Baidu Announces Third Quarter 2026 Results

BEIJING, China, November 16, 2026 – Baidu, Inc. (NASDAQ: BIDU and HKEX: 9888 (HKD Counter) and 89888 (RMB Counter)), ("Baidu" or the "Company"), a leading AI company with strong Internet foundation, today announced its unaudited financial results for the third quarter ended September 30, 2026.

"Our long-term investments in full-stack AI are translating into meaningful growth at scale. This quarter, AI Cloud Infra emerged as a major driver of Baidu General Business revenue expansion, and Baidu Core AI-powered Business[1] accounted for 53% of Baidu General Business revenue, further reinforcing AI's position at the core of our business. We also continued to expand use cases, strengthen capabilities, and improve user experience across our AI applications portfolio," said Robin Li, Co-founder and CEO of Baidu. "We are pleased to see our AI-first strategy yielding tangible results even as we navigate headwinds in online marketing. AI is playing an increasingly important role in shaping Baidu's future, and we remain committed to investing decisively to capture long-term growth opportunities and solidify our competitive edge."

"In Q3, Baidu General Business revenue returned to year-over-year growth, increasing by 1%. AI Cloud Infra revenue[1] grew 94% year over year, helping to partially offset weakness in online marketing and supporting the overall top-line recovery. AI Cloud Infra is becoming a new growth engine for Baidu, with an increasing contribution to both revenue and profit. Operating cash flow for Baidu also remained positive in the third quarter, reaching RMB 2.8 billion, underscoring our solid cash generation and financial health," said Haijian He, CFO of Baidu. "We will maintain a disciplined approach to capital allocation with a clear focus on investment returns as we continue to invest in AI. "

Operational Highlights[1]

Corporate

- In September 2026, Baidu's autonomous ride-hailing service, Apollo Go, was selected as a "Representative Case of Sustainable Overseas Operations by Chinese Enterprises in 2026" by the United Nations Global Compact (UNGC) and the Listed Companies Association of China, recognizing its green, safe, and intelligent autonomous ride-hailing services.

[1] The revenue and operational data presented are derived from the Company's internal management accounts and records. While prepared in good faith, these internal accounts have not been audited and actual results may differ materially.

- Baidu has returned US$373 million to shareholders since the beginning of Q1 2026 through repurchases of its shares under the current share repurchase program.
- In November 2026, Baidu unveiled ERNIE 5.5 Flash Preview, the latest foundation model in its ERNIE family. The model delivers strong coding and agentic capabilities, supporting complex workflows and producing usable, high-quality outputs across knowledge work, video creation, game development and 3D modeling. On the latest Code Arena WebDev leaderboard, it ranks second among open-source models globally.
- At Baidu World 2026 in November, Baidu introduced Token Exchange, a neutral, transparent and trusted marketplace connecting AI model service providers with customers.
- In February 2026, Baidu announced the adoption, for the first time, of a dividend policy for its ordinary shares. The Company expects to declare the first payment of dividend before the end of 2026, subject to Board approval and prevailing market conditions.

Baidu Core AI-powered Business

AI Cloud Infra

- Revenue from AI Cloud Infra was RMB 8.2 billion in the third quarter of 2026, up 94% year over year. Within AI Cloud Infra, revenue from GPU Cloud[2] increased by 191% year over year and 43% quarter over quarter in the third quarter of 2026.
- In the third quarter of 2026, AI Cloud Infra continued to experience strong demand, with a more diversified customer base, increased customer prepayments, and a continued shift toward longer-term contracts.
- Revenue from external customers' token usage on Baidu's Qianfan MaaS platform increased by 1,159% year over year in the third quarter of 2026.
- In July 2026, Kunlunxin M100 was publicly displayed for the first time during the World Artificial Intelligence Conference. Optimized for large-scale AI inference, M100 is expected to be ready for volume production by the end of 2026.

