Yavqo Corporation

# Third Quarter 2026

Earnings release, consolidated financial statements and notes for the period ended September 30, 2026.

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Yavqo Investor Relations · investors@yavqo.com

# Yavqo Announces Third Quarter 2026 Results

Mountain View, Calif. — October 27, 2026

Yavqo Corporation (NYSE: YVQ) today announced financial results for the third quarter ended September 30, 2026. Revenue was $84.2 billion, up 13% 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 $84.2 billion grew 13%, 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 32.0%, and operating cash flow was $33.6 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 $84.2 billion, up 13% year over year.
- Yavqo Cloud revenue of $25.6 billion, up 19% year over year.
- Operating income of $26.9 billion and operating margin of 32.0%.
- Net income of $24.4 billion and diluted net income per share of $2.10.
- Operating cash flow of $33.6 billion and free cash flow of $24.7 billion.

Yavqo Payments processed $615 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 $19.4 billion of its Class A common stock and paid $2.8 billion in dividends. Cash, cash equivalents and marketable securities totaled $231.6 billion at September 30, 2026.

For the fourth quarter of 2026, Yavqo expects revenue of $85.0 billion to $86.5 billion, operating margin of approximately 32%, 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, 2026 to stockholders of record on December 1, 2026. The company also announced that its annual shareholder meeting will be held on June 4, 2027.

Headcount was 20,020 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, 2026. Segment operating income excludes corporate costs and other unallocated expenses, which are shown separately.

| Segment | Revenue | Y/Y | Operating income | Margin |
|---|---|---|---|---|
| Yavqo Payments | 48,920 | +10% | 20,546 | 42.0% |
| Yavqo Cloud | 25,597 | +19% | 6,143 | 24.0% |
| Yavqo Capital | 7,494 | +14% | 2,023 | 27.0% |
| Other Bets | 2,189 | +1% | (919) | -42.0% |
| **Total segments** | **84,200** | **+13%** | **27,794** | **33.0%** |
| Corporate costs and other | | | (850) | |

In millions, except percentages. Unaudited.

Yavqo Cloud revenue was $25.6 billion, up 19% 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 10% to $48.9 billion, with search and commerce-related advertising improving through the quarter. Yavqo Capital revenue was $7.5 billion, and Other Bets revenue was $2.2 billion.

## Revenue by geography

| | Revenue | Y/Y |
|---|---|---|
| United States | 51,362 | +10% |
| EMEA | 20,208 | +18% |
| APAC | 12,630 | +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 $117.7 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 2026 | Q3 2025 | Nine months 2026 | Nine months 2025 |
|---|---|---|---|---|
| **Revenues** | **84,200** | **74,600** | **244,200** | **217,300** |
| Cost of revenues | 33,933 | 30,437 | 98,168 | 87,355 |
| **Gross profit** | **50,267** | **44,163** | **146,032** | **129,945** |
| Research and development | 10,729 | 9,849 | 31,482 | 29,778 |
| Sales and marketing | 7,930 | 7,279 | 23,269 | 22,010 |
| General and administrative | 4,665 | 4,282 | 13,688 | 12,947 |
| **Total operating expenses** | **23,323** | **21,410** | **68,439** | **64,734** |
| **Operating income** | **26,944** | **22,753** | **77,593** | **65,211** |
| Other income, net | 1,010 | 895 | 2,930 | 2,608 |
| **Income before income taxes** | **27,954** | **23,648** | **80,523** | **67,819** |
| Provision for income taxes | 3,554 | 2,548 | 9,623 | 7,319 |
| **Net income** | **24,400** | **21,100** | **70,900** | **60,500** |
| Diluted net income per share | 2.10 | 1.81 | 6.11 | 5.19 |
| Diluted shares (millions) | 11,600 | 11,650 | 11,600 | 11,650 |

Cost of revenues includes traffic acquisition costs of $17.7 billion for the quarter. Research and development expense includes stock-based compensation of $2.2 billion. The effective tax rate was 12.7%.

