

Airbnb Incorporation (ABNB)

Consumer Discretionary – Travel Services

November 20, 2024

Stock Rating

HOLD

Target Price

\$140

Investment Thesis

Airbnb (ABNB) is a leading global platform for short-term lodging and travel experiences leveraging its network of 5 million hosts and 2 billion guests to capture a significant share of the alternative accommodation market. We recommend a Hold rating on Airbnb, with a price target of \$140, reflecting a modest upside of 4.0%.

Drivers of Thesis

- Airbnb controls a significant market share of 30.1% of the alternative accommodation market and is continually taking share from traditional hotels and experiences service providers. We expect this trend to drive double digit growth in gross booking value (GBV) and ultimately revenue.
- Airbnb operates an asset light model and cash heavy balance sheet unlike traditional hotel chains. We believe this will keep operating expenses below industry average and bolster return on invested capital to 40.0% by 2033.
- Airbnb's global operations across North America, EMEA, Latin America, and Asia-Pacific provide a diversified client base, fostering strong competition in the online travel space. This has driven margins to 48.3% in 2023, a level we expect to sustain throughout the forecast horizon.

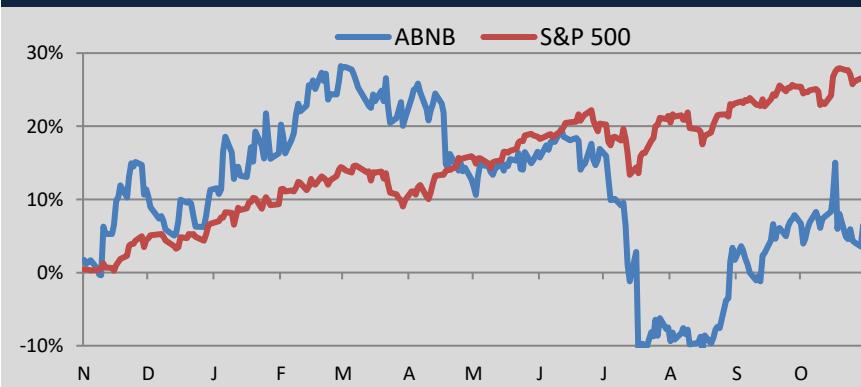
Risks to Thesis

- Airbnb faces significant regulatory risks including but not limited to zoning restrictions, short-term rental ban, and evolving housing regulation in key markets providing diversification benefits.
- The travel services industry is highly competitive with large hotel chains continuing to expand into the online booking and experiences subsegment. This may potentially pressure margin and market share.
- Airbnb revenue and profitability is highly susceptible to downturns, geopolitical escalation, and macroeconomic instability. A significant overturn of the global macroeconomic direction or global peace may dampen the growth outlook for Airbnb.

Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	-\$0.57	\$2.79	\$7.24	\$3.99	\$4.45	\$5.12
HF est.				\$4.03	\$4.60	\$5.36
growth	92.55%	621.05%	153.5%	-46.47%	14.30%	16.49%

12 Month Performance



Henry Fund DCF	\$101
Henry Fund DDM	\$67
Relative Multiple	\$178

Price Data

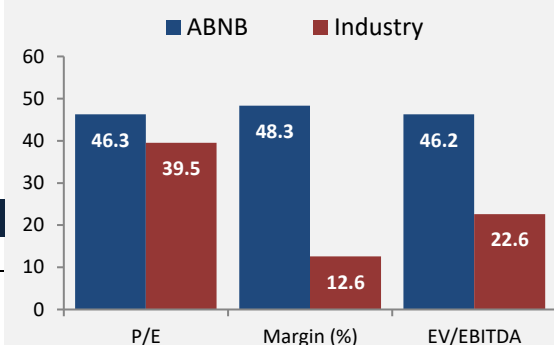
Current Price	\$132.50
52wk Range	\$133.13 – 136.12
Consensus 1yr Target	\$137.93

Key Statistics

Market Cap (B)	\$83.2
Shares Outstanding (M)	\$659.60
Institutional Ownership	76.8%
Beta	1.3
Est. 5yr Growth	5.5%
Price/Earnings (TTM)	46.3
Price/Earnings (FY!)	44.7
Price/Sales (TTM)	9.1
Price/Book (mrq)	10.6

Profitability

Operating Margin	15.3%
Profit Margin	48.3%
Return on Assets (TTM)	23.2%
Return on Equity (TTM)	86.2%



Company Description

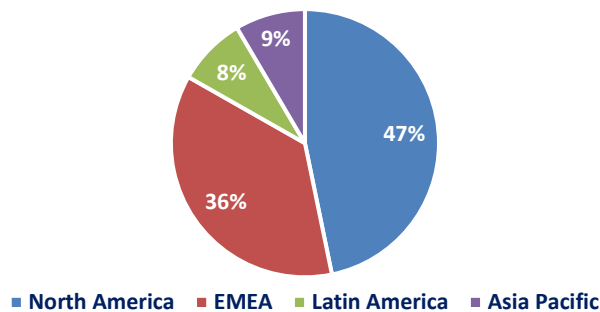
Airbnb, Inc. is a global online marketplace connecting hosts offering accommodation and experience with guests seeking unique stays. Airbnb operates a platform enabling hosts to list homes, private rooms, and vacation properties. Guests can book these listings via a user-friendly website and mobile applications. The platform also facilitates global payments, provides multilingual community support, and incorporates technology for personalized services. Airbnb is Headquartered in San Francisco, California, although with operations across EMEA and Asia.

COMPANY DESCRIPTION

Airbnb, Inc., founded in 2007, is a leading operator of a global online marketplace that connects hosts with guests seeking accommodation and curated experience. Headquartered in San Francisco, California, the company's platform enables users to list, discover, and book unique spaces, including private rooms, vacation homes, and primary residences, as well as experiences hosted by local individuals.

Airbnb strives on its platform built with tools designed to support hosts in managing their listings, such as integrated payment systems, pricing guidance, and feedback mechanisms. The online travel company also enhances the guest experience through features that prioritize affordability, quality, and ease of booking. Airbnb's revenue is derived from take rates on gross booking value. In 2023, revenue printed at \$9.92bn across all revenue reporting segments.

Geographic Revenue Split (2023)



Source: Airbnb 10k

In 2023, North America accounted for the largest single geographic contribution to Airbnb's revenue, generating 47% of the company's global revenue. This underscores the importance of the region as a core market for Airbnb's operations.

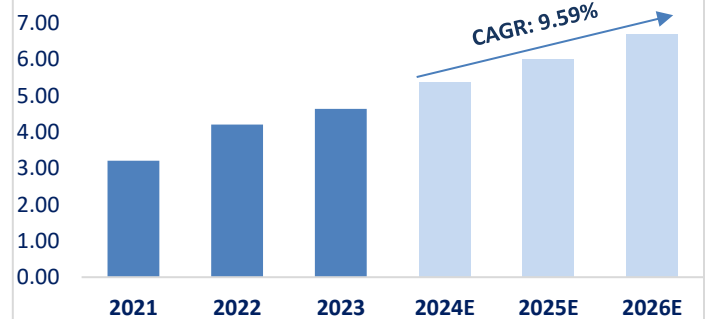
However, international markets collectively contributed a slightly larger share of revenue, creating some diversification benefits. Specifically, international operations accounted for 53% of total revenue during the year. Among these markets, the EMEA region emerged as the most significant, contributing 36% of the total revenue. Latin America and Asia Pacific also made notable contributions, accounting for 8% and 9% of total revenue, respectively. Over our forecast horizon, we expect North America to remain the largest contributor to Airbnb's

global revenue, while EMEA is projected to remain on an expansion path.

North America Segment

The North American revenue reporting segment represent the largest single segment across all four reporting segments. Revenue growth has averaged 27% since 2020 in the North American market, given improved travelers behavior and approximately 37% increase in implied gross booking value per night. For additional context, average nights per booking has remained slightly above 4 nights in the North American reporting segment since 2020, despite inflationary environment seen in 2022 through 2023.

North America Revenue (\$'bn)



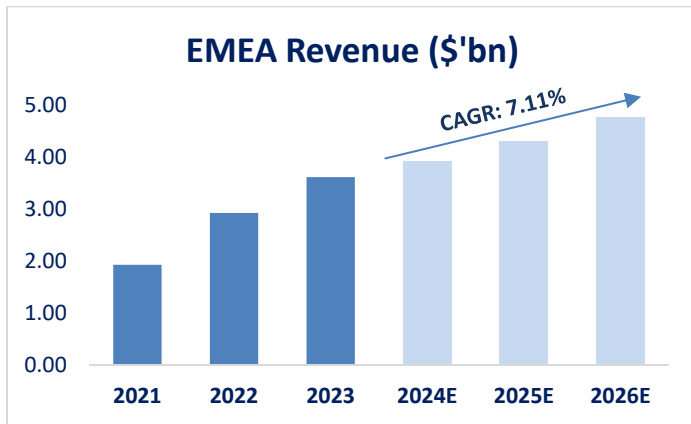
Source: Airbnb 10k, HF Estimate

We are projecting this segment to remain the largest revenue contributor giving the size and scale of operations in the North American market. We are forecasting a 9.5% growth in revenue on a CAGR basis through 2026 on account of anticipated improvement in consumer confidence, lower inflation and interest rate environment and a potential increase in consumer budget for discretionary spending.

EMEA Segment

The Europe, Middle East and Africa segments represented the second largest revenue reporting segment in 2023, and over the past 5 years. In 2023, 36.45% of global revenue was generated from the EMEA. The EMEA recorded a 9.72% increase in gross booking value per night in 2023, resulting in a 2% increase in global gross booking value per night. Consumer confidence in the European Union has recovered from their all-time lows of -28.2points in 2022 to -11.2points in October 2024. We expect improved consumer confidence to remain an

important catalyst to gross booking value per night for this reporting segment. Similarly, we expect the improvement in consumer confidence to spiral down to the Africa and other Middle Eastern reporting segments.



Source: Airbnb 10k, HF Estimate

Over the past 4 years, the EMEA has grown revenue by approximately 37.08% on a CAGR basis. This segment has remained a major source of revenue diversification, although Airbnb faces significant competition on not just the EMEA front, but international operations at large. We are forecasting a 7.11% CAGR growth in revenue through 2026 FYE for this segment. Our revenue forecast was a bit conservative given exposure to geopolitics and potential market disruption existent in these markets.

Latin America Segment

The Latin America reporting segment is a small but fast growing international segment. Revenue reported in this segment grew by 91.18% from 2021 to 2023.



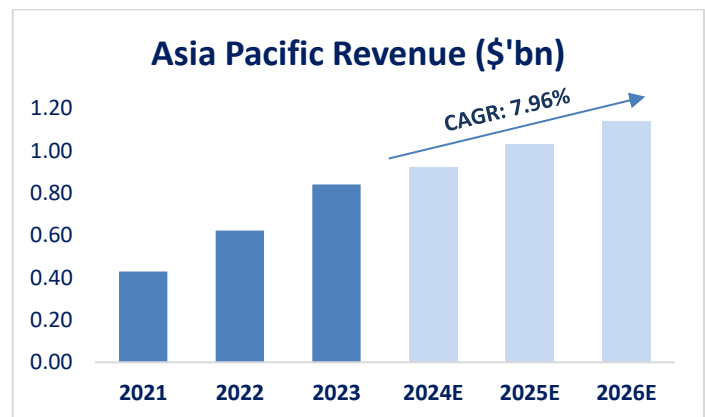
Source: Airbnb 10k, HF Estimate

This is due in part to the significant pricing power exhibited

in this region, as well as a significant increase in nights and experience booked 22.40mm in 2020 to 64.00mm in 2023. Over 2026 FY, we are estimating a 7.00% growth in revenue on a CAGR basis in this segment, although, we do not see the Latin America segment growing exponentially bigger than what it currently occupies on the revenue pie.

Asia Pacific Segment

The Asia Pacific segment is also one of the smallest reporting segments but has seen similar growth trend as the Latin America reporting segment. Revenue grew by 95.80% from \$429.00mm in 2021 to \$840.00mm at the end of the 2023 FYE.



Source: Airbnb 10k, HF Estimate

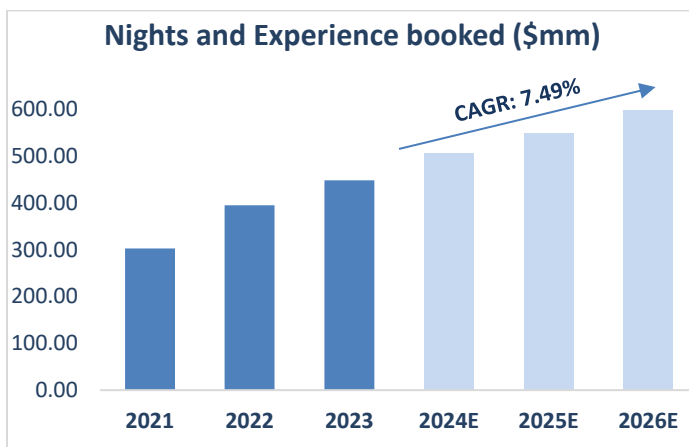
We are projecting a 7.96% CAGR growth in revenue over 2026FY. Our growth projection is underpinned by a stable gross booking value per night and a 38.75% increase in nights and experience booked over the same forecast horizon. Management provided guidance on expansion projects going on Korea, Japan, India, and China as catalysts for growth in the Asia Pacific revenue reporting segment.

Revenue Underlying:

Airbnb revenue is driven by a couple of variables: nights and experiences booked, gross booking value per night, and gross booking value. However, revenue itself is derived from service fee charged to hosts and guests for listing and using Airbnb's platform for their travel experiences. It is pertinent to break down the revenue underlying to analyze growth drivers.

Nights and Experiences Booked

Airbnb's Nights and Experiences Booked is a key metric that reflects the scale and activity of its platform, directly driving financial performance. In 2023, this metric grew by 14% to 448.2mm, compared to 393.7mm in 2022. This increase highlights strong demand across all regions, with growth driven by both new customers and repeat guests engaging with the platform. The metric encompasses the total nights booked for stays and seats booked for experiences, adjusted for cancellations and alterations, ensuring it provides a clear view of completed transactions.

