



Booking Holdings Reports Financial Results for 1st Quarter 2018

NORWALK, CT – May 9, 2018. . . Booking Holdings Inc. (NASDAQ: BKNG) today reported its 1st quarter 2018 financial results. First quarter gross travel bookings for Booking Holdings (the "Company," "Booking Holdings," "we," "our" or "us"), which refers to the total dollar value, generally inclusive of taxes and fees, of all travel services booked by its customers, net of cancellations, were \$25.0 billion, an increase of 21% over a year ago (approximately 12% on a constant-currency basis).

Booking Holding's total revenues for the 1st quarter were \$2.9 billion as compared to gross profit of \$2.3 billion, a 25% increase from the prior year (approximately 18% on a constant-currency basis). Revenue in the 1st quarter of 2018 includes a favorable adjustment of approximately \$27 million to a loyalty program liability. Net income in the 1st quarter was \$607.2 million, a 33% increase versus the prior year. Net income was \$12.34 per diluted share, a 35% increase as compared to the prior year. Net income in the 1st quarter of 2018 includes approximately \$55 million of net unrealized gains on marketable equity securities during the period, pursuant to the adoption of a new accounting update effective for periods beginning after December 31, 2017.

Non-GAAP net income in the 1st quarter was \$590 million, a 20% increase versus the prior year. Non-GAAP net income was \$12.00 per diluted share, a 21% increase compared to \$9.88 per diluted share a year ago. Adjusted EBITDA for the 1st quarter was \$798 million, a 26% increase versus a year ago. Non-GAAP net income and adjusted EBITDA exclude the favorable loyalty program liability adjustment and net unrealized gains on marketable equity securities of approximately \$27 million and \$55 million, respectively. The section below entitled "*Non-GAAP Financial Measures*" provides definitions and information about the use of non-GAAP financial measures in this press release, and the attached financial and statistical supplement reconciles non-GAAP financial information with Booking Holdings' financial results under GAAP.

"We are off to a strong start in 2018 with solid top and bottom line results for the first quarter with our performance marketing optimization efforts driving a second consecutive quarter of operating margin expansion," said Glenn Fogel, Chief Executive Officer of Booking Holdings. Looking forward, Mr. Fogel said "Our brands are making good progress deploying investments to position us for continued future growth."

Current Revenue Recognition Standard

Effective January 1, 2018, the Company adopted the current revenue standard, Accounting Standards Update 2014-09 ("Current Revenue Standard"). Under the Current Revenue Standard, the Company recognizes substantially all of its revenue at check-in, rather than at check-out, as it has in the past under the previous revenue standard ("Previous Revenue Standard"). Total revenues for the 1st quarter of 2018 under the Current Revenue Standard were approximately 2% lower than total revenues for the 1st quarter of 2018 if reported under the Previous Revenue Standard.

In addition, revenues from *Name Your Own Price*[®] ("NYOP") transactions are presented on a net basis, with the amounts remitted to the travel service providers reported as a reduction to merchant revenues. Therefore, the Company no longer presents cost of revenues or gross profit.

The year over year growth rates for 2018 compare total revenues in 2018 to gross profit in 2017. The adoption of the Current Revenue Standard, which as mentioned above had approximately a 2% unfavorable impact on total revenues in the 1st quarter of 2018, had an unfavorable impact on the growth rate of approximately three percentage

points when comparing total revenues for the 1st quarter of 2018 under the Current Revenue Standard to gross profit for the 1st quarter of 2017 reported under the Previous Revenue Standard.

