The Henry Fund
Henry B. Tippie College of Business
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Airbnb, Inc. (ABNB) — November 3, 2025
Consumer Discretionary – Hotels, Resorts and Cruise Lines — Stock Rating: **Buy**

Investment Thesis

We rate Airbnb (ABNB) as a **BUY** with attractive upside profile as it expands beyond short-term rentals into hotels and new travel services. The push into the $370 billion hotel market and the redesigned app featuring Experiences should drive steady growth, while global event partnerships provide near-term tailwinds. Despite execution and competitive risks, we see about 21% upside.

Drivers of Thesis

- Management is aggressively expanding into the $370 billion global hotel market, which is nearly twice the size of the alternative accommodations market, creating a major new growth avenue
- Airbnb’s redesigned app integrates AI and “Experiences” creating a more complete travel platform that could drive modest growth.
- Global event partnerships with FIFA, the Olympics, and Lollapalooza should create short-term booking surges, driving near-term revenue growth.

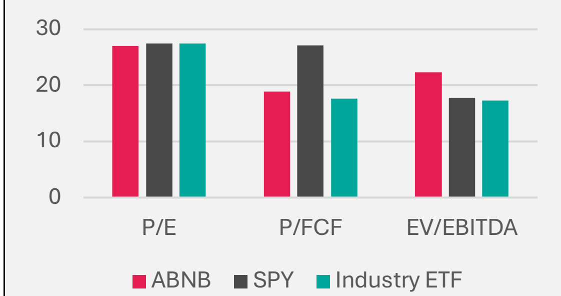
Risks to Thesis

- Core short-term rental growth could slow faster than expected before the hotel segment reaches scale
- Management’s execution on the hotel expansion remains uncertain, and the shift could alienate Airbnb’s core host community
- Strong competition from Booking Holdings and Expedia may limit Airbnb’s share gains in both alternative accommodations and hotels

Price Target: $135

Henry Fund DCF	$135
Henry Fund DDM	$61
Relative Multiple	$85
HF % Upside	21%
Price Data	
Current Price	$111
Date of Price	11/21/2024
52wk Range	$99.9 – 163.93
Consensus Price Target	$138
Consensus % Upside	24%
Key Statistics	
Market Cap (B)	67.6B
Diluted Shares Out. (M)	71,435
Institutional Ownership	81.36%
Beta	1.11
Dividend Yield	0%
LT Growth Rate	6.2%

ABNB vs. SPY & Industry ETF



Earnings / EBITDA Estimates

Year	2022	2023	2024	2025e	2026e	2027e
HF EPS	2.97	7.52	4.19	4.84	5.53	6.42
% Growth	-619	153.1	-44.3	15.5	14.2	16.1
Street EPS	2.97	7.52	4.19	4.13	5.18	6.36
% Growth	-619	153.1	-44.3	-1.4	25.4	22.8
HF EBITDA	1968	1565	2618	3024	3317	3708
% Growth	170.0	-20.5	67.3	15.5	9.7	11.8
Street EBITDA	1968	1565	2618	2683	2955	3432
% Growth	170.0	-20.5	67.3	2.5	10.1	16.1

Balance Sheet / Cash Flow Snapshot

Net Debt	-5054	-4594	-4595	-4490	-5172	-6307
Debt/Equity	0.42	0.28	0.27	0.34	0.34	0.33
FCF	3405	3841	4474	2924	3337	3660
CFO	2190	3430	3884	266	432	526

Profitability

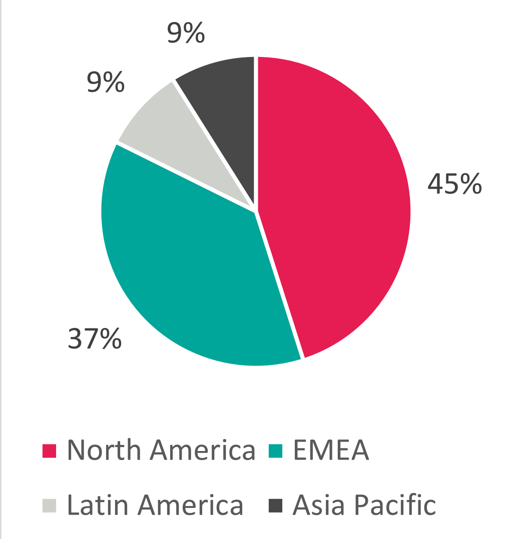
HF EBITDA	1968	1565	2618	3024	3317	3708
Gross Margin	69.7	70.8	71.5	71.5	72.0	72.5
Net Margin	22.5	48.3	23.9	25.9	26.5	26.8
ROA	11.8	23.2	12.6	13.8	14.2	14.4
ROE	39.6	86.2	32.4	36.4	40.8	42.9
ROIC	315.1	130.0	386.9	206.1	226.2	251.6

Price Performance

ABNB vs. Peer Group – Sales Growth

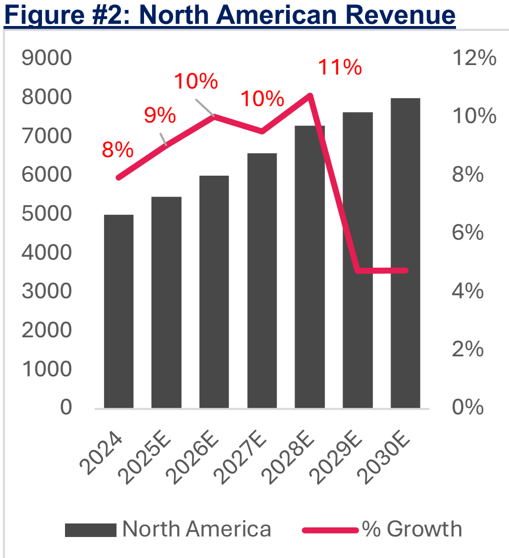
Year	2025e	2026e	2027e
ABNB	6%	8%	10%
EXPE	4%	5%	6%
BKNG	7%	7%	8%
MAR	5%	4%	4%
HLT	6%	5%	5%

Figure #1: Revenue by Geography (%)



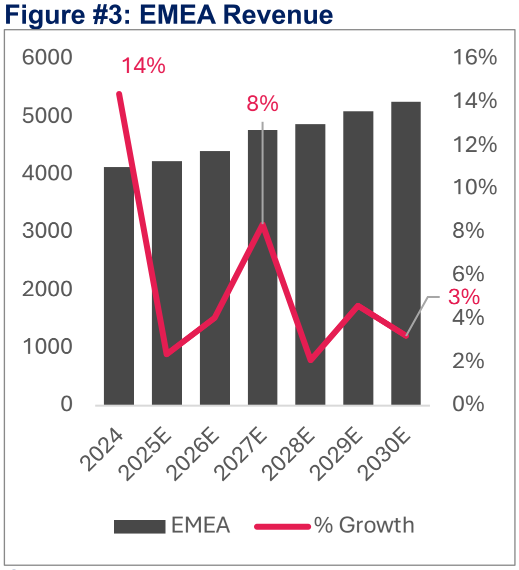
Source: ABNB 10k

Figure #2: North American Revenue



Source: ABNB 10k

Figure #3: EMEA Revenue



Source: ABNB 10k

Company Description

Airbnb runs a global platform that connects hosts and guests for places to stay and things to do. The company was founded in 2007 and is based in San Francisco. It now has over 4 million hosts across more than 220 countries and 100,000 cities. Most of Airbnb's business comes from short-term rentals, but it also offers "Experiences," which are activities hosted by locals, like tours or classes.[1]

Airbnb makes money by charging service fees to both guests and hosts based on the total booking amount. This asset-light model lets the company scale quickly without owning properties, which helps support high margins and strong cash generation. In recent years, management has been expanding beyond traditional home rentals by adding hotel listings and relaunching Experiences. The goal is to reach more types of travelers and reduce its exposure to regulations that limit short-term rentals in major cities.

Overall, Airbnb benefits from a well-known brand, a large network of hosts, and a loyal customer base. These strengths should help it continue growing as travel demand stays strong globally.

North America Segment

North America is Airbnb's largest market, making up about 45% of total revenue in 2024. Since 2021, the segment has grown at an average annual rate of around 33%, driven by strong domestic travel demand and steady pricing power across U.S. and Canadian markets.

We forecast North America revenue to grow roughly an average of 8% annually through 2034, reaching $8 billion by the end of the period. Growth is expected to moderate as the region matures, but performance should remain stable thanks to resilient leisure travel, continued ADR increases, and the rollout of Airbnb Services and Experiences within the U.S. market.

Our model assumes modest ADR expansion and stable occupancy levels, supported by strong brand loyalty and upcoming events like the 2026 FIFA World Cup, which should boost demand across major U.S. cities. Over time, North America's share of total revenue is expected to slightly increase from 45% to about 49%, reflecting faster growth in LATM and Asia Pacific rather than weakness in the core U.S. market.

EMEA Segment

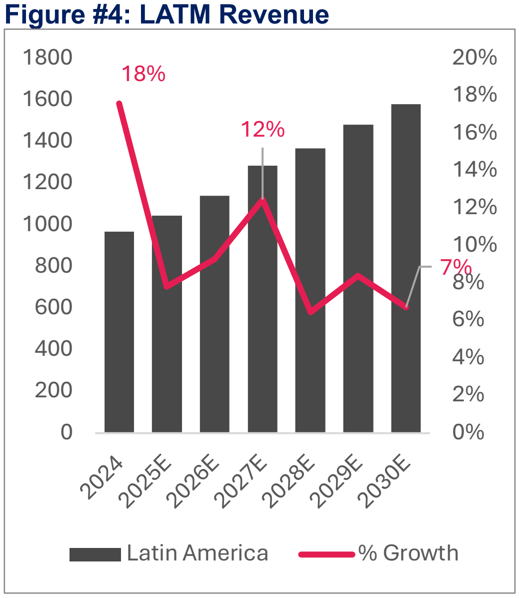
The EMEA region (Europe, Middle East, and Africa) is Airbnb's second-largest market, representing roughly 37% of total revenue in 2024. Since 2021, EMEA revenue has grown at an average annual rate of about 45%, supported by the COVID recovery and opening of cross-border travel.

We forecast EMEA revenue to increase 4% on average annually through 2034, reaching $5.3 billion by the end of the forecast period. Growth is expected to normalize and as Airbnb benefits from higher ADRs in urban destinations and extended stays across popular tourist markets like France, Italy, and Spain.

Our model assumes sustained ADR growth and moderate occupancy gains as international travel improves and macro pressures ease. The introduction of Airbnb Services and Experiences in European markets should also help strengthen monetization per booking. While regulatory changes around short-term rentals remain a key risk, overall EMEA momentum is strong, and the region is expected to become an increasingly important contributor to Airbnb's long-term growth mix.

Latin America Segment

Figure #4: LATM Revenue



Source: ABNB 10k

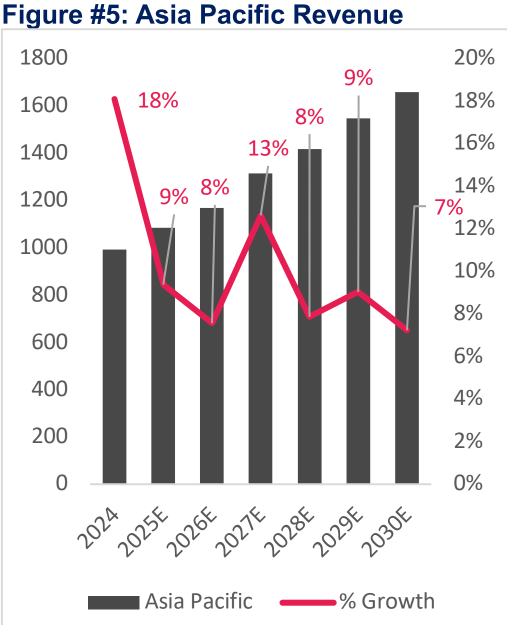
Latin America represents one of Airbnb's smaller but faster-growing regions, accounting for about 9% of total revenue in 2024. Since 2021, the segment has expanded at an average annual rate of around 43%, driven by rising tourism across Mexico, Brazil, and key coastal destinations. Growth has also been supported by an increase in domestic travel as regional economies recover and digital adoption among hosts improves.