AI Applications

- Revenue from AI Applications was RMB 2.6 billion in the third quarter of 2026, approximately flat year over year.
- In the third quarter of 2026, Baidu continued to enhance DuMate, its general work agent, by integrating capabilities from its internal workplace AI agent

[2] Revenue from GPU Cloud was previously referred to as subscription-based revenue from AI accelerator infrastructure. The growth in GPU Cloud Revenue reflected mounting demand for public cloud-based AI computing.

dodo, AI coding assistant Comate, and vibe coding platform Miaoda to support a broader range of tasks through a single agent.

- In September 2026, AI DAU penetration across Baidu Wenku and Baidu Drive increased by 60.7% year over year, reflecting broader adoption of their AI-powered features.
- In November 2026, Baidu launched Famou Agent 3.0, its self-evolving agent designed to help enterprises solve complex operational problems, at Baidu World 2026.
- In the third quarter of 2026, production costs for Baidu Yijing hyper-realistic digital humans decreased by approximately 80% compared with the fourth quarter of 2025.

Robotaxi

- Apollo Go continued to make meaningful progress across key markets. In Shenzhen, now one of Apollo Go's largest markets, fully driverless operational rides increased by approximately 170% quarter over quarter. In Dubai, Apollo Go expanded its fully driverless commercial operations, broadening its operating area and doubling its fleet size. In London, Apollo Go continued open-road testing in partnership with Uber and Lyft, progressively expanding its testing areas. In Hong Kong, Apollo Go continued fully driverless testing on Airport Island.
- As of October 2026, Apollo Go’s global footprint has reached 30 cities. In the third quarter of 2026, Apollo Go fleets accumulated approximately 34 million autonomous kilometers. As of October 31, 2026, Apollo Go fleet has accumulated more than 390 million autonomous kilometers, while maintaining an outstanding safety record.
- In October 2026, Apollo Go received the Consumer Service Award at the Self-Driving Industry Awards (SDIA) in the UK, recognizing its global operating experience and track record of delivering fully driverless rides at a world-leading scale.

AI-native Marketing Services

- Revenue from AI-native marketing services was RMB 2.4 billion in the third quarter of 2026, down 15% year over year. The decline was primarily due to a challenging macroeconomic environment, evolving competitive dynamics, and our strategic decision to prioritize user experience over near-term monetization at this stage of our AI Search transformation.
- Baidu App’s MAUs reached 604 million in September 2026.

The following table sets forth selected revenue highlights for our Baidu Core AI-powered Business for the periods indicated:

(In billions)	Q3 2025	Q2 2026	Q3 2026	*YoY*	*QoQ*
	RMB	**RMB**	**RMB**		
Baidu Core AI-powered Business[1]	**9.6**	**12.5**	**13.2**	*37%*	*6%*
- AI Cloud Infra	4.2	7.3	8.2	*94%*	*11%*
- AI Applications	2.6	2.5	2.6	*0%*	*1%*
- AI-native Marketing Services	2.8	2.6	2.4	*(15%)*	*(7%)*
% of Baidu General Business	39%	**50%**	**53%**		
Legacy Business[1]	12.5	10.4	9.4	*(24%)*	*(10%)*
Others[1]	2.6	2.3	2.4	*(7%)*	*5%*
Baidu General Business	**24.7**	**25.2**	**25.0**	***1%***	***(1%)***

Third Quarter 2026 Financial Results for Baidu[3,4]

Financial highlights

The following table sets forth revenue highlights for Baidu General Business:

(In billions, unaudited)	Q3 2025	Q2 2026	Q3 2026	*YoY*	*QoQ*
	RMB	**RMB**	**RMB**		
Online Marketing Services	15.3	13.1	11.9	*(22%)*	*(9%)*
Online Marketing Services % of Baidu General Business	*62%*	*52%*	*48%*		
Others	9.4	12.1	13.1	*40%*	*8%*
Others % of Baidu General Business	*38%*	*48%*	*52%*		
Baidu General Business	**24.7**	**25.2**	**25.0**	***1%***	***(1%)***

Revenue was RMB30.8 billion ($4.60 billion), decreasing 1% year over year and 2% quarter over quarter. **Revenue from Baidu General Business** was RMB25.0 billion ($3.73 billion), increasing 1% year over year and decreasing 1% quarter over quarter.