Booking Holdings' guidance for the 2nd quarter of 2018 is as follows:

<i>(U.S. Dollars in millions, except per share amounts)</i>	Guidance Ranges	
	Low	High
<u>Metrics</u>		
Year over year growth - Room nights booked	7%	11%
Year over year growth - Total gross travel bookings	10%	14%
<i>Year over year growth - Total gross travel bookings (constant currency)</i>	5%	9%
<u>GAAP</u>		
Year over year growth - Revenue ⁽¹⁾	11.5%	15.5%
<i>Year over year growth - Revenue (constant currency) ⁽¹⁾</i>	6%	10%
Net income ⁽²⁾	\$ 753	\$ 783
Net income per diluted share ⁽³⁾	\$ 15.50	\$ 16.15
<u>Non-GAAP</u>		
Non-GAAP Net income ⁽²⁾	\$ 795	\$ 825
Non-GAAP Net income per diluted share ⁽³⁾	\$ 16.35	\$ 17.00
Adjusted EBITDA	\$ 1,085	\$ 1,125

⁽¹⁾ Growth rates compare the 2nd quarter of 2018 forecasted revenue under the current revenue standard to the 2nd quarter of 2017 gross profit as reported under the previous revenue standard.

⁽²⁾ Assumes an estimated effective tax rate for the 2nd quarter of 2018 of approximately 21%.

⁽³⁾ Assumes a fully diluted share count of approximately 48.6 million shares.

The Company estimates that total revenues recognized at check-in will be less than 1% lower in the 2nd quarter of 2018, approximately flat in the 3rd quarter of 2018 and approximately 4% higher in the 4th quarter of 2018 when compared to the same quarters in 2018 if revenues were recognized at check-out.

Non-GAAP adjustments for amortization expense of intangible assets, non-cash interest expense related to the amortization of debt discount and the tax impact of these non-GAAP adjustments are expected to increase non-GAAP net income over GAAP net income by approximately \$42 million in the 2nd quarter of 2018, before considering the impact of unrealized gains or losses on marketable equity securities which are not predictable.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) is comprised of GAAP net income excluding depreciation and amortization expense, interest income, interest expense, unrealized gains and losses on marketable equity securities and income tax expense. Adjusted EBITDA is estimated to be higher than GAAP net income by approximately \$332 million to \$342 million in the 2nd quarter of 2018, before considering the impact of unrealized gains or losses on marketable equity securities which are not predictable.

Non-GAAP Financial Measures

The Unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include all normal and recurring adjustments that management of the Company considers necessary for a fair presentation of its financial position and operating results.

To supplement the Unaudited Consolidated Financial Statements, the Company uses the following non-GAAP financial measures: Non-GAAP total revenues, adjusted EBITDA, non-GAAP net income, non-GAAP net income per share and free cash flow (net cash provided by operating activities less capital expenditures). The presentation of non-GAAP financial information should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

The Company uses non-GAAP financial measures for financial and operational decision-making and as a basis to evaluate performance and set targets for employee compensation programs. The Company believes that these non-GAAP financial measures are useful for analysts and investors to evaluate the Company's ongoing operating performance because they facilitate comparison of the Company's results for the current period and projected next-period results to those of prior periods and to those of its competitors (though other companies may calculate similar non-GAAP financial measures differently from those calculated by the Company). These non-GAAP financial measures, in particular adjusted EBITDA and non-GAAP net income are not intended to represent funds available for Booking Holdings' discretionary use and are not intended to represent or to be used as a substitute for operating income, net income or cash flow from operations as measured under GAAP. The items excluded from these non-GAAP measures, but included in the calculation of their closest GAAP equivalent, are significant components of the Company's consolidated statements of operations and cash flows and must be considered in performing a comprehensive assessment of overall financial performance.

Non-GAAP net income is net income with the following adjustments:

- excludes the impact, if any, of significant charges or benefits associated with judgments, rulings and/or settlements related to travel transaction tax (e.g., hotel occupancy taxes, excise taxes, sales taxes, etc.) proceedings or other litigation,
- excludes the impact of significant loyalty program adjustments, such as the favorable \$27 million adjustment to total revenues in the 1st quarter of 2018 related to recently introduced changes to OpenTable's loyalty program,
- excludes amortization expense of intangible assets,
- excludes the impact, if any, of significant charges related to the impairment of goodwill or intangible assets,
- excludes non-cash interest expense related to the amortization of debt discount and gains or losses on early extinguishment of debt, if any, related to our convertible debt,
- excludes the impact, if any, of significant gains or losses on the sale of cost-method investments and significant charges related to other-than-temporary impairments of such investments,
- excludes, if any, unrealized gains and losses on marketable equity securities, that are recognized in net income (beginning in the 1st quarter of 2018), and
- the income tax impact of the non-GAAP adjustments mentioned above.