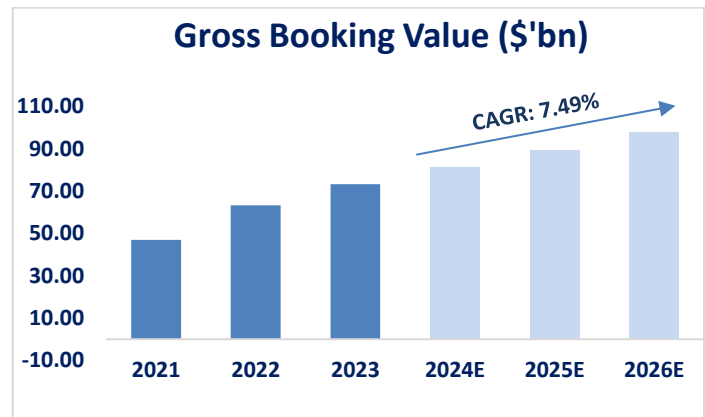


Source: Airbnb 10k, HF Estimate

Seasonality plays a significant role in the distribution of Nights and Experiences Booked, with the highest volumes typically occurring in the first three quarters due to peak travel seasons in regions like North America and EMEA. Our growth projection is in line with this seasonality pattern. While Airbnb has demonstrated consistent growth in this metric, external factors such as cancellations, travel restrictions, or evolving consumer behavior can materially affect its performance. Nonetheless, the sustained upward trend in Nights and Experiences Booked underscores the platform's ability to attract and retain users globally. For additional context, nights and experiences booked grew by 10.19% on a CAGR basis from 2018 through 2023. On a go-forward basis, we expect nights and experiences booked to grow by 7.49% on a CAGR basis through 2026 FY.

Gross Booking Value

Gross Booking Value (GBV) serves as a critical indicator of Airbnb's platform activity and revenue potential, encompassing the total dollar value of bookings, including host earnings, service fees, cleaning fees, and taxes, net of cancellations and alterations. As a leading indicator, GBV reflects the volume and value of transactions occurring on Airbnb's platform during a period, even though revenue is recognized only upon check-ins. The metric's calculation aligns with the performance of Nights and Experiences Booked, with GBV being a function of the number of nights booked and the implied gross booking value per night.

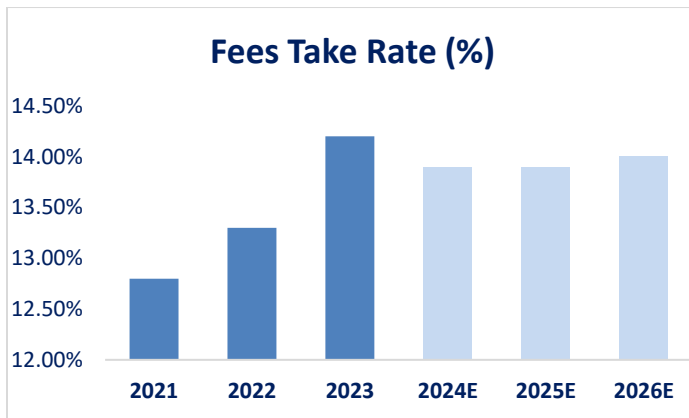


In 2023, GBV grew by 16% to \$73.3bn from \$63.2bn in 2022, driven by a 14% increase in Nights and Experiences Booked and a 2% rise in the implied GBV per night. Notably, EMEA contributed significantly to this improvement, with its GBV per night increasing from \$127.99 to \$140.40. We anticipate a 7.49% growth in gross booking value through 2026 FYE, especially given the anticipation of a positive macroeconomic environment over the forecast horizon. We also believe Airbnb's internal initiatives such as pricing tools and a focus on host-guest engagement will help drive further GBV growth.

Fees Take Rate

The Fees Take Rate, also referred to as Airbnb's service fee rate, represents the proportion of GBV that the company captures as revenue. This metric is a crucial driver of Airbnb's financial performance, as it directly reflects the effectiveness of the platform's pricing structure, and the value derived from its services. Over the years, the take

rate has demonstrated an upward trend, growing from 12.40% in 2018 to 14.20% in 2023, underscoring the platform's ability to monetize its growing user base effectively. This growth can be attributed to a combination of factors, including enhancements in pricing algorithms, increased value-added services to both Hosts and guests, and a higher share of premium and long-term bookings, which typically carry higher service fees.



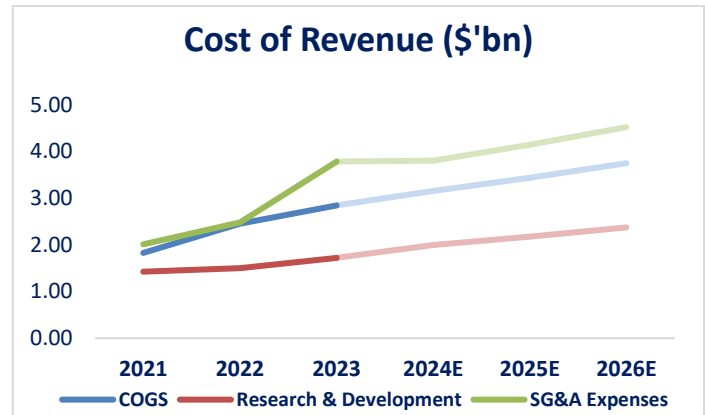
Source: Airbnb 10k, Factset, HF Estimate

Looking ahead, the take rate is forecasted to stabilize around 14% through 2026, supported by Airbnb's continued emphasis on maintaining competitive fees while enhancing platform capabilities to drive user engagement. The slightly lower take rate projected in certain years reflects a balance between offering competitive pricing to attract and retain customers and sustaining revenue growth. As Airbnb further diversifies its revenue streams through ancillary services and maintains a strong focus on customer experience, the take rate is expected to remain a key lever for sustained profitability and operational scalability. This consistent take rate, coupled with projected GBV growth, positions Airbnb for robust revenue expansion in the coming years.

Cost Structure Analysis

Airbnb's cost structure highlights the company's strategic allocation of resources to sustain operational efficiency and growth. Cost of revenue, which includes payment processing, data hosting, software amortization, and fraud-related expenses like chargebacks, was \$1.7 billion in 2023, up 14% from 2022. This increase was driven primarily by a rise in merchant fees and cloud computing

costs, reflecting higher transaction volumes and expanded platform usage. Cost of revenue as a percentage of revenue decreased slightly from 18% in 2022 to 17% in 2023, signaling improved scalability despite rising expenses. The seasonal nature of bookings, combined with the timing gap between booking and check-in, further influences the variability of this metric across periods.



Source: Airbnb 10k, Factset, HF Estimate

Operations and support expenses, primarily related to customer service and Host protection, rose by 14% in 2023 to \$1.2 billion due to higher third-party support costs and headcount expansion. Product development costs, essential for maintaining and enhancing the platform, grew by 15% to \$1.7 billion, largely due to increased payroll expenses from scaling the engineering team. Sales and marketing expenditures, which drive brand awareness and user acquisition, totaled \$1.8 billion in 2023, up 16%, while general and administrative expenses saw a notable increase of 113% to \$2.0 billion, driven by higher professional services fees, insurance costs. These costs were aggregated into COGS, Research and development and SG&A expenses. We have forecasted these line items in line with historical trends and patterns. We believe expansion of topline would also trigger an increase in costs driving the expansion as well. Over 2026E FY, we expect overall operating costs to reach \$10.64bn. Our projection also sees margins staying in the 20% range over 2026E, while steadily improving towards 27% at the end of the forecast Horizon.

Additional Company Analysis

Competitive Factors

Airbnb operates in a highly competitive global travel and hospitality industry, facing competition across multiple dimensions, including hosts, guests, and geographic regions. Its unique value proposition lies in offering short-term rental accommodations and experiences, which appeal to families and groups seeking cost-effective alternatives to traditional hotels. However, the company contends with a broad spectrum of competitors, including online travel agencies (OTAs) like Booking Holdings and Expedia Group, property management companies like Vacasa and Sonder, and hotel chains such as Marriott and Hilton. The competition is intensified by the presence of region-specific OTAs like Fliggy in Asia Pacific and Despegar in Latin America, which cater to local preferences and demand.

Top 10 Travel Services company in the USA		
Ticker	Market Cap	Revenue (\$'bn)
BKNG	166.07B	23.1
ABNB	82.59B	10.8
RCL	62.31B	16.1
TCOM	39.93B	7.25
CCL	31.84B	24.5
EXPE	23.15B	13.4
VIK	19.59B	4.9
NCLH	11.48B	9.4
MMYT	11.01B	0.9
TNL	3.66B	3.8

Source: Stock Analysis

In addition to global players, Airbnb faces growing competition from platforms offering similar services, such as Vrbo, Trip.com, and niche marketplaces like Klook and GetYourGuide. The battle for hosts and guests is influenced by factors such as pricing, platform usability, safety measures like AirCover, and the unique inventory available on Airbnb. Diversification across EMEA, Latin America, and Asia Pacific helps mitigate regional demand fluctuations, but the increasing number of localized competitors in these markets adds pressure. Airbnb's ability to maintain its brand equity and innovate will be crucial in sustaining its market position. While Airbnb's revenue of \$10.84bn (LTM) is notable, it is significantly behind Booking Holdings' \$23.05bn and Expedia's \$13.39bn, highlighting the competitive challenges ahead.

Nonetheless, Airbnb's differentiated model focused on "live anywhere" experiences positions it well to capture evolving travel trends, even as competitive pressures from traditional hotels and emerging platforms threaten to lure away potential customers.

Debt Maturity Analysis

Airbnb has a total debt outstanding of \$2.30bn representing a debt-to-value ratio of 2.39% as of 2023 FYE. Short-term debt and current portion of long-term debt stood at \$61bn while long-term debt accounted for \$2.24bn. Airbnb maintains a conservative debt profile, although approximately \$2.0bn of its outstanding debt is due in 2026 and has a convertibility option with a capped call arrangement. Primary sources of repaying debt in the near-term are either cash generated from operations, issuance of additional debt or equity, or borrowings under the company's credit facility. As of September 2024, Airbnb's total debt outstanding printed at 1.99bn⁴.

Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment (\$mil)
2025		\$0.00
2026		2000.00
Thereafter		300.00
Total		\$2300

Source: Airbnb's 10k

Airbnb reported \$1.2bn⁴ in free cash flow (FCF) during 2023, an improvement from \$376.4mm in 2022 and \$517mm in 2021. Hence, we do not see any significant risk with servicing future obligation or even obtaining additional facilities.

ESG Analysis

Airbnb has demonstrated a commitment to Environmental, Social, and Governance (ESG) principles through various initiatives aimed at sustainability and community engagement. In 2020, the company pledged to achieve 100% renewable electricity usage for its corporate operations and became a founding participant in the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition, which mobilized \$1bn¹⁰ to combat tropical deforestation. On the social front, Airbnb focuses on fostering trust and safety within its community. The company has implemented measures to combat discrimination, support individuals with disabilities, and

provide resources for responsible hosting.

Company	ESG Risk Score
Airbnb	23.7
Expedia	22.5
Booking Holdings	16.3
Hilton World	17.4
Marriot Int.	19.2

Source: Sustainalytics

Airbnb, compared to peers, scored a medium ESG rating according to Sustainalytics, ahead of Expedia's 22.5. Other comparable companies competing with Airbnb scored a low ESG point, underscoring Airbnb's efforts to align business practices with sustainable development are essential for Airbnb to create long-term value for stakeholders.

RECENT DEVELOPMENTS

Recent Earnings Announcement

Airbnb reported strong Q3 results, underscored by a 10% YoY revenue increase to \$3.7bn and a net income of \$1.4bn. Although, the travel company missed EPS estimate for the second consecutive quarter as EPS printed at \$2.13 versus consensus estimate of \$2.15. Free cash flow stood at \$4.1bn, with a margin of 38%. The company also repurchased \$1.1bn of its common stock during the quarter. Growth in nights and experiences booked accelerated, returning to double-digit increases, and the launch of the Co-Host Network is expected to unlock more high-quality supply. Additionally, personalization upgrades to the Airbnb app were reported to have enhanced the guest experience.

Over the quarter, Airbnb faced some challenges, including shorter booking lead times compared to last year, which normalized during the quarter, and regulatory hurdles in key markets like New York City. Increased investments in product development and marketing are anticipated to compress margins in Q4. The company continues to focus on removing low-quality supply, which has improved guest experience metrics but presents ongoing operational complexity. While Airbnb has made strides in its strategic initiatives—making hosting mainstream, perfecting its core service, and expanding beyond the core—it has provided limited detail on growth targets or timelines for these efforts.

Short-Term Rental Shutdown

In November 2024, Airbnb urged Barcelona's mayor, Jaume Collboni, to reconsider plans to shut down all short-term rentals by 2028, a measure aimed at addressing the city's housing crisis and soaring rents. Airbnb argued that such restrictions disproportionately benefit the hotel industry while failing to solve the root issues of overtourism and a lack of affordable housing. Official data revealed that since stricter regulations were introduced in 2014, the number of short-term rental homes in Barcelona halved to 8,842 in 2023, yet long-term rents rose by over 70%, and hotel prices increased by more than 60%. Airbnb further highlighted that vacant homes outnumber short-term rentals eight to one, suggesting that addressing housing vacancy would be a more effective strategy.

While Barcelona plans to keep a ban on new hotels in the city center, Mayor Collboni has proposed expanding hotel capacity in other areas. Airbnb, which has removed over 7,000 listings from its platform in Barcelona since 2018, views the measures as insufficient in resolving the broader housing issues. The conflict highlights a growing trend across Spain, as cities like Madrid and Malaga have also introduced stricter regulations on short-term rentals, driven by lobbying from the hotel industry. Despite these challenges, Airbnb continues to advocate for policies that balance tourism with local housing needs.

Expansion into New Products

In August 2024, Airbnb CEO Brian Chesky announced plans to expand beyond short-term rentals, including co-hosting and relaunching 'experiences.' This strategic move aims to diversify Airbnb's revenue streams and attract customers seeking more comprehensive travel services. The new offerings are designed to position Airbnb as a platform encompassing long-term stays, guest services, host services, and various new products, with implementations anticipated in the coming year. These initiatives reflect Airbnb's commitment to tapping into untapped market potential and providing end-to-end solutions for travelers. The expansion may also intensify competition in markets where established players like Marriott and Hilton dominate, signaling a potential reshaping of the travel and hospitality landscape.