[1] The revenue and operational data presented are derived from the Company's internal management accounts and records. While prepared in good faith, these internal accounts have not been audited and actual results may differ materially.
[3] Non-GAAP measures are defined in the Non-GAAP Financial Measures section (see also "Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures" for more details).
[4] Unless otherwise noted, RMB to USD was converted at an exchange rate of RMB6.7045 as of September 30, 2026, as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Translations are provided solely for the convenience of the reader.

Revenue from iQIYI was RMB6.0 billion ($896 million), decreasing 10% year over year and 4% quarter over quarter.

Cost of revenue was RMB19.9 billion ($2.97 billion), increasing 9% year over year and 4% quarter over quarter. The year over year increase was primarily due to increases in costs related to cloud business and traffic acquisition costs, partially offset by a decrease in content costs.

Selling, general and administrative expenses were RMB5.5 billion ($815 million), decreasing 17% year over year, primarily due to decreases in expected credit loss expenses and channel spending expenses, and increasing 19% quarter over quarter, primarily due to an increase in expected credit loss expenses.

Research and development expenses were RMB4.8 billion ($720 million), decreasing 7% year over year and increasing 5% quarter over quarter.

Operating income was RMB626 million ($93 million) and **operating margin** was 2%. **Non-GAAP operating income** was RMB1.7 billion ($255 million) and **non-GAAP operating margin** was 6%.

Total other income, net was RMB1.2 billion ($175 million), compared to RMB1.9 billion for the same period last year and RMB184 million last quarter. The year over year decrease was primarily due to decreases in pickup of earnings from equity method investments and fair value gain from long-term investments, and an increase in net foreign exchange loss arising from exchange rate fluctuation between Renminbi and U.S. dollar, partially offset by a shift from fair value loss to fair value gain on exchangeable bonds. The quarter over quarter increase was primarily due to a shift from fair value loss to fair value gain on trading debt investments.

Income tax expense was RMB427 million ($64 million), compared to income tax benefit of RMB1.8 billion for the same period last year and income tax expense of RMB1.0 billion last quarter.

Net income attributable to Baidu was RMB1.4 billion ($208 million), **net margin for Baidu** was 5% and **diluted earnings per ADS** was RMB4.35 ($0.65). **Non-GAAP net income attributable to Baidu** was RMB2.4 billion ($357 million), **non-GAAP net margin for Baidu** was 8% and **non-GAAP diluted earnings per ADS** was RMB6.78 ($1.01).

Adjusted EBITDA was RMB4.5 billion ($670 million) and **adjusted EBITDA margin** was 15%.

We define total cash and investments as cash, cash equivalents, restricted cash, short-term investments, net, long-term time deposits and held-to-maturity investments, and adjusted long-term investments. As of September 30, 2026, **total cash and investments** were RMB276.6 billion ($41.25 billion). **Operating cash flow** was RMB2.8 billion ($414 million).

For detailed financial information of Baidu General Business and iQIYI, please see the appended financial tables.

Conference Call Information

Baidu's management will hold an earnings conference call at 7:30 AM on Nov 16, 2026, U.S. Eastern Time (8:30 PM on Nov 16, 2026, Beijing Time).

Please register in advance of the conference call using the link provided below. It will automatically direct you to the registration page of "Baidu Inc. Q3 2026 Earnings Conference Call". Please follow the steps to enter your registration details, then click "Register". Upon registering, you will then be provided with the dial-in number, the passcode, and your unique access PIN. This information will also be emailed to you as a calendar invite.

For pre-registration, please click:
https://s1.c-conf.com/diamondpass/10057872-oyt4z8.html

In the 10 minutes prior to the call start time, you may use the conference access information (including dial-in number(s), the passcode and unique access PIN) provided in the calendar invite that you have received following your pre-registration.