In addition to the adjustments listed above regarding non-GAAP net income, adjusted EBITDA excludes depreciation expense, interest income, interest expense and income tax expense.

We evaluate certain operating and financial measures on both an as-reported and constant-currency basis. We calculate constant currency by converting our current-year period results for transactions recorded in currencies other than U.S. Dollars using the corresponding prior-year period monthly average exchange rates rather than the current-year period monthly average exchange rates.

The attached financial and statistical supplement includes reconciliations of our financial results under GAAP to non-GAAP financial information for the three months ended March 31, 2018 and 2017.

Information About Forward-Looking Statements

This press release contains forward-looking statements, including information providing guidance of expected future period financial performance. These forward-looking statements reflect the views of the Company's management regarding current expectations and projections about future events and are based on currently available information and current foreign currency exchange rates. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed, implied or forecasted in any such forward-looking statements. Expressions of future goals and similar expressions including, "may," "will," "should," "could," "expects," "plans," "anticipates," "intends," "believes," "estimates," "predicts," "potential," "targets," or "continue," reflecting something other than historical fact are intended to identify forward-looking statements.

The following factors, among others, could cause the Company's actual results to differ materially from those described in the forward-looking statements:

- adverse changes in general market conditions for travel services, including the effects of macroeconomic conditions, terrorist attacks, natural disasters, health concerns, civil or political unrest or other events outside our control;
- the effects of increased competition;
- fluctuations in foreign exchange rates and other risks associated with doing business in multiple currencies;
- our ability to successfully manage our growth and expand our global business;
- our performance advertising efficiency;
- IT systems-related failures, data privacy risks and obligations, and/or security breaches;
- any write-downs or impairments of goodwill or intangible assets related to acquisitions or investments;
- any change by our search and meta-search partners in how they present travel search results or conduct their auctions for search placement in a manner that is competitively disadvantageous to us;
- our ability to respond to and keep up with the rapid pace of technological change;
- adverse changes in Booking Holdings' relationships with travel service providers and restaurants;
- the ability to attract and retain qualified personnel; and
- tax, legal and regulatory risks.

For a detailed discussion of these and other factors that could cause the Company's actual results to differ materially from those described in the forward-looking statements, please refer to the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and any subsequently filed Quarterly Reports on Form 10-Q. 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.

About Booking Holdings Inc.

Booking Holdings (NASDAQ: BKNG) is the world's leading provider of online travel and related services, provided to consumers and local partners in over 220 countries and territories across Europe, North America, South America, the Asia-Pacific region, the Middle East and Africa in over 40 languages. The mission of Booking Holdings is to help people experience the world.

For more information, visit BookingHoldings.com and follow us on Twitter @BookingHoldings.