We project Latin America revenue to rise on average, 8% annually through 2034, reaching $1.6 billion. This strong growth reflects a combination of expanding middle-class travel demand, continued urbanization, and improved infrastructure for tourism. Airbnb's localized marketing and host-support initiatives in major Latin American cities are also helping attract new supply and sustain booking momentum.

Our model assumes stable ADRs with moderate occupancy gains, as affordability remains a competitive advantage relative to hotels. Currency volatility and uneven economic performance across markets remain near-term risks, but Latin America should continue to outpace the company's global average growth rate, gradually increasing its share of total revenue over time.

Asia Pacific Segment

Figure #5: Asia Pacific Revenue



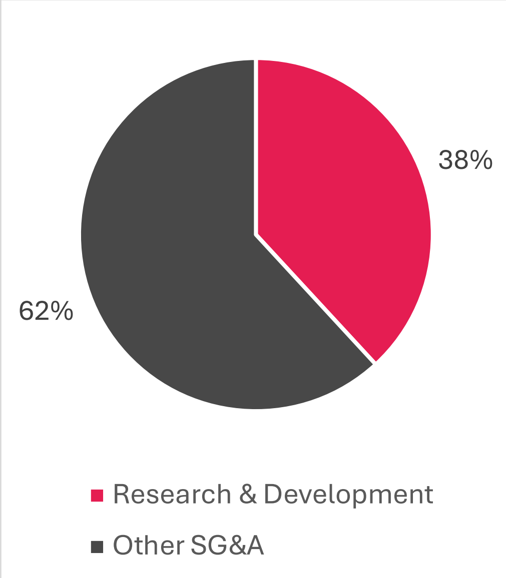
Source: ABNB 10k

Asia Pacific is Airbnb's smallest but highest-growth region, making up about 9% of total revenue in 2024. Since 2021, the segment has grown at an average annual rate of roughly 31%, driven by the recovery of international travel and the reopening of key markets such as Japan, Australia, and parts of Southeast Asia.

We forecast Asia Pacific revenue to grow at average rate of 9% annually through 2034, reaching $1.6 billion by the end of the period. Demand in this region is expected to benefit from a rebound in cross-border tourism, the rising popularity of alternative accommodations among younger travelers, and Airbnb's continued expansion into new cities and resort destinations.

Our model assumes steady ADR growth and gradual occupancy improvement, supported by increasing air connectivity and regional events that draw international visitors. While geopolitical tensions and regulatory restrictions in certain markets pose risks, Asia Pacific remains a key long-term opportunity for Airbnb as it continues to diversify its global revenue base.

Figure #6: 204 Operating Expense Breakout



Source: ABNB 10k

Figure #8: Additional Company Analysis

Source: ABNB Investor Relations

Figure #9: Debt Maturity Analysis

Cost Structure Analysis

Airbnb's main expenses stem from payment processing fees, including merchant charges and chargebacks, along with third-party data center costs, research and development, and employee compensation. These costs are largely variable, so in our model we forecast each as a percentage of revenue. As the company scales and integrates more AI-driven automation, we expect efficiency gains that gradually improve margins over time.

In our model, EBITDA margins increase from 24% in 2024 to 28% by 2029, staying steady by 2034. This improvement is driven by higher booking volumes and rising ADRs, which allow a greater share of revenue to flow through to earnings. We assume payment and labor costs grow roughly in line with revenue, while technology and infrastructure expenses decline modestly as automation reduces manual workloads.

The main question is whether Airbnb can expand margins faster than expected as it scales its hotel and services businesses. Our forecast takes a conservative approach. If management executes successfully on AI adoption and product diversification, there is meaningful upside potential to our long-term margin assumptions.

Additional Company Analysis

Airbnb earns revenue mainly through service fees on bookings made through its platform. Guests pay a small percentage fee, and hosts pay a separate host fee, together forming the company's take rate. Airbnb doesn't own or operate properties.

Airbnb stands out through its unique supply base, offering millions of listings owned by individual hosts. Its brand recognition, network effects, and direct traffic give it stronger loyalty and lower marketing costs than peers like Expedia or Booking.

Airbnb's asset-light model produces strong margins, and consistent free cash flow. The company's long-term success depends on maintaining host and guest engagement while expanding into hotels and experiences. Compared with peers, Airbnb's model is more scalable and flexible, supporting durable growth as travel demand evolves.

Debt Maturity Analysis

Airbnb has total debt outstanding of about $2.3 billion, representing a low debt-to-value ratio of roughly 2.4% as of fiscal year-end 2023. Short-term debt and the current portion of long-term debt total $61 million, while long-term debt makes up the remaining $2.24 billion. This shows Airbnb maintains a conservative balance sheet with limited financial leverage.

About $2.0 billion of the company's debt consists of 0% convertible senior notes due 2026, which carry no cash interest payments. Interest expense related to these notes is minimal since it only reflects the amortization of issuance costs. The notes include a

Fiscal Year	Payment ($m)
2025	0
2026	2,000
2027	0
2028	32
2029	43
Thereafter	300

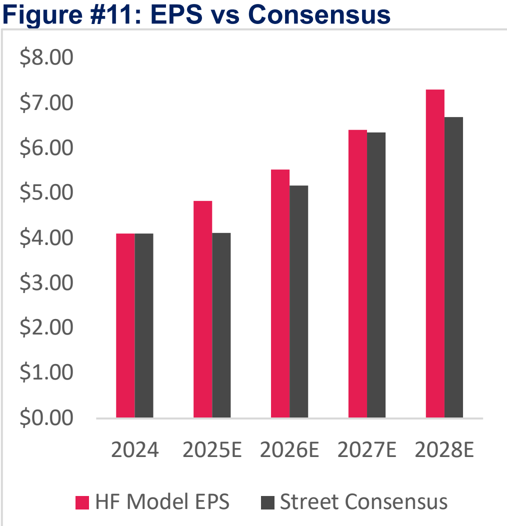
Source: ABNB 10k

Figure #10: ESG Analysis

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

Source: ABNB 10k

Figure #11: EPS vs Consensus



Source: ABNB 10k, FactSet

convertibility feature and a capped call arrangement, which help limit potential share dilution if conversion occurs.

Management has flexibility in meeting these obligations through cash generated from operations, new debt issuance, or available borrowing capacity under its credit facility. Overall, Airbnb's capital structure remains healthy and supports the company's focus on maintaining liquidity while investing in long-term growth.

ESG Analysis

Environmental
Airbnb's environmental impact is smaller than most travel companies because it doesn't own or run the properties listed on its platform. Instead, it focuses on encouraging hosts to make their homes more energy efficient and reduce waste. The company also works with cities and nonprofits to promote sustainable tourism and lessen the impact of travel on local communities. Airbnb tracks emissions from its offices and data centers, but it hasn't set a specific net-zero goal yet. Making progress on emissions and reporting could help its reputation with investors.
Social
Airbnb operates in more than 220 countries and allows people to earn income by renting out their homes or rooms. The company provides training and safety resources for hosts, along with programs that fight discrimination and improve accessibility for guests. Still, Airbnb faces challenges related to local housing markets, neighborhood safety, and how short-term rentals affect communities. Managing these issues well will be important for keeping trust with both hosts and guests.
Governance
Airbnb is led by co-founder and CEO Brian Chesky, and most of its board members are independent. The company has a dual-class share structure that gives Chesky extra voting power, which helps maintain leadership stability but limits shareholder influence. Management has focused on staying profitable while expanding into hotels and experiences. Keeping good transparency and oversight will matter as Airbnb continues to grow and add new business lines.

Recent Developments

Recent Earnings Announcement

Airbnb reported second quarter 2025 revenue of $3.10 billion, up about 13% year over year, with adjusted EPS of $1.03, beating consensus estimates of roughly $0.94. Adjusted EBITDA totaled around $1.0 billion, representing a margin near 34%. Growth was driven by a 7% increase in Nights and Experiences Booked and a modest rise in average daily rate (ADR).[5]

Management highlighted that travel demand remained steady globally, especially across EMEA and Asia Pacific, though they issued more cautious guidance for the second half of 2025. The company expects slower growth and potential margin pressure as comparisons become tougher later in the year. Despite this softer outlook, the quarter's performance exceeded expectations and reflected ongoing strength in bookings, pricing, and overall platform engagement.[5]

Figure #12 Travelers who follow through on GenAI recommendations

Category	Percent of GenAI Users Querying
Accommodation options	45%
Destinations	57%
Trip itineraries	39%
Restaurant options	54%
In-destination activities & attractions	65%

Source: Deloitte Hospitality Industry Outlook

Board Member Selling Shares

On October 27, 2025, Airbnb co-founder and director Joseph Gebbia sold 236,000 shares of Airbnb stock for about $30.3 million. After the transaction, he still controls roughly 470,000 shares. Gebbia remains listed as a 10% owner and continues to serve on the company's board.

While insider selling doesn't always indicate a negative outlook, large and repeated sales can sometimes signal reduced confidence. Gebbia has gradually reduced his ownership since stepping back from day-to-day operations in 2022.[11]

Industry Trends

Stable Booking Behavior and Resilient Demand

In Q1 2025, Airbnb's overall booking patterns stayed mostly the same as last year across regions, travel types, and trip lengths. Average booking windows also remained steady. In the U.S., where most travel is domestic, the company saw more bookings being made for trips over a month in advance. Higher-income travelers have been largely unaffected by the broader economic environment, with demand at the high end of the market staying strong. Airbnb also noted no major shift toward cheaper listings or shorter stays.[2]

Shift Toward Experience-Driven Travel

U.S. travelers are increasingly looking for trips that are unique and focused on experiences rather than traditional vacation spots. This trend shows how travel is becoming more about expressing personal values and identity. At the same time, growing interest in sports tourism and major upcoming events like the 2026 FIFA World Cup and 2028 Olympic Games are creating new opportunities for growth in the hospitality industry. Even with overall travel levels leveling off and some economic or local regulatory challenges ahead, the sector is finding fresh ways to expand.[3]

Figure #13: Largest Travel Services Peers

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

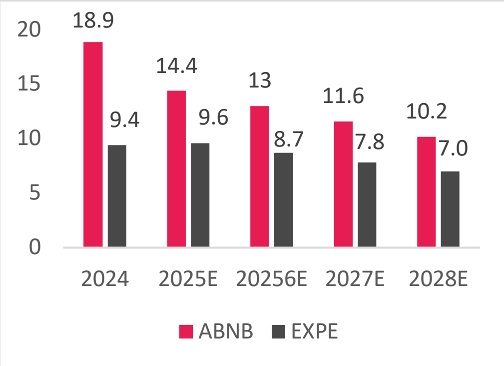
Source: FactSet

Markets and Competition

ABNB's Peer Group

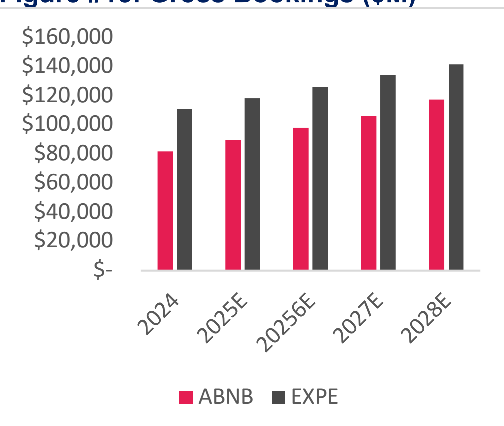
Airbnb's peer group includes Expedia Group (EXPE), Booking Holdings (BKNG), Marriott International (MAR), and Hilton Worldwide Holdings (HLT). We selected these peers because they represent the major players across both online travel agencies (OTAs) and traditional hotel operators, which together define the broader global lodging and travel industry. Expedia and Booking provide the most direct comparison on the digital distribution side, while Marriott and Hilton capture the traditional hotel segment that Airbnb is looking to compete with through its hotel integration efforts.