Additionally, a live and archived webcast of this conference call will be available at https://ir.baidu.com.

About Baidu

Founded in 2000, Baidu’s mission is to make the complicated world simpler through technology. Baidu is a leading AI company with strong Internet foundation, trading on NASDAQ under "BIDU" and HKEX under "9888". One Baidu ADS represents eight Class A ordinary shares.

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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 "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, Baidu's and other parties' strategic and operational plans, contain forward-looking statements. Baidu may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about Baidu's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Baidu’s growth strategies; its future business development, including development of new products and services; its ability to attract and retain users and customers; competition in the Chinese Internet search and newsfeed market; competition for online marketing customers; changes in the Company’s revenues and certain cost or expense items as a percentage of its revenues; the outcome of ongoing, or any future, litigation or arbitration, including those relating to intellectual property rights; the expected growth of the Chinese-language Internet search and newsfeed market and the number of Internet and broadband users in China; Chinese governmental policies relating to the Internet and Internet search providers, and general economic conditions in China and elsewhere. Further information regarding these and other risks is included in the Company’s annual report on Form 20-F and other documents filed with the Securities and Exchange Commission, and announcements on the website of the Hong Kong Stock Exchange. Baidu does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of the press release, and Baidu undertakes no duty to update such information, except as required under applicable law.

Non-GAAP Financial Measures

To supplement Baidu’s consolidated financial results presented in accordance with GAAP, Baidu uses the following non-GAAP financial measures: non-GAAP operating income, non-GAAP operating margin, non-GAAP net income attributable to Baidu, non-GAAP net margin, non-GAAP diluted earnings per ADS, adjusted EBITDA, adjusted EBITDA margin, adjusted long-term investments and free cash flow. The presentation of these non-GAAP financial measures is not intended to be considered

in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Baidu believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and liquidity by excluding certain items that may not be indicative of its recurring core business operating results, such as operating performance excluding non-cash charges or non-operating in nature. The Company believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing its performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Baidu's historical performance and liquidity. The Company believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making. A limitation of using these non-GAAP financial measures is that these non-GAAP measures exclude certain items that have been and will continue to be for the foreseeable future a significant component in the Company's results of operations. These non-GAAP financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data.

Non-GAAP operating income represents operating income excluding share-based compensation expenses, amortization and impairment of intangible assets resulting from business combinations, and impairment of long-lived assets.

Non-GAAP net income attributable to Baidu represents net income attributable to Baidu excluding share-based compensation expenses, amortization and impairment of intangible assets resulting from business combinations, impairment of long-lived assets, disposal gain or loss, impairment of long-term investments, and fair value gain or loss of long-term investments and exchangeable bonds, adjusted for related income tax effects. Baidu's share of equity method investments for these non-GAAP reconciling items, amortization and impairment of intangible assets not on the investees' books, accretion of their redeemable non-controlling interests, the gain or loss associated with the issuance of shares by the investees at a price higher or lower than the carrying value per share, and penalty imposed by administrative authorities, adjusted for related income tax effects, are also excluded.

Non-GAAP diluted earnings per ADS represents diluted earnings per ADS calculated by dividing non-GAAP net income attributable to Baidu, by the weighted average number of ordinary shares expressed in ADS. Adjusted EBITDA represents non-GAAP operating income excluding depreciation of fixed assets, and amortization

of finance lease right-of-use assets and intangible assets excluding those resulting from business combinations. Adjusted long-term investments represent long-term investments, net, with publicly listed equity method investments adjusted to fair value based on quoted market prices.

For more information on non-GAAP financial measures, please see the tables captioned “Reconciliations of non-GAAP financial measures to the nearest comparable GAAP measure.”