INDUSTRY TRENDS

The online hotel booking industry has experienced steady

growth, driven by the increasing adoption of internet services and the convenience of online platforms. These platforms allow travelers to browse, compare, and reserve accommodations tailored to their preferences from the comfort of their homes, which has become a significant advantage over traditional booking methods like direct hotel reservations or brick-and-mortar travel agencies. Industry revenue is projected to grow at an annualized rate of 3.0%, reaching \$60.0 billion by 2029. This growth is fueled by increasing global travel rates, rising internet penetration, and a recovering economy that supports consumer confidence. However, the industry faces challenges, including heightened competition from direct hotel websites and alternative accommodation providers like Airbnb, which continue to capture market share.



Source: IBIS World

While the COVID-19 pandemic caused a sharp revenue decline in 2020, the industry rebounded strongly as travel restrictions were lifted, unleashing pent-up demand. Today, as the economy stabilizes from inflationary pressures, consumers are resuming travel plans, with online booking platforms continuing to gain market share due to their convenience and advanced offerings.

Competition & Demand Pressure

The online hotel booking industry faces increasing pressure from alternative accommodation platforms, such as Airbnb and Vrbo, which appeal to customers traveling in large groups or seeking unique experiences. These platforms are particularly attractive for family vacations or group travel due to their cost-effectiveness, privacy, and ability to foster shared moments. As consumers increasingly value affordability and flexibility, traditional hotel booking services must innovate to maintain their market share and compete effectively against short-term rental platforms.

Exchange Rate Volatility

Exchange rate volatility has been a significant challenge for the travel and lodging industry. Over the past five years, the strengthening of the U.S. dollar has made the country a relatively expensive destination for international travelers. Higher travel costs, compounded by inflationary pressures, have dampened the flow of foreign visitors, reducing revenues for booking platforms reliant on international demand. As a result, many industry players have faced challenges in maintaining occupancy rates and customer acquisition in the U.S. market.

Looking forward, the stabilization of the U.S. dollar could create more predictable conditions for international travel, boosting inbound tourism. A depreciating dollar would likely enhance the attractiveness of U.S. destinations, enabling travelers from abroad to plan trips more affordably.

Geopolitical Risks

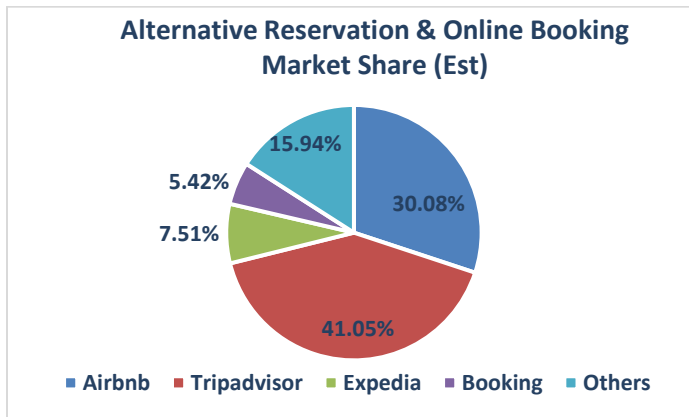
Geopolitical tensions remain a critical factor influencing the global travel industry, with effects that resonate strongly for platforms like Airbnb. Conflicts such as the war in Ukraine, escalating tensions in the Middle East, and strained relations between the U.S. and China disrupt international travel flows and erode traveler confidence. In these situations, Airbnb faces uneven market dynamics, with reduced demand in conflict zones and surrounding areas, impacting revenue and host participation in these regions.

Airbnb's extensive global footprint leaves it particularly vulnerable to these disruptions. Political unrest, travel restrictions, and sanctions can lead to decreased cross-border travel and reduced booking volumes. Moreover, the rising costs associated with energy price volatility and inflation—often spurred by geopolitical instability—may deter discretionary spending on travel. To mitigate these risks, Airbnb must prioritize resilience by focusing on growth in politically stable regions, promoting domestic tourism, and leveraging data-driven insights to adapt to shifting travel trends amid geopolitical uncertainties.

MARKETS AND COMPETITION

The online hotel booking industry is highly competitive and price-sensitive, driven by consumers seeking the best deals across various platforms. Major players like Booking

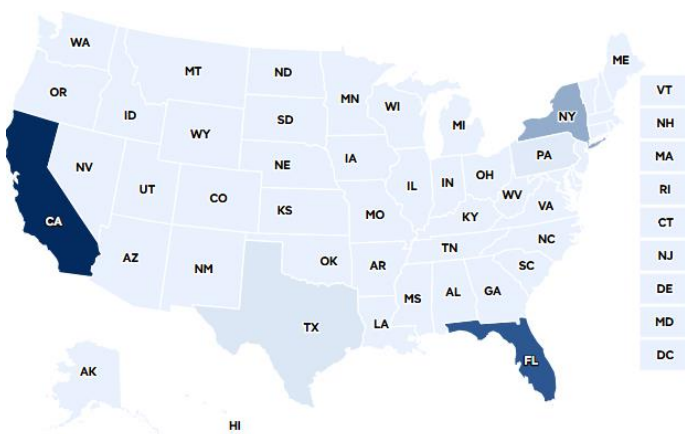
Holdings and Expedia control significant market shares of 15.7% and 12.4%, respectively, while smaller competitors and emerging platforms capture the remaining share. Although, estimated market share for online booking and reservations reveals a more accurate depiction of Airbnb's competitors.



Source: 6sense.com

The low switching costs for travelers, coupled with the proliferation of do-it-yourself platforms like Airbnb and direct booking incentives offered by hotels and airlines, intensify competition. The industry is geographically concentrated near major tourism hubs, with Florida and California hosting a significant number of establishments due to their attraction-rich environments and favorable demographics.

Business Concentration of Online Hotel Booking in US



Firms in the industry engage in fierce price-based competition to capture consumer attention in a saturated market. While large players leverage scale, partnerships,

and marketing budgets, smaller firms differentiate by targeting specific niches or enhancing customer experiences. The industry's structure reflects a state of dynamic competition rather than equilibrium, with firms continually adapting to shifts in consumer preferences and technological advancements. The growing preference for vacation rentals and direct bookings poses a substitution threat, challenging traditional online hotel booking platforms to innovate and maintain relevance. The industry operates at a mature stage of its lifecycle, characterized by steady growth driven by increasing travel rates and internet usage. Industry revenue is projected to grow at an annualized rate of 3.0% to \$60 billion by 2029, supported by economic recovery and rising consumer confidence. Competition centers on price, convenience, and user experience, with firms investing heavily in technology to streamline bookings and offer personalized recommendations. However, the risk of disruption remains high as alternative platforms and direct booking channels continue to attract price-sensitive travelers.

Peer Comparisons

Return Ratio Comparison

To assess the performance of online hotel booking operators, a peer comparison among key players offers a valuable insight into their respective financial strengths.

Companies	EBITDA Margin (%)	Net Margin (%)	ROE (%)
Airbnb	15.6	17.0	69.8
Expedia	16.9	8.0	41.8
Booking	30.9	21.8	22573.7
MakeMyTrip	13.6	10.7	22.6
Marriot	16.0	11.2	-
Hilton	22.3	15.6	-

Source: Factset

An analysis of return ratios reveals key differences in profitability and financial efficiency across the major players. Booking Holdings led the pack with an exceptional EBITDA margin of 30.9% and a net margin of 21.8%, although its ROE of 22,573.7% is an outlier, driven by a low equity base rather than operational performance. Airbnb

trails with a net margin of 17.0% and a notable ROE of 69.8%, underscoring its profitable asset-light business model. Expedia, with a net margin of 8.0% and ROE of 41.8%, demonstrates competitive efficiency but trails behind Airbnb and Booking in profitability.

MakeMyTrip, Marriott, and Hilton present more moderate metrics. MakeMyTrip's net margin of 10.7% and ROE of 22.6% indicate a smaller but steadily growing presence in the market. Traditional hotel operators Marriott and Hilton maintain solid EBITDA margins of 16.0% and 22.3%, respectively, showcasing operational efficiency in their asset-heavy models. Hilton outperforms Marriott in profitability with a higher net margin of 15.6% compared to Marriott's 11.2%. Both companies, however, lack ROE figures due to negative equity positions caused by liabilities exceeding assets, underscoring the challenges of leveraging high debt loads in a capital-intensive industry.

Expedia Group

Expedia Group, Inc., founded in 1996 and headquartered in Seattle, WA, is a leading online travel company operating through three primary segments: B2C, B2B, and Trivago. Its B2C segment includes well-known brands like Expedia, Hotels.com, Vrbo, and Travelocity, offering a wide range of travel products and services. The B2B segment provides travel technology and diverse supply solutions for airlines, offline agents, and corporate travel management, while the Trivago segment generates advertising revenue through hotel metasearch referrals.

Metric	2020	2021	2022	2023
Revenue (\$'bn)	5.20	8.60	11.67	12.84
Net Margin (%)	-50.24	0.14	3.02	6.21
ROA	-13.03	0.06	1.63	3.69
P/BV	12.59	13.67	5.88	13.56
Rev/Employee (\$'m)	0.27	0.58	0.71	0.75
Debt/Equity (%)	349.72	432.04	290.36	432.04

Source: Factset

Over the years, Expedia has demonstrated consistent revenue growth, increasing from \$5.20 billion in 2020 to \$12.84 billion in 2023. Despite challenges during the pandemic, its net margin recovered from a steep -50.24% in 2020 to 6.21% in 2023, while return on assets (ROA) rose

to 3.69%. However, the company faces a high debt-to-equity ratio, which stood at 432.04% in 2023, reflecting its leveraged operations.

Booking Holdings (BKNG)

BKNG was founded in 1997 and headquartered in Norwalk, CT. The travel company is a global leader in online travel services operating through prominent brands such as Booking.com, Priceline, Agoda, KAYAK, Rentalcars.com, and OpenTable. The company provides comprehensive travel solutions, including accommodation reservations, flights, rental cars, activities, vacation packages, and restaurant bookings.

Metric	2020	2021	2022	2023
Revenue (\$'bn)	6.80	10.96	17.09	21.37
Net Margin (%)	0.87	10.63	17.89	20.07
ROA	0.27	5.12	12.48	17.26
P/BV	18.64	15.95	27.43	-4.47
Rev/Employee (\$'m)	0.33	0.54	0.79	0.91
Debt/Equity (%)	256.26	184.85	475.02	-

Source: Factset

Booking Holdings has shown remarkable financial growth, with revenue increasing from \$6.80 billion in 2020 to \$21.37 billion in 2023. Its net margin surged from 0.87% in 2020 to 20.07% in 2023, highlighting strong profitability recovery post-pandemic. Return on assets (ROA) also improved significantly, reaching 17.26% in 2023. However, the company's financial leverage remains high, with its debt-to-equity ratio rising to 475.02% in 2022, and reporting negative equity in 2023. Despite this, Booking Holdings' strong brand portfolio and expansive global presence position it as a dominant player in the competitive online travel industry.

MakeMyTrip (MMYT)

MMYT, founded in 2000 and headquartered in Gurugram, India, is a leading online travel company catering to both leisure and corporate travelers. Operating through brands such as MakeMyTrip, Goibibo, and redBus, it offers a wide range of travel products and services, including air and bus ticketing, hotel reservations, rail tickets, visa processing, car hire, and ancillary travel services. The company

leverages its websites, mobile platforms, call centers, and travel agent networks to provide comprehensive travel solutions in India and internationally, with a presence in markets such as the United States, Southeast Asia, and Europe.

Metric	2020	2021	2022	2023
Revenue (\$'bn)	0.51	0.16	0.30	0.59
Net Margin (%)	-87.54	-34.04	-14.94	-1.91
ROA	-33.38	-4.65	-3.45	-0.84
P/BV	1.44	3.86	3.27	3.10
Rev/Employee (\$'m)	0.13	0.05	0.09	0.14
Debt/Equity (%)	2.98	27.45	28.70	31.76

Source: Factset

Despite its extensive service portfolio, MakeMyTrip has faced financial challenges in recent years. Revenue rebounded from \$0.16bn in 2021 to \$0.59bn in 2023, reflecting recovery from pandemic-related disruptions. However, the company has struggled with profitability, narrowing its net margin losses from -87.54% in 2020 to -1.91% in 2023. Return on assets has also improved but remains negative at -0.84% in 2023. MakeMyTrip maintains a relatively low debt-to-equity ratio of 31.76% in 2023. The company's gradual recovery positions it as a resilient competitor in the evolving travel market, especially within the South Asian region.

Marriot International (MAR)

Marriott International, Inc., founded in 1927 and headquartered in Bethesda, Maryland, is a global leader in the lodging industry. The company operates, franchises, and licenses an extensive portfolio of hotel, residential, and timeshare properties across the globe. Marriott's diverse brand portfolio includes iconic names like JW Marriott, The Ritz-Carlton, St. Regis, and Sheraton, among others. With operations spanning the United States, Canada, Europe, the Middle East, Africa, Asia Pacific, and Greater China, Marriott caters to a wide array of luxury, premium, and select traveler preferences.

Marriott has demonstrated a strong financial recovery post-pandemic, with revenue increasing from \$10.57 billion in 2020 to \$23.71 billion in 2023, driven by a resurgence in global travel demand.

Metric	2020	2021	2022	2023
Revenue (\$'bn)	10.57	13.86	20.77	23.71
Net Margin (%)	-2.53	7.93	11.35	13.00
ROA	-1.07	4.37	9.36	12.21
P/BV	99.52	38.13	81.42	-96.1
Rev/Employee (\$'m)	0.09	0.12	0.06	0.06
Debt/Equity (%)	2638.60	805.23	1972.54	-

Source: Factset

Its net margin improved from -2.53% in 2020 to 13.00% in 2023, reflecting enhanced profitability. Return on assets (ROA) also showed robust growth, reaching 12.21% in 2023. However, the company faces significant financial leverage challenges, with its debt-to-equity ratio reaching throwing off the chart through 2023. Despite this, Marriott's expansive brand portfolio and geographic diversity reinforce its competitive strength in the lodging sector.

