Yavqo Corporation

Third Quarter 2025

Earnings release, consolidated financial statements and notes for the period ended September 30, 2025.

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Yavqo Investor Relations · investors@yavqo.com

Yavqo Announces Third Quarter 2025 Results

Mountain View, Calif. — October 28, 2025

Yavqo Corporation (NYSE: YVQ) today announced financial results for the third quarter ended September 30, 2025. Revenue was $74.6 billion, up 12% compared with the same period last year.

"Our third quarter results reflect the durability of the two engines that now define Yavqo — payments and cloud," said Amara Voss, Chief Executive Officer of Yavqo. "Revenue of $74.6 billion grew 12%, Yavqo Cloud accelerated again, and we returned capital to shareholders while investing in the infrastructure our customers will depend on for the next decade."

"Operating margin expanded to 30.5%, and operating cash flow was $29.2 billion," said Daniel Reyes, Chief Financial Officer. "We are prioritizing disciplined investment in cloud capacity and in the payments network, where returns remain strongest."

Financial highlights

- Revenue of $74.6 billion, up 12% year over year.
- Yavqo Cloud revenue of $22.7 billion, up 17% year over year.
- Operating income of $22.8 billion and operating margin of 30.5%.
- Net income of $21.1 billion and diluted net income per share of $1.81.
- Operating cash flow of $29.2 billion and free cash flow of $21.4 billion.

Yavqo Payments processed $545 billion in total payment volume during the quarter, up 18% year over year, as enterprise adoption of Yavqo's unified ledger and cross-border settlement products continued to expand. The company added 9,400 net new enterprise customers in the quarter, and the percentage of revenue from customers outside the United States reached 39%.

During the quarter Yavqo repurchased $17.2 billion of its Class A common stock and paid $2.5 billion in dividends. Cash, cash equivalents and marketable securities totaled $205.2 billion at September 30, 2025.

For the fourth quarter quarter of 2025, Yavqo expects revenue of $76.7 billion to $77.5 billion, operating margin of approximately 31%, and capital expenditures of $9 billion to $10 billion. The outlook reflects continued cloud capacity additions and normal seasonality in payments volume.

The Board of Directors declared a quarterly cash dividend of $0.24 per share of Class A and Class B common stock, payable on December 15, 2025 to stockholders of record on December 1, 2025. The company also announced that its annual shareholder meeting will be held on June 4, 2026.

Headcount was 19,120 at quarter end, up 7% year over year, with the majority of additions in cloud engineering and compliance. Yavqo ended the quarter with 74,300 enterprise customers, including 92 of the Fortune 100.

Segment results

The following table presents revenue and operating income by reportable segment for the three months ended September 30, 2025. Segment operating income excludes corporate costs and other unallocated expenses, which are shown separately.

Segment	Revenue	Y/Y	Operating income	Margin
Yavqo Payments	43,343	+9%	18,204	42.0%
Yavqo Cloud	22,678	+17%	5,443	24.0%
Yavqo Capital	6,639	+13%	1,793	27.0%
Other Bets	1,940	+0%	(815)	-42.0%
Total segments	**74,600**	**+12%**	**24,625**	**33.0%**
Corporate costs and other			(1,872)	

In millions, except percentages. Unaudited.

Yavqo Cloud revenue was $22.7 billion, up 17% year over year, driven by demand for artificial intelligence infrastructure, data analytics and the Yavqo Financial Cloud suite. Cloud operating margin was 24.0%, reflecting continued efficiency gains in data center operations that were partly offset by depreciation from new capacity.

Yavqo Payments revenue grew 9% to $43.3 billion, with search and commerce-related advertising improving through the quarter. Yavqo Capital revenue was $6.6 billion, and Other Bets revenue was $1.9 billion.

Revenue by geography

	Revenue	Y/Y
United States	45,506	+10%
EMEA	17,904	+18%
APAC	11,190	+22%

In millions, except percentages. Unaudited.

International revenue grew 20% year over year and represented 39% of total revenue, with the fastest growth in APAC. Marked-to-market foreign exchange effects reduced revenue by approximately $420 million in the quarter; excluding that effect, revenue grew 14%.

Cloud backlog, which represents contracted but unrecognized revenue, was $104.3 billion at quarter end. Approximately 62% of backlog is expected to be recognized within the next twelve months. Payments volume per active merchant grew 11% year over year, and the net revenue retention rate for enterprise customers was 112%.