Baidu, Inc.
Condensed Consolidated Statements of Income
(In millions except for per share (or ADS) information, unaudited)

	Three Months Ended			
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	US$[(2)]
Revenue	**31,174**	**31,325**	**30,807**	**4,595**
Costs and expenses:				
Cost of revenue[(1)]	18,315	19,098	19,892	2,967
Selling, general and administrative[(1)]	6,581	4,596	5,460	815
Research and development[(1)]	5,179	4,607	4,829	720
Impairment of long-lived assets	16,190	-	-	-
Total costs and expenses	**46,265**	**28,301**	**30,181**	**4,502**
Operating income (loss)	**(15,091)**	**3,024**	**626**	**93**
Other income:				
Interest income	1,930	1,685	1,783	266
Interest expense	(631)	(608)	(744)	(111)
Foreign exchange loss, net	(357)	(1,160)	(1,071)	(160)
Share of earnings from equity method investments	735	357	102	15
Others, net	269	(90)	1,099	165
Total other income, net	**1,946**	**184**	**1,169**	**175**
Income (loss) before income taxes	**(13,145)**	**3,208**	**1,795**	**268**
Income tax expense (benefit)	(1,828)	1,000	427	64
Net income (loss)	**(11,317)**	**2,208**	**1,368**	**204**
Net loss attributable to noncontrolling interests	(85)	(111)	(27)	(4)
Net income (loss) attributable to Baidu	**(11,232)**	**2,319**	**1,395**	**208**
Earnings (loss) per ADS (1 ADS representing 8 Class A ordinary shares):				
-Basic	(33.88)	6.08	4.58	0.68
-Diluted	(33.88)	5.74	4.35	0.65
Earnings (loss) per share for Class A and Class B ordinary shares:				
-Basic	(4.23)	0.76	0.57	0.09
-Diluted	(4.23)	0.72	0.54	0.08
Weighted average number of Class A and Class B ordinary shares outstanding (in millions):				
-Basic	2,713	2,716	2,724	2,724
-Diluted	2,713	2,755	2,743	2,743
(1) Includes share-based compensation expenses as follows:				
Cost of revenue	113	91	114	17
Selling, general and administrative	340	220	315	47
Research and development	591	398	601	90
Total share-based compensation expenses	1,044	709	1,030	154

(2) All translations from RMB to U.S. dollars are made at a rate of RMB6.7045 to US$1.00, the exchange rate in effect as of September 30, 2026 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System.

Baidu, Inc.
Condensed Consolidated Balance Sheets
(In millions, unaudited)

	December 31, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	US$
ASSETS			
Current assets:			
Cash and cash equivalents	24,606	31,013	4,626
Restricted cash	225	199	30
Short-term investments, net	90,661	155,331	23,168
Accounts receivable, net	12,972	13,631	2,033
Amounts due from related parties	761	762	114
Other current assets, net	22,745	28,168	4,201
Total current assets	**151,970**	**229,104**	**34,172**
Non-current assets:			
Fixed assets, net	26,281	31,035	4,629
Licensed copyrights, net	5,963	5,834	870
Produced content, net	14,575	13,482	2,011
Intangible assets, net	3,891	6,267	935
Goodwill	36,783	36,966	5,514
Long-term time deposits and held-to-maturity investments	123,862	47,357	7,063
Long-term investments, net	44,918	43,127	6,433
Amounts due from related parties	167	196	29
Lease right-of-use assets	9,287	25,274	3,770
Deferred tax assets, net	4,582	5,047	753
Other non-current assets	26,878	28,699	4,281
Total non-current assets	**297,187**	**243,284**	**36,288**
Total assets	**449,157**	**472,388**	**70,460**
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY			
Current liabilities:			
Short-term loans	7,626	23,222	3,464
Accounts payable and accrued liabilities	38,846	40,130	5,986
Customer deposits and deferred revenue	13,051	12,729	1,899
Deferred income	531	324	48
Long-term loans, current portion	14,765	2,164	323
Convertible senior notes, current portion	1,459	1	-
Notes payable, current portion	4,560	6,031	900
Amounts due to related parties	1,988	1,783	266
Lease liabilities	3,502	3,875	578
Total current liabilities	**86,328**	**90,259**	**13,464**
Non-current liabilities:			
Deferred income	198	153	23
Deferred revenue	723	753	112
Amounts due to related parties	36	23	3
Long-term loans	3,369	25,560	3,812
Notes payable	51,021	41,586	6,203
Convertible senior notes	6,712	6,585	982
Lease liabilities	4,885	5,579	832
Deferred tax liabilities	4,985	5,489	819
Other non-current liabilities	1,174	992	148
Total non-current liabilities	**73,103**	**86,720**	**12,934**
Total liabilities	**159,431**	**176,979**	**26,398**
Redeemable noncontrolling interests	**13,166**	**12,699**	**1,894**
Equity			
Total Baidu shareholders' equity	266,330	273,487	40,792
Noncontrolling interests	10,230	9,223	1,376
Total equity	**276,560**	**282,710**	**42,168**
Total liabilities, redeemable noncontrolling interests, and equity	**449,157**	**472,388**	**70,460**