Hilton Worldwide (HLT)

Hilton Worldwide Holdings Inc., founded in 1919 and headquartered in McLean, Virginia, is a prominent global hospitality company. Hilton operates through two primary segments: Management and Franchise, and Ownership. Its brand portfolio spans luxury names like Waldorf Astoria and Conrad Hotels & Resorts, lifestyle and full-service brands such as DoubleTree and Hilton Hotels & Resorts, and economy options like Spark by Hilton. Hilton's reach extends across North America, South America, the Caribbean, Europe, the Middle East, Africa, and the Asia Pacific.

Metric	2020	2021	2022	2023
Revenue (\$'bn)	4.31	5.79	8.77	10.24
Net Margin (%)	-16.60	7.08	14.31	11.15
ROA	-4.51	2.55	8.11	7.38
P/BV	-20.73	-53.03	-30.71	-19.6
Rev/Employee (\$'m)	0.03	0.04	0.06	0.06
Debt/Equity (%)	-	-	-	-

Source: Factset

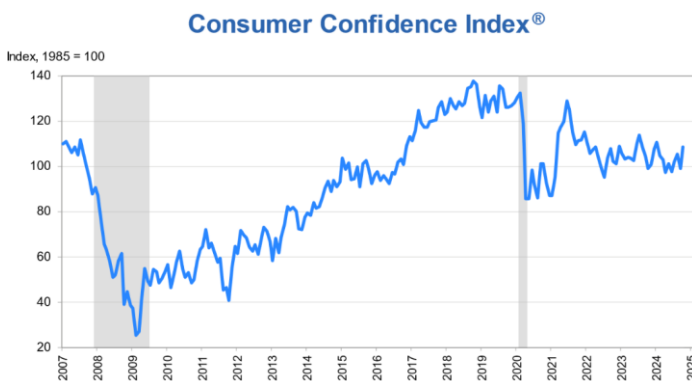
Financially, Hilton has experienced substantial growth, with revenue climbing from \$4.31bn in 2020 to \$10.24bn in 2023, as travel rebounded post-pandemic. Its net margin also improved significantly, turning from -16.60% in 2020 to a peak of 14.31% in 2022 before settling at

11.15% in 2023. Despite these improvements, Hilton has consistently reported negative book value equity, reflected in its P/BV ratio of -19.6 in 2023, primarily due to high leverage and accumulated liabilities. Nevertheless, Hilton's diversified brand portfolio and strategic global footprint make it as a strong competitor in the hospitality sector.

ECONOMIC OUTLOOK

Consumer Confidence

Consumer confidence significantly affects discretionary industries, such as travel and hospitality, which rely on individuals' willingness to spend on non-essential activities. October's sharp rise in the Consumer Confidence Index to 108.7 marks the strongest monthly gain since 2021, driven by improved perceptions of current business conditions and labor market stability. This optimism also extended to future income and employment prospects, signaling robust consumer sentiment in the near term. Historically, consumer confidence plays a pivotal role in shaping demand for travel services, as confidence in personal financial stability encourages spending on experiences like vacations and stays at short-term rental properties.



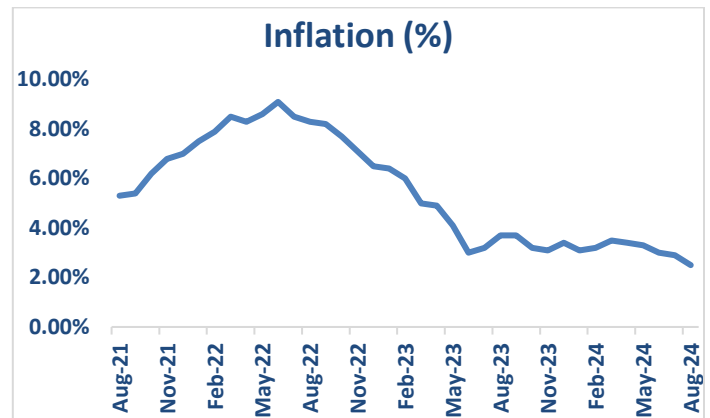
Source: The Conference Board

For Airbnb, higher consumer confidence typically correlates with increased bookings, as travelers feel more secure about discretionary spending. The broad-based confidence gain across various income and age groups further bodes well for the platform's diverse clientele. However, persistent inflationary pressures and mixed long-term expectations about job availability and income could temper this momentum. We align with consensus estimate of an increase in consumer confidence in the near

term, while maintaining a neutral outlook for the long-term. Our projection for the short term hinges on perceived victory over inflation and Fed's renewed effort to reign in unemployment.

Inflation

Inflation has significantly influenced the travel industry, with rising costs directly affecting consumer behavior and operational expenses. In recent years, airfare, hotel accommodations, and rental car rates have increased substantially. For context, in 2023, hotel room rates rose by 16.3%¹⁷ compared to pre-pandemic levels, while airfare also saw sharp increases.



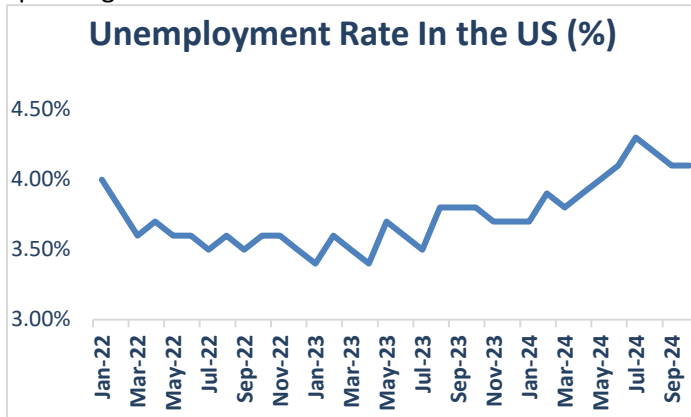
Source: Trading Economics

For Airbnb, inflation can lead to heightened operational costs, such as property maintenance and local taxes, which may be passed on to consumers in the form of higher nightly rates. However, inflation also makes cost-effective alternatives like Airbnb appealing for budget-conscious travelers. Looking ahead, inflationary pressures are expected to moderate, especially since the Fed has declared victory over inflation. This could boost consumer spending on travel, benefiting Airbnb and similar platforms. Although, we caution that a resurgence of inflation either due to internal economics or geopolitical escalation could dampen this outlook.

Unemployment Rate

The unemployment rate is a key indicator of the health of the labor market, influencing both consumer behavior and business operations, especially in the travel industry. When unemployment is low, more individuals are employed, leading to higher disposable incomes and greater consumer confidence. This often translates to increased demand for leisure and business travel,

benefiting platforms like Airbnb. Conversely, rising unemployment can dampen consumer spending on travel, as people may prioritize essentials over discretionary spending.



Source: Trading Economics

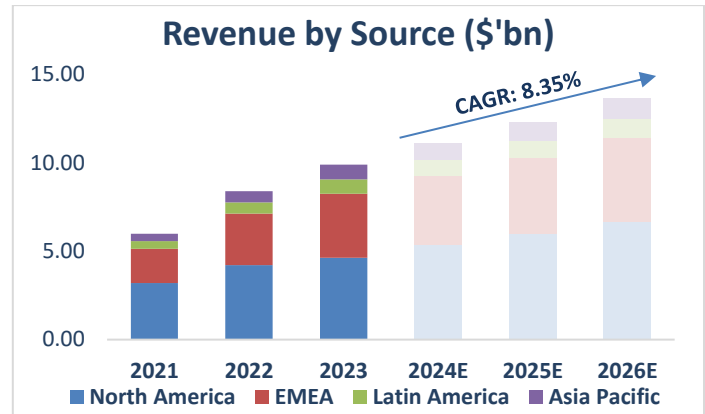
In the near term, the labor market is expected to remain relatively strong, which should continue supporting the recovery of the travel industry. Our outlook hinges slightly on Fed's focus on bringing unemployment rate to sustainable levels in the near term. Barring any significant disruption in the interim, we expect inflation to return to 3% levels by second half of 2025.

VALUATION

Revenue Assumptions

We have discussed revenue composition in the company description section in detail. Airbnb reports revenue through four broad segments: North America, EMEA, Latin America, and Asia Pacific. The North American segment accounts for the single largest reporting segment with approximately 47% contribution to the global revenue in 2023. Although international operations bundled together accounts for 53% of global revenue. For the North American segment, We are forecasting a 9.5% growth in revenue on a CAGR basis through 2026, while keeping the segment as the single largest reporting segment throughout the forecast horizon. EMEA represents the second largest reporting segment with revenue growth averaging 37.08% on a CAGR basis. We see this reporting segment as a major revenue diversifier for Airbnb although it adds on competition. We are forecasting a 7.11% CAGR growth in revenue through 2026 FYE for this segment. Our

revenue forecast was a bit conservative given exposure to geopolitics and potential market disruption existent in these markets.



The Latin America and Asia Pacific segments contributed 8.00% and 9.00% respectively to the global revenue in 2023, although both segments have seen double digit growth in number of nights and experience booked in recent years. We project a 7.00% CAGR growth through 2026 FYE for the Latin America segment, while keeping the overall contribution to the global revenue at single digit throughout the forecast horizon. Our projection for the Asia Pacific segment is slightly more aggressive at 7.96% CAGR through 2026 FYE. This projection hinged largely on recent management guidance on expansion projects going on Korea, Japan, India, and China. Overall, our global revenue projection of 8.35% CAGR through 2026 FYE is relatively in line with consensus.

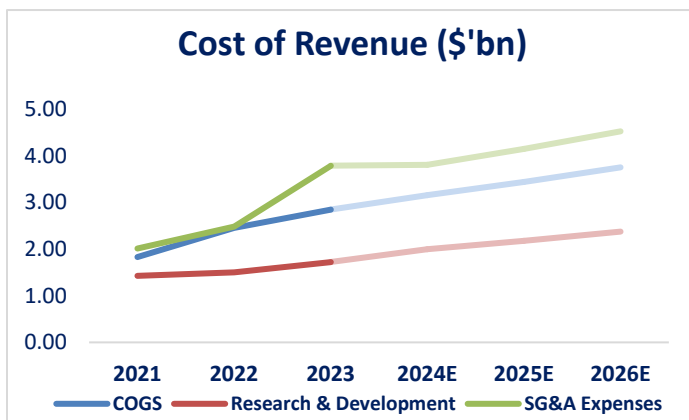
Our revenue projection is largely driven by Nights and Experiences Booked and the projected gross booking value per night. Over 2026, we are projecting a 7.49% CAGR growth in both GBV and Nights and Experiences booked in anticipation of a positive macroeconomic environment over the forecast horizon. We also believe Airbnb's internal initiatives such as pricing tools and a focus on host-guest engagement will help drive further GBV growth.

Lastly, the Fees take rate metric which measures the proportion of gross booking value captured as revenue by Airbnb after settling hosts and paying out service fees. This metric is a crucial driver of Airbnb's financial performance,

as it directly reflects the effectiveness of the platform's pricing structure, and the value derived from its services. Over the years, the take rate has demonstrated an upward trend, growing from 12.4% in 2018 to 14.2% in 2023, attributed to a combination of factors, including enhancements in pricing algorithms, increased value-added services to both Hosts and guests, and a higher share of premium and long-term bookings, which typically carry higher service fees. We are projecting the take rate to remain in the 14.0% range through 2026, while gradually reclining to 13.5% at the end of the forecast horizon.

Cost Assumptions

We have aggregated cost of revenue into three buckets: Cost of goods sold, Research and Development costs, and SG&A expenses.



Source: Airbnb 10k, Factset, HF Estimate

We projected costs to remain at historical levels, especially since competition from large hotel chains and new entrants is expected to remain fierce over the forecast horizon. We see COGS as a percentage of sales staying in the 27.0% range through 2026, while gradually stabilizing at 25.5% at the end of the forecast horizon. Similarly, we see R&D costs as a percentage of sales staying in line with historical levels at 17.0% through 2026, while stabilizing at 16.2% at the end of the forecast horizon. We believe expansion projects and continuous improvement of guest and customer experience on the online platform will keep this cost relatively at the forecasted levels. SG&A expenses as a percentage of sales is forecasted to improve significantly from 38.2% in 2023 to 33.1% in 2026 and

further to 31.0% at the end of the forecast horizon.

SG&A Expenses (2024)	COGS (2024)							
	140.36	24%	25%	26.00%	27.98%	29.00%	30.00%	31%
	29.00%	194.40	188.20	182.01	169.73	163.42	157.23	151.03
	31.00%	182.01	175.81	169.62	157.34	151.03	144.84	138.64
	32.00%	175.81	169.62	163.42	151.14	144.84	138.64	132.45
	33.74%	165.03	158.83	152.64	140.36	134.05	127.86	121.66
	34.00%	163.42	157.23	151.03	138.75	132.45	126.25	120.06
	35.00%	157.23	151.03	144.84	132.56	126.25	120.06	113.86
	36.00%	151.03	144.84	138.64	126.36	120.06	113.86	107.67

Given that the 2023 SG&A expenses was especially bolstered by expansion of the engineering team, we expect SG&A to stabilize to a sustainable rate both in the near and long term, thus helping margin improve steadily.

Our projection also sees margins staying in the 20% range over 2026E, while steadily improving towards 27% at the end of the forecast Horizon.

WACC

The weighted average cost of capital (WACC) was estimated using a mix of estimates. For the equity part of the WACC, we used the Henry Fund's equity risk premium estimate of 5.00%, which is based on Damodaran's forward looking ERP estimates as well as historical geometric average. We estimated the Beta by taking the weekly average of 1year, 3year, and 5year weekly Beta of Airbnb. The 10-year US treasury bond rate represented the risk-free element in our computation resulting in a cost of equity of 10.68%. On the debt portion of the WACC estimate, we plucked before tax cost of debt of Airbnb from Factset due to lack of long term bond issued by the company, resulting in a cost of debt of 4.37% after tax. Our debt-to-value ratio amounted to 2.39%, while the equity-to-value ratio printed at 97.61%. Overall, we arrived at our WACC estimate of 10.53%.