Figure #14: EV/EBITDA Comparison



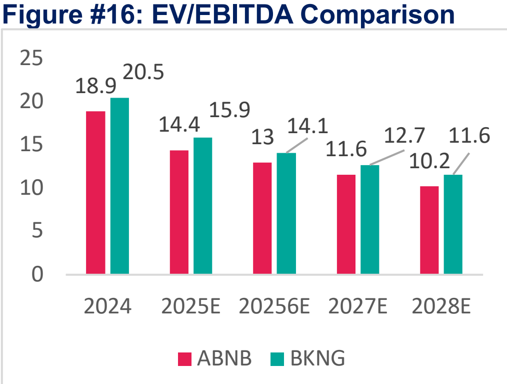
Source: FactSet

Figure #15: Gross Bookings ($M)



Source: FactSet

Figure #16: EV/EBITDA Comparison



Source: FactSet

All four companies have global footprints and benefit from strong brand recognition, and scale advantages. While booking and Expedia dominate in online reservations and paid traffic channels, Marriott and Hilton maintain leadership in room supply and franchise-based profitability. Airbnb sits between these models its growing hotel partnerships position it as a hybrid competitor across both categories. This mix makes the selected peer set appropriate for evaluating Airbnb's valuation.

Expedia Group (EXPE) – 32.82% YTD

Expedia Group (EXPE) is a leading online travel agency headquartered in Seattle, Washington, with operations across North America, Europe, and Asia-Pacific. The company owns several major brands, including Expedia.com, Hotels.com, Orbitz, Vrbo, and Travelocity, giving it a wide range of exposure across lodging, air travel, and vacation rentals. Expedia's scale and brand portfolio provide strong visibility into global travel demand, though the company remains more dependent on paid traffic than some peers.[7]

In FY2024, Expedia generated about $13.7 billion in revenue with an EBITDA margin of 17.41%. The company's profitability has improved in recent years as it reduced costs and invested in AI-driven personalization tools. As of September 2025, Expedia had a market cap of $32.9 billion and an enterprise value of $32.2 billion, trading at 11.73x forward EV/EBITDA. Expedia is an important peer for Airbnb given its shared focus on online travel bookings and vacation rentals, though Airbnb's asset-light model gives it higher margins and stronger brand loyalty.[7]

Booking Holdings (BKNG) –4.03% YTD

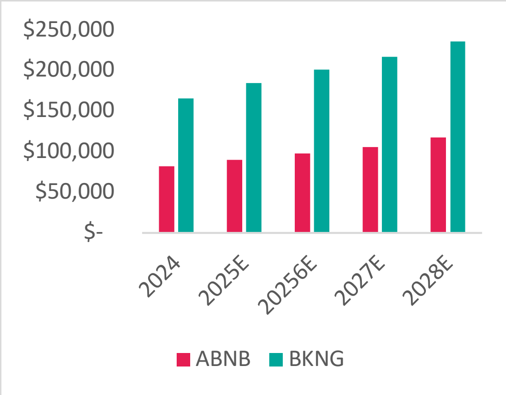
Booking Holdings (BKNG) is the world's largest online travel agency, headquartered in Norwalk, Connecticut. It operates well-known brands such as Booking.com, Priceline, Agoda, and Kayak, with strong exposure to Europe and Asia. The company's high share of direct traffic and strong brand recognition have supported superior margins and profitability compared to most competitors.[8]

In FY2024, Booking generated approximately $23.8 billion in revenue with an EBITDA margin of 35.1%, among the highest in the travel sector. As of September 2025, the company had a market cap of 55.5 billion and an enterprise value of $155.9 billion, trading at 15.64x forward EV/EBITDA. Booking serves as Airbnb's most direct competitor in the OTA space, though Airbnb's unique supply base of alternative accommodations differentiates its offering and creates lower capital intensity.[8]

Marriott International (MAR) – 6.06% YTD

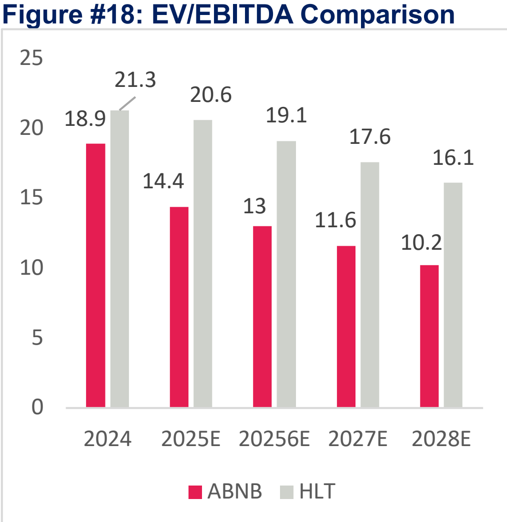
Marriott International (MAR) is the largest global hotel operator, headquartered in Bethesda, Maryland, with over 30 brands including Marriott, Sheraton, Westin, Ritz-Carlton, and W Hotels. The company operates an asset-light franchise and management model, allowing it to generate stable cash flows and strong returns on capital with limited balance sheet risk. Marriott's large loyalty

Figure #17: Gross Bookings ($M)



Source: FactSet

Figure #18: EV/EBITDA Comparison



Source: FactSet

Figure #19: U.S. Short-term rental outlook

	2024	2025	2026
Available Listings (Average)	1,636,825	1,709,329	1,791,603
Nights Listed (% Change)	7.20%	4.50%	5.30%
Demand (% Change)	7%	5.80%	5.50%
Occupancy	55.1%	55.80%	55.9%
ADR (% Change)	3.90%	4.90%	3.30%
RevPAR (% Change)	3.80%	6.20%	3.50%

Source: Airdna Outlook Report

program, Marriott Bonvoy, provides a key competitive advantage and helps maintain customer retention across its global portfolio.[9]

In FY2024, Marriott reported revenue of about $25.1 billion and an EBITDA margin of 17.4%. As of September 2025, the company had a market cap of $80.1 billion and an enterprise value of $95.1 billion, trading at 21.93x forward EV/EBITDA. Marriott is a relevant peer for Airbnb because it represents the traditional hospitality model Airbnb is increasingly competing with through its expansion into hotels and premium stays.[9]

Hilton Worldwide Holdings (HLT) – 11.05% YTD

Hilton Worldwide Holdings Inc. (HLT) is a global hotel operator and franchisor headquartered in McLean, Virginia. The company manages a portfolio of 22 brands that span the luxury, premium, and midscale segments, including Hilton Hotels & Resorts, Waldorf Astoria, Conrad, and DoubleTree. Hilton operates primarily under an asset-light franchise model, allowing it to earn stable fee income while minimizing exposure to property-level risk. Its global footprint and strong loyalty program, Hilton Honors, provide consistent occupancy and pricing power across diverse regions.[10]

In FY2024, Hilton generated about $11.2 billion in revenue with an EBITDA margin of 22.5%. The company's profitability benefits from high franchise fees and continued growth in international hotel openings. As of September 2025, Hilton had a market cap of $64.9 billion and an enterprise value of $75.4 billion, trading at 27.43x forward EV/EBITDA. Hilton serves as a relevant peer for Airbnb because it represents the traditional lodging model Airbnb is expanding into through its hotel integration strategy.[10]

Economic Outlook

Reservation Lead Times

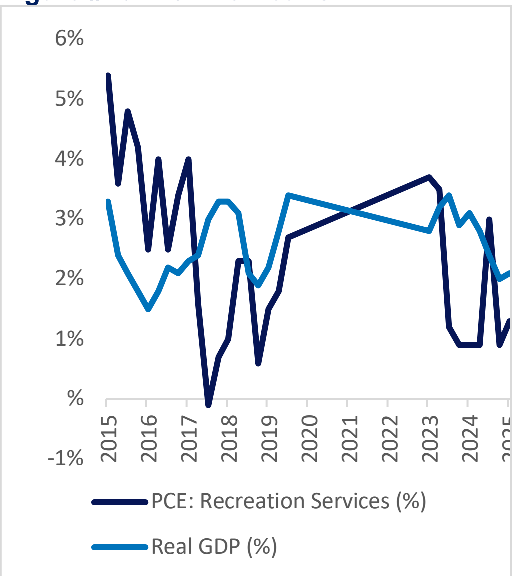
When looking at reservation lead times, booking behavior has clearly shifted. Travelers are increasingly waiting until the last minute to book. In August 2023, just 16% of U.S. reservations were made within five days of check-in. By January 2025, that share had nearly doubled to 31%, and sits at 24% in May.[4]

Meanwhile, the share of bookings made well in advance—both in the middle and long lead time categories—has declined, indicating a broader trend toward shorter planning windows.

Shortening lead times is widespread in the U.S., perhaps as a result of growing consumer comfort with booking short-term rentals and rising economic and policy uncertainty. Every location type has seen a decline in median lead time over the past 12 months, though the extent varies. Urban markets experienced the sharpest drop at -8.4% year-over-year, while Coastal Resort markets saw a more modest decline of -3.5% YOY.[4]

Consumer Confidence

Figure #20: PCE vs Real GDP



Source: Fred

Lately, the consumer discretionary sector has started to show some weakness as younger, educated Americans pull back on spending. Chipotle's stock fell 23% after management said customers in their late twenties to early thirties are dealing with unemployment, student loan payments, and slower wage growth. Cava and Sweetgreen have also each lost over half their value this year, showing how sensitive this group has become to price.[5]

Unemployment for 20–24-year-olds with a bachelor's degree is now the highest it's been in over a decade (not counting the pandemic). At the same time, apartment REITs like Equity Residential are down about 18% this year as many young people move back home or look for cheaper housing.[5]

Overall, these trends point to softer near-term growth in the consumer discretionary sector as young adults cut back on dining, and travel. Frankly, I believe that there is a lot of macroeconomic uncertainty with the current administration and that has manifested itself into consumers being hesitant about their discretionary purchases.

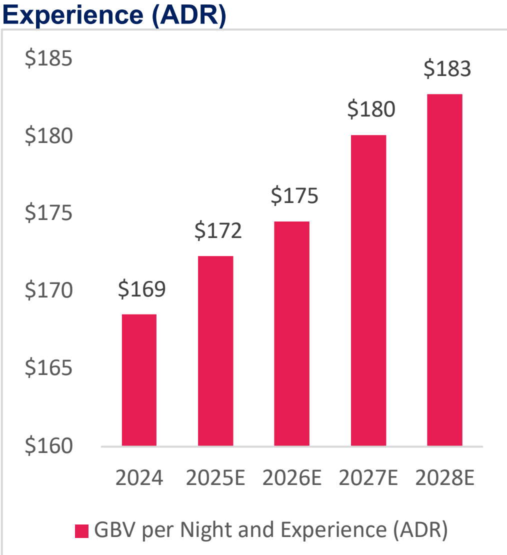
Valuation

Revenue Assumptions

Gross Booking Value (GBV)

Gross booking value (GBV) measures the total dollar value of all bookings made through Airbnb's platform before deducting host payouts or service fees. It's the company's main indicator of overall demand and activity, with Airbnb earning a percentage of this amount, known as the take rate, to generate revenue. Historically, GBV has tracked closely with travel demand, rising as more guests use the platform across homes, experiences, and now hotels.

Figure #21: GBV per Night and Experience (ADR)



Source: HF Model

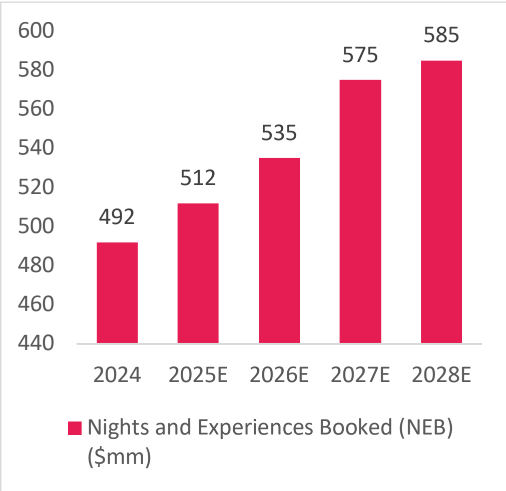
In our model, we project GBV to grow at roughly a 8% CAGR from 2025 to 2027, driven by Airbnb's expansion into hotels and continued strength in international markets. Management's tone has turned more assertive, with CEO Brian Chesky stating in Q2 2025 that Airbnb plans to move into hotels "significantly more aggressively." We also expect AI integration within search and pricing to lift conversion rates and average booking values over time.

The key question for investors is how effectively Airbnb can scale its hotel segment without diluting its core short-term rental business. While the global hotel market is nearly twice the size of the alternative accommodations market, execution and user adoption remain critical. Our model assumes strong near-term growth but becomes more conservative later in the forecast to account for uncertainty around hotel penetration and consumer response.