Baidu, Inc.
Selected Information
(In millions, unaudited)

	Three months ended September 30, 2025 (RMB)				Three months ended June 30, 2026 (RMB)				Three months ended September 30, 2026 (RMB)				Three months ended September 30, 2026 (US$)			
	Baidu General Business	**iQIYI**	Elim & adj[2]	**Baidu, Inc.**	**Baidu General Business**	**iQIYI**	Elim & adj[2]	**Baidu, Inc.**	**Baidu General Business**	**iQIYI**	Elim & adj[2]	**Baidu, Inc.**	**Baidu General Business**	**iQIYI**	Elim & adj[2]	**Baidu, Inc.**
Revenue	**24,659**	**6,682**	(167)	**31,174**	**25,183**	**6,287**	(145)	**31,325**	**24,973**	**6,007**	(173)	**30,807**	**3,725**	**896**	(26)	**4,595**
Costs and expenses:																
Cost of revenue[1]	12,996	5,467	(148)	18,315	13,982	5,250	(134)	19,098	15,136	4,896	(140)	19,892	2,258	730	(21)	2,967
Selling, general and administrative[1]	5,677	925	(21)	6,581	3,861	744	(9)	4,596	4,699	790	(29)	5,460	701	118	(4)	815
Research and development[1]	4,767	412	-	5,179	4,209	398	-	4,607	4,468	363	(2)	4,829	666	54	-	720
Impairment of long-lived assets	16,190	-	-	16,190	-	-	-	-	-	-	-	-	-	-	-	-
Total costs and expenses	**39,630**	**6,804**	(169)	**46,265**	**22,052**	**6,392**	(143)	**28,301**	**24,303**	**6,049**	(171)	**30,181**	**3,625**	**902**	(25)	**4,502**
Operating income (loss)	**(14,971)**	**(122)**	2	**(15,091)**	**3,131**	**(105)**	(2)	**3,024**	**670**	**(42)**	(2)	**626**	**100**	**(6)**	(1)	**93**
Operating margin	*(61%)*	*(2%)*		*(48%)*	*12%*	*(2%)*		*10%*	*3%*	*(1%)*		*2%*				
Add: total other income (loss), net	2,031	(85)	-	1,946	189	(5)	-	184	1,293	(124)	-	1,169	193	(18)	-	175
Less: income tax expense (benefit)	(1,868)	40	-	(1,828)	780	220	-	1,000	416	11	-	427	62	2	-	64
Less: net income (loss) attributable to NCI	49	2	(136) [3]	(85)	87	(43)	(155) [3]	(111)	66	(4)	(89) [3]	(27)	10	(1)	(13) [3]	(4)
Net income (loss) attributable to Baidu	**(11,121)**	**(249)**	138	**(11,232)**	**2,453**	**(287)**	153	**2,319**	**1,481**	**(173)**	87	**1,395**	**221**	**(25)**	12	**208**
Net margin	*(45%)*	*(4%)*		*(36%)*	*10%*	*(5%)*		*7%*	*6%*	*(3%)*		*5%*				
Non-GAAP financial measures:																
Operating income (loss) (non-GAAP)	**2,225**	**-22**		**2,205**	**3,818**	**-31**		**3,785**	**1,689**	**25**		**1,712**	**252**	**4**		**255**
Operating margin (non-GAAP)	*9%*	*(0%)*		*7%*	*15%*	*(0%)*		*12%*	*7%*	*0%*		*6%*				
Net income (loss) attributable to Baidu (non-GAAP)	**3,836**	**-148**		**3,770**	**2,672**	**-210**		**2,573**	**2,410**	**-27**		**2,395**	**359**	**-3**		**357**
Net margin (non-GAAP)	*16%*	*(2%)*		*12%*	*11%*	*(3%)*		*8%*	*10%*	*(0%)*		*8%*				
Adjusted EBITDA	**4,398**	**30**		**4,429**	**6,141**	**11**		**6,150**	**4,428**	**67**		**4,493**	**660**	**11**		**670**
Adjusted EBITDA margin	*18%*	*0%*		*14%*	*24%*	*0%*		*20%*	*18%*	*1%*		*15%*				
(1) Includes share-based compensation as follows:																
Cost of revenue	83	30		113	68	23		91	94	20		114	14	3		17
Selling, general and administrative	304	36		340	194	26		220	291	24		315	43	4		47
Research and development	559	32		591	375	23		398	580	21		601	87	3		90
Total share-based compensation	946	98		1,044	637	72		709	965	65		1,030	144	10		154

