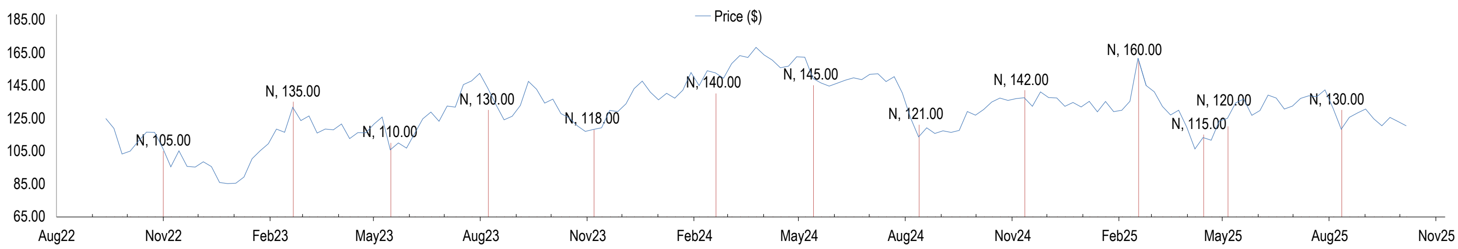
Airbnb

WORLD TRADE SECURITIES

Equity Research

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Neutral	$130.00	31-Dec-26	$118.19	9.99%

Airbnb, Inc. operates an online marketplace for travel information and booking services. The Company offers lodging, home-stay, and tourism services via websites and mobile applications. Airbnb serves clients worldwide.



Note: All analysts forecasts are as of last note published on 07-Aug-2025

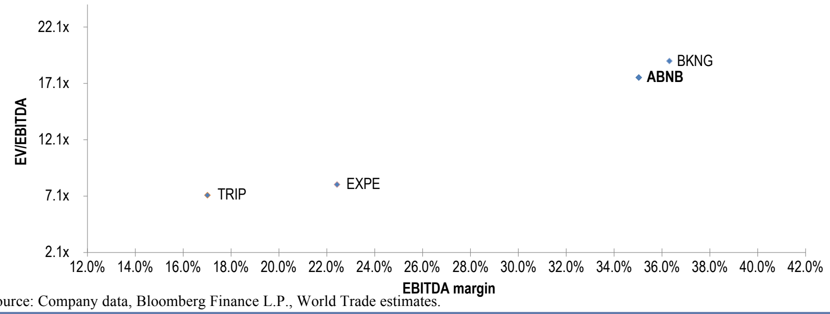
The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials ($mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	9,917	11,102	12,125	13,270	14,651
EBITDA	3,653	4,041	4,247	4,710	5,425
EBIT	3,609	3,976	4,160	4,617	5,328
Pretax Income	4,193	4,754	4,748	5,304	6,174
Net Profit	6,883	4,071	4,146	4,577	5,288
Total Assets	20,645	20,959	21,663	22,391	25,595
Shareholder Equity	8,165	8,412	8,348	10,088	12,090
Adjusted Net Debt/(Cash)	(4,883)	(4,869)	(6,840)	(6,983)	(9,462)
Capex	(47)	(34)	(40)	(42)	(44)
Free Cash Flow to firm	3,608	3,784	3,632	4,383	5,041
EPS ($)	10.40	6.31	6.63	7.41	8.73
DPS	n/a	n/a	n/a	n/a	n/a
Key Ratios	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
EBITDA Margin	36.8%	36.4%	35.0%	35.5%	37.0%
EBIT Margin	36.4%	35.8%	34.3%	34.8%	36.4%
Net Margin	69.4%	36.7%	34.2%	34.5%	36.1%
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	NM
FCF Yield	4.6%	5.0%	4.9%	6.0%	7.0%
P/E	11.4x	18.7x	17.8x	15.9x	13.5x
EV/EBITDA	21.0x	19.0x	17.6x	15.9x	13.3x
ROE	100.3%	49.1%	49.5%	49.7%	47.7%

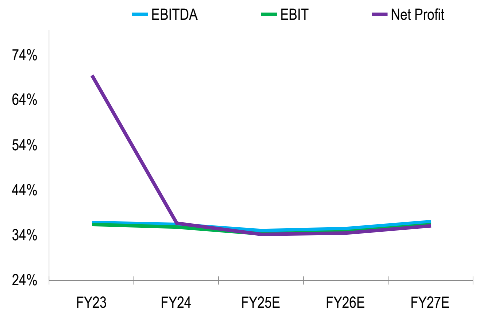
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