DCF and EP Valuation

The discounted cash flow (DCF) technique and Economic profit (EP) methodology was adopted to derive intrinsic valuation for Airbnb. Our DCF and EP model returned an intrinsic value of \$100.57. Our key assumptions for arriving at this value were:

- Continuing value free cashflow of \$111.99bn
- Continuing value of ROIC 39.91%
- Continuing value growth of NOPLAT of 5.50%
- Weighted average cost of capital of 10.53%

We discounted free cash flow and economic profit with WACC assumptions explained above. We then arrived at value of operating assets of \$58.50bn, after which we adjusted for non-operating items. We arrived at a value of equity of \$59.40bn, which was then applied to shares outstanding of 644.0mn to derive our intrinsic value of \$92.23. Finally, we adjusted for dividend yield and found the implied price as of the date of modeling to be \$100.57.

While the DCF and EP methods are generally used for valuation, they are limited by sensitivity to assumptions, discount rate estimation, terminal value assumptions and market conditions/dynamics.

Dividend Discount Model (DDM) Valuation

The dividend discount model is premised on a fundamental assumption that a firm will continue paying dividends into the future. Historically, Airbnb does not pay dividend and there is no guidance from management that there would be change to the existing policy. As a result, all of the value derived from the DDM stem from the continuing value estimate. Our assumption factored CV year ROE of 15.82%, whilst using a cost of equity of 10.68% - similar to our DCF model – to discount the continuing value to present day. Based off these assumptions, we arrived at an intrinsic value of \$66.34. We have not considered this valuation method in arriving at our target price recommendation.

Relative Valuation

Relative valuation technique for deriving intrinsic value of a share is one that groups peer companies to provide a close-to-accurate range for any typical company within the pack. Our relative valuation considered peer companies like Expedia Group, Booking Holdings, MakeMyTrip, Marriot International, and Hilton Worldwide to arrive at an average P/E valuation to determine a target range for Airbnb. The peer comparison is premised on operators in the Online Hotel Booking/Travel/Hospitality industry within the USA and on a global scale. We believe our peer comparison is robust, given the service offerings of companies in the peer set. Based on this valuation technique, we derived a target price range of \$150 - \$180 for Airbnb. This price was derived primarily using P/E valuation. Pricing publicly traded companies using relative valuation is limited by sensitivity of valuation metrics to market conditions, cyclical nature of industries, muting growth prospects among other notable limitations.

Valuation Summary

To derive a close to accurate intrinsic value for Airbnb, we have employed the discounted cash flow method (DCF), economic profit (EP) method, dividend discount method (DDM) and relative valuation techniques. Our relative valuation returned a price greater than the current market price of \$180, while our DCF and EP model returned a price below the current market price at \$100. To derive a target price for Airbnb, we assigned equal weighting to both the DCF/EP valuation and the P/E valuation to arrive at \$140. Our target price implies an approximately 4% upside which is slightly above Yahoo Finance and FactSet's average analyst estimate of \$137 and \$135, respectively.

Although our price target indicates limited upside potential for Airbnb, we believe the company is well-positioned to expand its market share as the travel landscape evolves. Price-sensitive travelers increasingly favor Airbnb's offerings for their affordability, flexibility, and suitability for longer stays. Moreover, Airbnb's diversified revenue streams are expected to strengthen its competitive edge over the forecast horizon. Based on our cautiously optimistic outlook, we recommend a Hold rating to Airbnb, with a target price of \$140.

KEYS TO MONITOR

Consumer Confidence Index and Macroeconomic Indicators:

There is need to continuously monitor global consumer confidence levels and macroeconomic variables, such as interest rates and employment trends, as they directly influence travel spending. For context, a prolonged dip in consumer confidence could negatively affect discretionary travel demand.

Regulatory Developments and Competitive Landscape:

Regulatory changes in key markets and shifts in the competitive landscape, including new entrants or changes in pricing strategies by rivals like Expedia or Booking.com should be closely monitored. Significant regulatory hurdles like complete shutdown of short-term rental or aggressive pricing wars could challenge Airbnb's growth trajectory.

Gross Booking Value and Revenue Growth:

It is pertinent to consistently track Airbnb's GBV and revenue trends to assess demand resilience, especially in light of potential macroeconomic pressures or shifts in travel preferences. A notable deviation from expected growth rates could signal changes in consumer behavior or competitive dynamics.

Operating Margins and Cost Management:

Operating margins are key to evaluate the effectiveness of Airbnb's cost control initiatives amid rising competition and inflationary pressures. A significant decline below management's guidance could warrant a reassessment of profitability projections.

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AirBnB Inc
Revenue Decomposition
(In millions)

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Nights and Experience booked	302.80	394.95	448.00	505.69	549.06	597.96	647.05	701.32	758.70	818.55	877.68	935.52	980.94
growth (%)	56.73%	30.43%	13.43%	12.88%	8.58%	8.91%	8.21%	8.39%	8.18%	7.89%	7.22%	6.59%	4.85%
Gross Booking Value	46880.29	63213.05	73252.00	81073.39	89237.94	97632.31	106481.28	116140.14	126535.26	137630.35	149165.89	160326.77	168343.11
growth (%)	96.18%	34.84%	15.88%	10.68%	10.07%	9.41%	9.06%	9.07%	8.95%	8.77%	8.38%	7.48%	5.00%
Fees Take Rate	12.80%	13.30%	14.20%	13.90%	13.90%	14.00%	14.00%	14.00%	14.00%	14.00%	13.90%	13.70%	13.50%
growth (%)	-9.22%	3.91%	6.77%	-2.11%	0.00%	0.72%	0.00%	0.00%	0.00%	0.00%	-0.71%	-1.44%	-1.46%
Revenue	6003.48	8400.32	9917.00	11269.20	12404.07	13668.52	14907.38	16259.62	17714.94	19268.25	20734.06	21964.77	22726.32
Growth (%)	77.71%	39.92%	18.06%	13.64%	10.07%	10.19%	9.06%	9.07%	8.95%	8.77%	7.61%	5.94%	3.47%

Nights and Experience Booked

North America	114.00	133.00	146.00	182.00	192.90	203.50	214.08	225.00	236.25	248.06	260.47	272.97	285.25
growth (%)	50.99%	16.67%	9.77%	24.66%	5.99%	5.50%	5.20%	5.10%	5.00%	5.00%	5.00%	4.80%	4.50%
EMEA	118.10	168.00	187.00	196.00	213.60	235.00	259.68	288.24	318.50	350.35	380.13	404.84	425.09
growth (%)	74.45%	42.25%	11.31%	4.81%	8.98%	10.02%	10.50%	11.00%	10.50%	10.00%	8.50%	6.50%	5.00%
Latin America	39.00	53.00	64.00	67.00	75.80	88.70	97.57	107.81	119.67	131.64	141.52	153.54	161.22
growth (%)	74.11%	35.90%	20.75%	4.69%	13.13%	17.02%	10.00%	10.50%	11.00%	10.00%	7.50%	8.50%	5.00%
Asia Pacific	29.70	40.00	51.00	60.69	66.76	70.76	75.72	80.26	84.27	88.49	95.57	104.17	109.38
growth (%)	7.61%	34.68%	27.50%	19.00%	10.00%	6.00%	7.00%	6.00%	5.00%	5.00%	8.00%	9.00%	5.00%

Gross Booking Value

North America	25305.50	32246.00	34941.00	39133.92	43438.65	47782.52	52321.86	57344.75	62677.82	68381.50	74193.92	79758.47	83746.39
growth (%)	92.15%	27.43%	8.36%	12.00%	11.00%	10.00%	9.50%	9.60%	9.30%	9.10%	8.50%	7.50%	5.00%
EMEA	14606.90	21486.00	26241.00	28602.69	31176.93	33982.86	36973.35	40300.95	43928.03	47793.70	51856.17	55745.38	58532.65
growth (%)	119.32%	47.09%	22.13%	9.00%	9.00%	9.00%	8.80%	9.00%	9.00%	8.80%	8.50%	7.50%	5.00%
Latin America	3706.00	4838.00	6054.00	6598.86	7143.27	7714.73	8316.48	8915.26	9583.91	10302.70	11126.92	11994.82	12594.56
growth (%)	117.90%	30.55%	25.13%	9.00%	8.25%	8.00%	7.80%	7.20%	7.50%	7.50%	8.00%	7.80%	5.00%
Asia Pacific	3258.60	4642.00	6016.00	6737.92	7479.09	8152.21	8869.60	9579.17	10345.51	11152.46	11988.89	12828.11	13469.52
growth (%)	37.72%	42.45%	29.60%	12.00%	11.00%	9.00%	8.80%	8.00%	8.00%	7.80%	7.50%	7.00%	5.00%

Implied GBV Per Night

North America	221.98	242.45	239.32	215.02	225.19	234.80	244.40	254.87	265.30	275.66	284.85	292.19	293.59
growth (%)	27.25%	9.22%	-1.29%	-10.15%	4.73%	4.27%	4.09%	4.28%	4.10%	3.90%	3.33%	2.58%	0.48%
EMEA	123.68	127.89	140.33	145.93	145.96	144.61	142.38	139.82	137.92	136.42	136.42	137.70	137.70
growth (%)	25.72%	3.40%	9.72%	3.99%	0.02%	-0.93%	-1.54%	-1.80%	-1.36%	-1.09%	0.00%	0.94%	0.00%
Latin America	95.03	91.28	94.59	98.49	94.24	86.98	85.24	82.69	80.08	78.26	78.63	78.12	78.12
growth (%)	25.15%	-3.94%	3.63%	4.12%	-4.32%	-7.71%	-2.00%	-2.99%	-3.15%	-2.27%	0.47%	-0.65%	0.00%
Asia Pacific	109.72	116.05	117.96	111.02	112.03	115.20	117.14	119.35	122.76	126.03	125.45	123.15	123.15
growth (%)	27.98%	5.77%	1.65%	-5.88%	0.91%	2.83%	1.68%	1.89%	2.86%	2.67%	-0.46%	-1.83%	0.00%

Revenue by Geography

North America	3210.00	4210.00	4638.00	5439.61	6037.97	6689.55	7325.06	8028.27	8774.89	9573.41	10312.96	10926.91	11305.76
growth (%)	81.08%	31.15%	10.17%	17.28%	11.00%	10.79%	9.50%	9.60%	9.30%	9.10%	7.73%	5.95%	3.47%
EMEA	1931.00	2924.00	3615.00	3975.77	4333.59	4757.60	5176.27	5642.13	6149.92	6691.12	7208.01	7637.12	7901.91
growth (%)	88.61%	51.42%	23.63%	9.98%	9.00%	9.78%	8.80%	9.00%	9.00%	8.80%	7.73%	5.95%	3.47%

Latin America	431.00	643.00	824.00	917.24	992.91	1080.06	1164.31	1248.14	1341.75	1442.38	1546.64	1643.29	1700.27
growth (%)	78.10%	49.19%	28.15%	11.32%	8.25%	8.78%	7.80%	7.20%	7.50%	7.50%	7.23%	6.25%	3.47%
Asia Pacific	429.00	622.00	840.00	936.57	1039.59	1141.31	1241.74	1341.08	1448.37	1561.34	1666.46	1757.45	1818.38
growth (%)	26.29%	44.99%	35.05%	11.50%	11.00%	9.78%	8.80%	8.00%	8.00%	7.80%	6.73%	5.46%	3.47%

AirBnB Inc

Income Statement

(In million)

<i>Fiscal Years Ending Dec. 31</i>	DEC '23	MAR '24	JUN '24	SEP '24	DEC '24E	MAR '25E	JUN '25E	SEP '25E	DEC '25E	MAR '26E	JUN '26E	SEP '26E	DEC '26E	MAR '27E	JUN '27E	SEP '27E	DEC '27E
Sales	2218.00	2142.00	2748.00	3732.00	2647.20	2272.95	2970.77	4268.95	2888.03	2504.65	3273.60	4704.12	3182.43	2731.66	3570.30	5130.48	3470.87
COGS	655.00	765.00	844.00	834.00	710.37	842.11	919.61	957.28	717.22	918.67	1003.22	1044.32	782.43	991.92	1083.21	1127.58	844.82
Depreciation & Amortization	16.00	14.00	14.00	15.00	5.33	15.85	13.23	10.08	9.54	16.03	13.38	10.19	9.65	16.24	13.56	10.33	9.78
Gross Income	1547.00	1363.00	1890.00	2883.00	1931.49	1414.98	2037.92	3301.59	2161.26	1569.95	2257.00	3649.62	2390.35	1723.50	2473.54	3992.58	2616.28
Research & Development	432.00	475.00	519.00	524.00	477.69	531.88	552.96	538.98	550.87	580.24	603.24	587.98	600.95	626.51	651.33	634.86	648.86
SG&A Expenses	1624.00	801.00	888.00	849.00	1264.35	852.49	981.50	943.08	1366.34	930.00	1070.74	1028.82	1490.56	1004.15	1156.11	1110.85	1609.40
EBIT	-509.00	87.00	483.00	1510.00	189.46	30.60	503.45	1819.53	244.05	59.70	583.02	2032.81	298.83	92.84	666.10	2246.86	358.01
Nonoperating Interest Income	192.00	202.00	226.00	207.00	-204.04	147.19	96.17	131.40	110.00	184.72	120.69	164.91	138.06	228.00	148.97	203.55	170.40
Equity in Earnings of Affiliates	0.00	0.00	0.00	0.00	-6.00	0.00	0.00	0.00	-6.00	0.00	0.00	0.00	-6.00	0.00	0.00	0.00	-6.00
Other Income (Expense)	58.00	-4.00	-41.00	1.00	44.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Expense	71.00				123.03	19.51	22.73	20.91	72.18	20.79	24.22	22.28	76.91	22.23	25.89	23.82	82.22
Unusual Expense - Net	3.00	6.00	1.00	-2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pretax Income	-383.00	293.00	681.00	1735.00	-137.62	158.28	576.89	1930.02	275.88	223.63	679.49	2175.43	353.98	298.62	789.17	2426.59	440.19
Income Taxes	-34.00	29.00	126.00	367.00	-991.28	38.99	69.86	301.09	-947.31	45.50	81.53	351.39	-1105.54	52.42	93.93	404.80	-1273.60
Implied Tax Credit						-38.99	-69.86	-301.09	947.31	-45.50	-81.53	-351.39	1105.54	-52.42	-93.93	-404.80	1273.60
Net Income	-349.00	264.00	555.00	1368.00	853.66	158.28	576.89	1930.02	275.88	223.63	679.49	2175.43	353.98	298.62	789.17	2426.59	440.19