(2) Relates to intersegment eliminations and adjustments
(3) Relates to the net income attributable to iQIYI noncontrolling interests

Baidu, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions,unaudited)

	Three months ended September 30, 2025 (RMB)			Three months ended June 30, 2026 (RMB)			Three months ended September 30, 2026 (RMB)			Three months ended September 30, 2026 (US$)		
	Baidu excl. iOIYI	iQIYI	Baidu, Inc.	Baidu excl. iOIYI	iQIYI	Baidu, Inc.	Baidu excl. iOIYI	iQIYI	Baidu, Inc.	Baidu excl. iOIYI	iQIYI	Baidu, Inc.
Net cash provided by (used in) operating activities	**1,523**	**(267)**	**1,256**	**3,096**	**340**	**3,436**	**2,613**	**165**	**2,778**	**389**	**25**	**414**
Net cash provided by (used in) investing activities	2,233	763	2,996	(26,217)	(246)	(26,463)	5,048	180	5,228	753	27	780
Net cash provided by (used in) financing activities	4,532	151	4,683	17,606	(201)	17,405	(1,015)	(194)	(1,209)	(151)	(29)	(180)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(186)	(16)	(202)	(208)	(8)	(216)	(276)	(3)	(279)	(42)	-	(42)
Net increase (decrease) in cash, cash equivalents and restricted cash	**8,102**	**631**	**8,733**	**(5,723)**	**(115)**	**(5,838)**	**6,370**	**148**	**6,518**	**949**	**23**	**972**
Cash, cash equivalents and restricted cash												
At beginning of period	26,928	4,139	31,067	27,211	3,321	30,532	21,488	3,206	24,694	3,206	478	3,684
At end of period	35,030	4,770	39,800	21,488	3,206	24,694	27,858	3,354	31,212	4,155	501	4,656
Net cash provided by (used in) operating activities	**1,523**	**(267)**	**1,256**	**3,096**	**340**	**3,436**	**2,613**	**165**	**2,778**	**389**	**25**	**414**
Less: Capital expenditures	(3,378)	(23)	(3,401)	(11,370)	(20)	(11,390)	(7,307)	(42)	(7,349)	(1,090)	(6)	(1,096)
Free cash flow	**(1,855)**	**(290)**	**(2,145)**	**(8,274)**	**320**	**(7,954)**	**(4,694)**	**123**	**(4,571)**	**(701)**	**19**	**(682)**

Note: Baidu excl. iQIYI represents Baidu, Inc. minus iQIYI's consolidated cash flows.