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Booking Holdings Inc.
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,622,086	\$ 2,541,604
Short-term investments in marketable securities	4,240,704	4,859,873
Accounts receivable, net of allowance for doubtful accounts of \$43,620 and \$39,282, respectively	1,530,321	1,217,801
Prepaid expenses and other current assets	1,111,753	415,527
Total current assets	<u>9,504,864</u>	<u>9,034,805</u>
Property and equipment, net	573,040	480,081
Intangible assets, net	2,140,098	2,176,823
Goodwill	2,754,747	2,737,671
Long-term investments in marketable securities	9,432,763	10,421,600
Other assets	613,448	600,283
Total assets	<u>\$ 25,018,960</u>	<u>\$ 25,451,263</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 841,274	\$ 667,523
Accrued expenses and other current liabilities	1,238,815	1,138,980
Deferred merchant bookings	1,425,649	980,455
Convertible debt	941,657	710,910
Total current liabilities	<u>4,447,395</u>	<u>3,497,868</u>
Deferred income taxes	481,220	481,139
Long-term U.S. transition tax liability	1,250,846	1,250,846
Other long-term liabilities	161,340	148,061
Long-term debt	7,990,418	8,809,788
Total liabilities	<u>14,331,219</u>	<u>14,187,702</u>
Convertible debt	51,398	2,963
Stockholders' equity:		
Common stock, \$0.008 par value; authorized 1,000,000,000 shares, 62,838,223 and 62,689,097 shares issued, respectively	488	487
Treasury stock, 14,589,938 and 14,216,819 shares, respectively	(9,430,421)	(8,698,829)
Additional paid-in capital	5,034,164	5,783,089
Retained earnings	14,975,706	13,938,869
Accumulated other comprehensive income	56,406	236,982
Total stockholders' equity	<u>10,636,343</u>	<u>11,260,598</u>
Total liabilities and stockholders' equity	<u>\$ 25,018,960</u>	<u>\$ 25,451,263</u>

Booking Holdings Inc.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended March 31,	
	2018	2017
Agency revenues	\$ 2,113,339	\$ 1,785,313
Merchant revenues	526,467	442,045
Advertising and other revenues	288,395	192,046
Total revenues	<u>2,928,201</u>	<u>2,419,404</u>
Cost of revenues		<u>80,401</u>
Gross profit		<u>2,339,003</u>
Operating expenses:		
Performance marketing	1,106,207	982,172
Brand marketing	101,402	80,818
Sales and other expenses	165,800	109,599
Personnel, including stock-based compensation of \$71,405 and \$58,948, respectively	498,887	351,030
General and administrative	162,139	135,547
Information technology	60,441	39,945
Depreciation and amortization	103,090	83,430
Total operating expenses	<u>2,197,966</u>	<u>1,782,541</u>
Operating income	<u>730,235</u>	<u>556,462</u>
Other income (expense):		
Interest income	46,879	31,992
Interest expense	(70,235)	(55,717)
Net unrealized gains on marketable equity securities	54,514	—
Foreign currency transactions and other	(8,056)	(5,127)
Total other income (expense)	<u>23,102</u>	<u>(28,852)</u>
Earnings before income taxes	753,337	527,610
Income tax expense	146,127	71,987
Net income	<u>\$ 607,210</u>	<u>\$ 455,623</u>
Net income applicable to common stockholders per basic common share	<u>\$ 12.56</u>	<u>\$ 9.26</u>
Weighted-average number of basic common shares outstanding	<u>48,349</u>	<u>49,192</u>
Net income applicable to common stockholders per diluted common share	<u>\$ 12.34</u>	<u>\$ 9.11</u>
Weighted-average number of diluted common shares outstanding	<u>49,205</u>	<u>50,025</u>