AirBnB Inc

Income Statement

(In millions)

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Sales	5991.76	8399.00	9917.00	11269.20	12404.07	13668.52	14907.38	16259.62	17714.94	19268.25	20734.06	21964.77	22726.32
COGS	1827.39	2450.70	2845.00	3153.37	3436.23	3748.65	4047.52	4370.53	4714.09	5076.17	5407.71	5671.40	5809.36
Depreciation & Amortization	175.50	89.30	44.00	48.33	48.71	49.24	49.90	50.68	51.56	52.53	53.58	54.70	55.88
Gross Income	3988.87	5859.00	7028.00	8067.49	8919.14	9870.64	10809.95	11838.41	12949.28	14139.55	15272.78	16238.67	16861.08
Research & Development	1425.05	1502.00	1722.00	1995.69	2174.70	2372.42	2561.57	2765.99	2983.42	3212.57	3422.39	3589.28	3676.59
SG&A Expenses	2010.41	2478.00	3785.00	3802.35	4143.41	4520.13	4880.51	5269.99	5684.26	6120.86	6520.63	6838.59	7004.94
EBIT	553.41	1879.00	1521.00	2269.46	2601.03	2978.09	3367.87	3802.44	4281.60	4806.13	5329.76	5810.79	6179.55
Nonoperating Interest Income	12.73	186.00	721.00	430.96	484.76	608.37	750.92	916.91	1106.52	1320.04	1563.00	1840.89	2156.56
Equity in Earnings of Affiliates	-3.50	-5.40	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00	-6.00
Other Income (Expense)	-628.97	43.90	-42.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Expense	60.35	24.00	83.00	123.03	135.32	144.20	154.15	163.96	174.67	186.24	198.61	210.31	220.18
Unusual Expense - Net	173.54	90.50	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pretax Income	-300.21	1989.00	2102.00	2571.38	2944.46	3436.26	3958.64	4549.39	5207.45	5933.93	6688.15	7435.37	8109.93
Income Taxes	-51.83	-96.00	2690.00	-469.28	-537.36	-627.12	-722.45	-830.26	-950.36	-1082.94	-1220.59	-1356.96	-1480.06
Federal & State Tax credit				469.28	537.36	627.12	722.45	830.26	950.36	1082.94	1220.59	1356.96	1480.06
Net Income	-352.03	1893.00	4792.00	2571.38	2944.46	3436.26	3958.64	4549.39	5207.45	5933.93	6688.15	7435.37	8109.93
EPS (basic)	-0.57	2.97	7.52	4.03	4.60	5.36	6.17	7.07	8.09	9.21	10.39	11.55	12.59
Weighted Average Shares Outstanding	615.89	637.00	637.00	638.59	639.76	640.94	642.11	643.28	643.94	644.00	644.00	644.00	644.00
Total Shares Outstanding	633.52	631.00	638.00	639.17	640.35	641.52	642.70	643.87	644.00	644.00	644.00	644.00	644.00

AirBnB Inc
Balance Sheet
(In millions)

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets													
Cash	6082.20	7395.00	6898.00	8021.80	10775.17	13965.92	17699.49	21979.62	26813.19	32329.04	38655.62	45859.40	53983.78
Total Short Term Investments	2255.04	2244.00	3197.00	3333.48	3475.79	3624.17	3778.88	3940.20	4108.41	4283.80	4466.67	4657.36	4856.18
Accounts Receivables, Net	142.52	200.00	249.00	273.12	303.63	337.92	372.24	410.06	451.23	495.70	538.75	576.43	602.38
Other Current Assets	3906.62	5022.00	6165.00	7192.22	7916.52	8723.51	9514.17	10377.20	11306.01	12297.36	13232.87	14018.33	14504.37
Total Current Assets	12386.38	14861.00	16509.00	18820.62	22471.10	26651.52	31364.78	36707.08	42678.84	49405.90	56893.91	65111.53	73946.71
Net Property, Plant & Equipment	428.62	259.00	279.00	281.18	284.24	288.07	292.56	297.63	303.22	309.27	315.73	322.58	329.77
Total Long-Term Investments	85.44	79.00	95.00	98.98	103.13	107.46	111.96	116.66	121.55	126.65	131.96	137.49	143.25
Intangible Assets	704.91	684.00	792.00	780.00	769.00	761.00	757.00	753.00	752.00	752.00	752.00	752.00	752.00
Deferred Tax Assets			2919.00	2912.78	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79
Other Assets	103.12	155.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00
Total Assets	13708.47	16038.00	20683.00	22982.56	26629.26	30809.83	35528.10	40876.16	46857.40	53595.61	61095.39	69325.39	78173.53
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	63.48	59.00	61.00	71.00	78.18	86.18	94.02	102.59	111.82	121.67	130.97	138.80	143.67
Accounts Payable	118.36	137.00	141.00	208.30	229.25	252.59	275.46	300.42	327.27	355.93	382.97	405.66	419.69
Income Tax Payable	517.52	624.00	1119.00	59.60	68.24	79.64	91.75	105.44	120.69	137.53	155.01	172.33	187.96
Other Current Liabilities	5659.92	7158.00	8629.00	8997.37	9381.47	9781.96	10199.56	10634.98	11088.98	11562.37	12055.97	12570.64	13107.28
Total Current Liabilities	6359.28	7978.00	9950.00	9336.26	9757.14	10200.38	10660.79	11143.42	11648.76	12177.50	12724.92	13287.43	13858.60
Long-Term Debt	2355.02	2282.00	2243.00	2463.16	2622.26	2800.52	2976.34	3168.40	3375.90	3597.69	3807.49	3984.49	4095.69
Deferred Tax Liabilities			38.00	76.00	114.00	152.00	190.00	228.00	266.00	304.00	342.00	380.00	418.00
Other Liabilities	218.46	218.00	287.00	299.25	312.03	325.35	339.24	353.72	368.82	384.56	400.98	418.10	435.95
Total Liabilities	8932.76	10478.00	12518.00	12174.68	12805.43	13478.24	14166.37	14893.55	15659.48	16463.76	17275.39	18070.02	18808.24
Equity													
Common Stock Par/Carry Value	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-In Capital/Capital Surplus	11140.28	11557.00	11639.00	11710.50	11781.99	11853.49	11924.98	11996.48	12004.34	12004.34	12004.34	12004.34	12004.34
Common Equity	11140.35	11557.00	11639.00	11710.50	11781.99	11853.49	11924.98	11996.48	12004.34	12004.34	12004.34	12004.34	12004.34
Retained Earnings	-6357.74	-5965.00	-3425.00	-853.62	2090.84	5527.10	9485.75	14035.14	19242.58	25176.51	31864.66	39300.03	47409.95
Other Appropriated Reserves	-6.89	-32.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00	-49.00
Total Equity	4775.71	5560.00	8165.00	10807.88	13823.83	17331.59	21361.73	25982.61	31197.92	37131.85	43820.00	51255.37	59365.29
Total Liabilities & Shareholders' Equity	13708.47	16038.00	20683.00	22982.56	26629.26	30809.83	35528.10	40876.16	46857.40	53595.61	61095.39	69325.39	78173.53

AirBnB Inc*Historical Cash Flow Statement**(In millions)*

Fiscal Years Ending Dec. 31	2017	2018	2019	2020	2021	2022	2023
Operating Activities							
Net Income	-70.05	-16.86	-674.34	-4584.72	-352.03	1893.00	4792.00
Depreciation & Amortization	79.34	82.40	114.16	125.88	138.32	81.00	44.00
Def.Taxes & Investment Tax Credit	-4.18	-5.02	-5.63	-19.60	10.94	-1.00	-2875.00
Other Funds	62.91	114.00	168.15	4133.32	1754.55	1138.00	1203.00
Funds from Operations	68.02	174.53	-397.66	-345.12	1551.77	3111.00	3164.00
Changes in Working Capital	183.20	421.03	620.38	-284.61	637.92	319.00	720.00
Net Operating Cash Flow	251.23	595.56	222.73	-629.73	2189.69	3430.00	3884.00
Investing Activities							
Capital Expenditures	-100.20	-90.62	-125.45	-37.37	-25.32	-25.00	-47.00
Purchase/Sale of Investments	-516.09	-542.96	-63.25	125.56	-1327.13	-1.00	-928.00
Other Funds	0.00	-3.29	33.67	-8.60	0.50	-2.00	-67.00
Net Investing Cash Flow	-788.94	-668.17	-347.16	79.59	-1351.96	-28.00	-1042.00
Financing Activities							
Change in Capital Stock	50.87	16.04	5.87	3665.94	188.19	-1412.00	-2142.00
Issuance/Reduction of Debt, Net	0.00	0.00	0.00	1923.88	-328.92	0.00	0.00
Other Funds	622.08	124.47	848.71	-2649.01	1571.88	723.00	-288.00
Net Financing Cash Flow	672.95	140.52	854.58	2940.81	1431.16	-689.00	-2430.00
Exchange Rate Effect	227.17	-158.92	-25.28	134.14	-209.86	-337.00	152.00
Net Change in Cash	362.41	-91.02	704.87	2524.81	2059.04	2376.00	564.00

AirBnB Inc
Forecasted Cash Flow Statement
(In millions)

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Net Income	2571.38	2944.46	3436.26	3958.64	4549.39	5207.45	5933.93	6688.15	7435.37	8109.93
Operating activities:										
Depreciation & Amortization	48.33	48.71	49.24	49.90	50.68	51.56	52.53	53.58	54.70	55.88
Changes in Working Capital:										
Changes in Accounts Receivable	-24.12	-30.51	-34.30	-34.31	-37.83	-41.17	-44.47	-43.04	-37.69	-25.95
Changes in Other Current Asset	-1027.22	-724.30	-807.00	-790.66	-863.02	-928.81	-991.35	-935.51	-785.46	-486.04
Changes in Deferred Tax Asset	6.22	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in Accounts Payable	67.30	20.95	23.34	22.87	24.96	26.86	28.66	27.04	22.69	14.02
Changes in Income Tax Payable	-1059.40	8.65	11.40	12.11	13.69	15.25	16.84	17.48	17.32	15.63
Changes in Other Current Liabilities	368.37	384.10	400.49	417.59	435.42	454.01	473.39	493.60	514.67	536.64
Changes in Deferred Tax Liability	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
Changes in Other Liabilities	12.25	12.78	13.32	13.89	14.48	15.10	15.74	16.42	17.12	17.85
Net Cash from Operations	1001.12	2702.82	3130.77	3688.02	4225.77	4838.24	5523.26	6355.70	7276.72	8275.97
Cash from Investing Activities										
Capital Expenditure	-50.51	-51.77	-53.07	-54.39	-55.75	-57.15	-58.58	-60.04	-61.54	-63.08
Changes in Short Term Investment	-136.48	-142.31	-148.38	-154.72	-161.32	-168.21	-175.39	-182.88	-190.68	-198.82
Changes in Longterm Investment	-3.98	-4.15	-4.32	-4.51	-4.69	-4.89	-5.10	-5.31	-5.53	-5.76
Changes in Other Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in Intangible Assets	12.00	11.00	8.00	4.00	4.00	1.00	0.00	0.00	0.00	0.00
Net Cash from Investing Activities	-178.97	-187.23	-197.77	-209.62	-217.77	-229.25	-239.06	-248.23	-257.76	-267.67
Cash from Financing Activities										
Changes in Short Term Debt	10.00	7.18	8.00	7.85	8.57	9.22	9.85	9.31	7.83	4.87
Changes in Long Term Debt	220.16	159.10	178.25	175.82	192.06	207.49	221.79	209.79	177.00	111.21
Changes in Capital Stock	71.50	71.50	71.50	71.50	71.50	7.86	0.00	0.00	0.00	0.00
Changes in Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Cashfrom Investing Activities	301.66	237.78	257.75	255.17	272.12	224.58	231.65	219.10	184.83	116.08
Increase in Cash	1123.80	2753.37	3190.75	3733.57	4280.12	4833.57	5515.85	6326.58	7203.79	8124.38
Beginning Cash & Cash Equivalent	6898.00	8021.80	10775.17	13965.92	17699.49	21979.62	26813.19	32329.04	38655.62	45859.40
End of Period Cash	8021.80	10775.17	13965.92	17699.49	21979.62	26813.19	32329.04	38655.62	45859.40	53983.78

AirBnB Inc
Income Statement

<i>Fiscal Years Ending Dec. 31</i>	DEC '23	MAR '24	JUN '24	SEP '24	DEC '24E	MAR '25E	JUN '25E	SEP '25E	DEC '25E	MAR '26E	JUN '26E	SEP '26E	DEC '26E	MAR '27E	JUN '27E	SEP '27E	DEC '27E
Sales	22.37%	19.01%	24.39%	33.12%	23.49%	20.17%	26.36%	37.88%	25.63%	22.23%	29.05%	41.74%	28.24%	24.24%	31.68%	45.53%	30.80%
COGS	29.53%	35.71%	30.71%	22.35%	26.83%	37.05%	30.96%	22.42%	24.83%	36.68%	30.65%	22.20%	24.59%	36.31%	30.34%	21.98%	24.34%
Depreciation & Amortization	0.72%	0.65%	0.51%	0.40%	0.20%	0.70%	0.45%	0.24%	0.33%	0.64%	0.41%	0.22%	0.30%	0.59%	0.38%	0.20%	0.28%
Gross Income	69.75%	63.63%	68.78%	77.25%	72.96%	62.25%	68.60%	77.34%	74.84%	62.68%	68.95%	77.58%	75.11%	63.09%	69.28%	77.82%	75.38%
Research & Development	19.48%	22.18%	18.89%	14.04%	18.04%	23.40%	18.61%	12.63%	19.07%	23.17%	18.43%	12.50%	18.88%	22.94%	18.24%	12.37%	18.69%
SG&A Expenses	73.22%	37.39%	32.31%	22.75%	47.76%	37.51%	33.04%	22.09%	47.31%	37.13%	32.71%	21.87%	46.84%	36.76%	32.38%	21.65%	46.37%
EBIT	-22.95%	4.06%	17.58%	40.46%	7.16%	1.35%	16.95%	42.62%	8.45%	2.38%	17.81%	43.21%	9.39%	3.40%	18.66%	43.79%	10.31%
Nonoperating Interest Income	8.66%	9.43%	8.22%	5.55%	-7.71%	6.48%	3.24%	3.08%	3.81%	7.38%	3.69%	3.51%	4.34%	8.35%	4.17%	3.97%	4.91%
Equity in Earnings of Affiliates	0.00%	0.00%	0.00%	0.00%	-0.23%	0.00%	0.00%	0.00%	-0.21%	0.00%	0.00%	0.00%	-0.19%	0.00%	0.00%	0.00%	-0.17%
Other Income (Expense)	2.61%	-0.19%	-1.49%	0.03%	1.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense	3.20%	0.00%	0.00%	0.00%	4.65%	0.86%	0.77%	0.49%	2.50%	0.83%	0.74%	0.47%	2.42%	0.81%	0.73%	0.46%	2.37%
Unusual Expense - Net	0.14%	0.28%	0.04%	-0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pretax Income	-17.27%	13.68%	24.78%	46.49%	-5.20%	6.96%	19.42%	45.21%	9.55%	8.93%	20.76%	46.25%	11.12%	10.93%	22.10%	47.30%	12.68%
Income Taxes	-1.53%	1.35%	4.59%	9.83%	-37.45%	1.72%	2.35%	7.05%	-32.80%	1.82%	2.49%	7.47%	-34.74%	1.92%	2.63%	7.89%	-36.69%
Net Income	-15.73%	12.32%	20.20%	36.66%	32.25%	6.96%	19.42%	45.21%	9.55%	8.93%	20.76%	46.25%	11.12%	10.93%	22.10%	47.30%	12.68%