Figure #22: Nights and Experiences Booked (NEB)

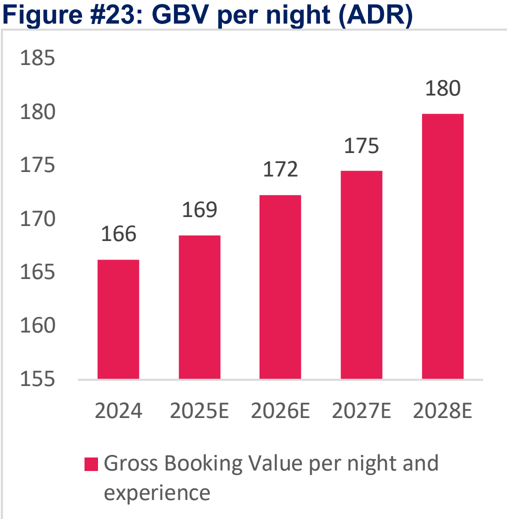
Nights and Experiences Booked

Nights and Experiences Booked represent the total number of nights and experiences reserved through Airbnb's platform. This metric is a key driver of revenue, as when multiplied by the average daily rate (ADR), it determines total gross booking value. Airbnb breaks this



Source: HF Model

Figure #23: GBV per night (ADR)



Source: HF Model

Figure #24: Average Nights per Booking

down by region (North America, EMEA, Latin America, and Asia Pacific), making it one of the best indicators of user activity and travel demand.

We forecast Nights and Experiences Booked to grow on average around 5% annually from 2025 to 2027, supported by expanding hotel supply and strong international demand. Airbnb Experiences should also see renewed growth as the company improves marketing and integrates AI-driven personalization to boost attach rates during the booking process.

The main uncertainty is how long this level of growth can persist as global travel normalizes, and competition stays high. While management has made meaningful progress expanding hotel listings, it will take time before this new vertical materially contributes to overall platform volume.

Average Daily Rate (ADR)

Average Daily Rate (ADR) represents the average price per night paid by guests on Airbnb's platform. It is a key driver of revenue growth and an indicator of pricing power, as small increases in ADR can have a large impact on profitability given Airbnb's asset-light model. ADR trends are influenced by mix shifts between regions, types of listings, and booking duration, as well as broader macroeconomic factors like inflation and consumer spending.

In our model, we forecast ADR to grow modestly at around 2% per year through 2027, supported by continued strength in premium listings, steady consumer demand, and AI-assisted pricing optimization. Longer stays and higher-end properties remain popular among travelers, while the integration of hotels into the platform should help lift overall ADR as Airbnb captures more traditional hospitality spend.

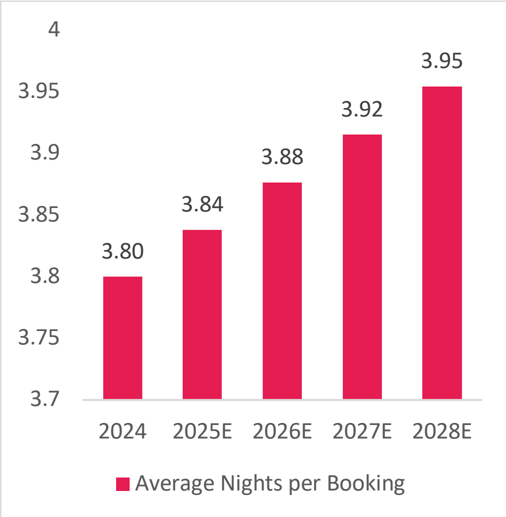
While inflation and new tariffs are expected to cause a temporary uptick in costs during the second half of 2025, we anticipate only a mild impact on ADR growth compared to prior inflation cycles. Over the long term, pricing improvements should be driven more by product mix and technology than by broad price hikes. Our assumptions reflect stable, sustainable ADR growth consistent with a maturing platform that continues to attract both value-seeking and higher-income travelers.

Cost Assumptions

We forecasted Airbnb's expenses using a mix of revenue-based ratios, and activity drivers tied to booking growth. Airbnb has an asset-light business model, where most costs move with platform activity rather than physical assets.

Cost of Revenue

In 2024, cost of revenue was $1.88 billion, or 16% of revenue, up 10% year over year. The increase came mostly from higher merchant fees and cloud computing costs, partly offset by fewer chargebacks.[6] We



Source: HF Model

modeled this line as roughly 16.9% of revenue going forward, staying constant.

Operations and Support

Operations and support totaled $1.28 billion in 2024, about 12% of revenue, and grew 8% from 2023 due to customer relations, and insurance costs.[6] We kept this around 11.5% of revenue in the forecast since it scales closely with booking volume and guest activity. Some small margin improvements could show up as customer service automation improves.

Note: Airbnb's income statement does not break out operations and support separately; this detail only appears in the notes to the financial statements. For standardization, we combined cost of revenue and operations and support in our model and forecasted them together at approximately 28% of revenue. However, we slightly decreased to 27% as management focuses on cost cutting initiative.

Product Development

Product development expense rose 19% to $2.06 billion (around 19% of revenue) in 2024, driven mainly by higher engineering payroll. We assumed 19% of revenue for this category.[6] We kept product development flat as a percentage of revenue to reflect steady investment in technology and AI initiatives. However, reflecting AI spending and research we believed it was important to grow this figure by 1% of revenue eventually reaching 21% by 2027.

Sales and Marketing

Sales and marketing grew 22% in 2024 to $2.15 billion, or about 19% of revenue, mainly from higher brand and performance marketing spend. We modeled this at 10.7% of revenue in 2024, declining modestly in later years as Airbnb benefits from repeat guests and organic traffic.

General and Administrative (G&A)

G&A fell sharply from $2.03 billion in 2023 to $1.19 billion in 2024 (down 41%), mostly due to the one-time Italy tax settlement recorded in 2023. We normalized G&A at 18.3% of revenue, excluding that one-time item, and let it rise slightly over time with payroll and compliance costs.

Note: Airbnb's income statement does not break out Sales and Marketing and General and Administrative separately; this detail only appears in the notes to the financial statements. For standardization, we combined into a single SG&A line item and forecasted them together at approximately 30% of revenue.

Depreciation and Amortization

Depreciation and amortization are tied mainly to internally developed software and acquired technology since Airbnb doesn't have a large physical asset base. We modeled this using an average implied depreciation rate 17% then multiplied by beginning net PP&E.

Other Income (Expense)

Interest income is modeled based on Airbnb's short-term investments multiplied by 3.6%, which reflects the 1-year U.S. Treasury yield. Interest expense is held constant at zero, even though the company has debt on its balance sheet. This is because Airbnb's $2.0 billion convertible senior notes due 2026 carry a 0% coupon, meaning the company does not make any cash interest payments. Any reported interest expense is minimal and only reflects the small amortization of issuance costs associated with the notes. Other income and noncontrolling interests are kept in line with historical averages.

Taxes

I used an effective tax rate of 21%, in line with Airbnb's 2024 effective rate.

CapEx Assumptions

Airbnb's capital spending is relatively low given that it has asset-light business model. Most CapEx relates to internally developed software, IT infrastructure, and office improvements, rather than large physical assets.

In 2024, property and equipment totaled $288 million gross and $147 million net after depreciation. Depreciation was $50 million for the year.

We used FactSet forecasts through 2030 and then assumed CapEx stabilizes at about $59 million annually, which represents the seven-year historical average. This level reflects steady reinvestment in the platform and ongoing product development.
We expect CapEx to remain under 1% of revenue through the forecast horizon, consistent with historical trends.

WACC Calculation

We estimate Airbnb's WACC at 9.45%, reflecting its low leverage and asset-light business model.

Figure #25: Management CapEx Guidance

Cost of Equity

Using the CAPM, we applied a 4.04% risk-free rate, 5.0% equity risk premium, and 5-year beta of 1.11, resulting in a cost of equity of 9.59%.

Cost of Debt

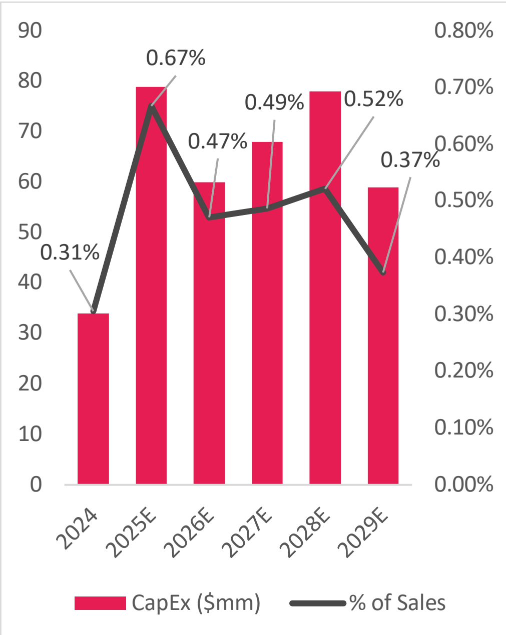
The pre-tax cost of debt is 5.70%, with a 21% tax rate bringing the after-tax cost of debt to 4.50%. Actual cash interest is zero since Airbnb's $2.0 billion convertible notes carry a 0% coupon.

Capital Structure

We weight these costs by market value, with equity making up 97.2% and debt 2.8% of firm value.

DCF/EP

We value Airbnb using both a discounted cash flow (DCF) and economic profit (EP) framework, applying the same cost of capital and terminal growth assumptions in both models.



Source: ABNB 10k

Our forecast projects free cash flow rising from $2.9 billion in 2025E to $6.3 billion in 2034E, supported by strong gross booking value growth, margin expansion, and disciplined expense management. The DCF model results in an operating asset value of $72.8 billion. After accounting for non-operating assets and liabilities, we arrive at an equity value of $78.1 billion, or an implied intrinsic value of $135.81 per share.

The EP model produces a total present value of economic profit of 72.7 billion and the same 135.81 per share implied price.

Relative Multiple

We benchmark Airbnb against large-cap travel and lodging peers, including Expedia (EXPE), Booking Holdings (BKNG), Marriott (MAR), and Hilton (HLT). On a forward basis, peers trade at an average of 24.8x 2025E P/E, 21.7x 2026E P/E, and 15.8x EV/EBITDA.

Airbnb currently trades at 30.2x 2025E P/E, 26.1x 2026E P/E, and 24.0x EV/EBITDA, representing a clear premium to the group. Applying peer averages to Airbnb's 2025–2026 forecasts produces an implied value range of $88–$105 per share, with PEG-based multiples suggesting higher valuations near $230 per share.

The premium relative to peers is largely justified by Airbnb's higher expected EPS growth of 15.8%, and asset-light business model that helps margins.

Henry Fund vs. The Street

Our estimates for Airbnb are generally in line with consensus in the near term but begin to diverge further out as we model stronger long-term margin expansion and steady gross booking value (GBV) growth.

For 2025, we forecast EPS of $4.22, in line with consensus at $4.22. By 2026, we project EPS of $4.88 versus the Street's $4.79, reflecting slightly higher take rate assumptions. Over the longer term, we estimate 5-year EPS growth of 15.8% annually from 2025–2030, compared to the Street's expectation of 4.2%.

On EBITDA, consensus expects $3.3 billion in 2025E and $4.1 billion in 2026E, while our model forecasts $3.1 billion and $3.8 billion, respectively. The difference mainly reflects our view of more reinvestment in product development and marketing.

On valuation, FactSet consensus shows a mean target price of $137.21 (rating: Hold), implying 7.5% upside from current levels. Our blended valuation approach (DCF, DDM, and relative) suggests a range of $130–155 per share.