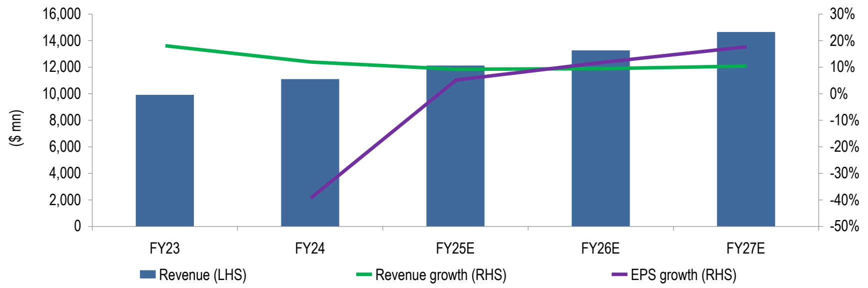
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (ABNB)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	73,987
Shares O/S (mn)	626
Float	89.4%
Dividend Yield	n/a
EPS ($)	6.63
3M - Avg daily volume (mn)	4.76
52 wk High/Low ($)	163.93-99.88

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
6.63	7.41	4.29	4.85

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap ($mn)	EV/EBITDA		P/BV		P/E		ROE	
Local peers							**FY25E**	**FY26E**	**FY25E**	**FY26E**	**FY25E**	**FY26E**	**FY25E**	**FY26E**
TripAdvisor, Inc.	TRIP	2024/12	11-Aug-25	UW	$15.00	1,938	7.2x	5.5x	2.7x	2.0x	10.0x	7.1x	23.3%	31.2%
Booking Holdings	BKNG	2024/12	30-Jul-25	OW	$6,250.00	168,475	19.1x	17.1x	NM	NM	23.3x	20.3x	NM	NM
Expedia Group, Inc.	EXPE	2024/12	08-Aug-25	N	$225.00	28,210	8.1x	7.5x	46.3x	NM	14.9x	12.7x	169.2%	684.8%
Global peers														
Trip.com Group Ltd	TCOM	2024/12	29-Aug-25	OW	$90.00	45,879	16.4x	13.0x	2.0x	1.8x	12.9x	18.4x	12.1%	12.4%
Airbnb	**ABNB**	**2024/12**	**07-Aug-25**	**N**	**$130.00**	**73,987**	**17.6x**	**15.9x**	**8.7x**	**7.1x**	**17.8x**	**15.9x**	**49.5%**	**49.7%**
Median							16.4x	13.0x	5.7x	2.0x	14.9x	15.9x	36.4%	40.4%
Mean							13.7x	11.8x	14.9x	3.6x	15.8x	14.9x	63.5%	194.5%
High							19.1x	17.1x	46.3x	7.1x	23.3x	20.3x	169.2%	684.8%
Low							7.2x	5.5x	2.0x	1.8x	10.0x	7.1x	12.1%	12.4%

Source: Company data, World Trade estimates.

Investment Thesis

Airbnb is a leading global marketplace for short-term rentals, with its community of individual hosts and strong brand the key differentiators. We expect top-line growth to be driven by ongoing consumer adoption of S-T rentals, with Airbnb maintaining its leadership position, and increasingly by ABNB expanding beyond the core, incl. Services & Experiences. Additionally, Airbnb is one of the most profitable online travel companies with 34%+ Adj. EBITDA margins. Overall, Airbnb's execution & product innovations are strong. However, growth sustainability is going to be the biggest pushback, w/incremental growth needing to come from outside the core in a more mature online travel industry.

Valuation

We are establishing a December 2026 price target of $130, up vs. prior Dec '25 PT of $120, based on ~22x our 2027E GAAP EPS, equivalent to ~12x our '27E Adj. EBITDA. We believe ABNB deserves a premium to the ~14x average for the OTAs (BKNG, EXPE, & TCOM) due to its leadership position in the faster growing S-T rentals, global footprint, sizable TAM, and strong 34%+ Adj. EBITDA margin.

Risks to Rating and Price Target

Upside risks include: 1)S-T rentals adoption could remain strong, w/Airbnb benefitting the most given its category leadership; 2) ABNB could successfully expand beyond the core to grow the TAM & drive stronger growth; 3) Adj. EBITDA margins could con't to expand towards 40% driven by its efficient brand-led customer acquisition strategy; and 4) Airbnb could take greater share of overall travel driven by its differentiated supply from individual hosts.

Downside risks include: 1) Macro factors could affect overall travel and Airbnb demand and supply; 2) online travel is hyper-competitive and moving closer toward zero-sum—BKNG and EXPE's Vrbo are competing more aggressively; 3) Airbnb is built on the concept of trust, so negative behaviors of hosts and/or guests could negatively affect Airbnb's reputation and public perception; 4) Airbnb is subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations, and changes in short-term rentals regulations are hard to predict and could negatively impact Airbnb's operations and financial performance.