AirBnB Inc
Common Size Income Statement

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COGS	30.50%	29.18%	28.69%	27.98%	27.70%	27.43%	27.15%	26.88%	26.61%	26.34%	26.08%	25.82%	25.56%
Depreciation & Amortization	2.93%	1.06%	0.44%	0.43%	0.39%	0.36%	0.33%	0.31%	0.29%	0.27%	0.26%	0.25%	0.25%
Gross Income	66.57%	69.76%	70.87%	71.59%	71.90%	72.21%	72.51%	72.81%	73.10%	73.38%	73.66%	73.93%	74.19%
Research & Development	23.78%	17.88%	17.36%	17.71%	17.53%	17.36%	17.18%	17.01%	16.84%	16.67%	16.51%	16.34%	16.18%
SG&A Expenses	33.55%	29.50%	38.17%	33.74%	33.40%	33.07%	32.74%	32.41%	32.09%	31.77%	31.45%	31.13%	30.82%
EBIT	9.24%	22.37%	15.34%	20.14%	20.97%	21.79%	22.59%	23.39%	24.17%	24.94%	25.71%	26.46%	27.19%
Nonoperating Interest Income	0.21%	2.21%	7.27%	3.82%	3.91%	4.45%	5.04%	5.64%	6.25%	6.85%	7.54%	8.38%	9.49%
Equity in Earnings of Affiliates	-0.06%	-0.06%	-0.06%	-0.05%	-0.05%	-0.04%	-0.04%	-0.04%	-0.03%	-0.03%	-0.03%	-0.03%	-0.03%
Other Income (Expense)	-10.50%	0.52%	-0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Expense	1.01%	0.29%	0.84%	1.09%	1.09%	1.06%	1.03%	1.01%	0.99%	0.97%	0.96%	0.96%	0.97%
Unusual Expense - Net	2.90%	1.08%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pretax Income	-5.01%	23.68%	21.20%	22.82%	23.74%	25.14%	26.55%	27.98%	29.40%	30.80%	32.26%	33.85%	35.69%
Income Taxes	-0.86%	-1.14%	27.13%	-4.16%	-4.33%	-4.59%	-4.85%	-5.11%	-5.36%	-5.62%	-5.89%	-6.18%	-6.51%
Net Income	-5.88%	22.54%	48.32%	22.82%	23.74%	25.14%	26.55%	27.98%	29.40%	30.80%	32.26%	33.85%	35.69%

AirBnB Inc
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets													
Cash	101.51%	88.05%	69.56%	71.18%	86.87%	102.18%	118.73%	135.18%	151.36%	167.78%	186.44%	208.79%	237.54%
Total Short Term Investments	37.64%	26.72%	32.24%	29.58%	28.02%	26.51%	25.35%	24.23%	23.19%	22.23%	21.54%	21.20%	21.37%
Accounts Receivables, Net	2.38%	2.38%	2.51%	2.42%	2.45%	2.47%	2.50%	2.52%	2.55%	2.57%	2.60%	2.62%	2.65%
Other Current Assets	65.20%	59.79%	62.17%	63.82%	63.82%	63.82%	63.82%	63.82%	63.82%	63.82%	63.82%	63.82%	63.82%
Total Current Assets	206.72%	176.94%	166.47%	167.01%	181.16%	194.98%	210.40%	225.76%	240.92%	256.41%	274.40%	296.44%	325.38%
Net Property, Plant & Equipment	7.15%	3.08%	2.81%	2.50%	2.29%	2.11%	1.96%	1.83%	1.71%	1.61%	1.52%	1.47%	1.45%
Total Long-Term Investments	1.43%	0.94%	0.96%	0.88%	0.83%	0.79%	0.75%	0.72%	0.69%	0.66%	0.64%	0.63%	0.63%
Intangible Assets	11.76%	8.14%	7.99%	6.92%	6.20%	5.57%	5.08%	4.63%	4.25%	3.90%	3.63%	3.42%	3.31%
Deferred Tax Assets	0.00%	0.00%	29.43%	25.85%	23.48%	21.31%	19.54%	17.91%	16.44%	15.12%	14.05%	13.26%	12.82%
Other Assets	1.72%	1.85%	0.90%	0.79%	0.72%	0.65%	0.60%	0.55%	0.50%	0.46%	0.43%	0.41%	0.39%
Total Assets	228.79%	190.95%	208.56%	203.94%	214.68%	225.41%	238.33%	251.40%	264.51%	278.16%	294.66%	315.62%	343.98%
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	1.06%	0.70%	0.62%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%
Accounts Payable	1.98%	1.63%	1.42%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
Income Tax Payable	8.64%	7.43%	11.28%	0.53%	0.55%	0.58%	0.62%	0.65%	0.68%	0.71%	0.75%	0.78%	0.83%
Other Current Liabilities	94.46%	85.22%	87.01%	79.84%	75.63%	71.57%	68.42%	65.41%	62.60%	60.01%	58.15%	57.23%	57.67%
Total Current Liabilities	106.13%	94.99%	100.33%	82.85%	78.66%	74.63%	71.51%	68.53%	65.76%	63.20%	61.37%	60.49%	60.98%
Long-Term Debt	39.30%	27.17%	22.62%	21.86%	21.14%	20.49%	19.97%	19.49%	19.06%	18.67%	18.36%	18.14%	18.02%
Deferred Tax Liabilities	0.00%	0.00%	0.38%	0.67%	0.92%	1.11%	1.27%	1.40%	1.50%	1.58%	1.65%	1.73%	1.84%
Other Liabilities	3.65%	2.60%	2.89%	2.66%	2.52%	2.38%	2.28%	2.18%	2.08%	2.00%	1.93%	1.90%	1.92%
Total Liabilities	149.08%	124.75%	126.23%	108.03%	103.24%	98.61%	95.03%	91.60%	88.40%	85.45%	83.32%	82.27%	82.76%
Equity													
Common Stock Par/Carry Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Additional Paid-In Capital/Capital Surplus	185.93%	137.60%	117.36%	103.92%	94.98%	86.72%	79.99%	73.78%	67.76%	62.30%	57.90%	54.65%	52.82%
Retained Earnings	-106.11%	-71.02%	-34.54%	-7.57%	16.86%	40.44%	63.63%	86.32%	108.62%	130.66%	153.68%	178.92%	208.61%
Other Appropriated Reserves	-0.12%	-0.38%	-0.49%	-0.43%	-0.40%	-0.36%	-0.33%	-0.30%	-0.28%	-0.25%	-0.24%	-0.22%	-0.22%
Total Equity	79.70%	66.20%	82.33%	95.91%	111.45%	126.80%	143.30%	159.80%	176.11%	192.71%	211.34%	233.35%	261.22%
Total Liabilities & Shareholders' Equity	228.79%	190.95%	208.56%	203.94%	214.68%	225.41%	238.33%	251.40%	264.51%	278.16%	294.66%	315.62%	343.98%

AirBnB Inc
Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:

Risk-Free Rate	4.34%
Beta	1.27
Equity Risk Premium	5.00%
Cost of Equity	10.68%

ASSUMPTIONS:
10-year Treasury bond
Average of 1, 2, and 5-year weekly beta
Henry Fund Estimate

Cost of Debt:

Risk-Free Rate	4.34%
Implied Default Premium	1.01%
Pre-Tax Cost of Debt	5.34%
Marginal Tax Rate	18%
After-Tax Cost of Debt	4.37%

10-year Treasury bond

Factset Before-Tax Cost of Debt

Market Value of Common Equity:

Total Shares Outstanding	638
Current Stock Price	\$147.37
MV of Equity	94,022.06

MV Weights

97.61%

Market Value of Debt:

Short-Term Debt	61.00
Long-Term Debt	2243.00
PV of Operating Leases	
MV of Total Debt	2,304.00

2.39%

Market Value of the Firm

96,326.06

100.00%

Estimated WACC

10.53%

AirBnB Inc*Value Driver Estimation**(In millions)*

<i>Fiscal Years Ending Dec. 31</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
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NOPLAT:

Revenue	5991.76	8399.00	9917.00	11269.20	12404.07	13668.52	14907.38	16259.62	17714.94	19268.25	20734.06	21964.77	22726.32
COGS	-1827.39	-2450.70	-2845.00	-3153.37	-3436.23	-3748.65	-4047.52	-4370.53	-4714.09	-5076.17	-5407.71	-5671.40	-5809.36
Research & Development	-1425.05	-1502.00	-1722.00	-1995.69	-2174.70	-2372.42	-2561.57	-2765.99	-2983.42	-3212.57	-3422.39	-3589.28	-3676.59
SG&A	-2010.41	-2478.00	-3785.00	-3802.35	-4143.41	-4520.13	-4880.51	-5269.99	-5684.26	-6120.86	-6520.63	-6838.59	-7004.94
Depreciation & Amortization	-175.50	-89.30	-44.00	-48.33	-48.71	-49.24	-49.90	-50.68	-51.56	-52.53	-53.58	-54.70	-55.88
EBIT	553.41	1879.00	1521.00	2269.46	2601.03	2978.09	3367.87	3802.44	4281.60	4806.13	5329.76	5810.79	6179.55

Income Tax Provision	51.83	96.00	-2690.00	469.28	537.36	627.12	722.45	830.26	950.36	1082.94	1220.59	1356.96	1480.06
Tax credits				-469.28	-537.36	-627.12	-722.45	-830.26	-950.36	-1082.94	-1220.59	-1356.96	-1480.06
Less: Tax on Interest Income	-2.32	-33.95	-131.58	-78.65	-88.47	-111.03	-137.04	-167.34	-201.94	-240.91	-285.25	-335.96	-393.57
Less: Tax on Equity Earnings of Affiliates	0.64	0.99	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Add: Tax on Interest Expense	11.01	4.38	15.15	22.45	24.70	26.32	28.13	29.92	31.88	33.99	36.25	38.38	40.18
Add: Tax on Unusual Expense	31.67	16.52	1.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Taxes	92.83	83.94	-2803.70	-55.10	-62.68	-83.62	-107.82	-136.32	-168.97	-205.82	-247.91	-296.49	-352.29

Deferred Tax Asset (net)	0.00	0.00	2919.00	2912.78	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79	2912.79
Changes in Deferred Tax Asset		0.00	2919.00	-6.22	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NOPLAT	460.59	1795.06	7243.70	2318.34	2663.71	3061.71	3475.69	3938.75	4450.57	5011.95	5577.66	6107.28	6531.84

Invested Capital (IC):

Operating Current Assets:

Normal Cash	3866.65	5420.11	6399.72	7272.34	8004.70	8820.69	9620.16	10492.79	11431.95	12434.35	13380.28	14174.49	14665.94
Plus: Accounts Receivable	142.52	200.00	249.00	273.12	303.63	337.92	372.24	410.06	451.23	495.70	538.75	576.43	602.38
Plus: Other Current Assets	3906.62	5022.00	6165.00	7192.22	7916.52	8723.51	9514.17	10377.20	11306.01	12297.36	13232.87	14018.33	14504.37

Operating Current Liabilities:

Less: Accounts Payable	118.36	137.00	141.00	208.30	229.25	252.59	275.46	300.42	327.27	355.93	382.97	405.66	419.69
Less: Income Tax Payable	517.52	624.00	1119.00	59.60	68.24	79.64	91.75	105.44	120.69	137.53	155.01	172.33	187.96
Less: Other Current Liabilities	5659.92	7158.00	8629.00	8997.37	9381.47	9781.96	10199.56	10634.98	11088.98	11562.37	12055.97	12570.64	13107.28

NOWC	1619.99	2723.11	2924.72	5472.41	6545.88	7767.92	8939.80	10239.22	11652.25	13171.58	14557.95	15620.63	16057.77
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Plus: Net PPE	428.62	259.00	279.00	281.18	284.24	288.07	292.56	297.63	303.22	309.27	315.73	322.58	329.77
Plus: Intangible Asset	704.91	684.00	792.00	780.00	769.00	761.00	757.00	753.00	752.00	752.00	752.00	752.00	752.00
Plus: Other Assets	103.12	155.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00	89.00

Less: Other Liabilities	218.46	218.00	287.00	299.25	312.03	325.35	339.24	353.72	368.82	384.56	400.98	418.10	435.95
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Invested Capital (IC)	2638.18	3603.11	3797.72	6323.33	7376.09	8580.64	9739.12	11025.13	12427.64	13937.28	15313.70	16366.10	16792.59
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Free Cash Flow (FCF):

NOPLAT	460.59	1795.06	7243.70	2318.34	2663.71	3061.71	3475.69	3938.75	4450.57	5011.95	5577.66	6107.28	6531.84
Change in IC	1679.89	964.93	194.61	2525.61	1052.76	1204.55	1158.48	1286.01	1402.51	1509.64	1376.41	1052.41	426.49
FCF	-1219.30	830.13	7049.09	-207.27	1610.95	1857.16	2317.21	2652.74	3048.05	3502.31	4201.25	5054.87	6105.35