References

1. FactSet
2. https://www.deloitte.com/us/en/Industries/consumer/articles/travel-hospitality-industry-outlook.html

Figure #26: Henry Fund vs. The Street

Estimates			
		2025e	
	Rev	EPS	EBITDA
HF	11821	4.84	3024
Street	12169	4.13	4272
% Diff.	-2.9%	17.2%	-29.2%

Estimates			
		2026e	
	Rev	EPS	EBITDA
HF	12719	5.53	3317
Street	13347	5.17	4715
% Diff.	-4.7%	7.0%	-29.7%

Estimates			
		2027e	
	Rev	EPS	EBITDA
HF	13949	6.42	3708
Street	14668	6.33	5326
% Diff.	-4.9%	1.4%	-30.4%

3. https://www.ahla.com/sites/default/files/25_SOTI_Report_update.pdf
4. https://www.airdna.co/outlook-report
5. https://www.wsj.com/business/hospitality/chipotle-young-americans-cc90b899 (Chipotle Article)
6. https://www.sec.gov/edgar/browse/?CIK=1559720&owner=exclude (ABNB 10k)
7. https://www.sec.gov/edgar/browse/?CIK=1324424&owner=exclude (EXPE 10k)
8. https://www.sec.gov/edgar/browse/?CIK=1075531&owner=exclude (BKNG 10k)
9. https://www.sec.gov/edgar/browse/?CIK=1048286&owner=exclude (MAR 10k)
10. https://www.sec.gov/edgar/browse/?CIK=1585689&owner=exclude (HILT 10k)
11. Bloomberg

Disclaimer

Airbnb, Inc.

Revenue Decomposition

Fiscal Years Ending Dec. 31	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Nights and Experiences Booked (NEB) (millions)														
North America	114	133	146	154	160	170	182	190	200	207	213	215	217	220
% Growth	51%	17%	10%	5%	4%	6%	7%	4%	5%	3%	3%	1%	1%	1%
EMEA	118	168	187	201	206	210	223	220	225	230	232	234	236	238
% Growth	74%	42%	11%	7%	2%	2%	6%	-1%	2%	2%	1%	1%	1%	1%
Latin America	39	53	64	76	80	85	93	95	100	104	106	108	110	112
% Growth	74%	36%	21%	19%	5%	6%	9%	2%	5%	4%	2%	2%	2%	2%
Asia Pacific	30	40	51	61	66	70	77	80	85	89	91	93	95	97
% Growth	9%	33%	28%	20%	8%	6%	10%	4%	6%	5%	2%	2%	2%	2%
Total	**301**	**394**	**448**	**492**	**512**	**535**	**575**	**585**	**610**	**630**	**642**	**650**	**658**	**667**
% Growth	**56%**	**31%**	**14%**	**10%**	**4%**	**4%**	**7%**	**2%**	**4%**	**3%**	**2%**	**1%**	**1%**	**1%**
Average Nights per Booking	**4.1**	**4.1**	**3.9**	**3.8**	**3.8**	**3.9**	**3.9**	**4.0**	**4.0**	**4.0**	**4.1**	**4.1**	**4.2**	**4.2**
% Growth		**0%**	**-5%**	**-3%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**
Bookings	**73**	**96**	**115**	**129**	**133**	**138**	**147**	**148**	**153**	**156**	**158**	**158**	**158**	**159**
% Growth		**31%**	**20%**	**13%**	**3%**	**3%**	**6%**	**1%**	**3%**	**2%**	**1%**	**0%**	**0%**	**0%**
Gross Booking Value per night and experience by region														
North America	222	242	239	246	249	256	260	270	266	270	272	274	276	278
% Growth		9%	-1%	3%	1%	3%	2%	4%	-1%	2%	1%	1%	1%	1%
EMEA	124	128	140	148	150	152	154	156	158	160	162	164	166	168
% Growth		3%	10%	5%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Latin America	95	91	95	93	95	97	99	101	103	105	107	109	111	113
% Growth		-4%	4%	-1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Asia Pacific	109	116	118	117	120	121	123	125	127	129	131	133	135	137
% Growth		7%	2%	-1%	3%	1%	2%	2%	2%	2%	2%	2%	2%	1%
Total	**156**	**160**	**164**	**166**	**169**	**172**	**175**	**180**	**180**	**183**	**185**	**187**	**189**	**191**
% Growth		**3%**	**2%**	**2%**	**1%**	**2%**	**1%**	**3%**	**0%**	**1%**	**1%**	**1%**	**1%**	**1%**
Gross Booking Value (GBV) in $millions														
North America	25305	32246	34941	37816	39840	43520	47320	51300	53200	55890	57936	58910	59892	61160
% Growth	92%	27%	8%	8%	5%	9%	9%	8%	4%	5%	4%	2%	2%	2%
EMEA	14607	21486	26241	29750	30900	31920	34342	34320	35550	36800	37584	38376	39176	39984
% Growth	119%	47%	22%	13%	4%	3%	8%	0%	4%	4%	2%	2%	2%	2%
Latin America	3706	4838	6054	7092	7625	8272	9236	9625	10332	10953	11375	11806	12245	12691
% Growth	118%	31%	25%	17%	8%	8%	12%	4%	7%	6%	4%	4%	4%	4%
Asia Pacific	3259	4642	6016	7126	7920	8457	9457	9986	10780	11465	11905	12352	12808	13272
% Growth	38%	42%	30%	18%	11%	7%	12%	6%	8%	6%	4%	4%	4%	4%
Total	**46877**	**63212**	**73252**	**81784**	**86285**	**92169**	**100355**	**105231**	**109861**	**115108**	**118800**	**121444**	**124121**	**127107**
% Growth	**96%**	**35%**	**16%**	**12%**	**6%**	**7%**	**9%**	**5%**	**4%**	**5%**	**3%**	**2%**	**2%**	**2%**
Take Rate	**12.8%**	**13.3%**	**13.5%**	**13.6%**	**13.7%**	**13.8%**	**13.9%**	**14.2%**	**14.3%**	**14.3%**	**14.3%**	**14.3%**	**14.3%**	**14.3%**
% Growth	**-10%**	**4%**	**2%**	**0%**	**1%**	**1%**	**1%**	**2%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**
Revenue														
North America	3201	4210	4638	5006	5458	6006	6577	7285	7630	7992	8285	8424	8565	8746
% Growth	81%	32%	10%	8%	9%	10%	10%	11%	5%	5%	4%	2%	2%	2%
% of Total	53%	50%	47%	45%	46%	47%	47%	49%	48%	49%	49%	49%	48%	48%
EMEA	1931	2924	3615	4135	4233	4405	4774	4873	5099	5262	5375	5488	5602	5718
% Growth	89%	51%	24%	14%	2%	4%	8%	2%	5%	3%	2%	2%	2%	2%
% of Total	32%	35%	36%	37%	36%	35%	34%	33%	32%	32%	32%	32%	32%	31%
Latin America	431	643	824	969	1045	1142	1284	1367	1482	1566	1627	1688	1751	1815
% Growth	78%	49%	28%	18%	8%	9%	12%	6%	8%	6%	4%	4%	4%	4%
% of Total	7%	8%	8%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%
Asia Pacific	429	622	840	992	1085	1167	1315	1418	1546	1639	1702	1766	1832	1898
% Growth	26%	45%	35%	18%	9%	8%	13%	8%	9%	6%	4%	4%	4%	4%
% of Total	7%	7%	8%	9%	9%	9%	9%	9%	10%	10%	**10%**	**10%**	**10%**	**10%**
Total	**5992**	**8399**	**9917**	**11102**	**11821**	**12719**	**13949**	**14943**	**15756**	**16460**	**16988**	**17367**	**17749**	**18176**
% Growth	**77%**	**40%**	**18%**	**12%**	**6%**	**8%**	**10%**	**7%**	**5%**	**4%**	**3%**	**2%**	**2%**	**2%**

Airbnb, Inc.

Income Statement

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	3652	4805	3378	5992	8399	9917	11102	11821	12719	13949	14943	15756	16460	16988	17367	17749	18176
Cost of Revenue	1391	1897	1628	1827	2451	2845	3095	3295	3482	3749	3942	4077	4260	4396	4494	4593	4704
Depreciation	60	68	90	152	70	31	50	51	56	56	58	62	61	56	57	57	57
Amortization of Intangibles	22	46	36	24	19	13	15	27	27	27	27	27	27	27	27	27	27
Gross Income	**2179**	**2794**	**1624**	**3989**	**5859**	**7028**	**7942**	**8448**	**9154**	**10117**	**10916**	**11590**	**12112**	**12509**	**12789**	**13072**	**13388**
Research & Development	579	977	2753	1425	1502	1722	2056	2307	2610	2862	3066	3233	3378	3486	3563	3642	3730
Other SG&A	1581	2315	2310	2010	2478	3785	3333	3194	3310	3630	3888	4100	4283	4421	4519	4619	4730
EBIT (Operating Income)	**19**	**-498**	**-3439**	**553**	**1879**	**1521**	**2553**	**2946**	**3235**	**3625**	**3961**	**4257**	**4452**	**4602**	**4706**	**4811**	**4929**
Nonoperating Interest Income	67	86	27	13	186	721	818	926	1026	1108	1223	1365	1756	2177	2464	2772	3104
Equity in Earnings of Affiliates	-3	-6	-8	-4	-5	-6	0	0	0	0	0	0	0	0	0	0	0
Other Income (Expense)	-9	25	-864	-629	44	-42	1	0	0	0	0	0	0	0	0	0	0
Nonoperating, Net	**54**	**105**	**-845**	**-620**	**225**	**673**	**819**	**926**	**1026**	**1108**	**1223**	**1365**	**1756**	**2177**	**2464**	**2772**	**3104**
Interest Expense	26	10	172	60	24	83	0	0	0	0	0	0	0	0	0	0	0
Unusual Expense - Net	0	9	227	174	91	9	41	0	0	0	0	0	0	0	0	0	0
Pretax Income	**47**	**-412**	**-4682**	**-300**	**1989**	**2102**	**3331**	**3872**	**4260**	**4733**	**5184**	**5622**	**6207**	**6779**	**7170**	**7583**	**8033**
Income Taxes	64	263	-97	52	96	-2690	683	813	895	994	1089	1181	1304	1424	1506	1593	1687
Net Income	**-17**	**-674**	**-4585**	**-352**	**1893**	**4792**	**2648**	**3059**	**3366**	**3739**	**4095**	**4442**	**4904**	**5355**	**5665**	**5991**	**6346**
Per Share																	
EPS (basic)	-0.03	-1.14	-7.65	-0.57	2.97	7.52	4.19	4.84	5.53	6.42	7.31	8.22	9.23	10.07	10.65	11.26	11.93
% Growth		3895.44%	571.94%	-92.53%	-619.89%	153.15%	-44.30%	15.53%	14.24%	16.06%	13.90%	12.50%	12.29%	9.07%	5.73%	5.76%	5.93%
Weighted Average Shares Outstanding	592	592	599	616	637	637	632	609	583	560	540	531	532	532	532	532	532
Total Shares Outstanding	592	592	599	634	631	638	623	594	571	550	531	531	532	532	532	532	532
EBIT	19	-498	-3439	553	1879	1521	2553	2946	3235	3625	3961	4257	4452	4602	4706	4811	4929
EBIT Margin	1%	-10%	-102%	9%	22%	15%	23%	25%	25%	26%	27%	27%	27%	27%	27%	27%	27%
Depreciation & Amortization Expense	82	114	126	176	89	44	65	78	83	83	85	89	88	83	84	84	84
EBITDA	101	-383	-3313	729	1968	1565	2618	3024	3317	3708	4047	4346	4540	4686	4790	4895	5013
% Growth		-479.14%	763.91%	-122.00%	170.03%	-20.49%	67.28%	15.51%	9.70%	11.77%	9.14%	7.39%	4.47%	3.21%	2.23%	2.20%	2.41%
EBITDA Margin	3%	-8%	-98%	12%	23%	16%	24%	26%	26%	27%	27%	28%	28%	28%	28%	28%	28%

Airbnb, Inc.