## Reconciliation of operating income (non-GAAP)

| | Q3 2026 | Q3 2025 |
|---|---|---|
| Operating income (GAAP) | 26,944 | 22,753 |
| Stock-based compensation | 4,378 | 3,879 |
| Amortization of intangibles | 505 | 448 |
| **Adjusted operating income** | **31,828** | **27,080** |
| Adjusted operating margin | 37.8% | 36.3% |

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, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 92,620 | 87,063 |
| Marketable securities | 138,930 | 131,984 |
| Accounts receivable, net | 51,362 | 47,767 |
| Other current assets | 17,682 | 17,152 |
| **Total current assets** | **300,594** | **285,564** |
| Property and equipment, net | 147,350 | 138,509 |
| Goodwill | 23,576 | 23,576 |
| Other non-current assets | 37,890 | 36,374 |
| **Total assets** | **509,410** | **483,940** |
| | | |
| **Liabilities and stockholders' equity** | | |
| Accounts payable | 33,680 | 32,333 |
| Accrued expenses and other current liabilities | 47,152 | 44,794 |
| Deferred revenue | 21,050 | 20,629 |
| Long-term debt | 27,786 | 28,342 |
| Other non-current liabilities | 28,628 | 27,769 |
| **Total liabilities** | **158,296** | **151,964** |
| Common stock and additional paid-in capital | 214,180 | 207,754 |
| Retained earnings | 143,957 | 135,319 |
| Accumulated other comprehensive income (loss) | (7,022) | (7,725) |
| **Total stockholders' equity** | **351,114** | **333,558** |
| **Total liabilities and stockholders' equity** | **509,410** | **483,940** |

## Liquidity and capital resources

Cash, cash equivalents and marketable securities were $231.6 billion, of which $92.6 billion was held as cash and cash equivalents. Long-term debt was $27.8 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 $198.7 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, 2026; in millions; unaudited

| | 2026 | 2025 |
|---|---|---|
| **Operating activities** | | |
| Net income | 24,400 | 21,100 |
| Depreciation and amortization | 5,473 | 4,849 |
| Stock-based compensation | 4,378 | 3,879 |
| Deferred income taxes | 337 | 298 |
| Changes in working capital | (1,010) | (895) |
| **Net cash provided by operating activities** | **33,578** | **29,231** |
| **Investing activities** | | |
| Purchases of property and equipment | (8,841) | (7,833) |
| Purchases of marketable securities | (29,470) | (26,110) |
| Sales and maturities of marketable securities | 25,260 | 22,380 |
| Acquisitions, net of cash acquired | (1,010) | (895) |
| **Net cash used in investing activities** | **(14,061)** | **(12,458)** |
| **Financing activities** | | |
| Repurchases of common stock | (19,366) | (17,158) |
| Dividends paid | (2,779) | (2,462) |
| Taxes related to net share settlement | (1,684) | (1,492) |
| **Net cash used in financing activities** | **(23,829)** | **(21,112)** |
| **Net increase (decrease) in cash** | **(4,312)** | **(4,339)** |
| Cash at beginning of period | 96,932 | 86,399 |
| **Cash at end of period** | **92,620** | **82,060** |

## Free cash flow reconciliation (non-GAAP)

| | Three months | Nine months |
|---|---|---|
| **Net cash provided by operating activities** | **33,578** | **97,518** |
| Less: purchases of property and equipment | (8,841) | (25,641) |
| **Free cash flow** | **24,737** | **71,877** |

Free cash flow, a non-GAAP measure, was $24.7 billion for the quarter and $71.9 billion for the first nine months of 2026. Free cash flow is defined as net cash provided by operating activities less purchases of property and equipment.

Capital expenditures were $8.8 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 2026 |
|---|---|
| Revenue | $85.0B – $86.5B |
| Operating margin | ~32% |
| 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.

## Contacts

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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, 2026 and should be read together with the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

## 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 $21.1 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 $27.8 billion for the period.

## Note 4 — Share repurchases

During the period the company repurchased 89 million shares of Class A common stock for $19.4 billion. Repurchases were funded from operating cash flow and cash on hand. As of September 30, 2026, $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** | **33,578** | **97,376** |
| Less: purchases of property and equipment | (8,841) | (25,639) |
| **Free cash flow** | **24,737** | **71,737** |

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.