Capital expenditures were predominantly directed at cloud capacity in the United States and the European Union. The company expects to bring an additional 1.4 gigawatts of data center capacity online over the next four quarters, of which 70% is already contracted.

Consolidated statements of income

In millions, except per share amounts; unaudited

	Q3 2025	Q3 2024	Nine months 2025	Nine months 2024
Revenues	**74,600**	**66,906**	**217,300**	**194,888**
Cost of revenues	30,362	27,565	87,355	78,345
Gross profit	**44,238**	**39,341**	**129,945**	**116,543**
Research and development	9,883	9,018	29,778	27,163
Sales and marketing	7,305	6,665	22,010	20,077
General and administrative	4,297	3,921	12,947	11,810
Total operating expenses	**21,485**	**19,603**	**64,734**	**59,051**
Operating income	**22,753**	**19,737**	**65,211**	**57,492**
Other income, net	895	803	2,608	2,339
Income before income taxes	**23,648**	**20,540**	**67,819**	**59,831**
Provision for income taxes	2,548	2,275	7,319	6,626
Net income	**21,100**	**18,265**	**60,500**	**53,204**
Diluted net income per share	1.81	1.56	5.19	4.55
Diluted shares (millions)	11,650	11,700	11,650	11,700

Cost of revenues includes traffic acquisition costs of $15.7 billion for the quarter. Research and development expense includes stock-based compensation of $1.9 billion. The effective tax rate was 10.8%.

Reconciliation of operating income (non-GAAP)

	Q3 2025	Q3 2024
Operating income (GAAP)	22,753	19,737
Stock-based compensation	3,879	3,479
Amortization of intangibles	448	401
Adjusted operating income	**27,080**	**23,618**
Adjusted operating margin	36.3%	35.3%

Adjusted operating income and adjusted operating margin are non-GAAP financial measures that exclude stock-based compensation and amortization of acquired intangibles. Management uses these measures to evaluate operating performance and believes they help investors compare results across periods. They should not be considered in isolation or as a substitute for GAAP measures.

Consolidated balance sheets

In millions; unaudited

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	82,060	77,136
Marketable securities	123,090	116,936
Accounts receivable, net	45,506	42,321
Other current assets	15,666	15,196
Total current assets	**266,322**	**253,006**
Property and equipment, net	130,550	122,717
Goodwill	20,888	20,888
Other non-current assets	33,570	32,227
Total assets	**451,330**	**428,764**
Liabilities and stockholders' equity		
Accounts payable	29,840	28,646
Accrued expenses and other current liabilities	41,776	39,687
Deferred revenue	18,650	18,277
Long-term debt	24,618	25,110
Other non-current liabilities	25,364	24,603
Total liabilities	**140,248**	**134,638**
Common stock and additional paid-in capital	189,760	184,067
Retained earnings	127,544	119,891
Accumulated other comprehensive income (loss)	(6,222)	(6,844)
Total stockholders' equity	**311,082**	**295,528**
Total liabilities and stockholders' equity	**451,330**	**428,764**

Liquidity and capital resources

Cash, cash equivalents and marketable securities were $205.2 billion, of which $82.1 billion was held as cash and cash equivalents. Long-term debt was $24.6 billion, substantially all of which matures after 2030. The company had $18.0 billion available under its revolving credit facility and remained in compliance with all covenants.

Working capital, defined as total current assets less total current liabilities, was $176.1 billion. The company's ratio of total debt to trailing twelve month operating income was 0.3x at quarter end.

Consolidated statements of cash flows

Three months ended September 30, 2025; in millions; unaudited

	2025	2024
Operating activities		
Net income	21,100	18,265
Depreciation and amortization	4,849	4,349
Stock-based compensation	3,879	3,479
Deferred income taxes	298	268
Changes in working capital	(895)	(803)
Net cash provided by operating activities	**29,231**	**25,558**
Investing activities		
Purchases of property and equipment	(7,833)	(7,025)
Purchases of marketable securities	(26,110)	(23,417)
Sales and maturities of marketable securities	22,380	20,072
Acquisitions, net of cash acquired	(895)	(803)
Net cash used in investing activities	**(12,458)**	**(11,173)**
Financing activities		
Repurchases of common stock	(17,158)	(15,388)
Dividends paid	(2,462)	(2,208)
Taxes related to net share settlement	(1,492)	(1,338)
Net cash used in financing activities	**(21,112)**	**(18,934)**
Net increase (decrease) in cash	**(4,339)**	**(4,550)**
Cash at beginning of period	86,399	78,146
Cash at end of period	**82,060**	**73,596**

