

airbnb (ABNB US)



Airbnb is the world's largest used Travel Info and Booking services currently being used, offering various attractive low cost services for lodging, home-stay and tourism services. These services include finding rentals, providing amenities and creating listings. Airbnb operates worldwide with 50.1% of revenue being generated in North America alone, trailed behind by EMEA, LATAM and APAC at 34.8%, 7.7% and 7.4%.

Countries Opening up

With travel opening up, Airbnb started recovering with a hike in cross-border and urban room nights, up 49% and 22% YoY respectively. Family travel increased by 60% over the year and has enticed many into becoming new hosts. The company has generally managed to match supply growth with the increasing demand, experiencing the most supply growth locally in NA, followed by APAC, EMEA and LATAM. Both JP Morgan and Barclays have a similar positive sentiment towards ABNB on 4Q22 earnings with risk due to regulations and covid-19 being balanced by market premium and strong leadership. ABNB expects more backlog orders as clients book trips further in advance due to confidence in a strong 2023 summer travel season.

Airbnb ethics and trust

Airbnb is naturally sensitive to user reviews with heavy dependence on applications from both renters and rentees. In the past Airbnb has been under hot water in the past due to the nature of their business. Several complaints have been made regarding the sanitation quality of rentals along with the screening of its users. On the other hand Airbnb also has also spent considerable time adjusting rules and policies that not only restricts users travelling users who are banned for violating guidelines but also users who are associated them. To help hosts launched initiatives like the Airbnb Setup which allows new Hosts to match for free with experienced Superhosts to guide, them as well as aid from Community Support agents.

Airbnb tightened regulations

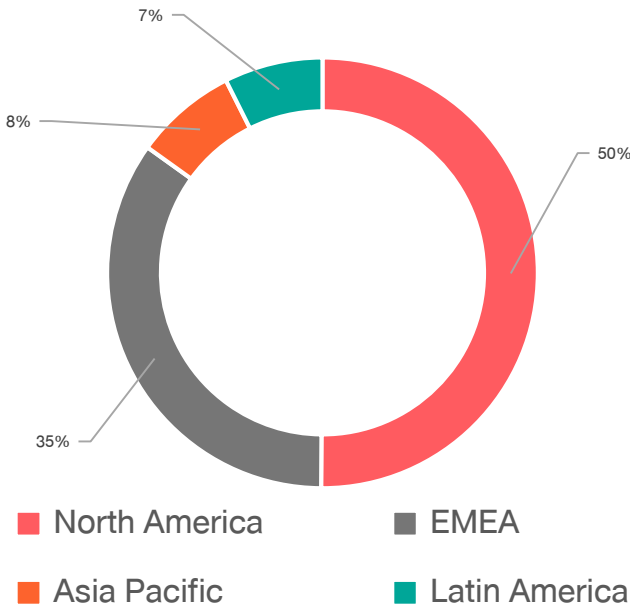
Though COVID 19 reduced number of listings as travel was restricted, Airbnb is still under risk of further restrictions such as New York City restricting requirements for short stay rent, as well as countries and cities such as Thailand outright banning their use. Due to the impact it had pre-Covid on the housing markets, governments are particularly aware of how short stay rentals could impact their economy especially during these high inflation times.

Industry Travel Info and Booking Services
Last Price USD119.84
Bloomberg TP USD138.84
Upside/Downside 15.9%

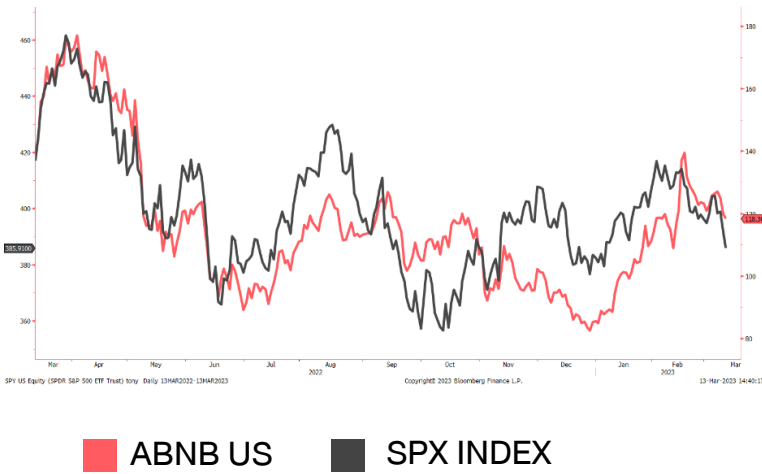
Financial (USD)	22A	23E	24E
Revenue (Millions)	8,399	959	11,060
Net Profit (Millions)	2,022	2,440	2,887
Profit Margin	24.1%	25.4%	26.1%
EBITDA Margin	25.3%	34.5%	36.0%
Earning Per Share	2.98	3.67	4.35

Valuation	22A	23E	24E
P/E (x)	28.69	32.65	27.54
P/B (x)	9.84	9.33	6.66

Revenue Breakdown



YTD Return VS S&P 500 Index



Valuation

Comparing Airbnb to the industry average, Walmart Inc. is under-valued. Most companies in the same industry struggle with very high PE's though it's closest competitor Booking Holdings (BKNG) has a lower PE ratio of 28.18 compared to 42.45. The PBV ratio is lower than competitors at 14.61 compared to BKNG's 35.19 and has a high PEG of 3.47 compared to BKNG and Trip.com's -4.24 and -34.13 respectively.

Disclaimer: This report has been prepared by Finansia Syrus Securities (FSS). The information has been obtained from sources believed to be reliable and accurate; however FSS is not responsible for the accuracy and completeness of such information. Information and opinions contained in the report are subject to change, correction or addition at any time without prior notice. FSS has no intention to persuade or solicit investors to buy or sell securities mentioned in the report. In addition, FSS does not guarantee returns or prices of securities based on the information presented in any way. FSS is therefore not liable for any loss or damage that occurs due to use of information or opinions in the report. Investors should study this report carefully in making investment decisions and exercise discretion when making investment decisions. The company reserves all rights to the information and opinions contained in this report. This report may not be reproduced, distributed or published by any person for any manner or purpose without written permission from FSSIA. Investing in securities has risk. Investors are advised to carefully study all available information before making any investment decision.

Sources: Yahoo Finance, J.P. Morgan, Barclays, Bloomberg (as of 10.03.23)