Balance Sheet

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets																	
Cash	2141	2014	5514	6082	7395	6898	6889	7,285	8,153	9,442	11,100	16,062	21,428	24,996	28,827	32,972	37,491
Total Short Term Investments	1188	1061	911	2255	2244	3197	3747	3884	4026	4174	4326	4485	4649	4819	4995	5178	5368
Accounts Receivables, Net	81	129	190	143	200	249	175	327	352	386	413	436	455	470	481	491	503
Other Current Assets	2464	3358	2302	3907	5022	6165	6369	6782	7297	8003	8572	9039	9443	9746	9963	10182	10427
Total Current Assets	**5875**	**6561**	**8916**	**12386**	**14861**	**16509**	**17180**	**18,277**	**19,828**	**22,004**	**24,413**	**30,022**	**35,976**	**40,031**	**44,266**	**48,823**	**53,789**
Net Property, Plant & Equipment	309	687	654	429	259	279	291	319	324	335	355	352	324	326	328	330	331
Total Long-Term Investments	0	13	11	85	79	95	96	100	103	107	111	115	119	123	128	133	138
Goodwill	290	652	656	653	650	752	750	750	750	750	750	750	750	750	750	750	750
Other Intangible Assets	29	103	76	52	34	40	27	24	21	18	15	12	9	6	3	0	0
Deferred Tax Assets						2919	2439	2512	2512	2512	2512	2512	2512	2512	2512	2512	2512
Other Assets	111	294	178	103	155	89	176	187	202	221	237	250	261	269	275	281	288
Total Assets	**6613**	**8310**	**10491**	**13708**	**16038**	**20683**	**20959**	**22170**	**23739**	**25948**	**28392**	**34013**	**39951**	**44018**	**48262**	**52829**	**57808**
Liabilities & Shareholders' Equity																	
ST Debt & Curr. Portion LT Debt	0	38	67	63	59	61	63	91	99	107	117	125	132	138	143	146	149
Accounts Payable	71	151	80	118	137	141	142	151	163	178	191	202	211	217	222	227	232
Income Tax Payable	378	470	354	518	624	1119	1055	1218	1397	1595	1813	2049	2310	2595	2896	3214	3552
Accrued Payroll	151	253	380	416	380	436	498	530	571	626	670	707	738	762	779	796	815
Other Current Liabilities	3136	4321	4260	5244	6778	8193	8403	8947	9627	10558	11310	11926	12459	12858	13145	13434	13757
Total Current Liabilities	**3736**	**5234**	**5140**	**6359**	**7978**	**9950**	**10161**	**10938**	**11856**	**13064**	**14102**	**15009**	**15850**	**16570**	**17184**	**17817**	**18506**
Long-Term Debt	3232	3613	2246	2355	2282	2243	2231	2703	2882	3028	3231	3398	3529	3636	3722	3783	3845
Deferred Tax Liabilities						38		0	0	0	0	0	0	0	0	0	0
Other Liabilities	163	271	203	218	218	287	155	271	292	320	343	362	378	390	399	407	417
Total Liabilities	**7130**	**9118**	**7590**	**8933**	**10478**	**12518**	**12547**	**13912**	**15030**	**16413**	**17676**	**18768**	**19757**	**20596**	**21304**	**22008**	**22768**
Equity																	
Common Stock + APIC	259	618	8905	11140	11557	11639	12602	12688	12775	12861	12947	13034	13080	13080	13080	13080	13080
Retained Earnings	-769	-1421	-6006	-6358	-5965	-3425	-4225	-4466	-4100	-3361	-2266	2176	7079	10307	13843	17707	21925
Other Appropriated Reserves	-8	-4	3	-7	-32	-49	35	35	35	35	35	35	35	35	35	35	35
Total Shareholders' Equity	**-517**	**-808**	**2902**	**4776**	**5560**	**8165**	**8412**	**8258**	**8710**	**9535**	**10716**	**15245**	**20194**	**23421**	**26958**	**30821**	**35039**
Total Liabilities & Shareholders' E	**6613**	**8310**	**10491**	**13708**	**16038**	**20683**	**20959**	**22170**	**23739**	**25948**	**28392**	**34013**	**39951**	**44018**	**48262**	**52829**	**57808**
Check	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	0.00	0.00	0.00	0.00

Airbnb, Inc.
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2017	2018	2019	2020	2021	2022	2023	2024
Net loss / income	**-70**	**-17**	**-674**	**-4585**	**-352**	**1893**	**4792**	**2648**
Adjustments to reconcile net income / loss to cash provided by operating activities	321	612	897	3955	2542	1537	-908	1870
Depreciation and amortization	79	82	114	126	138	81	44	65
Stock-based compensation expense	38	54	98	3002	899	930	1120	1407
Deferred income taxes	-4	-5	-6	-20	11	-1	-2875	433
Impairment of investments	0	0	28	82	3	0		
Amortization / accretion of premium / discount on marketable securities, net	-1	3	-2					
Change in fair value of warrant liability				869	292	0	0	
Impairment of operating lease right-of-use assets				36	113	91	0	0
Loss on extinguishment of debt					377	0	0	
Other, net	26	57	45	145	71	117	83	32
Total other, net	37	51	42	198	46	55		
Gain / loss on investments, net	0	0	-38	31	-8	-2		
Bad debt expense	31	49	77	108	27	49		
Amortization of debt discount and debt issuance costs				18	8			
Impairment of operating lease right-of-use assets	3	-6	4	6	7			
Gain / loss on warrants, net	3	9	-1	35	12	8		
Foreign exchange gain / loss	-11	6	3	-53	24	62		
Changes in operating assets and liabilities, net of acquisitions	183	421	620	-285	638	319	720	-67
Prepaids and other assets	-139	-103	-137	-49	-29	-185	-102	-163
Prepaids and other assets excluding operating lease right-of-use assets	-139	-103	-186	-16	-54	-226		
Operating lease right-of-use assets	0	0	49	-33	25	41		
Accrued expenses and other liabilities	187	378	581	32	171	224	580	-104
Accounts payable	12	30	76	-73	40	20		
Accrued expenses and other liabilities excluding accounts payable	175	348	506	105	131	204		
Accrued expenses and other liabilities excluding operating lease liabilities	175	348	548	44	165	273		
Operating lease liabilities	0	0	-42	61	-34	-69		
Unearned fees	135	146	176	-267	496	280	242	200
Net cash provided by operating activities	**251**	**596**	**223**	**-630**	**2190**	**3430**	**3884**	**4518**
Purchases of marketable securities	-1040	-1271	-1016	-3033	-4938	-4072	-3308	-3146
Sales and maturities of short-term investments	528	756	1161	3158	3611	4071	2380	2605
Sales of marketable securities	473	555	609	1348	1584	909		
Maturities of marketable securities	55	201	552	1810	2027	3162		
Payments for equity investments in privately-held companies	-4	-29	-208	0	0			
Acquisitions, net of cash acquired	-173	-31	-192	0	0			
Other investing activities, net	-100	-94	-92	-46	-25	-27	-114	-75
Purchases of property and equipment	-100	-91	-125	-37	-25	-25		
Other, net	0	-3	34	-9	1	-2		
Net cash used in investing activities	**-789**	**-668**	**-347**	**80**	**-1352**	**-28**	**-1042**	**-616**
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and offering costs				3651	0	0		
Taxes paid related to net share settlement of equity awards				-1650	-54	-607	-1224	-630
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	50	0	0	1929	0	0		
Proceeds from tenant improvement allowance under build-to-suit leases	5	7	0					
Principal repayment of long-term debt				-5	-1995	0	0	
Prepayment penalty on long-term debt					-213	0	0	
Proceeds from issuance of long-term debt and warrants, net of issuance costs					1979	0	0	
Purchases of capped calls related to convertible senior notes					-100	0	0	
Proceeds from exercise of equity awards and employee stock purchase plan	1	16	6	15	188	88	110	168
Principal repayment of long-term debt	1	16	6	15	138	40		
Proceeds from the issuance of common stock under employee stock purchase plan					51	48		
Repurchases of common stock						-1500	-2252	-3430
Change in funds payable and amounts payable to customers	617	118	849	-1012	1626	1330	936	320
Other financing activities, net				14	0	0		
Other net								
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	227	-159	-25	134	-210	-337	152	-237
Net increase / decrease in cash, cash equivalents, and restricted cash	362	-91	705	2525	2059	2376	564	93
Cash, cash equivalents, and restricted cash, beginning of period	4167	4530	4439	5143	7668	9727	12103	12667
Cash, cash equivalents, and restricted cash, end of period	4530	4439	5143	7668	9727	12103	12667	12760
Supplemental disclosure								
Cash paid for income taxes, net of refunds	-9	-45	-28	-15	-17	-68	-132	
Cash paid for interest	-14	-21	-5	-130	-50	-8	-55	
Operating leases							84	
Noncash investing and financing activities								
Common stock and stock awards issued for acquisitions	81	5	241	0	0			
Net impact of non-cash changes to right-of-use assets related to modifications and reassessments of operating leases							20	
Net settlement of cashless stock option exercises							36	
Net settlement of cashless warrants exercised							202	
Net cash provided by financing activities	**673**	**141**	**855**	**2941**	**1431**	**-689**	**-2430**	**-3572**
Cash at Beginning of Year			2141	2014	5514	6082	7395	6898
Net Change in Cash			-127	3501	568	1313	-497	-9
Cash at End of Year			2014	5514	6082	7395	6898	6889

Airbnb, Inc.

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net Income	**3059**	**3366**	**3739**	**4095**	**4442**	**4904**	**5355**	**5665**	**5991**	**6346**
Cash flows from operating activates:										
Depreciation	51	56	56	58	62	61	56	57	57	57
Changes in Accounts Receivables, Net	-152	-25	-34	-27	-23	-19	-15	-10	-11	-12
Changes in Other Current Assets	-413	-515	-706	-570	-467	-404	-303	-217	-220	-245
Changes in Deferred Tax Assets	-73	0	0	0	0	0	0	0	0	0
Changes in Other Assets	-11	-14	-20	-16	-13	-11	-8	-6	-6	-7
Changes in Accounts Payable	9	11	16	13	10	9	7	5	5	5
Changes in Income Tax Payable	163	179	199	218	236	261	285	301	319	337
Changes in Accrued Payroll	32	40	55	45	36	32	24	17	17	19
Changes in Other Current Liabilities	544	680	931	752	616	533	400	286	290	323
Changes in Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0	0
Changes in Other Liabilities	116	21	28	23	19	16	12	9	9	10
Net Cash from Operations	**266**	**432**	**526**	**495**	**477**	**477**	**457**	**441**	**460**	**489**
Cash flows from investing activities:										
Changes in Total Short Term Investments	-137	-142	-147	-153	-158	-164	-170	-176	-183	-190
Changes in Total Long-Term Investments	-4	-4	-4	-4	-4	-4	-4	-5	-5	-5
Changes in Other Intangible Assets	3	3	3	3	3	3	3	3	3	0
CapEx	-79	-60	-68	-78	-59	-33	-59	-59	-59	-59
Net Cash from Investing Activities	**-217**	**-203**	**-216**	**-232**	**-218**	**-198**	**-230**	**-237**	**-243**	**-253**
Cash flows from financing activities:										
Changes in ST Debt & Curr. Portion LT Debt	28	8	8	10	8	7	6	4	3	3
Changes in Long-Term Debt	472	178	147	203	166	131	107	86	61	62
Changes in Common Stock + APIC	86	86	86	86	86	46	0	0	0	0
Other Appropriated Reserves	0	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	-2128	-2128	-2128	-2128
Share Repurchases	-3,300	-3,000	-3,000	-3,000	0	0	0	0	0	0
Net Cash from Financing Activities	**-2713**	**-2727**	**-2759**	**-2700**	**261**	**184**	**-2015**	**-2037**	**-2063**	**-2063**
Cash at Beginning of Year	6889	7285	8153	9442	11100	16062	21428	24996	28827	32972
Net Change in Cash	**396**	**868**	**1290**	**1658**	**4962**	**5366**	**3567**	**3832**	**4144**	**4519**
Cash at End of Year	7285	8153	9442	11100	16062	21428	24996	28827	32972	37491

Airbnb, Inc.