Free cash flow reconciliation (non-GAAP)

	Three months	Nine months
Net cash provided by operating activities	**29,231**	**84,186**
Less: purchases of property and equipment	(7,833)	(22,816)
Free cash flow	**21,398**	**61,369**

Free cash flow, a non-GAAP measure, was $21.4 billion for the quarter and $61.4 billion for the first nine months of 2025. Free cash flow is defined as net cash provided by operating activities less purchases of property and equipment.

Capital expenditures were $7.8 billion in the quarter, of which approximately 78% related to cloud infrastructure, including servers, networking equipment and data center construction. The company expects capital expenditures of $9 billion to $10 billion in the fourth quarter.

Webcast, contacts and forward-looking statements

Outlook

	Q4 2025
Revenue	$76.7B – $77.5B
Operating margin	~31%
Capital expenditures	$9B – $10B
Effective tax rate	16%

The outlook assumes no material change in foreign exchange rates, continued supply of cloud capacity, and no significant new regulatory restrictions in the company's largest markets. Yavqo does not provide a reconciliation of forward-looking non-GAAP measures because certain items cannot be reasonably predicted.

Webcast and conference call

Yavqo will host a webcast and conference call to discuss these results at 4:30 p.m. Eastern Time today. The webcast will be available on the Yavqo Investor Relations website at investors.yavqo.com, and a replay will be archived for twelve months. A transcript of the call will be posted within 48 hours.

About Yavqo

Yavqo Corporation (NYSE: YVQ) builds the financial infrastructure layer for the global economy. Yavqo Payments connects merchants, platforms and financial institutions; Yavqo Cloud provides data, analytics and artificial intelligence infrastructure; and Yavqo Capital offers treasury and lending products to businesses in 74 countries.

Forward-looking statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about Yavqo's outlook for the fourth quarter and full year 2026, expected capital expenditures, the pace of cloud capacity additions, and the timing of share repurchases. These statements are based on current expectations and are subject to risks and uncertainties, including changes in demand for payments and cloud services, regulatory developments in the markets where Yavqo operates, foreign exchange movements, and competition. Actual results may differ materially. Yavqo undertakes no obligation to update any forward-looking statement, except as required by law.

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Notes to consolidated financial statements

Unaudited

These notes accompany the consolidated financial statements of Yavqo Corporation for the period ended September 30, 2025 and should be read together with the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Note 1 — Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation have been included. Operating results for the period are not necessarily indicative of the results that may be expected for the full year.

Note 2 — Revenue recognition

Revenue from Yavqo Payments is recognized when the company satisfies its performance obligations, which occurs as impressions are delivered, transactions are processed, or subscription services are provided. Revenue from Yavqo Cloud is recognized ratably over the contract term, commencing when the service is made available to the customer. Contract liabilities of $18.6 billion are recorded within deferred revenue.

Note 3 — Segment information

The company reports four segments: Yavqo Payments, Yavqo Cloud, Yavqo Capital and Other Bets. Segment operating income excludes corporate costs, including certain shared research and development, legal and finance functions, which are not allocated to segments. Total segment operating income was $24.6 billion for the period.

Note 4 — Share repurchases

During the period the company repurchased 79 million shares of Class A common stock for $17.2 billion. Repurchases were funded from operating cash flow and cash on hand. As of September 30, 2025, $23.4 billion remained available under the company's share repurchase authorization.

Non-GAAP reconciliation

The company uses free cash flow, a non-GAAP financial measure, to evaluate the cash generated by operations after capital expenditures. Free cash flow is not a measure calculated in accordance with GAAP and should be considered in addition to, not as a substitute for, net cash provided by operating activities.

	Three months	Nine months
Net cash provided by operating activities	**29,231**	**84,771**
Less: purchases of property and equipment	(7,833)	(22,716)
Free cash flow	**21,398**	**62,055**

A reconciliation of the effective tax rate and of stock-based compensation to the consolidated statements of income is presented in the tables above. The company does not provide a reconciliation of forward-looking non-GAAP measures because certain items cannot be reasonably predicted without unreasonable effort.