Return on Invested Capital (ROIC):

NOPLAT	460.59	1795.06	7243.70	2318.34	2663.71	3061.71	3475.69	3938.75	4450.57	5011.95	5577.66	6107.28	6531.84
Beginning IC	958.29	2638.18	3603.11	3797.72	6323.33	7376.09	8580.64	9739.12	11025.13	12427.64	13937.28	15313.70	16366.10
ROIC	48.06%	68.04%	201.04%	61.05%	42.13%	41.51%	40.51%	40.44%	40.37%	40.33%	40.02%	39.88%	39.91%
Economic Profit (EP):													
Beginning IC	958.29	2638.18	3603.11	3797.72	6323.33	7376.09	8580.64	9739.12	11025.13	12427.64	13937.28	15313.70	16366.10
x (ROIC - WACC)	37.53%	57.51%	190.51%	50.52%	31.60%	30.98%	29.98%	29.91%	29.84%	29.80%	29.49%	29.35%	29.38%
EP	359.69	1517.29	6864.33	1918.48	1997.93	2285.08	2572.23	2913.33	3289.73	3703.45	4110.21	4494.91	4808.66

AirBnB Inc

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

(In millions)

Key Inputs:

CV Growth of NOPLAT	5.50%
CV Year ROIC	39.91%
WACC	10.53%
Cost of Equity	10.68%

<i>Fiscal Years Ending Dec. 31</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
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DCF Model:

Free Cash Flow (FCF)	-207.3	1611.0	1857.2	2317.2	2652.7	3048.1	3502.3	4201.3	5054.9	6105.4
Continuing Value (CV)										111985.4
PV of FCF	-187.5	1318.7	1375.4	1552.6	1608.1	1671.7	1737.9	1886.1	2053.2	45485.9

Value of Operating Assets:	58502.0
Add: Excess Cash	498.3
Non-Operating Adjustments:	
Add: Longterm Investment	99.0
Add: Short term Investments	3197.0
Less: Total Debt	2304.0
Less: ESOP	593.9

Value of Equity	59398.3
Shares Outstanding	644.0
Intrinsic Value of Last FYE	\$ 92.23
Implied Price as of Today	\$ 100.57

EP Model:

Economic Profit (EP)	1918.5	1997.9	2285.1	2572.2	2913.3	3289.7	3703.5	4110.2	4494.9	4808.7
Continuing Value (CV)										95619.3
PV of EP	1735.7	1635.4	1692.3	1723.5	1766.1	1804.3	1837.7	1845.3	1825.7	38838.4

Total PV of EP	54704.3
Invested Capital (last FYE)	3797.7
Value of Operating Assets:	58502.0
Add: Excess Cash	498.3
Non-Operating Adjustments:	
Add: Longterm Investment	99.0
Add: Short term Investments	3197.0
Less: Total Debt	2304.0
Less: ESOP	593.9

Value of Equity	59398.3
Shares Outstanding	644.0
Intrinsic Value of Last FYE	\$ 92.23
Implied Price as of Today	\$ 100.57

AirBnB Inc

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<i>Fiscal Years Ending</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
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EPS	\$	4.03	\$	4.60	\$	5.36	\$	6.17	\$	7.07	\$	8.09	\$	9.21	\$	10.39	\$	11.55	\$	12.59
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Key Assumptions

CV growth of EPS	5.00%
CV Year ROE	15.82%
Cost of Equity	10.68%

Future Cash Flows

[illegible]

Intrinsic Value as of Last FYE	\$ 60.84
Implied Price as of Today	\$ 66.34

AirBnB Inc
Relative Valuation Models

Ticker	Company	Price	EPS 2024E	EPS 2025E	P/E 24	P/E 25
EXPE	Expedia Group	\$174.13	\$8.33	\$10.82	20.90	16.09
BKNG	Booking Holdings	\$4,920.87	\$177.58	\$206.15	27.71	23.87
MMYT	MakeMyTrip	\$105.64	\$1.04	\$1.64	101.58	64.41
MAR	Marriot International	\$277.68	\$9.28	\$10.60	29.92	26.20
HLT	Hilton World	\$246.23	\$5.65	\$7.60	43.58	32.40
Average					44.74	32.59

ABNB	AirBnB Inc	\$147.37	\$4.03	\$4.60	36.6	32.0
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Implied Relative Value:
P/E (EPS24) \$ 180.15
P/E (EPS25) \$ 150.01

AirBnB Inc													
Key Management Ratios													
Fiscal Years Ending Dec. 31	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Liquidity Ratios:													
Current Ratio (Current Asset/Current Liabilities)	1.95	1.86	1.66	2.02	2.30	2.61	2.94	3.29	3.66	4.06	4.47	4.90	5.34
Cash Ratio (Cash/Current Liabilities)	0.96	0.93	0.69	0.86	1.10	1.37	1.66	1.97	2.30	2.65	3.04	3.45	3.90
Quick Ratio (Cash & Short term Investments/Current Liabilities)	1.31	1.21	1.01	1.22	1.46	1.72	2.01	2.33	2.65	3.01	3.39	3.80	4.25
Asset-Management Ratios:													
Receivables Turnover (Revenue/Account Receivable)	42.04	42.00	39.83	41.26	40.85	40.45	40.05	39.65	39.26	38.87	38.49	38.10	37.73
Average Collection Period (365/Revenue/Account Receivable)	8.68	8.69	9.16	8.85	8.93	9.02	9.11	9.21	9.30	9.39	9.48	9.58	9.67
Total Asset Turnover (Revenue/Total Asset)	0.44	0.52	0.48	0.49	0.47	0.44	0.42	0.40	0.38	0.36	0.34	0.32	0.29
Financial Leverage Ratios:													
Debt to Asset Ratio (Total Debt/Total Asset)	0.18	0.15	0.11	0.11	0.10	0.09	0.09	0.08	0.07	0.07	0.06	0.06	0.05
Debt to Capital Ratio (Total Debt/Total Liabilities & Equity)	0.18	0.15	0.11	0.11	0.10	0.09	0.09	0.08	0.07	0.07	0.06	0.06	0.05
Debt to EBIT (Total Debt/Operating Income)	-0.70	4.23	1.23	1.67	1.19	1.11	1.03	0.97	0.92	0.87	0.82	0.77	0.73
Debt to Equity (Total Debt/Total Equity)	0.51	0.42	0.28	0.23	0.20	0.17	0.14	0.13	0.11	0.10	0.09	0.08	0.07
Profitability Ratios:													
Return on Equity (NI/Beg TSE)	-12.13%	39.64%	86.19%	31.49%	27.24%	24.86%	22.84%	21.30%	20.04%	19.02%	18.01%	16.97%	15.82%
Profit Margin (Net Income/Revenue)	-5.88%	22.54%	48.32%	22.82%	23.74%	25.14%	26.55%	27.98%	29.40%	30.80%	32.26%	33.85%	35.69%
Return on Assets (Net Income/Total Assets)	-2.57%	11.80%	23.17%	11.19%	11.06%	11.15%	11.14%	11.13%	11.11%	11.07%	10.95%	10.73%	10.37%

AirBnB Inc*Present Value of Operating Lease Obligations**(In millions)*

Fiscal Years Ending Dec. 31		2020	2021	2022	2023
Year	1	79.69	89.70	81.00	81.00
Year	2	65.60	69.90	53.00	75.00
Year	3	77.94	57.40	87.00	79.00
Year	4	76.51	89.89	79.00	31.00
Year	5	90.85	82.15	31.00	28.00
Thereafter		296.03	195.54	128.00	102.00
Total Minimum Payments		686.62	584.58	459.00	396.00
Less: Cumulative Interest		148.48	112.85	85.34	67.38
PV of Minimum Payments		538.14	471.73	373.66	328.62

Implied Interest in Year 1 Payment	0.00	28.74	25.19	19.95
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Pre-Tax Cost of Debt	0.05	0.05	0.05	0.05
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Years Implied by Year 6 Payment	3.26	2.38	4.13	3.64
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Expected Obligation in Year 6 & Beyond	90.85	82.15	31.00	28.00
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Present Value of Lease Payments

PV of Year 1	75.65	85.15	76.89	76.89
PV of Year 2	59.12	62.99	47.76	67.59
PV of Year 3	66.68	49.11	74.43	67.58
PV of Year 4	62.14	73.00	64.16	25.18
PV of Year 5	70.04	63.33	23.90	21.59
PV of 6 & beyond	204.52	138.14	86.51	69.79
Capitalized PV of Payments	538.14	471.73	373.66	328.62

AirBnB Inc
Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	6
Average Time to Maturity (years):	5.11
Expected Annual Number of Options Exercised:	1
Current Average Strike Price:	\$ 60.89
Cost of Equity:	10.68%
Current Stock Price:	\$147.37

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Increase in Shares Outstanding:	1	1	1	1	1	0	0	0	0	0
Average Strike Price:	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89	\$ 60.89
Increase in Common Stock Account:	71	71	71	71	71	8	-	-	-	-
Share Repurchases (\$)	0	0	0	0	0	0	0	0	0	0
Expected Price of Repurchased Shares:	\$ 147.37	\$ 163.11	\$ 180.53	\$ 199.81	\$ 221.15	\$ 244.77	\$ 270.91	\$ 299.84	\$ 331.87	\$ 367.31
Number of Shares Repurchased:	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (beginning of the year)	638	639	640	642	643	644	644	644	644	644
Plus: Shares Issued Through ESOP	1	1	1	1	1	0	0	0	0	0
Less: Shares Repurchased in Treasury	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (end of the year)	639	640	642	643	644	644	644	644	644	644

AirBnB Inc
Valuation of Options Granted under ESOP

Current Stock Price	\$147.37
Risk Free Rate	4.34%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	24.69%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	6	60.89	5.11	\$ 98.99	\$ 594
Total	6	\$ 60.89	5.11	\$ 98.99	\$ 594

AirBnB Inc
Sensitivity Tables

Risk Free Rate	Beta							
	140.36	0.95	1.10	1.27	1.35	1.45	1.55	1.65
	4.00%	173.65	156.83	144.21	139.62	134.87	130.90	127.52
	4.10%	170.96	155.06	143.00	138.60	134.02	130.18	126.91
	4.20%	168.43	153.37	141.85	137.61	133.20	129.48	126.31
	4.34%	165.25	151.22	140.36	136.34	132.13	128.57	125.53
	4.40%	163.80	150.23	139.67	135.75	131.63	128.15	125.17
	4.50%	161.67	148.77	138.64	134.86	130.89	127.52	124.62
	4.60%	159.65	147.37	137.66	134.01	130.17	126.90	124.09

Pre-Tax Cost of Debt	Marginal Tax Rate (2024)							
	140.36	16.50	17%	17.50%	18.25%	18.50%	19%	19.50%
	5%	908.03	140.50	140.60	140.74	140.79	140.89	140.98
	5.14%	920.93	140.34	140.44	140.58	140.63	140.73	140.82
	5.24%	930.43	140.23	140.33	140.47	140.52	140.61	140.71
	5.34%	940.16	140.12	140.21	140.36	140.41	140.50	140.60
	5.44%	950.15	140.01	140.10	140.25	140.29	140.39	140.48
	5.54%	960.40	139.89	139.99	140.13	140.18	140.28	140.37
	5.64%	970.92	139.78	139.88	140.02	140.07	140.16	140.26

Cash Return Rate	Equity Risk Premium							
	140.36	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
	3.60%	140.98	139.47	138.03	136.67	135.37	134.13	132.96
	3.80%	142.11	140.58	139.14	137.76	136.46	135.21	134.03
	4.00%	143.24	141.70	140.25	138.86	137.55	136.30	135.10
	4.27%	144.77	143.22	141.75	140.36	139.03	137.77	136.56
	4.50%	146.10	144.54	143.06	141.65	140.31	139.04	137.83
	4.70%	147.26	145.69	144.20	142.78	141.43	140.15	138.93
	4.90%	148.43	146.85	145.35	143.92	142.56	141.27	140.04

WACC	CV Growth of NOPLAT							
	140.36	4.90%	5.10%	5.30%	5.50%	5.70%	5.90%	6.10%
	9.90%	143.71	145.19	146.80	148.56	150.48	152.60	154.94
	10.10%	141.35	142.68	144.13	145.70	147.42	149.30	151.37
	10.30%	139.16	140.37	141.68	143.09	144.63	146.31	148.14
	10.53%	136.85	137.94	139.10	140.36	141.72	143.20	144.81
	10.70%	135.25	136.25	137.32	138.48	139.72	141.08	142.54
	10.90%	133.50	134.41	135.38	136.43	137.56	138.78	140.10
	11.00%	132.67	133.54	134.47	135.47	136.54	137.70	138.95

SG&A Expenses (2024)	COGS (2024)							
	140.36	24%	25%	26.00%	27.98%	29.00%	30.00%	31%
	29.00%	194.40	188.20	182.01	169.73	163.42	157.23	151.03
	31.00%	182.01	175.81	169.62	157.34	151.03	144.84	138.64
	32.00%	175.81	169.62	163.42	151.14	144.84	138.64	132.45
	33.74%	165.03	158.83	152.64	140.36	134.05	127.86	121.66
	34.00%	163.42	157.23	151.03	138.75	132.45	126.25	120.06
	35.00%	157.23	151.03	144.84	132.56	126.25	120.06	113.86
	36.00%	151.03	144.84	138.64	126.36	120.06	113.86	107.67

Fees Take Rate (2024)	R&D Expenses (2024)							
	140.36	14.71%	15.71%	16.71%	17.71%	18.71%	19.71%	20.71%
	13.30%	154.87	148.85	142.83	136.81	130.79	124.77	118.75
	13.50%	156.23	150.15	144.07	138.00	131.91	125.83	119.75
	13.70%	157.58	151.45	145.31	139.18	133.03	126.90	120.76
	13.90%	158.94	152.74	146.55	140.36	134.16	127.96	121.77
	14.20%	160.97	154.69	148.41	142.13	135.84	129.56	123.28
	14.40%	162.33	155.99	149.65	143.31	136.97	130.62	124.28
	14.60%	163.68	157.29	150.89	144.49	138.09	131.69	125.29