Booking Holdings Inc.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended March 31,	
	2018	2017
OPERATING ACTIVITIES:		
Net income	\$ 607,210	\$ 455,623
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	56,540	40,412
Amortization	46,550	43,018
Provision for uncollectible accounts	28,331	13,530
Deferred income tax expense (benefit)	8,654	(24,441)
Net unrealized gains on marketable equity securities	(54,514)	—
Stock-based compensation expense and other stock-based payments	71,500	59,059
Amortization of debt issuance costs	2,113	2,067
Amortization of debt discount	15,127	17,625
Changes in assets and liabilities:		
Accounts receivable	(96,034)	(78,428)
Prepaid expenses and other current assets	(708,925)	(443,643)
Accounts payable, accrued expenses and other current liabilities	631,496	305,758
Other	32,327	(9,962)
Net cash provided by operating activities	<u>640,375</u>	<u>380,618</u>
INVESTING ACTIVITIES:		
Purchase of investments	(713,748)	(1,498,723)
Proceeds from sale of investments	2,481,251	676,474
Additions to property and equipment	(131,987)	(70,559)
Acquisitions and other investments, net of cash acquired	—	(6)
Net cash provided by (used in) investing activities	<u>1,635,516</u>	<u>(892,814)</u>
FINANCING ACTIVITIES:		
Proceeds from the issuance of long-term debt	—	1,051,722
Payments for conversion of senior notes	(1,487,109)	(4)
Payment of debt	(348)	—
Payments for repurchase of common stock	(718,941)	(209,797)
Proceeds from exercise of stock options	1,161	1,479
Net cash (used in) provided by financing activities	<u>(2,205,237)</u>	<u>843,400</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	10,599	21,737
Net increase in cash, cash equivalents and restricted cash and cash equivalents	81,253	352,941
Cash, cash equivalents and restricted cash and cash equivalents, beginning of period	2,563,341	2,082,007
Cash, cash equivalents and restricted cash and cash equivalents, end of period	<u>\$ 2,644,594</u>	<u>\$ 2,434,948</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period for income taxes	\$ 783,974	\$ 536,192
Cash paid during the period for interest	\$ 74,275	\$ 38,496
Non-cash financing activity	<u>\$ —</u>	<u>\$ 1,000</u>

Booking Holdings Inc.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION
(In thousands, except per share data)

RECONCILIATION OF TOTAL REVENUES / GROSS PROFIT TO NON-GAAP TOTAL REVENUES / GROSS PROFIT	Three Months Ended March 31,	
	2018	2017
Total Revenues/Gross profit	\$ 2,928,201	\$2,339,003
(a) Adjustment to loyalty program liability	(27,064)	—
Non-GAAP Total Revenues/Gross profit	<u>\$ 2,901,137</u>	<u>\$2,339,003</u>

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA	Three Months Ended March 31,	
	2018	2017
Net income	\$ 607,210	\$ 455,623
(a) Adjustment to loyalty program liability	(27,064)	—
(b) Depreciation and amortization	103,090	83,430
(b) Interest income	(46,879)	(31,992)
(b) Interest expense	70,235	55,717
(c) Unrealized gains on marketable equity securities	(54,514)	—
(b) Income tax expense	146,127	71,987
Adjusted EBITDA	<u>\$ 798,205</u>	<u>\$ 634,765</u>
<i>Adjusted EBITDA as a % of Non-GAAP Total Revenues/Gross Profit</i>	<u>27.5%</u>	<u>27.1%</u>

RECONCILIATION OF NET INCOME TO NON-GAAP NET INCOME AND NON-GAAP NET INCOME PER DILUTED COMMON SHARE	Three Months Ended March 31,	
	2018	2017
Net income	\$ 607,210	\$ 455,623
(a) Adjustment to loyalty program liability	(27,064)	—
(c) Net unrealized gains on marketable equity securities	(54,514)	—
(d) Amortization of intangible assets	46,550	43,018
(e) Debt discount amortization related to convertible debt	13,774	16,493
(f) Tax impact of Non-GAAP adjustments	4,469	(21,068)
Non-GAAP Net income	<u>\$ 590,425</u>	<u>\$ 494,066</u>
GAAP weighted-average number of diluted common shares outstanding	<u>49,205</u>	<u>50,025</u>
Non-GAAP Net income per diluted common share	<u>\$ 12.00</u>	<u>\$ 9.88</u>

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW**Three Months Ended
March 31,**

	2018	2017
Net cash provided by operating activities	\$ 640,375	\$ 380,618
(g) Additions to property and equipment	(131,987)	(70,559)
Free cash flow	<u>\$ 508,388</u>	<u>\$ 310,059</u>
<i>Free cash flow as a % of Non-GAAP Total Revenues/Gross Profit</i>	<u>17.5%</u>	<u>13.3%</u>

Notes:

- (a) Favorable adjustment to OpenTable's loyalty program liability related to recently introduced changes to the program.
- (b) Amounts are excluded from Net income to calculate Adjusted EBITDA.
- (c) Net unrealized gains related to the change in fair value of our investment in Ctrip equity securities.
- (d) Amortization of intangible assets is recorded in Depreciation and amortization expense.
- (e) Non-cash interest expense related to the amortization of debt discount and loss on early extinguishment of debt are recorded in Interest expense and Foreign currency transactions and other, respectively. Loss on early extinguishment of debt is excluded from Net Income to calculate Non-GAAP Net Income and Adjusted EBITDA.
- (f) Reflects the tax impact of Non-GAAP adjustments.
- (g) Additions to property and equipment and land-use rights are included in the calculation of Free cash flow.