Common Size Income Statement

Fiscal Years Ending Dec. 31	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	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%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Revenue	37.63%	38.08%	39.48%	48.19%	30.50%	29.18%	28.69%	27.88%	27.88%	27.38%	26.88%	26.38%	25.88%	25.88%	25.88%	25.88%	25.88%	25.88%
Depreciation	1.68%	1.65%	1.42%	2.65%	2.54%	0.84%	0.31%	0.45%	0.43%	0.44%	0.40%	0.39%	0.39%	0.37%	0.33%	0.33%	0.32%	0.32%
Amortization of Intangibles	1.42%	0.60%	0.96%	1.07%	0.39%	0.23%	0.13%	0.14%	0.23%	0.21%	0.19%	0.18%	0.17%	0.16%	0.16%	0.16%	0.15%	0.15%
Gross Income	**59.27%**	**59.66%**	**58.14%**	**48.08%**	**66.57%**	**69.76%**	**70.87%**	**71.54%**	**71.46%**	**71.97%**	**72.52%**	**73.05%**	**73.56%**	**73.59%**	**73.63%**	**73.64%**	**73.65%**	**73.66%**
Research & Development	15.64%	15.86%	20.33%	81.49%	23.78%	17.88%	17.36%	18.52%	19.52%	20.52%	20.52%	20.52%	20.52%	20.52%	20.52%	20.52%	20.52%	20.52%
Other SG&A	46.80%	43.29%	48.17%	68.38%	33.55%	29.50%	38.17%	30.02%	27.02%	26.02%	26.02%	26.02%	26.02%	26.02%	26.02%	26.02%	26.02%	26.02%
EBIT (Operating Income)	**-3.18%**	**0.51%**	**-10.36%**	**-101.79%**	**9.24%**	**22.37%**	**15.34%**	**23.00%**	**24.92%**	**25.43%**	**25.98%**	**26.51%**	**27.02%**	**27.04%**	**27.09%**	**27.10%**	**27.11%**	**27.12%**
Nonoperating Interest Income	1.25%	1.83%	1.79%	0.80%	0.21%	2.21%	7.27%	7.37%	7.83%	8.06%	7.94%	8.18%	8.67%	10.67%	12.81%	14.19%	15.62%	17.08%
Equity in Earnings of Affiliates	-0.03%	-0.09%	-0.12%	-0.24%	-0.06%	-0.06%	-0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Income (Expense)	0.29%	-0.25%	0.52%	-25.57%	-10.50%	0.52%	-0.42%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nonoperating, Net	**1.51%**	**1.49%**	**2.18%**	**-25.01%**	**-10.34%**	**2.67%**	**6.79%**	**7.38%**	**7.83%**	**8.06%**	**7.94%**	**8.18%**	**8.67%**	**10.67%**	**12.81%**	**14.19%**	**15.62%**	**17.08%**
Interest Expense	0.64%	0.72%	0.21%	5.08%	1.01%	0.29%	0.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual Expense - Net	0.00%	0.00%	0.19%	6.71%	2.90%	1.08%	0.09%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pretax Income	**-2.31%**	**1.29%**	**-8.57%**	**-138.59%**	**-5.01%**	**23.68%**	**21.20%**	**30.00%**	**32.76%**	**33.50%**	**33.93%**	**34.69%**	**35.68%**	**37.71%**	**39.90%**	**41.29%**	**42.73%**	**44.20%**
Income Taxes	0.43%	1.75%	5.47%	-2.88%	0.86%	1.14%	-27.13%	6.15%	6.88%	7.03%	7.12%	7.29%	7.49%	7.92%	8.38%	8.67%	8.97%	9.28%
Net Income	**-2.73%**	**-0.46%**	**-14.03%**	**-135.71%**	**-5.88%**	**22.54%**	**48.32%**	**23.85%**	**25.88%**	**26.46%**	**26.80%**	**27.41%**	**28.19%**	**29.79%**	**31.52%**	**32.62%**	**33.75%**	**34.91%**

Airbnb, Inc.

Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets																	
Cash	58.62%	41.91%	163.23%	101.51%	88.05%	69.56%	62.05%	61.62%	64.10%	67.69%	74.29%	101.94%	130.18%	147.13%	165.99%	185.76%	206.26%
Total Short Term Investments	32.54%	22.07%	26.96%	37.64%	26.72%	32.24%	33.75%	32.86%	31.65%	29.92%	28.95%	28.46%	28.24%	28.37%	28.76%	29.17%	29.53%
Accounts Receivables, Net	2.21%	2.69%	5.62%	2.38%	2.38%	2.51%	1.58%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%
Other Current Assets	67.48%	69.87%	68.13%	65.20%	59.79%	62.17%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%	57.37%
Total Current Assets	**160.86%**	**136.55%**	**263.94%**	**206.72%**	**176.94%**	**166.47%**	**154.75%**	**154.62%**	**155.89%**	**157.74%**	**163.37%**	**190.54%**	**218.56%**	**235.63%**	**254.89%**	**275.07%**	**295.93%**
Net Property, Plant & Equipment	8.47%	14.29%	19.37%	7.15%	3.08%	2.81%	2.62%	2.70%	2.54%	2.40%	2.37%	2.23%	1.97%	1.92%	1.89%	1.86%	1.82%
Total Long-Term Investments	0.00%	0.27%	0.34%	1.43%	0.94%	0.96%	0.86%	0.84%	0.81%	0.77%	0.74%	0.73%	0.72%	0.73%	0.74%	0.75%	0.76%
Goodwill	7.94%	13.57%	19.41%	10.89%	7.74%	7.58%	6.76%	6.34%	5.90%	5.38%	5.02%	4.76%	4.56%	4.41%	4.32%	4.23%	4.13%
Other Intangible Assets	0.79%	2.14%	2.25%	0.87%	0.40%	0.40%	0.24%	0.20%	0.17%	0.13%	0.10%	0.08%	0.05%	0.04%	0.02%	0.00%	0.00%
Deferred Tax Assets	0.00%	0.00%	0.00%	0.00%	0.00%	29.43%	21.97%	21.25%	19.75%	18.01%	16.81%	15.94%	15.26%	14.79%	14.47%	14.15%	13.82%
Other Assets	3.03%	6.11%	5.26%	1.72%	1.85%	0.90%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%
Total Assets	**181.08%**	**172.94%**	**310.56%**	**228.79%**	**190.95%**	**208.56%**	**188.79%**	**187.54%**	**186.64%**	**186.01%**	**190.01%**	**215.87%**	**242.71%**	**259.10%**	**277.90%**	**297.64%**	**318.04%**
Liabilities & Shareholders' Equity																	
ST Debt & Curr. Portion LT Debt	0.00%	0.79%	1.97%	1.06%	0.70%	0.62%	0.57%	0.77%	0.78%	0.77%	0.78%	0.80%	0.80%	0.81%	0.82%	0.82%	0.82%
Accounts Payable	1.93%	3.15%	2.37%	1.98%	1.63%	1.42%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%	1.28%
Income Tax Payable	10.36%	9.78%	10.47%	8.64%	7.43%	11.28%	9.50%	10.30%	10.98%	11.44%	12.13%	13.01%	14.03%	15.27%	16.67%	18.11%	19.54%
Accrued Payroll	4.12%	5.27%	11.25%	6.94%	4.52%	4.40%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%
Other Current Liabilities	85.88%	89.92%	126.09%	87.53%	80.70%	82.62%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%	75.69%
Total Current Liabilities	102.30%	108.92%	152.15%	106.13%	94.99%	100.33%	91.52%	92.53%	93.21%	93.66%	94.37%	95.26%	96.29%	97.54%	98.95%	100.38%	101.81%
Long-Term Debt	88.49%	75.19%	66.50%	39.30%	27.17%	22.62%	20.10%	22.87%	22.66%	21.71%	21.63%	21.57%	21.44%	21.40%	21.43%	21.31%	21.15%
Deferred Tax Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	4.46%	5.64%	6.02%	3.65%	2.60%	2.89%	1.40%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Total Liabilities	**195.25%**	**189.75%**	**224.67%**	**149.08%**	**124.75%**	**126.23%**	**113.02%**	**117.69%**	**118.16%**	**117.66%**	**118.29%**	**119.12%**	**120.03%**	**121.24%**	**122.67%**	**123.99%**	**125.26%**
Equity																	
Common Stock + APIC	7.10%	12.85%	263.60%	185.93%	137.60%	117.36%	113.51%	107.34%	100.44%	92.20%	86.65%	82.72%	79.46%	76.99%	75.32%	73.69%	71.96%
Retained Earnings	-21.05%	-29.57%	-177.78%	-106.11%	-71.02%	-34.54%	-38.06%	-37.78%	-32.24%	-24.10%	-15.16%	13.81%	43.01%	60.67%	79.71%	99.76%	120.62%
Other Appropriated Reserves	-0.22%	-0.09%	0.08%	-0.12%	-0.38%	-0.49%	0.32%	0.30%	0.28%	0.25%	0.23%	0.22%	0.21%	0.21%	0.20%	0.20%	0.19%
Total Shareholders' Equity	-14.17%	-16.81%	85.90%	79.70%	66.20%	82.33%	75.77%	69.85%	68.48%	68.35%	71.72%	96.75%	122.68%	137.87%	155.23%	173.65%	192.78%
Total Liabilities & Shareholders' Equity	181.08%	172.94%	310.56%	228.79%	190.95%	208.56%	188.79%	187.54%	186.64%	186.01%	190.01%	215.87%	242.71%	259.10%	277.90%	297.64%	318.04%

Airbnb, Inc.

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:			*ASSUMPTIONS:*
Risk-Free Rate	4.04%		*10-year Treasury bond*
Beta	1.11		*5 year Monthly Beta*
Equity Risk Premium	5.00%		*1928-2024 geometric average over 10-year Treasury*
Cost of Equity	**9.59%**		
Cost of Debt:			
Risk-Free Rate	4.04%		*10-year Treasury bond*
Implied Default Premium	1.66%		
Pre-Tax Cost of Debt	5.70%		
Marginal Tax Rate	21%		
After-Tax Cost of Debt	**4.50%**		

Market Value of Common Equity:		**MV Weights**
Total Shares Outstanding	623	
Current Stock Price	$111.54	
MV of Equity	**69,489.42**	96.80%
Market Value of Debt:		
ST Debt & Curr. Portion LT Debt	63	
Long-Term Debt	2231	
MV of Total Debt	**2,294.00**	3.20%
Market Value of the Firm	**71,783**	100.00%

