net margin	32.0	53.3	17.3	23.4	23.5
ROE	12.9	21.2	6.6	8.9	8.9
ROA	7.4	13.1	4.2	5.8	5.8
Stability					
Interest bearing debt/equity (x)	0.3	0.2	0.2	0.1	0.1
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Interest & ST debt coverage (x)	n.a.	n.a.	n.a.	n.a.	n.a.
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	1.5	1.5	1.6	1.7	1.8
Quick ratio (x)	0.9	0.8	0.8	0.9	1.0
Net debt (RMB m)	(8,117)	(8,234)	(15,979)	(30,037)	(43,287)
Activity					
Asset turnover (X)	0.21	0.21	0.22	0.34	0.71
Days receivables	124.1	131.1	131.1	131.1	0.0
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	605.7	576.6	576.6	576.6	0.0
Cash cycle days	(481.6)	(445.6)	(445.6)	(445.6)	0.0

Cash flow (RMB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Operating cash flow	**14,522**	**12,758**	**8,265**	**15,115**	**14,223**
Net profit	17,067	33,294	11,587	16,854	18,292
Depre.& amortization	851	845	876	935	998
Change in working capital	2,155	(9,802)	1,527	3,060	1,142
Others	(5,551)	(11,579)	(5,725)	(5,733)	(6,210)
Investment cash flow	**3,482**	**(34,567)**	**9,093**	**15,706**	**14,984**
Net CAPEX	(876)	(1,363)	(872)	(935)	(1,012)
Change in LT investment	4,358	(33,204)	9,965	16,641	15,996
Change in other assets					
Free cash flow	**18,004**	**(21,809)**	**17,358**	**30,822**	**29,207**
Financing cash flow	**(11,157)**	**13,218**	**(11,206)**	**(18,230)**	**(17,306)**
Change in share capital	3,759	2,766	0	0	0
Net change in debt	110	719	40	54	59
Dividend paid	0	(1,423)	(579)	(843)	(915)
Others	(15,026)	11,156	(10,666)	(17,442)	(16,451)
Net cash flow	**6,847**	**(8,591)**	**6,152**	**12,592**	**11,901**
Per share (RMB)					
EPS	24.78	47.67	16.59	24.13	26.19
Core EPS	23.23	22.92	24.01	24.13	26.19
CFPS	26.94	49.70	17.96	25.64	27.80
BVPS	212.42	248.22	260.54	283.47	308.35
Sales/share	79.42	90.62	96.07	103.00	111.43
EBITDA/share	22.39	24.13	25.03	24.98	27.22
DPS	0.00	2.04	0.83	1.21	1.31
Valuation					
P/E (x)	0.9	0.3	17.8	12.3	11.3
P/BV (x)	0.1	0.1	1.1	1.0	1.0
Dividend yield (%)	0.0	13.5	0.3	0.4	0.4
Divdend payout ratio (%)	0.0	4.3	5.0	5.0	5.0

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Analyst Certification

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RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.