Baidu, Inc.

Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures

(In millions except for per ADS information, unaudited)

	Three months ended September 30, 2025 (RMB)			Three months ended June 30, 2026 (RMB)			Three months ended September 30, 2026 (RMB)			Three months ended September 30, 2026 (US$)		
	Baidu General Business	iQIYI	Baidu, Inc.	Baidu General Business	iQIYI	Baidu, Inc.	Baidu General Business	iQIYI	Baidu, Inc.	Baidu General Business	iQIYI	Baidu, Inc.
Operating income (loss)	**(14,971)**	**(122)**	**(15,091)**	**3,131**	**(105)**	**3,024**	**670**	**(42)**	**626**	**100**	**(6)**	**93**
Add: Share-based compensation expenses	946	98	1,044	637	72	709	965	65	1,030	144	10	154
Add: Amortization and impairment of intangible assets resulting from business combinations	60	2	62	50	2	52	54	2	56	8	-	8
Add: Impairment of long-lived assets	16,190	-	16,190	-	-	-	-	-	-	-	-	-
Operating income (loss) (non-GAAP)	**2,225**	**(22)**	**2,205**	**3,818**	**(31)**	**3,785**	**1,689**	**25**	**1,712**	**252**	**4**	**255**
Add: Depreciation of fixed assets and amortization of finance lease right-of-use assets and intangible assets[1]	2,173	52	2,224	2,323	42	2,365	2,739	42	2,781	408	7	415
Adjusted EBITDA	**4,398**	**30**	**4,429**	**6,141**	**11**	**6,150**	**4,428**	**67**	**4,493**	**660**	**11**	**670**
Net income (loss) attributable to Baidu	**(11,121)**	**(249)**	**(11,232)**	**2,453**	**(287)**	**2,319**	**1,481**	**(173)**	**1,395**	**221**	**(25)**	**208**
Add: Share-based compensation expenses	945	98	989	636	72	669	964	65	995	143	10	148
Add: Amortization and impairment of intangible assets resulting from business combinations	58	2	59	48	2	49	52	2	53	8	-	8
Add: Impairment of long-lived assets	16,190	-	16,190	-	-	-	-	-	-	-	-	-
Add: Disposal gain	(101)	-	(101)	(26)	-	(26)	(29)	-	(29)	(4)	-	(4)
Add: Impairment of long-term investments	97	-	97	464	-	464	170	21	180	25	3	27
Add: Fair value loss (gain) of long-term investments and exchangeable bonds	279	1	279	(1,073)	3	(1,072)	(712)	58	(683)	(106)	9	(102)
Add: Reconciling items on equity method investments[2]	15	-	15	82	-	82	491	-	491	73	-	73
Add: Tax effects on non-GAAP adjustments[3]	(2,526)	-	(2,526)	88	-	88	(7)	-	(7)	(1)	-	(1)
Net income (loss) attributable to Baidu (non-GAAP)	**3,836**	**(148)**	**3,770**	**2,672**	**(210)**	**2,573**	**2,410**	**(27)**	**2,395**	**359**	**(3)**	**357**
Diluted earnings (loss) per ADS			**(33.88)**			**5.74**			**4.35**			**0.65**
Add: Accretion of the redeemable noncontrolling interests			0.75			0.74			(0.49)			(0.07)
Add: Non-GAAP adjustments to earnings per ADS			44.25			0.74			2.92			0.43
Diluted earnings per ADS (non-GAAP)			**11.12**			**7.22**			**6.78**			**1.01**

(1) This represents amortization of intangible assets excluding those resulting from business combinations.

(2) This represents Baidu's share of equity method investments for other non-GAAP reconciling items, amortization and impairment of intangible assets not on the investee's books, accretion of their redeemable noncontrolling interests, and the gain or loss associated with the issuance of shares by the investees at a price higher or lower than the carrying value per share.

(3) This represents tax impact of all non-GAAP adjustments.