For a more detailed discussion of the adjustments described above, please see the section in our press release entitled "Non-GAAP Financial Measures" which provides a definition and information about the use of non-GAAP financial measures.

Booking Holdings Inc.
Statistical Data

 In millions⁽¹⁾

(Unaudited)

Gross Bookings⁽²⁾	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Agency	\$14,534	\$15,369	\$15,757	\$12,978	\$18,140	\$17,947	\$18,594	\$ 15,015	\$ 20,576
Merchant	2,119	2,494	2,703	2,134	2,546	2,850	3,168	2,965	4,434
Total	\$16,653	\$17,862	\$18,460	\$15,112	\$20,687	\$20,797	\$21,762	\$ 17,980	\$ 25,009

Year/Year Growth

Agency	22.1 %	19.4 %	22.6 %	25.5 %	24.8 %	16.8 %	18.0 %	15.7%	13.4%
Merchant	13.5 %	19.1 %	40.2 %	27.8 %	20.2 %	14.3 %	17.2 %	39.0%	74.1%
Total	20.9 %	19.4 %	24.9 %	25.8 %	24.2 %	16.4 %	17.9 %	19.0%	20.9%
Constant Currency	26 %	21 %	26 %	28 %	27 %	19 %	16 %	14%	12%

Units Sold	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Room Nights	136.5	140.7	149.6	129.7	173.9	170.2	177.5	151.5	196.8
Year/Year Growth	30.5 %	24.4 %	29.4 %	31.0 %	27.4 %	21.0 %	18.6 %	16.8%	13.2%
Rental Car Days	16.2	18.5	18.0	14.0	18.6	20.7	19.0	14.7	18.7
Year/Year Growth	10.9 %	7.9 %	12.5 %	14.4 %	15.4 %	11.7 %	5.5 %	5.4%	0.6%
Airline Tickets	1.8	2.0	1.9	1.6	1.8	1.8	1.7	1.6	1.8
Year/Year Growth	(7.2)%	(6.6)%	(2.5)%	(4.3)%	(2.1)%	(8.7)%	(11.8)%	3.1%	1.9%

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Gross Profit/Total Revenues (1Q18)⁽³⁾⁽⁴⁾	\$ 2,025	\$ 2,434	\$ 3,589	\$ 2,281	\$ 2,339	\$ 2,957	\$ 4,380	\$ 2,763	\$ 2,928
Year/Year Growth ⁽⁴⁾	21.9 %	16.1 %	22.1 %	21.1 %	15.5 %	21.5 %	22.0 %	21.1%	25.2%
Constant Currency ⁽⁴⁾	28 %	18 %	23 %	24 %	17 %	24 %	19 %	17%	18%

⁽¹⁾ Amounts may not total due to rounding.

⁽²⁾ Gross bookings is an operating and statistical metric that captures the total dollar value, generally inclusive of taxes and fees, of all travel services booked by our customers, net of cancellations.

⁽³⁾ For periods ending prior to January 1, 2018, gross profit has been adjusted to reflect the reclassification of certain prior period expenses from "cost of revenues" to "sales and other expense" to conform to the current period presentation.

⁽⁴⁾ For periods beginning after December 31, 2017, the Company records amounts remitted to travel service providers as a reduction to merchant revenues and therefore no longer presents cost of revenues or gross profit. The year over year growth rate compares total revenues in 2018 reported under the current revenue standard to gross profit in 2017 reported under the previous revenue standard.