Estimated WACC	**9.43%**

Airbnb, Inc.
Value Driver Estimation

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:																	
Plus: Revenue	3652	4805	3378	5992	8399	9917	11102	11821	12719	13949	14943	15756	16460	16988	17367	17749	18176
Less: Cost of Revenue	1391	1897	1628	1827	2451	2845	3095	3295	3482	3749	3942	4077	4260	4396	4494	4593	4704
Less: Depreciation and Ammortization	82	114	126	176	89	44	65	78	83	83	85	89	88	83	84	84	84
Less: Research & Development	579	977	2753	1425	1502	1722	2056	2307	2610	2862	3066	3233	3378	3486	3563	3642	3730
Less: SG&A	1581	2315	2310	2010	2478	3785	3333	3194	3310	3630	3888	4100	4283	4421	4519	4619	4730
EBIT	**19**	**-498**	**-3439**	**553**	**1879**	**1521**	**2553**	**2946**	**3235**	**3625**	**3961**	**4257**	**4452**	**4602**	**4706**	**4811**	**4929**
Income Tax Provision	64	263	-97	52	96	-2690	683	813	895	994	1089	1181	1304	1424	1506	1593	1687
Less: Tax on Interest Income	67	86	27	13	186	721	818	926	1026	1108	1223	1365	1756	2177	2464	2772	3104
Tax Rate	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**	**21%**
Adjusted Taxes	**14**	**120**	**-781**	**-466**	**-106**	**-2728**	**-107**	**-89**	**-103**	**-90**	**-106**	**-146**	**-357**	**-595**	**-757**	**-932**	**-1120**
Changes in Deferred Taxes		0	0	0	0	-2881	442	-73	0	0	0	0	0	0	0	0	0
NOPLAT	**5**	**-618**	**-2658**	**1019**	**1985**	**1368**	**3102**	**2962**	**3338**	**3715**	**4067**	**4403**	**4809**	**5197**	**5463**	**5743**	**6049**
Invested Capital (IC):																	
Operating Current Assets:																	
Normal Cash	1530	2014	1416	2511	3520	4156	4652	4954	5330	5846	6262	6603	6898	7119	7278	7438	7617
Accounts Receivables, Net	81	129	190	143	200	249	175	327	352	386	413	436	455	470	481	491	503
Other Current Assets	2464	3358	2302	3907	5022	6165	6369	6782	7297	8003	8572	9039	9443	9746	9963	10182	10427
Total Operating Current Assets	**4076**	**5501**	**3907**	**6560**	**8742**	**10570**	**11196**	**12062**	**12979**	**14234**	**15248**	**16078**	**16796**	**17335**	**17721**	**18111**	**18547**
Operating Current Liabilities:																	
Accounts Payable	71	151	80	118	137	141	142	151	163	178	191	202	211	217	222	227	232
Income Tax Payable	378	470	354	518	624	1119	1055	1218	1397	1595	1813	2049	2310	2595	2896	3214	3552
Accrued Payroll	151	253	380	416	380	436	498	530	571	626	670	707	738	762	779	796	815
Other Current Liabilities	3136	4321	4260	5244	6778	8193	8403	8947	9627	10558	11310	11926	12459	12858	13145	13434	13757
Total Operating Current Liabilities	**3736**	**5196**	**5073**	**6296**	**7919**	**9889**	**10098**	**10846**	**11757**	**12958**	**13985**	**14883**	**15718**	**16432**	**17041**	**17672**	**18357**
Net Operating Working Capital	**340**	**305**	**-1166**	**264**	**823**	**681**	**1098**	**1216**	**1222**	**1276**	**1263**	**1195**	**1079**	**903**	**679**	**440**	**190**
Other Operating Assets:																	
Property and equipment, net	309	687	654	429	259	279	291	319	324	335	355	352	324	326	328	330	331
Other Intangible Assets	29	103	76	52	34	40	27	24	21	18	15	12	9	6	3	0	0
Other assets, noncurrent	111	294	178	103	155	89	176	187	202	221	237	250	261	269	275	281	288
Total Other Operating Assets	**449**	**1084**	**908**	**584**	**448**	**408**	**494**	**531**	**546**	**574**	**607**	**614**	**594**	**601**	**606**	**611**	**619**
Other Operating Liabilties:																	
Other liabilities, noncurrent	163	271	203	218	218	287	155	271	292	320	343	362	378	390	399	407	417
Total Other Operating Liabilites	**163**	**271**	**203**	**218**	**218**	**287**	**155**	**271**	**292**	**320**	**343**	**362**	**378**	**390**	**399**	**407**	**417**
Invested Capital	**625**	**1117**	**-462**	**630**	**1053**	**802**	**1437**	**1475**	**1476**	**1531**	**1527**	**1447**	**1295**	**1114**	**887**	**643**	**392**
Free Cash Flow (FCF):																	
NOPLAT		-618	-2658	1019	1985	1368	3102	2962	3338	3715	4067	4403	4809	5197	5463	5743	6049
Change in IC		492	-1579	1092	423	-251	636	38	1	54	-4	-80	-152	-180	-227	-244	-251
FCF		**-1110**	**-1079**	**-72**	**1562**	**1619**	**2467**	**2924**	**3337**	**3660**	**4071**	**4483**	**4961**	**5378**	**5690**	**5987**	**6300**
Return on Invested Capital (ROIC):																	
NOPLAT		-618	-2658	1019	1985	1368	3102	2962	3338	3715	4067	4403	4809	5197	5463	5743	6049
Beginning IC		625	1117	-462	630	1053	802	1437	1475	1476	1531	1527	1447	1295	1114	887	643
ROIC		**-98.75%**	**-237.90%**	**-220.70%**	**315.14%**	**129.95%**	**386.95%**	**206.09%**	**226.27%**	**251.63%**	**265.72%**	**288.35%**	**332.40%**	**401.45%**	**490.35%**	**647.43%**	**940.34%**
Economic Profit (EP):																	
Beginning IC		625	1117	-462	630	1053	802	1437	1475	1476	1531	1527	1447	1295	1114	887	643
x (ROIC - WACC)		-108.18%	-247.33%	-230.12%	305.71%	120.52%	377.52%	196.67%	216.84%	242.20%	256.29%	278.92%	322.97%	392.02%	480.92%	638.00%	930.92%
EP		**-677**	**-2764**	**1063**	**1925**	**1269**	**3027**	**2827**	**3199**	**3576**	**3923**	**4259**	**4672**	**5075**	**5358**	**5660**	**5988**

Airbnb, Inc.

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

Key Inputs:

CV Growth of NOPLAT	3.00%
CV Year ROIC	940%
WACC	8.93%
Cost of Equity	10.38%

Fiscal Years Ending Dec. 31	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
DCF Model:										
Free Cash Flow (FCF)	2924	3337	3660	4071	4483	4961	5378	5690	5987	6300
Continuing Value (CV)										101718
PV of FCF	2685	2813	2832	2892	2923	2970	2955	2871	2773	47115
Value of Operating Assets:	**72829**									
Non-Operating Adjustments	5291									
Less: Total Debt	2294									
Plus: Excess Cash	4002									
Plus: Investments	3843									
Less: ESOP	260									
Value of Equity	78120									
Shares Outstanding	623									
Intrinsic Value of Last FYE	125									
Implied Price as of Today	**$ 135.81**		21.8%		23.8%					
EP Model:										
Economic Profit (EP)	2827	3199	3576	3923	4259	4672	5075	5358	5660	5988
Continuing Value (CV)										101039
PV of EP	2595	2696	2767	2786	2777	2797	2789	2703	2622	46801
Total PV of EP	71334									
Invested Capital (last FYE)	1437									
Value of Operating Assets:	**72771**									
Non-Operating Adjustments	5291									
Less: Total Debt	2294									
Plus: Excess Cash	4002									
Plus: Investments	3843									
Less: ESOP	260									
Value of Equity	78062									
Shares Outstanding	623									
Intrinsic Value of Last FYE	$ 125									
Implied Price as of Today	**$ 135.71**									

Airbnb, Inc.

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

Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EPS	$ 4.84	$ 5.53	$ 6.42	$ 7.31	$ 8.22	$ 9.23	$ 10.07	$ 10.65	$ 11.26	$ 11.93
Key Assumptions										
CV growth of EPS	3.00%									
CV Year ROE	20.59%									
Cost of Equity	10.38%									
Future Cash Flows										
P/E Multiple (CV Year)										11.58
EPS (CV Year)										$ 11.93
Future Stock Price										$ 138
Dividends Per Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Discounted Cash Flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.78
Intrinsic Value as of Last FYE	$ 56.78									
Implied Price as of Today	$ 61.49									

Airbnb, Inc.

Relative Valuation Models

Ticker	Company	Price	Mkt Cap	EPS 2025E	EPS 2026E	P/E 25E	P/E 26E	Est. 5yr EPS gr.	PEG 25E	PEG 26E	2025E EBITDA	2025E EV	2025E EV/EBITDA
EXPE	Expedia Group	$222.40	$29,838.00	$14.27	$16.96	15.59	13.11	0.07	219.51	184.69	3229	27992	8.67
BKNG	Booking Holdings	$5,254.40	$162,150.00	$223.37	$259.39	23.52	20.26	0.06	373.39	321.54	9639	173157	17.96
MAR	Marriot A	$271.21	$74,245.90	$10.04	$11.26	27.01	24.09	0.07	415.58	370.56	5347	88932	16.63
HLT	Hilton World	$266.22	$62,888.50	$8.05	$9.08	33.07	29.32	0.09	384.54	340.92	3700	73442	19.85
					Average	24.80	21.69		348.26	304.43			15.78
ABNB	Airbnb A	$111.54	$84,820.80	$4.84	$5.53	23.0	20.2	14.4%	159.61	139.71	3024	75389	24.93

Implied Relative Value:

P/E (EPS25)	**$**	**120.03**
P/E (EPS26)	**$**	**119.96**
PEG (EPS25)	**$**	**243.37**
PEG (EPS26)	**$**	**243.04**
Target Price per Share (EV/EBITDA)	**$**	**85.08**

Airbnb, Inc.
Key Management Ratios

Fiscal Years Ending Dec. 31	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:																	
Current Ratio (Current Assets / Current Liabilities)	1.57	1.25	1.73	1.95	1.86	1.66	1.69	1.67	1.67	1.68	1.73	2.00	2.27	2.42	2.58	2.74	2.91
Cash Ratio (Cash / Current Liabilities)	0.57	0.38	1.07	0.96	0.93	0.69	0.68	0.67	0.69	0.72	0.79	1.07	1.35	1.51	1.68	1.85	2.03
Net Working Capital to Revenue Ratio (NWC / Revenue)	0.09	0.06	-0.35	0.04	0.10	0.07	0.10	0.10	0.10	0.09	0.08	0.08	0.07	0.05	0.04	0.02	0.01
Asset-Management Ratios:																	
Net Working Capital Ratio (Revenue / Net Working Capital)	10.75	15.76	-2.90	22.68	10.21	14.57	10.11	9.72	10.41	10.93	11.83	13.19	15.26	18.82	25.56	40.36	95.54
Cash Turnover Ratio (Revenue / Cash)	1.71	2.39	0.61	0.99	1.14	1.44	1.61	1.62	1.56	1.48	1.35	0.98	0.77	0.68	0.60	0.54	0.48
Asset Turnover Ratio (Revenue / Average Total Assets)	0.55	0.58	0.32	0.44	0.52	0.48	0.53	0.53	0.54	0.54	0.53	0.46	0.41	0.39	0.36	0.34	0.31
Financial Leverage Ratios:																	
Debt Ratio (Total Debt / Total Assets)	0.49	0.44	0.22	0.18	0.15	0.11	0.11	0.13	0.13	0.12	0.12	0.10	0.09	0.09	0.08	0.07	0.07
Debt-to-Equity Ratio (Total Debt / Total Equity)	-6.25	-4.52	0.80	0.51	0.42	0.28	0.27	0.34	0.34	0.33	0.31	0.23	0.18	0.16	0.14	0.13	0.11
Long-Term Debt / Total Assets	0.49	0.43	0.21	0.17	0.14	0.11	0.11	0.12	0.12	0.12	0.11	0.10	0.09	0.08	0.08	0.07	0.07
Leverage Ratio (Net Debt / EBITDA)	10.78	-4.27	0.97	-5.03	-2.57	-2.94	-1.76	-1.48	-1.56	-1.70	-1.92	-2.89	-3.91	-4.53	-5.21	-5.93	-6.68
Profitability Ratios:																	
Return on Equity (Net Income / Beginning Total Shareholders' Equity)		130.36%	567.64%	-12.13%	39.64%	86.19%	32.43%	36.37%	40.76%	42.93%	42.95%	41.45%	32.17%	26.52%	24.19%	22.22%	20.59%
Return on Assets (Net Income / Average Total Assets)	-0.25%	-8.11%	-43.70%	-2.57%	11.80%	23.17%	12.63%	13.80%	14.18%	14.41%	14.42%	13.06%	12.27%	12.17%	11.74%	11.34%	10.98%
Gross Margin ((Revenue – COGS) / Revenue)	59.66%	58.14%	48.08%	66.57%	69.76%	70.87%	71.54%	71.46%	71.97%	72.52%	73.05%	73.56%	73.59%	73.63%	73.64%	73.65%	73.66%
Payout Policy Ratios:																	
Dividend Payout Ratio (Dividends / Net Income)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	69.56%	63.22%	56.91%	51.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Payout Ratio ((Dividends + Repurchases) / Net Income)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	69.56%	63.22%	56.91%	51.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Airbnb, Inc.

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

Number of Options Outstanding (shares):	5
Average Time to Maturity (years):	5.53
Expected Annual Number of Options Exercised:	0.9
Current Average Strike Price:	$ 95.53
Cost of Equity:	10.38%
Current Stock Price:	$111.54

Fiscal Years Ending Dec. 31	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
Increase in Shares Outstanding:	0.9	0.9	0.9	0.9	0.9	0.5				
Average Strike Price:	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53	$ 95.53
Increase in Common Stock Account:	**86**	**86**	**86**	**86**	**86**	**46**	**-**	**-**	**-**	**-**
Share Repurchases ($)	3,300	3,000	3,000	3,000	0	0	0	0	0	0
Expected Price of Repurchased Shares:	$ 111.54	$ 123.12	$ 135.90	$ 150.00	$ 165.57	$ 182.76	$ 201.73	$ 222.67	$ 245.78	$ 271.30
Number of Shares Repurchased:	**30**	**24**	**22**	**20**	**-**	**-**	**-**	**-**	**-**	**-**
Shares Outstanding (beginning of the year)	623	594	571	550	531	531	532	532	532	532
Plus: Shares Issued Through ESOP	1	1	1	1	1	0	0	0	0	0
Less: Shares Repurchased in Treasury	30	24	22	20	-	-	-	-	-	-
Shares Outstanding (end of the year)	**594**	**571**	**550**	**531**	**531**	**532**	**532**	**532**	**532**	**532**

Airbnb, Inc.
Valuation of Options Granted under ESOP

Current Stock Price	$111.54
Risk Free Rate	4.04%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	26.50%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	5	95.53	5.53	$ 44.48	$ 260
Total	5	$ 95.53	5.53	$ 44.48	**$ 260**